



BE VEWY VEWY QWIET.....

...I'M HUNTING CWUSTOMERS!



There are five ways to build a \$100 million business. You need either:

- 500 customers that pay \$200K per year. Let's call these elephants.
- 1,000 customers that pay \$100K per year. These ones we'll call deer.
- 5,000 customers that pay \$20K per year. Call these ones rabbits.
- 50,000 customers that pay \$2K per year. These are mice; or
- 1 million customers that pay \$100 per year. Let's call these customers flies.

This structure builds on a popular hunting analogy popular with sales coaches and consultants, as a creative way to describe how businesses need to lure each of the five types of animal. The fundamental point is that you wouldn't try to lure an elephant the same way you would a fly.

Elephants are difficult to capture, it's a lot of hard work, you probably won't end up getting many of them, and it's not out of the question that you could die in the attempt.

Deer are fast moving and difficult to catch, but once you land them, they make good customers.

Rabbits are plentiful, but they're fast, tricky to catch and can be fickle.

Mice and flies well, you get the picture.

If you know your target customer and how much they are able pay, you can align your marketing and sales effort to reflect attracting different kinds of customers.

The metaphor applies equally well to SaaS (software as a service) businesses as well as service-based businesses.

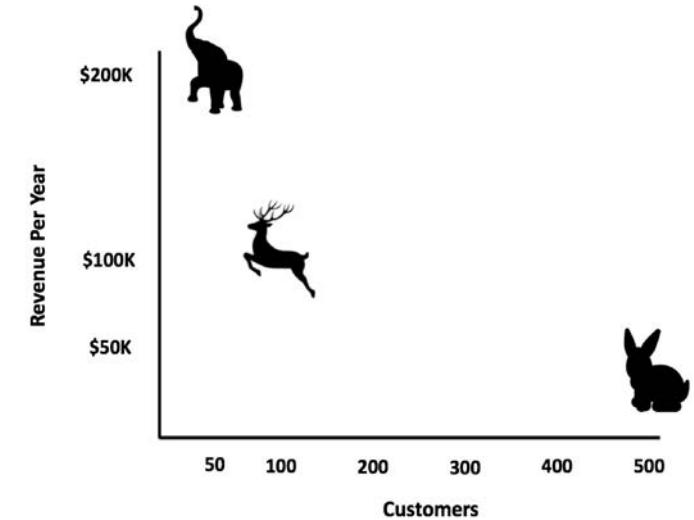
How many animals do you need to catch?

Small service-based businesses rarely serve 100 clients simultaneously, but we can apply the same theory of understanding and targeting clients.

Let's look at a small business who is striving to build a \$10 million business, which might break down like this:

- 50 elephants at \$200K per annum;
- 100 deer at \$100K per annum; or
- 500 rabbits at \$20K per annum

We'll leave the mice and flies for another day.



The idea is that to build a \$10M business, you need to understand the average price points for different kinds of customers, and then you need to set specific goals as to how many of each type you need and discrete strategies for how you're going to go about acquiring them. One size most definitely does not fit all.

To grow to 50-100 customers, you will need to understand the costs and resourcing involved to scale to this level over time and how you will engage, communicate and ultimately serve them all simultaneously.

This approach also requires a steady revenue stream on an ongoing basis. So, these are not one-off contracts but recurring revenue streams that are set up as recurring contracts, rather than one-time fees (otherwise you will have to find a new set of 50-100 customers every year!). This tiered recurring revenue model can be very successful for small businesses, as long as you understand what sort of infrastructure and resources you need to attract the requisite numbers of the right types of clients.

Hunting for Small Business Customers

Prospective customers who will spend \$50K to \$100K per year need a much different sales and marketing approach than customers who will spend \$10K or \$20K. How do you diversify your offerings and messages, reach out and engage, and then convert them effectively? And cost effectively?

One way is to build strong partnerships with the vendors you work with. That way you can cross-promote each other's businesses and services and provide trusted referrals to each other. Remembering that the average pre-COVID-19 pipeline already converted fewer than two out of every hundred prospects into customers, hunting mice and flies to purchase lower-priced items means continuously attracting very large volumes of prospective or trial clients through social media and viral marketing campaigns. Fifty thousand mice will necessitate marketing to an addressable target audience of 2.5 million prospects!

Hunting W....Rabbits

Hunting rabbits requires solid inbound marketing techniques, where you're providing solutions that people with a specific problem are searching to solve.



Here's where you write amazing content about the right topics, and present at meetings, conferences and other events. This is the majority of the marketing that people hunting rabbits carry out and they find it's really the only way to get rabbits.



Deer Hunting

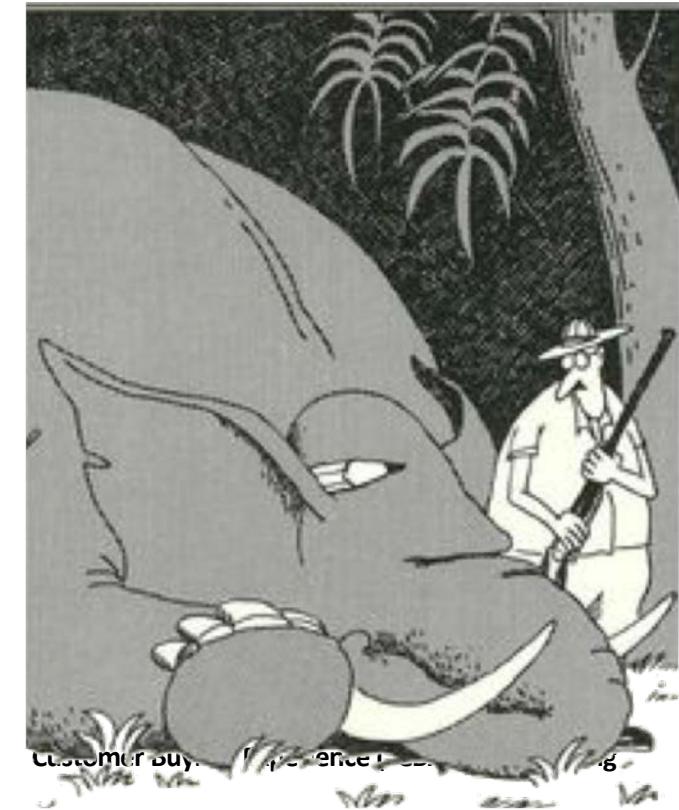
Hunting deer on the other hand, who will pay a much larger amount of \$100K per year, requires engagement – typically heavily face-to-face with sales people, to reach out to customers with a high propensity for paying that much.

The sales people will need to be those who specialize in the types of customers who pay \$100K per year. It's highly unlikely you'll close many of these as cold calls or without face-to-face contact. Getting deer really depends on those vendor relationships referred to earlier: partnership programs, referrals, or the added value of having someone who can provide service and support for a product.

Big Game Hunting – Going After Elephants

Hunting elephants requires the strongest relationships, along with recognition in the marketplace. And this happens after you land a lot of deer and rabbits. That's why very small service businesses should focus mostly on attracting rabbits and deer. When you chose elephant, a lot of attention has to go towards a small number of

Prospective targets and there simply isn't time or resource for landing more deer and / or rabbits (or mice and flies).



Successfully and sustainably hunting customers or clients requires a clear understanding of the specific types of targets you want to attract to your business, and what it takes to engage, pursue and land them. You can't use the same strategy and approach to attract elephants as you would to attract flies. Emerging from COVID-19, with resources, money and customers scarcer than ever, understanding this will be more important than ever.

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