



## Target Your Most Profitable Customers

Jeff Susbauer | August 31, 2015

All customers are not created equal. Some are more profitable than others. Focusing on those customers who are more profitable can mean a big bottom-line increase for your business.

But how do you do that? Jeff Susbauer, co-developer of the COSE Strategic Planning Course, has identified three key steps businesses should take to find out the answer to that question.

### Step 1: Know your own cost.

At the end of the day, Susbauer says, customers don't care in the least what your costs are. They just want to satisfy their own needs. This means it's up to the individual business to keep a watchful eye over its own cost structure.

All businesses should ask these questions of themselves, Susbauer says: "Can you fulfill customer needs with the cost structure that's in place? Does that cost structure enable you to make a profit?"

### Step 2: Understand what the competition is doing.

If the business down the street is selling the same thing you are for less than you are, you will probably be in trouble when that business starts going after your customers. What are your options if this happens? Susbauer says in addition to changing your cost structure, you can also improve the perceived value of what you're offering.

How do you do that? It could be as simple as offering a "buy one, get one" deal, coupons, or a free consultation.

### Step 3: Know your market

As hard as you might try, you're never going to be able to take down Wal-Mart, Susbauer says. The retail giant can afford to lose money by selling below cost. You can't. What you can do is know your own market inside and out. You should have a laser-like focus on those customers who meet what you have to offer. Figure out who those customers are and go after them.

"Sales are vanity," Susbauer says. "Profits are sanity."

*The COSE Strategic Planning Course is a six-month, results-oriented process that delivers concentrated executive-level business education and exceptional networking opportunities. The course is designed to help you overcome obstacles while building the foundation to take your business to the next stage. Learn more at [www.cose.org/spc](http://www.cose.org/spc)*

