

## The Three Critical Business Success Factors

Fundamentally, the success of your business can be broken down into three Critical Success Factors. All factors must be present for success. If any of the Critical Success Factors are missing or weak, it will be a very difficult road. Here's the rub:

**It doesn't matter if your business is "in your mind" or a 50 year old enterprise – these Three Critical Business Success Factors are the same for each and every business!**

**As a business, these three things MUST be present for success:**

- 1) **Leads.** You must have **leads**.
- 2) **Conversion.** You must **convert** your leads into sales.
- 3) **Profitability.** You must be **profitable** on the leads you convert.

In your business, there will be a multitude of things to do and to act upon. You must remain "laser-focused." You have to ask yourself if this activity will a) help generate leads, b) convert leads into sales, or c) help improve the "per transaction" profitability of future sales.

Because there will NOT be a shortage of things to do, you will have to make a daily effort to prioritize and pick the "highest and best use" of your time.

### Leads

Also known as potential customers, leads are essential to the success of your business. Phone calls, customers, inquiries, visitors, etc. are all various forms of leads depending on the type of business. Whatever you want to label them, you must have people that have an interest in your goods or services. YOU have to

“generate” leads. Some leads are better than others, and some lead SOURCES are better than others.

Would you rather speak one-on-one to each prospective customer or introduce yourself to large “groups” of potential customers?

If you were going fishing, would you rather cast your line in front of one fish, or in front of a hungry “school” of fish hankering for a bite of what you are offering?

**YOU MUST GET A MAXIMUM RETURN ON YOUR LEAD GENERATION EFFORTS.**

As a business owner, you must know your “exact” CPL (cost per lead). To calculate your cost per lead, you have to accumulate all of the costs for your lead generation efforts – and divide those by the total number of leads you have generated. Over time, your goal is to drive your CPL as low as possible. As you innovate your business, you will constantly look to improve your CPL.

Let Blue Elevator™ show you how to get the most out of your lead generation efforts.

**Lead Conversion**

A lead is just that – a lead. In order to be successful, YOU must convert it into a “sale.” You could generate 1,000 leads per day, but a certain percentage of those have to be compelled to pick you and your goods or services.

Using the above analogy, you want the fish to “take the bait.” Do you remember your last trip to the big discount retailers? Do you recall the various “vendors” at the end of each aisle enticing shoppers to sample their tasty treats or sample their wares?

You must do the same in your business. Have you created for your customers a “unique value proposition?” If so, you must introduce it in such a way that allows you to “convert” your leads into a sale.

**THE HIGHER YOUR “CONVERSION RATIO,” THE MORE SUCCESSFUL YOU WILL BE.**

Let Blue Elevator™ show you how to get the most out of your lead conversion efforts.

## **Profitability**

Assuming you have leads, and you have the ability to close those leads, you must be “profitable” on the leads you do close. There are generally a couple of “slices” on this analysis. Every industry, every product, and every business have different levels of profitability.

The important thing here is that you must be profitable on two levels. There are both “fixed” and “variable” costs to consider.

Face value, you must have an adequate “contribution margin” (e.g. direct costs less direct expenses) on each sale or transaction. Relative to “per transaction” profitability, consider the following:

**MOST BUSINESSES DON'T TRULY KNOW THEIR “PER TRANSACTION” MARGIN.**

**MOST BUSINESSES HAVE MARGINS THAT ARE INADEQUATE TO FACILITATE GROWTH.**

In order to accurately plan and track your “per sale” contribution margins, you have to have an accounting system that will do as such. In addition, you – as a



*business to the next level.*

business owner – have to properly identify each and every cost associated with your sale; both direct expenses and indirect expenses.

Don't make the critical mistake of "not knowing" your margins and/or having "inadequate margins."

Let Blue Elevator™ show you how to successfully navigate the sea of "profitability."

At Blue Elevator™, our focus is helping you get your "business to the next level™." If you would like any additional information on implementing the **Three Critical Business Success Factors** for you and your business, we invite you to e-mail us at [info@BlueElevator.com](mailto:info@BlueElevator.com).

