

# From the Handbook for Business, the Bible

## # 28: Don't begin until you count the cost

Let's talk about business...and sales...profits...and the huge amount of money being left on the table by staff who don't know how to engage with prospects & customers during a sales pitch!

Here's a classic example: I went into a menswear store in Ballarat, during their annual sale, grabbed a pair of sox and went to the counter; an employee rang up the sale for \$13.95; he did not suggest anything like, '*why not buy 2 or 3 pairs*' - offering a price reduction on the extras!

It's not only in Ballarat, but Horsham, Bendigo, everywhere. Maybe it's a pandemic thing - staff are just order-takers, content on making a sale, any sale. That's fine, but what your team should do is identify & solve peoples' problems thereby maximising your Gross Profit, now & in future.

While sox are a retail example, the principle applies in every business. It's likely that most owners are not even aware it's happening; and the lack of knowledge is costing them bigtime!

### What does the Handbook have to say about this?

**Jesus in Luke 14:28**, "...don't begin until you count the cost. For who would begin construction of a tower without first calculating the cost to see if there is enough money to finish it" **NLT**

The outcome of not counting the cost is brutal: **verse 29** - "Otherwise, you might complete only the foundation before running out of money, then everyone would laugh at you"

...The TOWER in this scripture represents your **business**...and the COST is your **profitability**  
...An unfinished tower is like the 50%+ of owners that fail because they did not count the cost  
...Or the 80% of businesses that are still trading but generating profits well-below full potential.

Can you see, there is always a cost of not operating according to the Handbook! And it will be reflected in GP lost on today's sales (e.g., the sox) plus future GP from customers who don't come back or don't recommend your business to their friends!

### What tactics can business owners use to avoid the cost and the losses?

I encourage people to go to the **Marketing Spirit** website, click the **105.1 Life FM** tab: and find summaries from over 100 strategies & tactics from our Handbook sessions. Any one of these properly implemented could transform your business model, your profits and your future!

**Try these tactics when speaking with customers, giving them choices (it shows you care):**

#### For retailers:

- \* Create & offer a value-packages (e.g., 2 sox, 2 undies, 3 hankies, our *On-The-Run* pack)
- \* When a customer is paying for one item suggest, "*why not buy 2*" (with # 2 price a bit lower)
- \* At POS, identify another opportunity for a future sale, "*our annual shirt sale starts next week*"

#### For tradies & service businesses:

- \* When the customer rings needing something fixed, suggest, "*we really should...*"
- \* Offer a product instead of a one-off: "...*I suggest our All-Tap Washer Replacement Program*"
- \* When something needs to be repaired, the faster you get it fixed, the more you can charge.

**Counsel: There is one more cost every business owner needs to count, the COI or 'Cost of Inaction' - it's the money you're losing, knowing something is wrong with your model but choosing to do nothing to identify, or fix it. Think about that, as you count the total cost!**