

Lead Generation Secrets

By Tim Little

High Profit Sales Strategies using 80/20 Rule

“Those who analyze the reasons for their success know the 80/20 rule applies. Eighty percent of their growth, profitability and satisfaction come from 20 percent of their clients. At a minimum, firms should identify the top 20 percent to get a clear picture of desirable prospects for future growth” Vin Manaktala

What is the 80/20 Rule and why do you need it in your sales lead strategy?

Is a simple way of looking at your sales and profit figures and identifying the largest sources of the contribution?

This report shows you how to use a technique known as the 80/20 Rule for finding which of your customers are most profitable and the analysis of the most desirable segments in your client list.

The 80/20 Principle.



is essential for doing the most efficient list prospecting and finding the most profitable segments in relation to business strategy, including: the procurement of a list for your lead generation campaign.

Segmenting

it is important to separate which customers are costing you the most and knowing which customers are most profitable. I will show you how to use the 80/20 Rule in this way later in this report.

It is unfortunate that few marketers devote the time needed to analyze their best customers and accept low response rates as a consequence of poor campaign and list selection. Chasing too many prospects or customers the same way will only escalate your marketing and selling costs and is highly in-efficient.

By using the 80/20 Principle....

Together with integrated marketing lists that clone your top 20 percent most profitable customers you have the opportunity to be more strategic in your business.

Common sense dictates that if 80 percent of your income comes from such a small group of clients you should make sure you know who they are.

You can achieve this with segmented marketing lists, which target only the criteria of your very best customers taking into consideration the 80/20 Rule.

This will be your most profitable and optimized customers that represent the business sector and industry, title, revenues, credit scores and geography..

The money is in the customer database

The objective of the 80/20 Rule is to spot customers who are providing 80% of your income and take the steps to ensure they continue to do business with you.

This is done with the segmentation of special invites, exclusive offers and regular courtesy calls.

These clients are the backbone of your business and your core top 20%. ***I can help you with this process since lists and marketing databases are my area of expertise and this is the foundation of your marketing strategy.***

While you should dedicate extra time and effort to your very best customers (the top 20%) this doesn't mean you should ignore your mid-level clients the other 80%.

The customer database can flag your most profitable customers by dollar purchase volume, how recent the purchase was and how frequently they purchase from you each year. Once you scale this data you can then select the customer core that drives your company profit and treat them like the kings.

Segmentation is the key to understanding direct marketing profitability and this is the key to great success.

Another reason to segment the top 20% of your customers is that 80% of your headaches can be traced back to a very small group of clients. The difficult clients are rarely your high value clients.

If you really want to minimize your workload, identify these demanding clients and consider dropping them. Many small businesses owners will know who these clients are immediately but in larger businesses they may not be so apparent.

Use your segmented client database to track which clients that are causing the most problems, taking up staff time and creating the most delays.

Segmenting your product/services

for superior customer service to only the top 20% most profitable (will save you a lot of money and boost your productivity 5 times fold) since this is the client core and includes frequent shoppers, big dollar volume spenders. Segment the other 80 percent into less expensive marketing activities like mass emails or self-serve on website to lower marketing costs.



Sales Leads

That generates revenue quickly every month and every year when executed with the following direct mail marketing strategy.

Getting the lead and the appointment... **it's what lead generation is all about.**

This program that combines direct mail with prospecting call campaigns to reach prospects one-on-one for increased response.

During the calls, if we find a prospect that has an immediate need we will contact you that day. To support your sales team, in addition to making the initial prospecting call, we can send the response package and make the follow up call to set the appointment.

Direct Marketing List Selection Process

Which segment or niche would respond to your offer?

A great way to start is by analyzing your current customer base by who recently purchased an item, do they shop frequently and what is the dollar volume?

New customers will likely be similar to the people who currently do business with you. Identify your best customers first.....by recent purchase, dollar amount and frequency

The top 20 percent segment can be separated by how recently they purchased from you, but also by how frequently they purchase from you and the dollar volume they have purchased over their lifetime. Direct mail campaigns and telephone follow up calls can be set to close the sale.

Testing and segmenting the unique characteristics of your best and most profitable customers.

The following direct marketing strategy has proven to be the most successful method for generating qualified appointments to professional services including insurance, accounting, consulting, acquisition of a business and manufacturing.

This strategy if executed correctly on a month to month basis will generate more business if it is executed by a professional direct response marketer.

Personal Segmented Postcard

I can help you find the most profitable customer segments before spending more money on new lists. Next, we mail your list a targeted postcard by segmentation of industry to top 20%.

After segmenting your customers by demographic or standard industrial information, so you can tailor your message to match their needs and interests, and increase the chances that they'll act on your offer.

For example if you're a local Certified Public Accountant you can first segment your most profitable customers using the 80/20 Principle.

You would then base your list selection by identifying the top 20 percent of your client base and purchase prospective lists that mirror the top 20 percent and mail a large postcard to them.

Leads – A sale can't happen without acquiring a lead in the first place

I have been successfully conducting lead generation campaigns for clients resulting in response rates of 10% to 30%.

The campaigns include:

Direct mail with inside sales calls, print and online advertising,

Mailing response material that engages the prospect and begins to build the relationship with your company.

The follow up and setting of appointments with company president or owner producing the print, digital and Internet components of the sales and marketing program control cost without sacrificing quality.

The next step is contacting the business owner or decision maker and set appointments for his sales team in monthly cycles to reduce the chances of bad luck in these uncertain times.

Finally – The Analysis

There are several key areas of your marketing and sales activities that you should consider analyzing. (This is something I can help you with) **These include:**

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Customers	Sales	Percentage	Cumulative
5	185000	35%	35%
10	135000	26%	61%
15	100000	10%	80%
20	40000	8%	87%
25	20000	4%	91%
30	14000	3%	94%
35	11250	2%	96%
40	9500	2%	98%
45	7000	1%	99%
50	4000	1%	100%

80% of your sales comes from 20% of your customers. This should be your focus

Here are some steps to follow to analyses those needs:

Calculate values (sales and profits) contributed to each one of these activities (customers, products/services and channels) Add a total figure for the year.

1. Arrange the values each activity in descending order
2. Calculate the value of each as a percentage of the total for the period annual or monthly and calculate the cumulative percentage.
3. Find the row in your data that where the cumulative percentage is approximately 80%.
4. This information will tell you which groups of customers might fall into.

Great sales lead generation services and the analysis of your most profitable segments help you connect with potential customers so you can make more sales.

At one time finding customers was as simple as putting up a sidewalk sign or opening a phone book and dialing some residents or businesses, but today those don't target your market effectively enough.

Most modern lead generators market to people who are already thinking of buying your product anyway. This can be done most efficiently on the internet.

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About Tim Little

Tim G. Little has a BS in Business Administration, and has worked in the magazine publication and circulation management for the past 20 years. As an Internet Publisher and Entrepreneur, he has developed expertise in the field of strategic planning, direct market advertising and analysis, direct mail marketing and is a specialist in developing unique and lucrative opportunities using direct response marketing methods for business.