DIRECTIONS

DIRECTIONS FOR USING THE YELLOW PAD LEAD MARKETING REPORTS:

Print these reports and use a pencil. We mean it. Do it old school style until you truly understand it, then get fancy with Excel or delegation.

LEAD MARKETING REPORT

PROGRAM: You will want to do one program or product for each of these reports because the pricing will matter when you are figuring out your costs. Pick one.

PRICE: Choose the price you want to charge for your program or product. There is not right answer here. What is something worth? Whatever someone is willing to pay for it. Period. Your pricing will affect how many you sell, what you can spend on marketing, and how much you profit. It is important that you test your market, but also that you find a formula that works for growth and profitability. (This may change as you work through this worksheet—that's totally fine.)

CUSTOMER SALES GOAL: Set a goal for how many you want to sell. Do your best to set an educated goal that makes sense based on your customer base, your marketing budget, and your ability to sell.

REVENUE SALES GOAL: This is a calculation based on your customer sales goal. Take your customer sales goal and multiply it by the price to get your revenue goal.

LIFETIME VALUE OF CUSTOMER: How much will each customer pay you over time? If you only have one product they buy one time, their lifetime value will be the price of the product. If they buy it multiple times, make an estimate on how many times and create the lifetime value. If you have other products/programs that your customers buy on the back end, make an estimate of how many do, the cost of the back end product, and then divide by the total number of customers. You are basically going to spread that amount purchased by a few customers and attribute to each customer for an average.

For example, if you have five customers buy a product for $100 each and then one buys your back end product for $500, the lifetime value of each customer would be $200. You average and attribute the total revenue to all of the customers to figure out the lifetime average per customer. Your total revenue in the above example is $1k and you have five total customers. Lifetime value is $200 per customer. This will help you know how much you can spend to acquire a customer.

MARKETING INVESTMENT AMOUNT: You will get this budgeted amount from the lead cash report you did earlier based on how much you have and want to spend based on your growth goals. This report may influence that decision and amount based on what your actual cost per acquisition ends up being. For example, if you are able to get customers at a very low cost, you might decide to spend even more on marketing if you can handle the capacity. Or alternatively, you may decide to spend less on marketing and take more profit because your customers cost less than you thought. Totally up to you.

BREAK EVEN POINT: This is an important number to keep in your mind. When your revenue amount meets your marketing spend you will be at break even. Our philosophy is that when you are trying to grow, the more you can afford to break even, and the faster you will grow. This means you are willing to spend your entire revenue amount on aggressively getting new customers. This amount is up to you, but we want to encourage you to consider that sometimes break even is awesome when you are growing. We often are willing to go at a loss in order to grow our customer base in the beginning, in order to sell them something more expensive after that. Just make sure you are thinking it through.

COST PER ACQUISITION GOAL: This is the amount you are willing to spend to acquire a customer. The more you are willing to spend, theoretically, the more customers you can get. Aggressive acquisition means you are spending as much as possible to get as many customers as possible. So if you are willing to break even in the beginning, your cost per acquisition would be the same as the price of your product. This will depend heavily on the lifetime value of your customer.

Note: Many start ups are willing to have their cost per acquisition be more than the price in order to grow their companies. Depending on how much you have to invest and how fast you want to grow, you might decide to do the same.

You must set up your marketing to be able to track this. For every marketing effort you make, you must be able to track it to the sale. If you don't set that up properly, you will not be able to use this report. So if you run an ad, make sure you track each sale you get from that ad. You can find out more about marketing by Googling, "tracking direct response marketing" and "learning more about funnels". I recommend Todd Brown, Russell Brunson, and Amy Porterfield to learn more about direct response online marketing tactics.

PROFIT PER SALE: This is an easy calculation. Subtract the cost per acquisition from the price of your product. You might also want to figure out profit per customer, taking into account their lifetime value. You may not make a profit on the first sale, but the lifetime profit per sale could be very high. Just make sure you consider that as a factor.

ACTUALS: This is an active report that you will be updating as the month goes on and your sales numbers come in. You will be monitoring how your marketing dollars are working and how many sales you are making. This is when you can make decisions on whether you need to pay more to get customers, improve your marketing efforts, do more direct selling, or adjust your plan. By having this report and these numbers, you will be able run a much more conscious business.

Note: In the beginning, I recommend you do this report by hand yourself. Do not delegate it until you fully understand how to do all the calculations manually. This is a huge part of understanding your business and getting pencil to paper math, while increasing your connection and knowledge when it comes to growing and profiting in your company.