

The Handbook for Business, the Bible

32: Aim to work for kings - part 1

Another story from the trenches: a young bloke, skilled with computers, decided to start a business. He believed his product, a \$500 templated website, built in 48-hours would be a winner.

It was. Lots of business owners wanted websites and his price point was amazing. But they could not do their bit to make it happen in the 48 hours! Even simple things like providing a logo, a team photo or text for home page was too hard; some jobs dragged on for weeks.

So, he made a strategic decision: to charge \$1,500, no template; instead *"tell me what you want and I'll build it from scratch."* Today a site costs around \$5k, with plenty of customers willing to pay.

How does this story link to Handbook for business?

Great question! It's answered in **Proverbs 22:29**, *"Do you see a man skilled in his work? That man will work for kings. He won't have to work for ordinary people"* ICB

- * The website builder is a man skilled in his work
- * His initial \$500 customers could be seen as the "ordinary people"
- * He now mainly works for 'kings' - customer who want the best & are prepared to pay

Bottom line: he was going nowhere working with ordinary people; then he found the kings!

How can this principle be applied by Bendigo business owners?

1. People do business with you because they have a problem to solve...
...Not all customers are the same; not all problems are the same
...Some people seek high value, some don't; some have spending power, some don't
2. Your opportunity is to identify a small **niche** or a market-within-a-market...
...Among your customers there is a premium segment - maybe 5%-10% of them
...A simple analysis will reveal who they are; what they buy and why
3. Then take your product or service that solves their problem, ramp up the value and offer this premium package to your premium market-within-a-market...
...It's guaranteed to increase your sales & gross profit
...Marketing campaigns can then be aimed at attracting more of these premium buyers
...And you can continue serving the other 90-95% of customers as per normal.

If you're not sure this tactic could work in your business, consider:

- Q:** Why does the best TV in Australia cost \$130,000?
- Q:** Why will the most expensive mattress in Australia set you back \$46,000?
- A:** Because there is a market for both of them! And believe me, there is a market for your triple-platinum, amazing, slam-dunk, premium product!

I will share more next week on this principle of working for kings, examples & profit impact.