



Jim's Profit Accelerator 171 The Other Doorway to Growth

"...Growth is an increasingly hard achievement these days..." said the *Wall Street Journal* financial page on November 9, 2017. The exception is the tech category. But what if you're not a tech business? What if you are?

The obsession with growth (in sales) is partly well founded, since without sales things get tough quickly. What if we turned it around?

SPEED BUMP: Is it time to shift to profit growth?

We mean profitability growth, of course: how much of each sales dollar makes it to the bottom line (apologies to my CPA friends). That's an entirely different matter (or kettle of fish, if you're from Oklahoma like my mom and dad) than growth in profit dollars, which typically are driven by revenue growth.

To power toward it, make it a big deal with your top leaders. Ask them to meet in three days with three ideas to grow profit—ideas that can be put in place within 60 days. Two of the ideas must not be about cutting costs.

Sales: Look first at your item or category assortment and find the top 10 and bottom 10 in customer value and profitability to you. Talk to some customers to deepen your understanding of what is value to THEM. Consider these guides to your sales folks:

- **Sell more of the top 10 items.** Substitute them for other items in your list. Dig out the best value to your customer on each of them, and adjust your customer talk in that direction.
- **Sell less of the bottom 10 items.** Substitute other items that deliver better value for your customers.
- **Build a conversion chart** showing the recommended substitutions with customer value reasons for them.

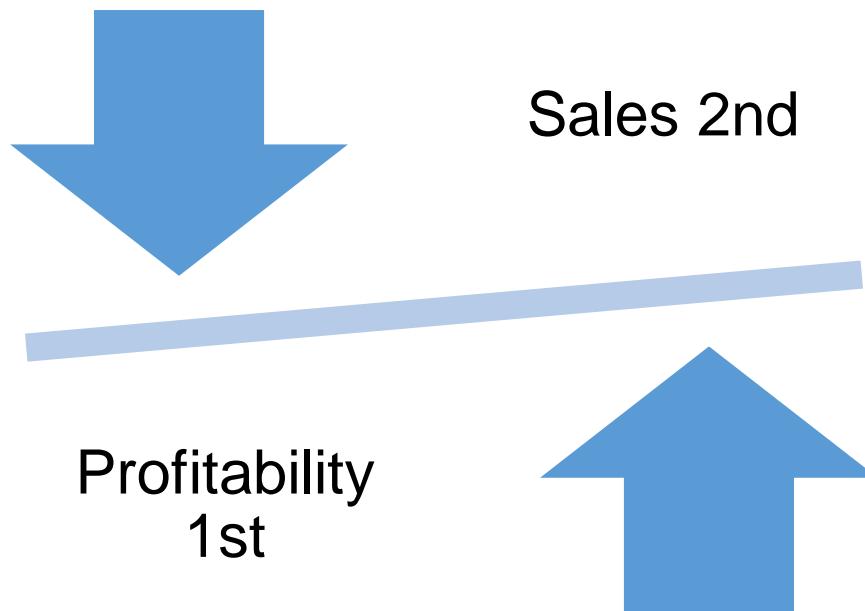
SPEED BUMP: Value as your customers see it is the doorway to growth.

Intuit is a remarkable story for a 34-year-old company in the accounting world. Sales at \$5.2 billion (up 24 percent in five years) are topped by its all-time high profit, and financials ranking in the 99th percentile among all public firms. Intuit's focus is on value for their customers. Here's an example: "Follow-you-home" is an initiative to send trained pairs of employees to

observe how customers use their products—for a total of 10,000 hours. The president will do 60–100 hours himself! *

Here's how it looks:

OUR TOP TWO PRIORITIES



This message is subtle. It doesn't say to shift to profit and stop pushing for sales. Instead, its guidance is to look at the fabric or mix of orders to shift them to a better value for your customer and for you.

SPEED BUMP: Selling value requires asking another three questions.

Sample questions:

1. Which of our products do you especially like?
2. Why is that?
3. Which of them gives you the most value?
4. Why is that?

ACCELERANT: When will your value meeting happen?

For more information on how you can accelerate revenues and profits in your business, please call or email me.

A note on **SPEED BUMPS**: Use them to click quickly with an idea that can immediately be implemented in your life as a business leader. Think: “How can I use this today?” or “Who can use this?”

* *Fortune*, 11/1/17, p 88

For more information, visit www.grewco.com.

Jim Grew, the Business Defogger and Accelerator, helps leaders discover hidden opportunities within their businesses and exploit them for dramatic results. Jim has led 9 businesses, worked in 31 companies at C-level, and is an expert in strategy and executive leadership. He presents regularly to industry groups, mentors business leaders, and shares insights in his Executive Letter (above). Jim holds BA and MBA degrees from Stanford University. In his new book, *The Other Side of Succession*, he shares how to plan for the future by growing your business now.

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