

10.5 Free(ish) Tactics to unlock your Hidden Profits

(For Appointment based businesses)

"Sometimes the questions are complicated and the answers are simple."

Dr. Seuss

A MUST READ FOR APPOINTMENT BASED BUSINESS OWNERS...

10.5 FREE(ISH) TACTICS TO UNLOCK
YOUR

HIDDEN PROFITS

*"When all else fails,
fresh tactics!"*
John Travolta



From John V. Denley founder of DiaryBooker.com

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We believe **every appointment-based business has untapped profits - even yours!**

From **hairdressers to beauty salons, driving schools to coaching practices, chiropractors, and physiotherapists**, with some simple tweaks, you could access these additional profits straight away and often for free!

It's a bold statement to make, but as I've developed [DiaryBooker](#), I've seen first-hand the impact the **strategies** contained in this eBook can have once they are implemented, more to the point though perhaps is the number of businesses I have seen fail because they didn't. There is nothing earth shatteringly clever in here, they are all relatively straight forward tips, but sometimes the best solutions are the most obvious and easiest to implement! What's more, many of these tactics are so simple you can start implementing them **immediately**, most for **FREE** (hence the "ish" in the title!).

Before we start, I just want to clarify that when we talk about **profit**, this is the **difference between the income** you make (turnover) in your business and the **costs of running the business**. So for instance if you have **8 appointment slots available** per day and you are **currently filling** 4 of them, then **adding** another **4 appointments** would be almost entirely pure **profit**. However, if you want to start booking **12 appointments** per day, then you may need to employ **another member of staff** and so that would require you to make a decision as to whether or not that is the right thing to do or not. The costs of running your business is not the topic of this document (although we will touch on that in [tip #9](#)). What we will be looking at is **how to increase the income** to your business, there are always ways to cut costs, but sometimes this could be at the detriment to your core business

There are basically three ways to increase any business income:

1. Increase your **prices**
2. Increase **how often** your customers buy
3. Increase the **number** of customers

This can be done by:

- o Increasing the number of prospects (people who know about your business)
- o increasing how many of those prospects buy from you

Let me show you REALLY quickly how you can actually **increase your income by 75%**, just by increasing the 3 main measurements by only 20%.

Imagine...

You have **100 customers**, and they buy from you **10 times per year**, spending on average **£20** with you each time. That's an income (turnover) of **£20,000 per year**.

Now if you had **120 customers** (20% more than 100) buying from you **12 times per year** (20% more than 10) each spending **£24** (20% more than £20) on average, your income would now be **£34,560!**
Impressive isn't it and here is the maths:

$$100 \times 10 \times 20 = \text{£}20,000$$

$$120 \times 12 \times 24 = \text{£}34,560$$

In the pages of this eBook are 10.5 tips, most will allow you to **increase all three measurements**. In many cases for **free** and without even using DiaryBooker, of course where relevant we will show you how [DiaryBooker](#) can make each job **easier, faster** and sometimes even **automatic!**

Please bear in mind that this eBook is written assuming that you are currently using a paper and pen appointment book. If you are already using some kind of computer system then we hope you will be able to read between the lines a little and figure out how to apply each to your personal situation!

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Here is what's coming up in this book:

- [1. Capture your customers contact details](#)
 - [2. Make sure your customers turn up](#)
 - [3. Record your customers appointment history](#)
 - [4. Know your customers lifetime value](#)
 - [5. Make money from Groupon offers](#)
 - [6. Don't miss calls from your customers](#)
 - [7. Get online & use the power of the cloud](#)
 - [8. Walk-ins, bookings and cancellations](#)
 - [9. Know your numbers](#)
 - [10. Spend time working ON your business](#)
- [Extra Bonus tip to add £7,000 to your income over the next 12 months...](#)

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1. Capture your customers contact details

The **first thing** you must do as a **business owner** is make sure you know the **contact details** of ALL of your **customers**. It doesn't matter how small your business is, there is no question that the easiest people to get to buy from you are people who have already bought from you before.

This is why every business mentor out there will tell you that **your customer database is your most valuable asset**. [Nigel Botterill](#) (who started the Entrepreneurs Circle and started 8 £1million+ businesses in 7 years) says that if he was in a position where he could only keep one thing in his business, then it would be his database, because with that database he could rebuild everything else pretty easily.

Almost everything else we talk about in this book will hang off the fact that you must be able to get in touch with your customers.

The classic problem usually with a **paper and pen** system is that you will often find yourself taking the customers name and number **at the time of booking**. Then once they have been in for the appointment and you turn over the page to the next day, you **rarely look back** at that appointment. So unless the customer books their next appointment when they leave, it is possible that **they may never come back** and even if they do they may not come back as often as they should!

So the **FREE** solution to this problem is to make sure you capture their contact details in a **separate book** or an **address box** or even in your **mobile phone**, you could also look at some kind of computer solution too such as a **spreadsheet** or something similar if you already have some software.

The down side of the free solutions of course is that you have to remember to keep them up to date and they are not linked to the appointment history (see [tip #3](#)) of the customer. This is of course where [DiaryBooker](#) comes in as it does just that:

EDIT Contact 'Sam Smith'

Name: Sam Smith
Phone: 07777111222
Known As:

Save Close without saving

More Options

Notes Appointments Other Info Actions

Address Line 1: 1 Dummy Street
Address Line 2:
Town: Cheltenham
County:
Postal Code: GL50 1PQ
Country:
Other Phone: 01242639062
Email: sam@diarybooker.com

Day Month Year Text Phone Email Post
3 Sep 1970

Primary Employee: Emma

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2. Make sure your customers turn up

There is no question that possibly the **most annoying thing** about running any business is when your customers book an appointment and then just **forget to turn up**.

Many **business owners** I speak to, will **shrug this off** as something that **just happens** and don't seem to be worried about the **lost income** that occurs when this happens. The reasoning usually is that it is OK because they can just get the customer to **rebook** the appointment, so they have not really lost any income. What this thinking fails to notice though is that the **new appointment** is then **blocking** a booking slot for **another prospective customer** booking, or maybe it forces **other customers** to **book** an appointment a week or so later instead. As we will **see later**, and as we mentioned in the introduction you really **should** be trying to **encourage your customers to buy from you MORE often...**

The other thing of course is that maybe the customer was **unable to attend** for another reason, but because they **didn't get a reminder**, they forgot to let you know that they couldn't make it. If you had **known** that they were **not coming**, then you might have been able to **fill the slot** with an "emergency" booking. We will discuss utilising emergency appointments later in the book ([tip #7](#) & [tip #8](#)).

The **FREE** solution to this problem is to **call, email or text** your customers **manually** to make sure they have not forgotten the appointment (which of course you need their captured contact details for).

- The problem with **calling**, is that sometimes you don't get hold of them, making the whole process very labour intensive as it takes a long time.
- The problem with **emails** is that we all tend to get a lot of emails these days and sometimes they can get missed or ignored.
- Sending **text** messages (especially with unlimited text options on personal mobile phones) is the most obvious and probably the best reminder. Text reminders are becoming very common these days.

The **problem** with all these options is that it is still a **manual effort** to go through your appointment book every day, get the list of appointments with their times and services, then create each text/email or make the call to each client. **When are you going to do this; at home or during the working day?** Do you need to **remember** to take your appointment book home? What happens if you are ill, or tired or you simply forget yourself to do it? **How much is your time worth?** even just spending 10 minutes doing this every day is costing you time that could be **better** spent doing something else or **with friends or family**, not forgetting the well known phrase "**time is money**"!

This is where [**DiaryBooker**](#) comes to the **rescue**, as it has a **fully automated text reminder service** built into it and our monthly packages come with text message credits included in the cost! The actual included texts depend on the package you choose (a bit like a mobile phone package)

Actions	
ADD ACTION	REFRESH ACTIONS
10:15 , 15 FEB 2013 44123407697 Please use M V S J P K at www.diarybooker.com/demo to confirm Full head tons with Jo at Demo Company 10:15 wednesday, 15 Feb 2013	
19:00 , 30 Jan 2013 4470100075697 Reminder from Demo Company: Your 'Highlights' with Jo is at 2:00pm on Friday,1 Feb 2013(sent via DiaryBooker.com)	
19:00 , 29 Jan 2013 4477654032992 Reminder from Demo Company: Your 'Dry Cut' with Jo is at 11:00am on Thursday,31 Jan 2013(sent via DiaryBooker.com)	
19:00 , 24 Jan 2013 4470100075697 Reminder from Demo Company: Your 'Cut&B/D' with Dawn is at 10:30am on Saturday,26 Jan 2013(sent via DiaryBooker.com)	
19:00 , 24 Jan 2013 4470100075697 Reminder from Demo Company: Your 'Highlights' with Dawn is at 9:00am on Saturday,26 Jan 2013(sent via DiaryBooker.com)	

Look, Automatic texts going out at 7pm every night without fail!

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3. Record your customers appointment history

It is **hard enough for** your **customers** to remember when they **last visited** you, or what happened when they did. **Sometimes** you will have **customers** call you and **ask when** their **NEXT appointment** is.

It **looks bad** as a business owner if you **can't answer** these questions. It leads to a much **better customer experience** and helps to keep them coming back **when you CAN** answer these questions.

Because of this it's really **useful** to have a full **log of all appointments** for each customer, but more importantly (from an income perspective) it's useful to know **how often** your **customers book in** for their appointments. If they are **meant** to be coming in **every 6 weeks** for an appointment and they are **actually** coming in **every 8 weeks**, then there is an **opportunity** there to **encourage** them to come in a little **more often** every time and thus **make more money** over the course of a year.

The **FREE** solution here is to **record** the last **appointment** and the next appointment dates on your contact card (as mentioned in [tip#1](#)) as well as notes about the customer and information like the colours they had or the options they chose etc.

Naturally, [DiaryBooker](#) does all this for you.

The screenshot displays two overlapping windows of the DiaryBooker software:

Left Window (Smaller): EDIT Contact 'Sam Smith'

- Name: Sam Smith
- Phone: 07777111222
- Known As: [empty]
- Buttons: Save, Close without saving
- More Options button
- Notes tab (selected):
 - Gold Level 7 tint + Orange undercoat
 - Tea white with no sugar
 - 2 Children: Max and Saskia

Right Window (Larger): EDIT Contact 'Sam Smith'

- Title: EDIT Contact 'Sam Smith'
- Name: Sam Smith
- Phone: 07777111222
- Known As: [empty]
- Buttons: Save, Close without saving
- More Options button
- Notes tab (selected):
 - 6 appointments in Database:
 - 12:00 Friday 6 Jun 2014 Dry Cut Paid Emma
 - 12:15 Friday 6 Jun 2014 Shellac Nails Paid Emily
 - 16:00 Saturday 19 Jul 2014 Shellac Nails Paid Emily
 - 11:00 Saturday 2 Aug 2014 Cut&B/D Unpaid Emma
 - 09:00 Saturday 23 Aug 2014 Hair Putup Unpaid Jacqui
 - 10:00 Saturday 23 Aug 2014 Shellac Nails Unpaid Emily

4. Know your customers lifetime value

Another thing you will often be asked by any business mentor is “**What is the lifetime value of your customers?**” When any business owner is asked this for the **first time**, it’s rare that they will know the answer, after all as with all these things, **until you know** its something worth knowing then you will **probably never have considered** it!

It is a really **important thing to know** because it gives you a **really good idea** as to how much **money** you can spend to **aquire a new customer**. As an example if a **new customer** has a **£20 appointment** with you **every month for a year** they will be spending **£240** with you. If you know this then you can reasonably accept that **spending £40 to aquire** that customer makes sense. In the long run, it is **worth it** even though initially it **may seem madness** to spend £40 to get a customer to spend £20 with you. Depending on your business model you could even consider spending up to £100 to aquire that customer! It is all about knowing your numbers ([tip#9](#))

So how do you work out the average lifetime value of your customers?

Essentially just go back as far as you can, work out **how many different customers** have had appointments with you, work out **how much money they have ALL paid you in total**, then **divide** the money by the number of customers.

Total Money Taken ÷ Customers = Lifetime Value

I would **suggest**, as an appointment based business, that you work out **two values** for this, the first being the **annual value** and the second being the **lifetime value**. The reason I would split it like this for a **business like yours** is because often the **lifetime value** can be a bit **misleading**, not least as it generally just **keeps going up** the longer you are in business!

I am **guessing** that if you **currently have no way of recording** the number of customers you have through your doors this is an **almost impossible calculation** for you. So realistically it is up to you **how far** you can **go back** for this to work or you can just **start from right now** and **work forward**. However, it’s likely that you can **easily work out** the figures for the **last 3-6 months** just by using your **current appointment book** to work it out, it will be a little tedious, but it is a **vital number to know**.

It is important to **include** all the **one-off visitors** you had, and it is up to you if you want to **include** your **product sales** in the calculation too.

If you need any **help** with this then **your accountant/bookkeeper** should be able to help you work the figure out. If you can go back **more than 12 months** then you can also work out your customers **annual value**, you can keep this figure as a **rolling monthly figure**, or work it out **every January** or at the **end of each financial year**, whichever is best for you. By the way, if your accountant/bookkeeper can’t help you with this figure, then you might like to consider getting a new accountant!

We will talk about lifetime customer value later in this eBook, there is no ‘**FREE**’ or ‘**DiaryBooker**’ section on this page as this tip is merely a really useful number for you to know in your business regardless of any systems you may or may not already have in place!

5. Make money from Groupon offers

It doesn't have to be Groupon exclusively, there are plenty of other options with **LivingSocial.com**, **KGBdeals.com**, **Wowcher.co.uk** (UK), **Scoopon.com.au** (Australia), the key here is how to **make** these companies **work FOR you** and **avoid loosing money** with these deals. This is why the previous point about knowing the lifetime value of your customers is very important ([tip#4](#)).

Typically with these businesses you are asked to make an offer that is something like **50% off** your normal prices, then you pay a **percentage** of the redeemed **vouchers back** to the company as an **introducers fee** again this is **typically 50%**, so on the face of it **you are offering** your service at **25%** of its regular price, so if you **normally charge £40**, then the offer to your new prospective customers will be for £20 but **you will only get £10** for that deal.

This does **seem** like quite a **dangerous** thing to do depending on your business type. For instance there was once a **cupcake business** that used a deal like this but the amount of money they ended up being **paid** for each **cupcake** was **less than** it **cost to make** and this is the kind of thing that you need to be **really careful** about!

However, there is a **FREE** way to **make the most** of a Groupon Offer and that's by **using** all the **tips** we have **already talked about**. If you make sure you **capture** all the **contact details** of everyone who visits, and **mark** the ones who came in via **Groupon**, once the Groupon offer has expired, that's when you can start to be **quite clever**. For all those Groupon **people who did not book** another appointment, you can write to them (or **text them**) with the **same offer** that Groupon gave them (eg **£40 service for £20**), but **this time you do not have to pay Groupon** for their contact details so you get to **keep the full £20**. Then you just do the **same again** for anyone who still didn't stick as a regular customer, but maybe offer them just 25% off this time, so it's **£30 for a £40 service**, but again you get to **keep the full £30** now. You can **keep marketing** to these people, and of course anyone else on **your database** with offers every so often to keep working on **getting more customers** and getting old customers to return!

There is no specific **DiaryBooker** advantage here other than what we have already talked about. In particular:

- Capturing contact details
- Making notes as to who came from Groupon
- Tracking when people last came in for appointments
- Connecting with them via text message to make new offers.

6. Don't miss calls from your customers

Of course at all times you are getting **phone calls** from **prospective and existing customers**, but **how many calls do you miss** because:

- You were **busy doing something else** and the answer machine kicked in, and the person calling didn't leave a message?
- You were **already on another call** and the caller got put straight through to the answer machine and they didn't leave a message?
- Someone **called just after you left**, or even later that evening and they didn't leave a message

So maybe they **did leave a message**, but then you have to call them back and then they are busy and don't answer the phone, you leave a message and then you are into that whole **phone tag frustration!** Maybe **worse yet**, while they were waiting for you to call back, they **booked** an appointment **somewhere else?**!

Imagine you had gone to all this trouble of **setting up a Groupon offer**, capturing the visitors details and then making them a **second offer** (see [tip#5](#)) and you **fail to take their call?** They won't be too happy about that! Salon Genie (mentioned below) **called a number of Salons** and found that 93% of them did not answer the phone at the first attempt, **46% had an unprofessional answerphone message** and 47% either didn't have an answerphone message, or it was unclear if the correct number had been dialled! **How many businesses have you experienced this with?** I thoroughly recommend reading the Salon Genie eBook on this subject!

There are **lots of telephone answering services** out there who can pick up the slack for you, sadly they are not **FREE**, but they do **tend to pay for themselves** quite easily (just like [DiaryBooker](#) does). What's more if you were to **use the DiaryBooker system** then the **people answering the phone** would be able to **see your free slots**, just like they were **sitting there on your reception desk**. [DiaryBooker](#) can even be setup to **automatically** send you a **text message** when a **new appointment** is added to the diary, so that if it happens to be something you **need to move**, then you **know about it right away!**

The companies I can personally recommend are:

- www.verbatim-cc.co.uk (they answer DiaryBooker phones)
- www.thesalongenie.co.uk/what-we-do (specialist for salons)
- www.answer.co.uk (I know the owner and they offer a pay as you go option)
- www.ukfactotum.com (I know the owner and have heard good things from customers)
- www.redvirtualoffice.biz (I know the owner and have also heard good things from customers)

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7. Get online & use the power of the cloud

Whilst you could use any cloud based solution, we can't really see how you could achieve what you get with DiaryBooker at the price that we offer it at in such an easy to use package!

Your data is automatically backed up constantly.

- **Any Cloud based solution** will mean you don't have to worry about paying extra to do backups or even have to remember to do backups, or how to recover your data when your PC crashes, that's all done automatically for you as part of the service.
- With [DiaryBooker](#) your data is actually saved on the same servers that Google use to store all their data and it is encrypted and backed up in the same way too.

Your data is safe and secure.

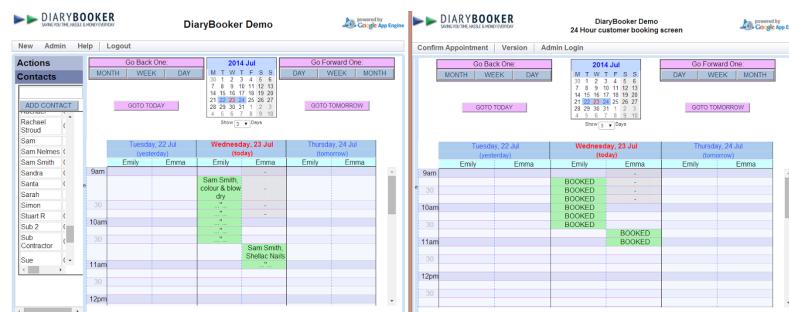
- **Any Cloud based solution** should store your data safely and securely and should encrypt the data as it is stored as well as encrypting your data as it is being passed between the server and your PC. If there is any banking taking place then it should be via an "https" connection (you will see this in the top left of your browser window).
- Your passwords should be one way encrypted too. If you go to a website and click on "I forgot my password", if they send you your password via email, then it is NOT a secure site and they don't understand internet security properly. The correct way to reset your password is to send you a unique URL (website address) where you can type in a new password.
- [DiaryBooker](#) of course does all the above!

You can access your data from anywhere

- **Any Cloud based solution** should allow you to access your data from anywhere where you can get internet access and of course [DiaryBooker](#) does just that.
- This functionality also makes it really easy for any call answering service (see previous section) to remotely book appointments for you too.

Your customers can view available space and/or book their own appointments

- This one is a bit specific for **appointment booking systems**, but of course it is a really great benefit to your customers to be able to book appointments with you, even when you are closed.
- [DiaryBooker](#) makes the actual booking process really easy for your customers. You can see from the image below that they get almost the same view (on the right) as you do (on the left) and when they book an appointment they can just click an available slot, add their name and mobile phone number, select a service and click "book" (unlike other systems that take you through several screens of information). They are then sent a confirmation text which prevents people from creating fake appointments.



8. Walk-ins, bookings and cancellations

Once you have the **ability to take bookings**, and see your bookings at a glance this allows you to start dealing with both **bookings and walk-in appointments** with ease. It also becomes **easier** to deal with **cancellations** and fill those unexpected **empty slots**.

If you are **currently** the kind of business which **only takes walk-in appointments** (a gents barbers is a typically a good example of this) then **using DiaryBooker** allows you to **offer a booking service** to those of your **clients** who would be **interested in that service**. Often the **objection** here is that it's **unfair** if someone can **jump ahead** of the waiting **queue** if they have booked. Our suggestion here is that you **charge** people **extra** to be able to book a slot, so those who are **waiting** are able to **jump the queue** if they wish, simply by **paying extra** and so long as you make that clear to anyone who is already waiting, that they have that **choice** too, then there should be **no objections**.

You could make it as small as **£1 extra to book** at least **24 hours notice**, but perhaps **£5** to make a booking **on the day!** So in that case, **someone could walk in**, find you have a **queue of people** waiting, you tell them (and anyone waiting) that they can **book a spot in 1 hours time for £5 extra** if they wish and then come back at that time and sit straight down (or at least as soon as you have finished the current client). When **walk-in clients** arrive and you have a **booking coming up**, you can simply **let them know** that **someone** is expected to **arrive shortly** and that they have **paid extra** and they will be jumping the queue!

If you **already** have a system where **bookings are expected**, then you can of course **allow walk-in** appointments anyway, the **advantage** comes when you have **cancellations**. With a system like **DiaryBooker** you will be sending out **text message** reminders to your clients and sometimes this will prompt them to cancel appointments, but fortunately with **enough notice** for you to be able to **fill the new space**.

This available **space** can of course be **filled with a walk-in client** if you happen to be lucky enough to have one **arrive at the right time**, but why not consider being **proactive** about filling this space. These days with **Facebook** and **Twitter**, we often see people announcing that they have "**booking spaces available at 3pm on Wednesday**". However, the **trouble** with doing it like this is that **only one person can actually book this space**, so **anyone else** who contacts you will be **disappointed**. You can of course then **offer** them the **next available space** in the diary, but often the amount of time and effort needed to complete this discussion **can be tedious**.

With a **cloud based booking system** like **DiaryBooker**, you can **let people know** that you have available slots and that they can **book them online** via your **booking page website**, for an example of this see www.DiaryBooker.com/JohnVDenley. This way if someone does go to your site to book the available slot and finds that it has already gone, they can **easily** see that they can **book another appointment** later in the week or the following week or whenever, plus you are **educating them** as to how **easy** it is to **book an appointment** with you **online**. You can even have the system setup to **send you a text message** whenever someone books a new appointment with you.

Also if you have a **telephone answering service** (see [tip#6](#)) then these enquiries can also be handled that service and as mentioned before because the **booking system is online**, then all **three of you** can be **booking appointments at the same time** and the system will **prevent double bookings**.

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9. Know your numbers

This section of the book is really about **you as a business owner** and is not specific to an appointment based business.

The key here is to understand **what is making you the most money and what is costing you money**. Your accountant or bookkeeper should really be helping you with this information on a regular basis, but often the only time you talk to these people is when the accounts need filing. It is however a very useful exercise to be **keeping an eye on your cash flow** continuously as it is the **lifeblood of your business**. If you run out of cash, then your business will effectively have a heart attack and it won't be long before it dies.

There is a well known saying in business "**Turnover is vanity, profit is sanity but cash flow is king**"

- **Turnover** (also known as revenue) is the amount of money your business takes in
- **Profit** (or loss) is the amount of money you have left after all the expenses have been paid
- **Cash flow** is the amount of actual cash you have left in the bank

There is a great explanation of this [here](#)

The easiest way to do see all this in your business is to simply **create a spreadsheet** of some kind and put your **income** in the top half and the **outgoings** in the bottom half, you can usually do this just from your bank statements and the best way to start is just to take the **last 2-3 months** of details and then take a look at the results.

	Month 1	
INCOME	Forecast	Actual
£10 Package		
£20 Package		
£40 Package		
OTHER income		
Bank Interest		
TOTAL INCOME		
COST OF SALE		
£10 Package		
£20 Package		
£40 Package		
Hosting		
Texts Purchases		
VAT 20%		
MARKETING COSTS		
Google Adverts		
FB Adverts		
Magazine Adverts		
Telesales		
FIXED COSTS		
Website		
Accountants		
Social Media Management		
Business Coach		
Business Support		
Loan Interest repayment		
Google Drive storage		
Rent and Rates		
Employee costs		
Other fixed costs		
VARIABLE COSTS		
Phone answering service		
Phone forwarding service		
Other variable costs		
TOTAL COSTS		
PROFIT/LOSS		
Closing Bank Balance		

As you can see I have included an **example spreadsheet**, which is actually a cut down version of the DiaryBooker cash flow document, I'm hoping this picture will really help you see how to **apply it to your business**. As you can see on a monthly basis the key is really to make sure that the **amount of money coming in is greater than the amount of money going out**, so that you are making a profit. However, you can sustain a short period of loss if in the future you will be turning a bigger profit to offset it.

This exercise allows you to fully **understand** where your **best money** comes from and how much you could spend on **marketing** to **increase** the **income** from your best sources. In our case for example we could have 20 customers paying us £40 per month or we can have 70 customers paying us £10 and the 20 customers are clearly bringing us more income than the 70, so it would therefore make sense for us to work harder to acquire more £40 customers! We can also look at our costs and work out where we could cut costs, although this is sometimes a dangerous thing to do as you could cut costs so much that it affects the level of service you can deliver and that might cost you customers!

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10. Spend time working ON your business

By now, having considered everything we have shown you, you could be feeling that there's a lot of stuff that you could do to **improve your business**. You may also feel like you're **already overloaded** with work to do just running your business as it is, but it's important to set aside a bit of time to actually do some **work ON your business** rather than just spending all your time **working IN your business**.

Many business owners in the UK are now implementing a system suggested by Nigel Botterill (who runs the Entrepreneurs Circle) which is referred to rather obviously as **90 minute chunks**. It's quite obvious why its called 90 minutes, but the reason it's 90 minutes is because of a little principle called the 80/20 rule or the **Pareto Principle** which says that **80% of your results comes from 20% of your efforts**, or that 80% of your income comes from 20% of your clients.

Now I know that's going to be hard to believe, but once you **know your numbers** (from the last section), you will be amazed when you see it. I still can't quite believe it myself even when I have the figures in front of me! This 80/20 rule applies in almost all walks of life and to get a really good in depth understanding of this, I thoroughly recommend getting **Perry Marshall's** book on the subject "80/20 sales and marketing" (subtitled 'the definitive guide to working less and making more')

So the **90 minutes** comes because it's roughly **20% of a standard 8 hour day**. Using the principle of the 80/20 rule, if you can do the most important things for your business during that 90 minute chunk then you will get 80% of your success as a direct result of the work you do during that 90 minutes. Of course this will seem like a very **odd thing for anyone in an appointment based business** to understand, as you spend most of your time during the day actually earning money by having appointments with your customers. However, the point of these 90 minute chunks is to focus on what's possibly the second most important part of running a business (second only to actually earning the money) and that's '**getting and keeping customers**'. After all, if you spend all of your day just working with your customers and none of it making sure you get more customers and keep the ones you already have, then **over time your customers will inevitably leave** (often through no fault of yours) and your business will start to run out of money.

Remember the **cash flow** section earlier, it's the **lifeblood** of your business and if it stops your business will effectively have a heart attack.

This is why it is so **important** to make sure you spend a little bit of time each day making sure you **keep the customers you already have**, work on methods of **attracting new customers** and also looking at whether or not your customers are paying you as much as you are worth as often as possible.

In essence working on all the topics discussed in this book, as well as looking at other sources of ideas as to how you can get and keep customers and get them to spend more with you.

The 80/20 rule will also tell you for instance that if you are charging say £20 for a service, then there are **20% of your customers** who will **pay more** for the same service if you just **add some extra value** to the service for them. This is the same principle that we discussed earlier when talking about allowing some of your **customers to pay extra to book appointments**, when most of your clients (80%) are happy to be walk-in clients!

So if you have **100 customers**, then **20 of them (20%) will be willing to pay more** and of those 20, 4 of them (20%) will be willing to pay even more and of the 4, 1 (20%) will pay more again!!!

It's **really cool** stuff isn't it? You just have to spend a bit of time thinking about **what extra services you could offer** these 20% chunks so that they are happy and willing to **pay you extra**.

THESE are the kinds of things you could be doing in your 90 minute chunks.

10.5 Free(ish) Tactics to unlock your Hidden Profits

(For Appointment based businesses)

Extra Bonus tip to add £7,000 to your income over the next 12 months...

Simply by encouraging your regular customers to book at least ONE extra appointment...

We've already mentioned it's far easier to sell to existing clients than it is to find new ones.

Therefore one strategy that will enable you to tap into hidden profits is to encourage regular clients to visit your more often. Here's how it could work in your business...

1. Make a note of the **TOTAL number of appointments** you have available per year. For example:

- A beauty salon may employ **two full-time beauticians**
- Each has **10 * 30 min appointments** available each day (5 hours each).
- This creates a total of **20 slots a day** which equates to
- **20 appointments * 230 working days / year = 4600 bookable slots per year**

2. Calculate your **spare capacity**:

- For the purposes of this example let's say our beauty salon is running at **50% capacity** so that's 2300 free slots per year ($4600/2$ or $4600*50\%$).

3. Calculate your **total number of customers**:

If you're not sure, try this calculation.

- If clients visit the hair salon on average every 8 weeks, each customer will make 6.5 visits per year ($52/8=6.5$).
- Divide total appointments booked by number of visits / year ($2300/6.5$)
- Equals around **350 customers**

4. Implement strategies to **pro-actively encourage your clients to visit more often** :

If your clients currently visit every 8 weeks and perhaps suggest that they come in every 7 weeks instead, perhaps through a text informing them that they are due an appointment you will:

- Add around one appointment per customer per year
- Fill your spare capacity
- In the case of our example, generate an additional **350 appointments** per year.
- Have happier customers because they feel you care about them more!

5. Calculate the additional takings this will generate:

- Assume our salon charges £20 / appointment
- An additional 350 appointments will generate an *additional income of £7000 pa*

Of course these figures will vary depending on your spare capacity, number of appointments available and the average cost of each service you provide. The real question is, **how could you apply this calculation to your business model?**