

THE MONTHLY NEWSLETTER TO HELP OUR CLIENTS BUILD BETTER BUSINESSES

March 2019

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"Nothing great was ever achieved without enthusiasm."

Ralph Waldo Emerson

"Keeping The Entrepreneurial Spirit Alive"



Sumit Agarwal

Welcome to the March issue of *'The Success Newsletter'*. Spring is in full swing. The sun's shining and as most people look forward to their holidays (or you may have had yours already?) it gives us all a time to reflect on our businesses and the progress we're making!

As you know, we work with dozens of business owners. Many of them are what I would call 'Entrepreneurs' (with a capital 'E'). Some are 'Serial' entrepreneurs, but they all have one thing in common—they are building something. Hopefully, something special. Something that defines their knowledge, expertise, hard work (blood, sweat and tears!) and commitment.

But from time to time, we all take a battering. I have never seen a business go from start-up, to growth and through to successful

sale or exit where everything was perfect. And it's at these 'challenging' times when the entrepreneur really shows himself or herself. It's what sets us apart from the 'pale imitations' of the real thing.

Most of the successful entrepreneurs we work with have at some point taken a real battering, but they pick themselves up, dust themselves down and drive forward relentlessly (hopefully, learning from the mistakes they made).

Nevertheless, it's at these points where our entrepreneurial spirit takes its biggest battering.

At times, because of the pressures of running your own business, your entrepreneurial spirit gets lost, hidden and often subdued.

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Moments Of Truth

You must fight against this. It's your entrepreneurial spirit that gets you up in the morning. That says, 'Here's another day full of opportunities' (the 'NON'-entrepreneurial spirit says, 'I wonder what problems we'll have today!' - there's a big difference).

One of the best ways to keep your entrepreneurial spirit alive and kicking is to keep working 'on' your business, rather than 'in' it.

That's what makes you entrepreneurial. Reading success books (autobiographies written by sports stars, film actors, and business millionaires) and, of course, reading this newsletter will keep the juices flowing and keep you thinking differently—as we do as entrepreneurs.

"Systems, systems, systems... the foundation of successful businesses"

But you must keep the fire burning. Don't take it for granted. And don't let others squash your thinking. It's what keeps us pushing our businesses forward. Have a great month.

SA

In 1987 Jan Carlzon, the CEO of Scandinavian Airlines, wrote the book, 'Moments Of Truth'. It explained how he took the airline from deficit to profit by 'moving' the airline to a customer-focused organisation.

Now, as you know, there have been many books written on customer service, but where this book and Carlzon's strategies really differ is his focus on each interaction the customer has with the business.

He calls these 'Moments of Truth' and, of course, each interaction can be a positive or a negative experience.

Scandinavian Airlines prospered because they worked very hard to make sure each Moment Of Truth with their customers was a very positive experience, and the results they achieved were a testament to this.

Little did Carlzon know that with Moments Of Truth he created, in my opinion, arguably the best, easiest and most amazing customer service system ever devised!

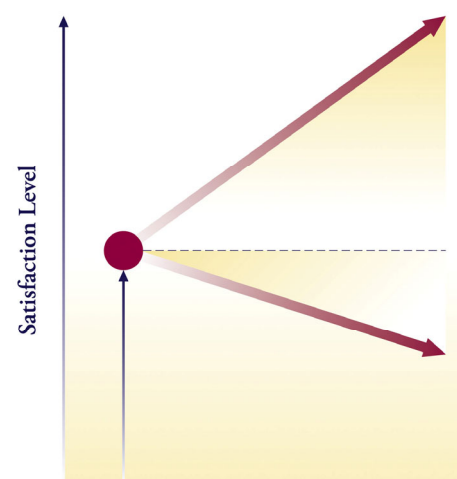
Take a look at the diagram opposite. It shows how at each contact (Moment Of Truth) you need to ensure each interaction is a favourable one for the customer.

So a Moment Of Truth is an interaction between the business and the prospective customer, client or patient.

It's called a Moment Of Truth because, irrespective of the type of interaction that occurs (meeting, letter, phone call, e-mail, etc.), the outcome can either be a positive or a negative experience for the prospect or the client.

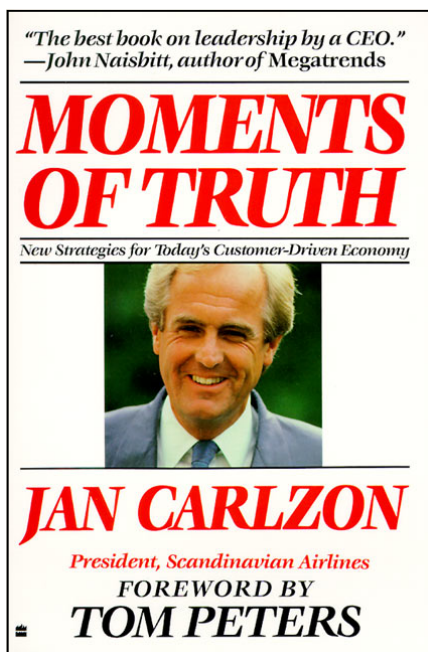
What continues to surprise me is how few businesses use Moments Of Truth or similar strategies to 'WOW' their customers or prospective customers.

Think about your own experiences with other businesses—from a business perspective or simply as a normal consumer. Think back over the last ten years or so and try to pinpoint an interaction that occurred between you and a business where you said to yourself, 'WOW, that was amazing'.



Moments Of Truth: Each point of contact with your customer can be a good or bad one!

Moments Of Truth



Jan Carlzon's brilliant book—yet so few businesses apply Moments Of Truth—this is your opportunity!

So where and when should you be looking to implement Moments Of Truth in your business? That's easy. Look at all your interactions with your customers, clients or patients and for each single interaction write down what you could do to make them think 'WOW' or at least make them think 'that was impressive'.

Once your team grasp the concept of Moments Of Truth, they too will come up with even better ways to create WOWs for your customers. But like everything, you have to implement—otherwise you'll never get the results you deserve.

Now I'd like to finish this article by giving you one of the best examples I've ever seen regarding Moments Of Truth.

I've taken it from a book I recommend titled 'How To Swim With The Sharks Without Being Eaten Alive' by Harvey MacKay.

When I read this, I thought it was the perfect remedy for any of our clients who didn't feel Moments Of Truth would work for them, or felt they were too difficult to implement. It's a short story of how a cab/taxi driver has implemented Moments Of Truth in his business and the effect they have had on it. Read this very carefully.

It's full of nuggets you can use right now in your business...

Harvey was waiting in line for a ride at the airport. When a cab pulled up, the first thing Harvey noticed was that the taxi was polished to a bright shine.

Smartly dressed in a white shirt, black tie and freshly pressed black trousers, the cab driver jumped out and rounded the car to open the back passenger door for Harvey.

He handed Harvey a laminated card and said: "I'm Wally, your driver. While I'm loading your bags in the trunk I'd like you to read my mission statement." Taken aback, Harvey read the card. It said: 'Wally's Mission Statement: To get my customers to their destination in the quickest, safest and cheapest way possible in a friendly environment.'

This blew Harvey away. Especially when he noticed that the inside of the cab matched the outside. Spotlessly clean!

Continued on page 4...



Dumb Criminals

This looks like a safe place...

An El Paso, Texas, man busted into a church and absconded with the safe. Safes are heavy, so he only got a few yards before dropping it on a neighbour's lawn, where he tried to crack it open. That's when he was confronted by the home's occupant—a police officer.

Moments Of Truth

...Continued from page 3

As he slid behind the wheel, Wally said, "Would you like a cup of coffee? I have a thermos of regular and one of decaf." Harvey said jokingly, "No, I'd prefer a soft drink."

Wally smiled and said, "No problem. I have a cooler up front with regular and Diet Coke, water and orange juice."

Almost stuttering, Harvey said, "I'll take a Diet Coke." Handing him his drink, Wally said, "If you'd like something to read, I have The Wall Street Journal, Time, Sports Illustrated and USA Today." As they were pulling away, Wally handed Harvey another laminated card.

"These are the stations I get and the music they play, if you'd like to listen to the radio."

And, as if that wasn't enough, Wally told Harvey that he had the air conditioning on and asked if the temperature was comfortable for him. Then he advised Harvey of the best route to his destination for that time of day. He also let him know that he'd be happy to chat and tell him about some of the sights or, if Harvey preferred, to leave him with his own thoughts.

Then Harvey said, "Tell me, Wally, have you always served



Applying Moments Of Truth to your business conveys outstanding service and positions you more favourably than the competition!

customers like this?" Wally smiled into the rear-view mirror.

"No, not always. In fact, it's only been in the last two years. My first five years driving, I spent most of my time complaining like all the rest of the cabbies do.

"Then I decided to do things differently. I looked around at the other cabs and their drivers. The cabs were dirty, the drivers were unfriendly, and the customers were unhappy. So I decided to make some changes. I put in a few at a time. When my customers responded well, I did more."

"I take it that has paid off for you?" Harvey said. "It sure has," Wally replied. "In my first year I doubled my income from the previous year. This year I'll probably quadruple it. You were lucky to get me today. I don't sit at cabstands anymore.

My customers call me for appointments on my cell phone or leave a message on my answering machine. If I can't pick them up myself I get a reliable cabbie friend to do it, and I take a piece of the action."

Wally was implementing Moments Of Truth, even though he didn't realise it! With just a few changes to the way he worked—and, more importantly, the way every other taxi cab driver/firm worked —Wally transformed his business.

This true story demonstrates that if Moments Of Truth can be so successful for a taxi driver, it can work for any type of business – **ESPECIALLY YOUR BUSINESS!**

The Huge Pitfalls Of Reducing Your Price & What To Do Instead



Steve Hackney—Helping you to quickly grow your business

As the economy struggles to recover, and competition gets more and more fierce, we thought it was important to bring to your attention the problems you encounter by reducing your prices in the hope that this will bring you more sales.

One of the most common and most costly traps business owners fall into has to do with the perception that the quickest way to increase cash flow when sales are down is to have a 'sale'.

On the surface, the concept itself seems to make sense. We need more sales, so we lower our prices.

Lower prices will attract more buyers who will purchase more of our products at the reduced prices. And we'll make up for the money we'll lose with the lower prices by the increased number of sales.

But the reality is, rarely is this strategy a success. Having a sale, reducing prices in order to attract more customers, can often be the kiss of death for businesses unaware of the bigger picture.

In reality, there is rarely a good reason to reduce your prices. No matter what you think, most people do NOT buy on price and price alone. In fact, research over the last 6 recessions has shown that only between 5% and 20% of

people buy on price. Most people think it's the other way around! So let's take a look at the effects of reducing your prices...

Let's assume, for illustration purposes, that your business operates on a 30% margin and you want to reduce the price to increase sales. If you lower the price just 10%, you'll need to increase the number of sales you make, or the number of customers you sell to, by 50% just to maintain the original profit.

Don't believe it? Let's walk through the numbers...

Let's say that you sell an item for £100, and that your total costs to acquire that product and get it out the door comes to £70.

That leaves you with a net profit of £30 on that item.

Now, let's say that you reduce your price by 10%. You now sell that item for £90. You didn't do anything to reduce your product costs or your expenses. All you did is reduce the amount you charged your customers.

If you subtract your £70 costs from the £90 sale price, you net £20.

Now, if you subtract this £20 from your previous profits of £30, you end up with a £10 difference. Divide the £10 by £20, and you get 50%.

So to get back to the same profit level that you were enjoying before you lowered your prices, you'll have to sell more items or the same number of items to Now, here's another problem most businesses fail to take into account. No one knows you're having a sale unless you tell them about it.

So you need to advertise or send something out to let everyone know you're having a sale.

And if you expect to attract more customers and sell more goods, you



Cryptic Puzzle Of The Month

A man bought a bike for £20 and gave the bike dealer a cheque for £30 to pay for it.

The bike dealer persuaded a shopkeeper to change the cheque for him and the buyer, having received his £10 change, rode off on the bike and was not seen again.

Later, the cheque was found to be valueless and the bike dealer had to refund the shopkeeper the amount he had received.

The bike dealer had bought the bike for £10.

How much did the bike dealer lose altogether?

ANSWER ON PAGE 7!

The Huge Pitfalls Of Reducing Your Price

may need to beef up staff, salespeople, delivery, packaging, money processing, accounting, stocking, signage and any number of additional things that you may not initially consider and all of which further increases your costs.

So when you look closely and carefully at having a sale, you may have to sell considerably more than the 50% to even come close to breaking even.

IMPORTANT

REDUCING PRICES IS THEREFORE SOMETHING YOU NEED TO THINK VERY CAREFULLY ABOUT. REMEMBER, VALUE AND PRICE ARE LINKED – SO PROVIDE MORE VALUE AND YOU’LL STILL GET THE SALES!

The Value Of Increasing Prices

In our estimation, we believe that 90% of ALL businesses charge too little for their products and services. Often people are scared to increase their prices, and business owners rarely test different price points (do you?).

But having carefully targeted your prospects and customers (like we always advise you do), you are in a position to charge premium prices because you are seen by the market as THE go-to company for their specific requirements.

And there is no quicker way of increasing your profits and the success of your business than by increasing your prices. Let’s take a look...

Using the same 30% margin as in our previous example, instead of decreasing prices by 10%, you raise them by 10%.

The result?

You can now maintain the same profit margin with a 25% reduction in sales volume... either in the number of items sold, or in the number of customers sold to. You could actually lose one out of every four customers and still make the same money.

Now, let’s compare two identical businesses which sell exactly the same products. Business A lowers prices by 10% and Business B increases prices by 10%. As was pointed out, Business A has to sell 50% more, and Business B can sell 25% less, and they’ll both make the same profits as before.

While the owner of Business A is working his/her tail off just to break even, Business B owner is cruising along without all the stress, worry and other problems, and yet is making the same net profits.

Furthermore, what is often surprising to business owners is that when they do increase their prices, the opposite of what they expect actually occurs. Instead of losing customers, they actually gain more customers.

Why?

Because the higher prices are met with the perception that your products or services are worth more and therefore this perception of ‘added value’ gives

the business a welcome influx of sales it would previously never have received.

We have numerous examples of this. For instance, a photographer was charging just £450 per day for his wedding service. With very little change to the way he carried out the service, he increased his prices to over £3,000 in three months.

A restaurant owner increased her prices by 20% and saw an immediate increase in bookings. A jewellery store increased prices 15%, resulting in an increase of £25,000 a month in sales.

These are not isolated incidents. If you get your target market right and you deliver a good-quality product or service, increasing your prices and increasing your sales is NOT a pipe dream.

So what if you’re selling a commodity-type product or service, whereby people can easily shop for the best price? Well, it’s no different. What you have to do, though, is create a level of service that is unmatched by any of your competitors.

This includes offering superior delivery times, quicker service or using a powerful guarantee which no other competitor offers and creating ‘premium’ products or services that customers will be happy to pay more for. So even if you’re reluctant to increase your prices, concentrate on giving more value and you’ll still get many more sales.

Super Referral Program



We have created our Referral Scheme to reward our clients for recommending us. **We will pay you £100** when your referral has joined up to one of our packages and paid their first month's fees. **Even if your referral decides not to join us we will still give you a gift voucher as a thank you for recommending DNS.** Although we think this is a very generous amount we have decided that it is not enough so we have added an additional twist to our referral scheme! Not only do you receive £100 as a referral fee, but we also want to offer you something extra to make it even sweeter.

If 3 of your referrals join DNS in 2019 you get 50% discount off your fees for Jan 20 to Dec 20.

If 5 of your referrals join DNS in 2019 you get 100% discount off your fees for Jan 20 to Dec 20

What Clients Say About DNS Accountants

"Helped With Accounts Swiftly "

"Been with DNS Accountants for more than a year, I would highly recommend their services. My Account Manager Sneha has been very helpful and helped with accounts and queries swiftly always! Having a good accountant means you can fully focus on your business, not worry about accounts and tax matters. Thank you DNS".

*Zameer Hussain
Relisols Ltd*

"Always Ready To Go Extra Mile"

"I have been extremely satisfied with the service I have been receiving close to the past 1 year. Very professional, transparent and helpful. Special mention to my Account Manager, Minakshi Arora who made my transition very smooth and always ready to go that extra mile to support and make customer happy. Definitely recommended".

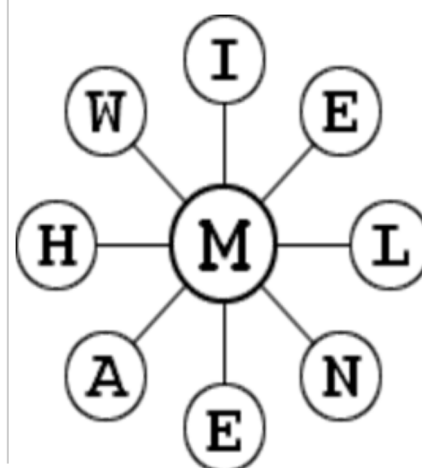
*Brijesh Pradhan
Sario Ventures Ltd*



Brain Tracker: How Many Words Can You Find?

Using the BrainTracker grid below, how many words can you find? Each word must contain the central **M** and no letter can be used twice, however, the letters do not have to be connected. Proper nouns are not allowed, however, plurals are. Can you find the nine letter word?

Excellent: 38 words. Good: 31 words. Average: 24 words.



We are experts at helping our clients financially manage and grow their business!

"Good Value For Money"

"I recently set up a Ltd. company and signed up with DNS for my accounting services. I've found it very good value for money and hugely helpful in terms of advice and guidance. I have an Account Manager, Sneha Gurudutta, who keeps in contact with me and offers advice on the phone.....I'm really pleased with the service"

*Martin Wilson
Martin Wilson Consulting Ltd*

CRYPTIC PUZZLE ANSWER

Answer: £20.

£10 as change for the cheque and £10 for the bike originally.

Bet You Didn't Know



- A butterfly tastes things with its feet or tarsi.
- Folding a piece of paper in half more than seven times is impossible.
- The wingspan of a 747 jet is longer than the Wright Brothers first flight.
- The plastic pieces on the tips of shoe laces are called aglets.
- Most folks take only 7 minutes to fall asleep.
- Around 7% of the communications we have with other people are formed by words. 38% of the communication is formed by the tone of the voice. Another 55% of the communications are formed by body language to a distance of up to 9 meters.



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Ask Us About Our Unique Accounting Services...

Key Services:

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