

Double Your Revenue... for Free!

Frank Mummolo PhD., P.E.

Managing Director, MCA Consulting Services, Inc.

Without a doubt, the most frequently asked question we're asked these days is, "How can we generate more leads?" The reason? The current economic environment has wreaked havoc on revenues for many business owners. Lead flow has slowed and, with it, cash flow.

If you're like most business owners these days, the last thing you want to do is spend more money...especially on advertising that may or may not work! But you need more business, so what else can you do?

The answer is, "Plenty". Consider for a moment the following equation:

$$\# \text{ Leads} \times \text{Conversion Rate} = \# \text{ Customers}$$

For example, if you generate 20 leads and your conversion rate (i.e., the percentage of leads you historically have converted to customers in the past) is 10%, you end up with 2 customers.

Now suppose you only generated 10 leads, but your conversion rate is 20%. Using the formula listed above, it's easy to see that you *still* get 2 customers.

Even though the end result is the same, there are a few important differences in the approach: First of all, it takes more effort to sort through, qualify and follow up with 20 leads than it does 10. Moreover, *lead generation costs money!* If you want to double the number of leads you generate, you will probably need to spend twice as much money in advertising and promotion...perhaps even more, in this economy.

So, before you run out and spend more money on advertising, why not determine what your conversion rate is on the leads you're already getting? If you're like most entrepreneurs, you probably don't actually *measure and track* your conversion rate. But you "know" it...and it's pretty high, so not much room to improve here, right? Well, here's something you might want to know: In all our years of working with entrepreneurs to grow their businesses, we have never...that's right, *never*... run across a single case in which a business owner's "estimate" of her conversion rate was even remotely close to reality. And, in most cases, their "estimate" was off by a factor of 2 – 3x the actual conversion rate! That's right. In case after case where an entrepreneur "estimated" conversion rates of 80-90%, the reality was closer to 30%. Why? Because as human beings, we tend to remember our successes and forget our failures. We remember the "wins" and forget the "losses".

So if you'd really like to boost your business for free, start by measuring your conversion rate for the next 30 days. You may be shocked at what you find.

Next, work on improving it, i.e., learn how to improve your selling skills. Take a course, read a book, find a mentor or coach.

Remember, doubling your conversion rate will double your business.....*for free!*

Frank J. Mummolo, Ph.D. is the Managing Director of MCA Consulting Services (www.mcaconsultingservices.com), which works with business owners to develop marketing, finance and operational strategies for superior, sustainable growth and profitability. Frank can be reached at 215.348.0111 or at fmummolo@mcaconsultingservices.com.