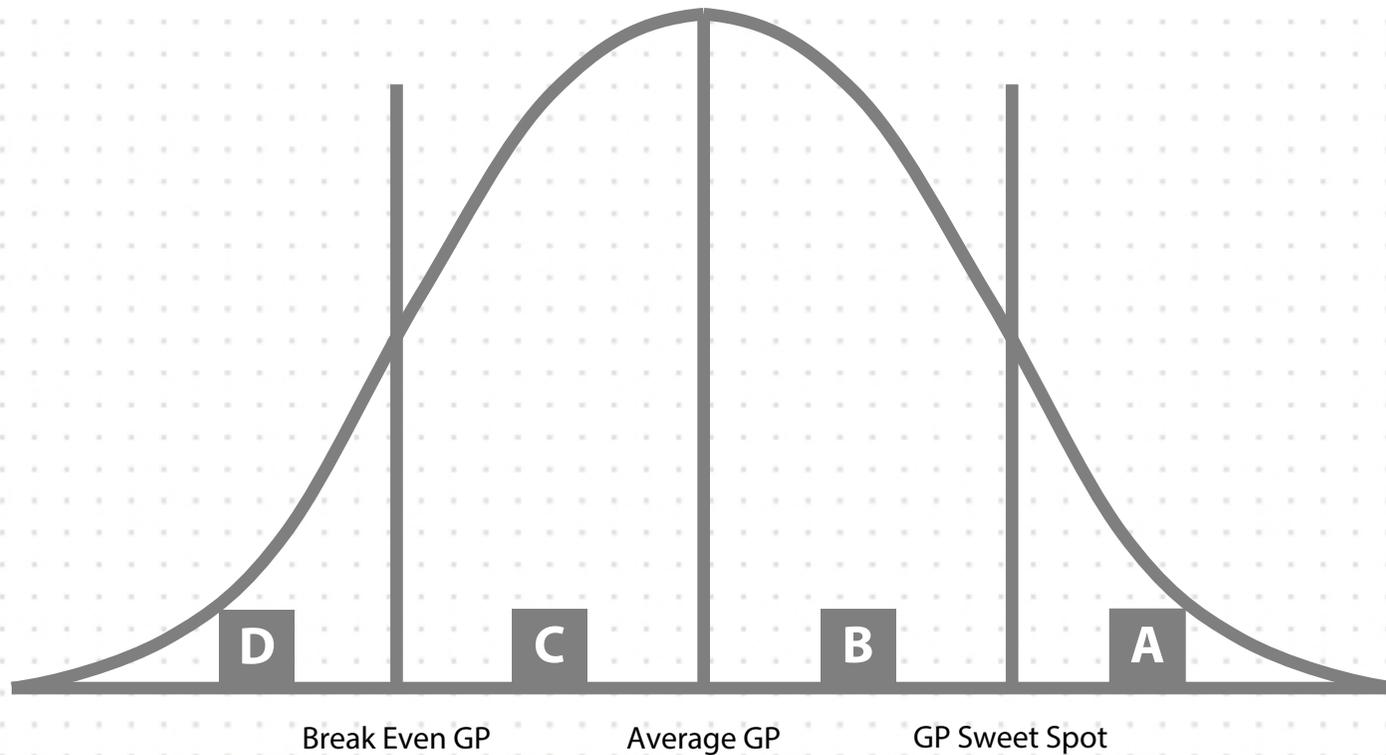




Customer Challenge

The Segmentation Model

Understanding the type of customer or "Job Types" in your business that make you the MOST margin and dealing MORE with them will cause your margins to increase. Also, understanding those that make you the LEAST margin and dealing LESS with them will also cause your margins to grow. What this means is finding your "A's", "B's", "C's" and "D" grade customers (or "Job Types"). A = Awesome, B = Basic, C = Can deal with, D = Don't go there! This may require some homework to work out but knowledge of this is essential and worth the effort to find out! The concept of a GP "Sweet Spot" is explained below...



Identifying Your "D-Graders"

This relates to your "worst" type of work. Generally you'll know people who buy from you that always complain about price, never pay on time, don't accept your recommendations and refer other like-minded people who are just like them (anyone spring to mind!?)...

Blow Outs:

There will be people you sell to and the type of work you do for them, when occasionally things DON'T GO WELL. When this happens, what is it that tends to "BLOW OUT" relative to the sales you are able to make?

What happens?

(Based on your Business Type)

- TIME blows out
- WASTAGE blows out
- DISCOUNTS blow out
- NO-SHOWS blow out
- CANCELLATIONS blow out
- INVENTORY blows out
- MATERIALS blow out
- RE-WORK blows out
- STAFF COSTS blow out
- WORK IN PROGRESS blows out
- DEBTORS blow out
- OTHER COSTS blow out
- What else?

How will you plug the gaps:

Identifying Your "A-Graders"

This relates to your "best" type of work. Generally you'll know people who buy from you that **never** complain about price, **always** pay on time, **happily** accept your recommendations and **refer** other like-minded people who are just like them (anyone spring to mind!?)...

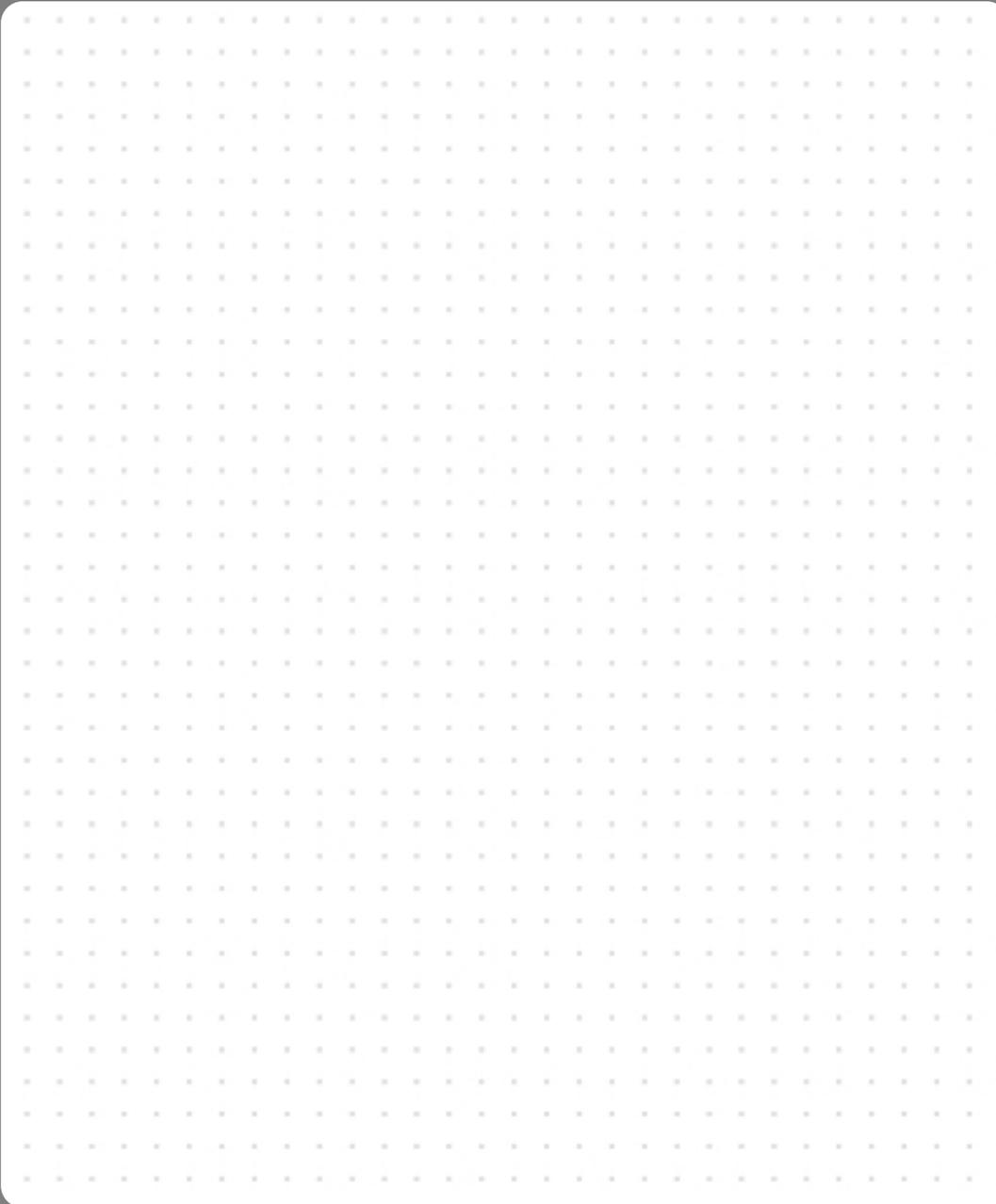
So, if you had to think of an ideal customer or client that loves what you do, wouldn't buy from anyone else (even if they were cheaper) and raves about you to anyone who'll listen, what's one name that springs to mind?

Write in their name below:

So adding value to your best customers is our next exercise here. The key question to ask is this: "If they were paying me TOP DOLLAR for what they buy, what could I add or upgrade that would AMAZE them". That's our strategy, "Amaze the 'A's"... Remember 2 words that help here are what can we do to "Surprise" and "Delight" our customers!

How will you amaze your "A-Graders":

Grid area for writing answers to the question: "How will you amaze your 'A-Graders':"



Take Outs:

Key Point: