Essential Steps to Grow Revenue In a Tough Market
3 Typical Growth Strategies

- Buy It
- Build It
- Steal It
Buying Revenue Growth

• Acquire a competitor

• Buy an existing route

• Purchase a diversification opportunity
  - Complementary business or franchise
Build Revenue

Start Something New

Product
Service
Location
Route
Business Model
Steal It

WIN business from competitors

No big capital investment
Lacks risk of other strategies
You can start right away
5 Steps to Win Growth

- Upgrade Customer Experience
- Teach Your Team to Sell
- Empower Your Brand
- Make Promotions Productive
- Take Advantage of Customer Relationships
Upgrade Your Customer Experience
WHAT’S YOUR CUSTOMER EXPERIENCE?
The typical customer experience...
How to Do It:

• Get control by documenting, then training to, your process

• Create and use written scripts to ensure consistency for:
  • greeting drop-off customers, pick ups, first-timers
  • handling difficult situations
  • answering the phone
  • Prescribe responses for the range of frequently asked questions
*SMILE* - Good Morning, Good Afternoon, Good Evening, Welcome to XXXXXX Cleaners

If you know customer: Hello Mr./Mrs./Ms. XXXX, Welcome Back! Great to see you...

If you do not know customer and they do not have an eco bag: May I have your last name, if you cannot find the customer in the data base ask, “Have you been with us before
If No – (Go to New Customer Script)

What are you dropping off today? This is when you will get # of pieces.

Does anything need special attention?

Based on drop off time tell customer pick up date/time.

Do you know we provide free pick-up and delivery?

Our monthly special is on XXXX for XX % off. Be sure to bring in XXXX when you come to pick up your order.

You will receive an email when your order is ready to pick up

Thank you, we truly appreciate your business!
Thank you for choosing us
You made the right choice!
We will take great care of you.

I will need to create your account and preferences; this will just take a moment.

Name
Phone # and repeat
Address
We send out email notifications when your clothes are ready, sometimes they are ready early. May I have your email address?
How did you hear about us? (Select from drop down list)
Hand them a price list

Preferences:

Starch – none, light, medium, heavy
Shirts– Hang or fold

Thank you, we truly appreciate your business!
How does Chick-Fil-A beat industry average store sales by more than $300,000?
Reporter: “You are highly rated for service by everyone from Zagat to Consumer Reports. How?”

Dan Cathy: “Training.”

“It took us 10 years to teach teen employees to say “my pleasure” instead of “not a problem” when someone thanks them.”

“It’s all about knowing how to please the customer, you keep reinventing things to keep up with their lifestyle, but real hospitality remains timeless.”
Mystery shop reports can monitor a problem

But, why monitor If you’re not going to fix it?
Train Your Organization to Sell
The face and voice of the company

**Customer Service Representative**
The front line army
Keepers of the data
How to Do It

• Train to Detail Properly – add upcharges

• Train to Explain Your Services

• Train to Upsell and Cross Sell

• Train to Please and Retain Customers
Sales & Marketing Techniques

Use customer RFM to create outbound Touchpoints – direct/specific email and outbound call.

Use Product/Service RFM to create email or outbound call to increase BOL.

Use Facebook, LinkedIn, Social Media to bond with customers. Show the personal side, employee pics, informational tips, feature a service.
D - Direction
A - Appreciation
M - Motivation
Empower Your Brand
Important Concepts

Brand Identity

Positioning

Unique Selling Proposition
A Brand Is:

“The intangible sum of a product’s attributes: its name, packaging, and price, its history, its reputation, and the way it’s advertised.”

David Ogilvy, Author of On Advertising
We Connect With a Brand’s Attributes
How Do Consumers View Cleaners?

Most are here:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Trade Name</th>
<th>Brand</th>
</tr>
</thead>
</table>

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EVERY GARMENT, ONE PRICE. IN BY 10AM OUT BY 5PM

We Do It Right The First Time Or It's Free!

Making Your Life Easier!
Who Says?

“When it absolutely, positively has to be there overnight”
“When it absolutely, positively has to be there overnight”
Who Says?
it's finger lickin' good.
UNITED

fly the friendly skies
Who claims to build “The Ultimate Driving Machine”? 
Words precisely chosen

JOY IS YOUTHFUL.

The Ultimate Driving Machine
Reinforce your brand & Deliver the Message Everywhere
Make Your Promotions Productive
Do you know how your marketing investment is performing?

• Is it growing sales?
• If so, how much? If not, why not?
• Do your promotions provide a lift?
• Are your marketing initiatives returning more than they cost?
Marketing is more than pictures and graphics

• Creative execution is not marketing
Marketing management is a left brain activity
Data Overpowers Experience and Intuition
What’s on Your Dashboard?
- sales revenue
- labor cost percentage
- inventory dollars over 30 days
- pieces per hour by department
- supply cost percentage
- pieces per operator hour
- utility expense
- occupancy expense
- claims expense
Track three important revenue metrics

- Average Revenue per Piece
- Average Transaction Pieces
- Number of Transactions

- $AR \times ATP = ATV$ (Average Transaction Value)
- $ATV \times #T = \text{Total Revenue}$
Why? Because “What’s Measured is Managed”

Use Your POS System to also Monitor....

• Customer Acquisition
• Customer Retention
• Individual Customer Rolling Sales Report
• Promotional Lift
Sales Promotion alone is not a Marketing Program

- A comprehensive marketing program is comprised of many tactics

- Social media is a tactic, email is a tactic, coupons distribution is a tactic....

- Before you do something, make sure you have defined your objective and that it is consistent with your overall strategy, and make sure you are measuring the effect on sales revenue, and on profitability
Plan Promotions for Profitability

Use a budgeting process to forecast your revenues and expenses

Do a Pro Forma ROI calculation for every promotional idea in your calendar
They attract attention and encourage trial, BUT
The problem with discounts

• Conditions customers to wait until there’s a discount, a bad precedent

• Reduces customer confidence, and perceived value

• Attracts work that will not return at a profitable price
# Income Statement (P&L) Assumptions

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Revenue</td>
<td>100%</td>
</tr>
<tr>
<td>Operating Expense</td>
<td></td>
</tr>
<tr>
<td>Productive Labor</td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>Typically 55 to 60%</td>
</tr>
<tr>
<td>Claims</td>
<td></td>
</tr>
<tr>
<td>Advertising and Marketing</td>
<td></td>
</tr>
<tr>
<td>Gross Profit</td>
<td>40% to 45%</td>
</tr>
<tr>
<td>Overhead Expense</td>
<td></td>
</tr>
<tr>
<td>Equipment Cost or Depreciation</td>
<td></td>
</tr>
<tr>
<td>Facility Rent or Mortgage</td>
<td>Mostly Fixed</td>
</tr>
<tr>
<td>Insurance and other</td>
<td>30% to 35%</td>
</tr>
<tr>
<td>Regulatory, Permits, Licenses</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td></td>
</tr>
<tr>
<td>Management &amp; Administrative</td>
<td></td>
</tr>
<tr>
<td>Net Profit</td>
<td>5% to 10%</td>
</tr>
</tbody>
</table>
## Per Piece Analysis of a Promotional Offer

<table>
<thead>
<tr>
<th></th>
<th>@ Regular Price</th>
<th>@ 25% Discount</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$12.00</td>
<td>$9.00</td>
</tr>
<tr>
<td>- production expense (55%)</td>
<td>$6.60</td>
<td>$6.60</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$5.40</td>
<td>$2.40</td>
</tr>
<tr>
<td>- overhead expense (35%)</td>
<td>$4.20</td>
<td>$4.20</td>
</tr>
<tr>
<td>Net Profit (loss)</td>
<td>$1.20</td>
<td>-$1.80</td>
</tr>
</tbody>
</table>

variable cost per piece remains the same
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue @ full price</td>
<td>$12,000.00</td>
</tr>
<tr>
<td>- production expense (6.60/ pc.)</td>
<td>$6,600.00</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td><strong>$5,400.00</strong></td>
</tr>
<tr>
<td>- overhead expense (35%)</td>
<td>$4,200.00</td>
</tr>
<tr>
<td><strong>Net Profit (loss)</strong></td>
<td><strong>$1,200.00</strong></td>
</tr>
</tbody>
</table>

Let's Make it Up With Volume!

How many pieces do you need at 25% off to restore gross profit?

= gross profit dollars / discounted gross profit per piece
Discounted Gross Profit Revenue per Piece = Number of Pieces Needed

\[
\frac{\$5400}{\$2.20} = 2,455
\]
Tailor your marketing to fit your objectives

New services
Seasonal opportunities
Store to route conversions

Increase breadth of line
Grow average order size
Increase order frequency
How to Measure the Results

• Calculate the lift / sales increase – this promotion period vs. previous

• Add up all the expenses....
  • Creative services
  • Printing
  • Distribution
  • Management time
  • Incentive compensation

The difference is your return – positive or negative
Take Advantage of Existing Customer Relationships
It costs 6–7 times more to acquire a new customer than retain an existing one – Bain & Company

It’s less expensive to upsell and cross sell existing customers than to acquire new ones
How to do it

- Least used department feature
- Use a Bounceback program
- Ensure customers are aware of rewards they qualify for
- Referral program- ask for referrals and introductions
- Use “Out of Pattern”, “Missing Customer” and “Lost Tuna” reports
How to do it: Engage and Re-engage

- Call with a purpose
- Feed Them
- Send a Note or Card
- Ask for Feedback
- Interact with social media
Customer Service Touchpoints

Complaints

Have a good system to log every complaint and review

Have a SOP for handling difficult customers, empower your employees

Script answers for most common objections.
Upgrade Customer Experience

Teach Your Team To Sell

Empower Your Brand

Make Promotions Productive

Take Advantage of Customer Relationships

Script, train, monitor

Upsell, cross sell services, incentivize

Appeal to your ideal customer, communicate, differentiate

Measure your marketing, ensure efforts are working

Engage to retain, get feedback, gain referrals
Thank-You !