

Two time-tested tactics to boost your bottom line

Most small-business owners at some point fall into the trap of "any revenue is good revenue." But, uncontrolled revenue growth can actually lead to a decrease in bottom-line profits.

These two time-tested tactics will help you boost your bottom line quickly and safely by focusing on profitable revenues to grow your business.

Tactic # 1

Optimize your pricing strategies, safely, and with integrity to increase your bottom line by 25-60 per cent:

Most of us have accepted that there are certain pricing "rules" in our industry when in actuality price is nothing more than a reflection of perceived value. When we allow ourselves to be lumped in with the rest, the focus shifts to price. That's when we resort to discounting to match or beat competitive threats.

A mere one per cent decline in price typically leads to a 16 per cent decline in profitability. These five steps focus on value and drive profitable revenue across a wide range of possibilities:

1. Raise less-visible prices. What are "less-visible prices?" Well, do you know the difference in extra baggage charges from one airline to the next or the price of



Internet services at various major hotel chains? Most businesses have a range of less-visible prices. Brainstorm them and raise each of them by 5 per cent.

2. Price for value-add services. Ask your customers how you can expand your offering to meet their needs and then charge more for something they don't want to do themselves. Pre-cut and pre-washed vegetables are a good example of this. If no-charge-yet-value-added services have crept into your business model over time, bundle them into a chargeable premium service and make that the standard for all new customers.

3. Justify a price premium by saving time or money. Consider cost of

ownership versus initial purchase price. Could your product save time or effort by being shipped or packaged differently? Could your product save money with a longer mean-time-to-failure? For example, cheap printers that end up using a lot of toner could have a low purchase price but a high ownership cost. Clients may pay a premium if they know the ink will be less expensive to replace.

4. De-commoditize your pricing by solving a real problem. Look at the bigger picture of what your customer is actually trying to accomplish as a result of using your product. Ask them what drives them crazy and then solve that problem. Remember, customers want the hole, not the drill.

5. Justify a price increase by providing peace of mind. The emotional side of the brain is often the decision maker. Facts and figures are merely used to support the decision. Make sure your products or services have emotional value to your customers. Are you lower risk?

Boosting your bottom line quickly and safely by focusing on profitable revenues will help in the growth of your business.

More trustworthy? Do you offer higher service levels? Have a "cool" factor? Are you easier to do business with?

Tactic #2

Reduce business costs 15-25 per cent by getting it right the first time, for bottom-line results:

Sometimes our revenue doesn't turn into the profit we expect as a result of self-inflicted wounds.

Your business may be able to reduce costs-to-serve by as much as 25 per cent, and can often sustain an eight per cent higher price than competitors, just by eliminating common failures.

You can take three simple steps to reduce your company's costs-to-serve:

1. Schedule front-line staff (even if that's just you) to spend one day per week identifying where your failure as a company is resulting in support and service requests from customers and staff.

2. Seek input from customers and staff involved at each stage to identify roadblocks, cumbersome work-arounds, inefficient systems and missing information.

3. Solve problems for good at a root-cause level by repeatedly asking, "why is this occurring?" until the root cause is identified.

Tackle each of these tactics diligently for the next three months, and you'll see a terrific boost to your bottom line.

Original article published in Business in Vancouver October 18-24, 2011; issue 1147

Fast Facts:

- 80 per cent of service issues are caused by just five categories of complaints
- 97 per cent of a company's service time is typically spent responding to the complaint, rather than fixing it.
- 70 per cent of calls to customer service lines are due to the company's own failures, not unreasonable customer demands.

Upcoming Events

January ❄️

THURSDAY, JANUARY 26

Business After 5

Start the New Year with a Great Networking Experience. Join us for a "Members Only" event with our hosts Executive Airport Plaza Hotel 5 - 6:45 pm

FRIDAY, JANUARY 27

Breakfast with your 3 Local MLA'S

Rob Howard, Richmond Centre, Linda Reid, Richmond East and John Yap, Richmond Steveston and "Year in Review, and What's Ahead" Join us at the Sandman Signature Hotel in the Round Room 10251 St. Edwards Drive Members Tickets \$32 + HST. Table of 8 \$256 + HST Non-Members Tickets \$40 + HST. Table of 10: \$320+ HST

February 🍷

WEDNESDAY, FEBRUARY 8

Strictly Networking Breakfast 2012

Richmond Country Club, 9100 Steveston Hwy. Registration & Breakfast 7-7:30 am Networking 7:30-9 am Tickets: Members \$15 +HST Non-Members \$25 +HST

THURSDAY, FEBRUARY 23

Business After 5

Start the New Year with a Great Networking Experience. Join us for a "Members Only" event with our hosts Gilmore Gardens Seniors' Residence 5-6:45 pm

THURSDAY, MARCH 8

Lunch with Larry Berg, President & CEO, Vancouver Airport Authority

Registration: 11:30am, Lunch 12:05pm Sheraton Vancouver Airport Hotel, Detail's TBA

Please note: Reservations are required for all Chamber Events.



Richmond Chamber of Commerce

The Richmond Chamber Of Commerce • Published Monthly

The Richmond Chamber of Commerce has been "Proudly serving our community for since 1925". In partnership with the *Richmond Review* the Chamber produces *Business Report* once per month. The statements and views expressed in this monthly publication are not necessarily those of the publisher. This publication's intent is to keep Chamber members and prospective members informed on important information, events and educational items. The Richmond Chamber of Commerce is located at Suite 101 - South Tower - 5811 Cooney, Road, Richmond, BC, V6X 3M1.

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the largest global network of Video Conferencing solutions, allowing our clients to conduct business around the world at a fraction of the cost. With over 1,200 locations operating in 95 countries, Regus has you covered. Our focus in 2012 will be on continued expansion and engraining ourselves within each community we do business in. Regus was a proud sponsor of the 2011-2012 World Junior Hockey Championships in Edmonton and Calgary. Through a partnership with the Make-A-Wish Foundation, we were able to donate tickets in Vancouver, Calgary and Edmonton to 3 special families. Both our national footprint and marketing efforts will continue to grow in 2012.
For more information on a Regus location in your area visit www.regus.ca to arrange a same day tour.

Welcome RCC's newest ambassador

RCC would like to welcome Richard Nash of Investors Group to our group of RCC Ambassadors. Richard is a fantastic networker and is very connected to both the businesses in Richmond and the community in general.

Richard is involved with many other associations and organizations Richard brings enthusiasm and creative ideas to the Ambassador team.

When we asked Richard why he decided to get involved in RCC as an Ambassador, he answered, "I'm excited with the opportunity to become a part of a program that's focused on helping Richmond based business owners. The Ambassadors have made a big difference at the networking events like the monthly breakfasts and the Business After 5 initiative. I have been with Investors Group for nearly 10 years and we have always been a member of the Chamber, so this is a small way for me to be able to give back to the business community".

What is a RCC Ambassador?

As a Richmond Chamber of Commerce (RCC) Ambassador, they are a front line representative; their goal is to build long term valuable relationships with new and existing members.

One of the most important duties of an Ambassador is to promote interest and participation to other members in Chamber activities. They represent the RCC by attending and inviting new members to various Chamber events including, but not limited to:

- Networking breakfasts • Luncheons
- Business After 5 events • Seminars/Speaker series
- New Member events

If you are interested in participating in our ambassador program, please contact Lena Hutzcal at lhutzcal@geotemps.com

For more information on the expectations and requirements for becoming an ambassador, please visit our website at www.richmondchamber.ca



Richard Nash

FUTURE SHOP - CORRECTION NOTICE

Due to higher than anticipated sales, please note that stock for the 64GB BlackBerry PlayBook (10166451) advertised on the back cover and page 16 of the January 20 flyer will be limited. Additional stock is not expected to arrive for the duration the flyer period. No rainchecks will be issued. Please see a Product Expert in-store for more details. We sincerely apologize for any inconvenience this may have caused our valued customers.

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Around The Chamber

Building Sustainable Communities **The Fresh Outlook Foundation** is hosting its 5th Building Sustainable Communities conference Feb. 27-March 1, at the Delta Grand Resort in Kelowna, BC, Canada. More info can be found at freshoutlookfoundation.org/events/bsc/2012.

Bafang Asian Foods would like to invite you to attend their Grand Opening on Saturday Jan. 28 at 1p.m. 100-7020 Francis Road. For more information contact Noah Huang at 604-284-5391.

Times Telecom is pleased to announce the launch of the *Philippine Canadian Inquirer* (PCI) on Tuesday, January 24. The *Philippine Canadian Inquirer* is a free weekly newspaper with 26,000 copies distributed in Toronto, Vancouver, Winnipeg, Calgary and Edmonton.

Gateway Theatre Three New Plays! Jan. 26-28. Gateway Theatre announces its seventh SceneFirst Play Development series. Over 60 plays were submitted it was a challenge to choose just three. Workshop readings take place in Studio B on Jan. 26-27 at 8 p.m., & Jan. 28 at 2 p.m.

Richmond Addiction Services is facilitating a 7-session education series which started Jan. 18 from 7-9 pm. Weekly sessions at the Cambie Community Centre, 12800 Cambie Road, Richmond, BC. For more information please contact: info@richmondaddictions.ca or call 604-270-9220.

13th RCCS Community Dinner to celebrate the **Year of the Dragon** Feb. 8, from 6:30 p.m. at Continental Seafood Restaurant (#150-11700 Cambie Rd. For more information or tickets please contact 604-270-7222.

Welcome New Members

11300 Richmond Holdings

414 - 4600 Westwater Dr.
Richmond, BC V7E 6S2
Phone: (604) 277-5953
Contact: Nina Zhang

Blue Wolf Forest Products Inc.

10540 Agassiz Court
Richmond, BC V7A 4K2
Phone: (604) 241-8577
Contact: Charles Chakal

Bread Garden Catering

4753 - 54th Street Ladner,
BC V4K 4M5
Phone: (604) 639-9229
Contact: Paul Coleman

Skyline Marina Enterprises Ltd.

8031 River Road
Richmond, BC V6X 1X8
Phone: (604) 273-3977
Contact: Bela Vigh

Ecowaste Industries Ltd.

10991 Shellbridge Way
Richmond, BC V6W 1G9
Phone: (604) 276-9511
Contact: Tom Land



New Year Specials

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Best Buy - Correction Notice

On the January 20 flyer, page 26, this product: Logitech Z323 360° Speaker System (WebCode: 10129936), was advertised with an incorrect price. Please be advised that these speakers are in fact \$79.99, Save \$10. We sincerely apologize for any inconvenience this may have caused our valued customers.

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