Instant

Strategic Alliances

Introduction

# Congratulations!!

Welcome to Strategic Alliances, your do-it-yourself guide to using other businesses to boost your profits.

A strategic alliance is when you and another business go into a loose partnership, and help each other make extra profits.

For example, a tree trimmer may refer work to a lawn mower, and vice versa. They may give each other 10% of the price tag of any referred work. Suddenly, each has a ‘scout’ working for them. The number of suppliers the tree trimmer may do this with is unlimited, although it’s probably wise to work with only one of each type of business.

Once you’ve been through this guide, you’ll learn how to set up this type of strategic alliance for your business. Of course, there are many other types of SA’s that may apply to you. We’ll cover those as well. By the end of this guide, you’ll have a selection of strategic alliance ideas to get you started.

This is the next step in your marketing success story. From this point on, you’ll know how to work with other businesses to beef up your bottom line.

# I personally guarantee it.

How To Use This Guide

After reading the introduction and background, jump straight in and start going through ‘The 6 Steps To Creating Strategic Alliances’.

Each step covers an important aspect of strategic alliances - these are things that you must give careful consideration to. Each step represents a cornerstone of a great strategy.

You might be surprised by how much this exercise reveals about your business. It may get you thinking about important issues that have never crossed your mind.

Make sure you make notes in the spaces provided. When you come to write your first few strategies, you’ll need to refer back to these notes.

**Section 3** offers a more in-depth explanation of how to come up with good offers - you’ll even find 10 examples to get you started. When it comes to strategic alliances, it’s essential that your offer really motivates other businesses, and their customers, to try your business.

**Section 4** contains examples of powerful strategies, some of which may directly apply to your business.

Last, **Section 5** brings it all together, with templates of successful alliance strategies. That means you can combine your new knowledge into a format you can be confident will bring results. You just fill in the gaps. That’s how easy it is.

Now, it’s time to get moving - there’s never been a better time to start using Strategic Alliances to your advantage.

# Important: A Note About Testing & Measuring

The greatest business people and marketers are not necessarily the smartest or most innovative. Most simply understand the concept of testing and measuring.

When you are testing and measuring, there is no failure (except the failure to record your results and analyze them). Every step brings you one step closer to the right formula, and the right approach.

If you approach your marketing expecting everything to work first time, you’ll be bitter and dissapointed when you discover it doesn’t. You may give up before you should.

**Remember this:** marketing has certain rules, but it’s still largely trial and error. You give it your best guess, then find out for sure.

It’s essential that you meticulously record every result. It’s extra work, but you’ll be glad when you have a marketing strategy that you know will produce results. That confidence only comes from testing and measuring.

Section 2

The Nature Of
Strategic Alliances

# What is a successful Strategic Alliance?

The answer to this question is simple - if you make more money from the strategic alliance than it cost you, it’s been a success. Of course, you need to put a value on your time also - if it costs you no money but takes 3 days a week that needs to be taken into account also.

Ultimately any strategic campaign that pays for itself can be considered successful. Before getting started, there are a few things you need to think about in depth:

1. **Work out your costs.** This includes the cost of printing, envelopes, phone calls, schmoozing with the other business owners and more.
2. **Know your margins.** You need to know the net profit you make from anyone who buys your product or service. By understanding how much you actually make from each sale, you’ll be able to work out the % response required to make your campaign profitable. Factor in everything, right down to the pencils you use to write out quotes. At the end of the day, many businesses fail because they don’t count on the little things. What looks like a great profit margin is whittled down to nothing by gas, stationery, business lunches etc. The more accurate you can be, the better the decisions you’ll make.
3. **Lifetime Value.** Don’t view each new customer that your campaign brings in as a one time sale. You will normally lose money on the first sale to a new client. The average business will need to sell to a client 2.5 times before it begins to make a profit from them.

With all this in mind you need to focus on bringing customers back on a regular basis. Therefore any strategic alliance campaign which covers its cost initially will turn out to be very profitable in the long term. If you simply cover your costs in the short term, you have a successful strategy on your hands.

In many cases, you consider the strategic alliance an exercise in ‘buying’ customers - that means you are giving away money in exchange for a new customer. Remember, a new and loyal customer will make you a healthy income over the course of your lifetime.

# What makes a successful Strategic Alliance?

This is just a broad overview of what makes a strategic alliance successful - you’ll find very specific detail in the next section. For a start, let’s just get things straight, so we know what we’re aiming for. Here are the main elements of a successful campaign ...

**The Right Attitude ...** One thing you’ll discover from reading this guide is that you are doing the other business a favor as well. You need to understand that they’re getting as much benefit as you are. When you approach them, do so from a position of power. Your attitude should be ‘I’m going to help you out. This is a great opportunity, and I’m going to be selective’. Of course, if your offer to the other businesses is not strong, you’ll be fighting an uphill battle from the outset.

**Targeted Lists ...** You don’t want to deal with businesses and customers that are unrelated to your line of work. You need to choose businesses that deal with almost identical customers to you. For example ‘people who own expensive cars’, ‘people who are absolute music fanatics’, ‘ladies over 30 with acne problems’. Your customers need to be definable in terms of age, sex, interests or income.

**Offer ...** A strong offer will make all the difference - without one, you can forget about response. With a powerful offer, you may need to hire extra staff just to cope with the response. This relates to the offer you are making the other businesses, and the offer you are making their customers to come and deal with you.

**Support From The Other Business ...** If your ally business gets right behind the idea, you’ll have a far better chance of success. If they go into it with an ‘all right then - I don’t like the idea but I’m willing to give it a try’, you’re fighting an uphill battle. You need to get them on board from the start, and make sure they approach the project with a ‘this is gonna be great’ attitude.

**Follow Up ...** Once you’ve set up the alliance, you need to maintain it. Keep regular contact with the ally business, and keep giving them reasons to help you out. Obviously, if you’re working hard for them, they’ll work hard for you. Don’t expect it to be all your own way - there has to be give and take. Of course, this is a small price to pay for a strong alliance - you are gaining a new source of customers, which will undoubtedly cost you less than advertising, direct mail, flyers or Yellow Pages. Better yet, the customers come ‘referred’, which means they come with a good attitude. They will look for the good things about your service, and be less suspicious. They are also unlikely to go shopping for better deals. They’ve heard ‘good things’ about you, and that means they want to give you every opportunity to please them. As you’d be aware, these customers are pretty rare. It’s worth working hard to develop an alliance that provides you with a steady stream of them.

The 6 Steps To Creating Strategic Alliances

# Why (Use A Strategic Alliance)?

Before doing anything, you need to work out whether a strategic alliance is for you.

Obviously, you have a suspicion that it is (or you wouldn’t have invested in this package), but you need to compare it’s potential returns against other available ways of marketing yourself.

For example, if your market is broad and your offer is VERY appealing, why not use the newspaper instead - it’s easier and probably a cheaper way to go. Or what about radio?

These methods will give you immediate access to a large market, and you don’t have to worry about setting up a middle man. Of course, this will only work if your business has broad appeal, and a point of uniqueness (a great deal, exclusive products, amazing service etc.).

A strategic alliance is ideal when you have a specific group of people you want to advertise to, and there are other non-competitive businesses already dealing with them.

Here’s a perfect example - corporate training organizations. They know who their target market is (businesses that need help with customer service and sales), and the businesses that deal with them (stationery suppliers, computer shops etc.). A strategic alliance could work - they could get the stationery supplier to send the business owner a gift (a free 1 hour needs analysis with a qualified trainer), and the training company could give vouchers to it’s customers.

On the other hand, a strategic alliance is probably inappropriate for a fast food outlet - the market is probably too broad (anyone looking for a quick, cheap meal at lunch time) and it’s hardly worth going through the trouble and expense of setting up a strategic alliance (unless it’s very basic, such as just leaving flyers on their front counter - rarely works!). You may as well just put an ad in the paper - there’s no specific business that would make a good ally.

Remember, strategic alliances work best because the potential customer thinks the other business is doing them a favor and giving them a tip - ‘deal with these guys and they’ll really take care of you’. The customer believes the business has gone out of it’s way to make a recommendation which will help them. Because of that, they feel some obligation to take action.

You need to find businesses who are willing to get behind the idea 100%, or else forget it altogether. That brings us to the other consideration - are there any businesses out there who are willing to open their minds enough to run with the idea?

Of course, it depends how you bring it up with them. If you say ‘listen, I want to use you and steal your customers’, you’ll have a bit of a battle closing the ‘sale’ from there. On the other hand, you could try an approach like ‘hi there, I’ve got a way we can help each other - I’ll get some new customers, and you’ll get some new customers. We’ll also start making an extra couple of hundreds bucks a week, pure profit’ - it’s certain you’ll get a better response from this method.

# Who (Are Your Target Market)?

Before you even start making a list of strategic allies, you need to identify exactly who it is you’re trying to reach. Precisely who is your target market?

A failure to answer this question will lead to failure FOREVER. For example, imagine a company who sells in-ground swimming pools doing a mailing campaign to a block of high-rise rental apartments. You’d be a fool to bet on anything other than a dismal and costly blowout.

To avoid mistakes, you need to know exactly who your potential customers are before you start arranging alliances with anyone.

So let’s get specific - who are the people most likely to be interested in your product or service. Here are some guidelines ...

**Age:** How old are they? Don’t just say ‘all ages’ or ‘a variety’. We want to create a mental picture of your average customer. Think of an age that symbolizes most of your customers. Just consider the people who deal with you now - what age represents the majority.

**Sex:** Are they male or female? ‘Half and half’ is too broad. Practically every business is split one way or the other. Give it some real thought - which gender does business with you more often. The reality is, your business probably appeals more to the male psyche, or the female psyche.

**Income:** How much do they make? Do they earn a great living, meaning that quality is the big issue, or are they scraping for every dollar, always looking for a deal. It’s essential that you find this out. Once you know, this information should guide every marketing decision you make from here on in. If your customers are quality driven, it may be time to re-assess those ‘Half Price’ ads. If you discover they want the cheapest thing they can find, you better start looking at the offers you’re making.

**Where do they live:** Are they local, or do they come from miles around to deal with you? This will dictate how you communicate with them, and which businesses you choose as allies. If your customers are local, and it’s unlikely they’d travel more than 10km to deal with you, you should search for a strategic ally that is based close to where you are. For example, a hairdresser would be well advised to only create alliances with businesses in the same rough area. People generally do not drive all the way across town to get their hair cut, at least not on a regular basis.

# Which (Business Will Make A Good Host)?

Now you’ve identified the ‘who’ you need to find the right business to help you reach them.

There are a number of criteria for selecting an ally business. If you can think of one that matches all of these points, you can feel secure in selecting them as an ally. If you can find a few that meet most of the criteria, it will probably still worth running a strategy. Here’s your checklist ...

**Non-Competitive ...** That means they don’t sell what you sell, or anything that could be considered a replacement for what you sell. For example, an acupuncturist and a masseuse may be considered competitive - both deal in natural therapy and relaxation. If the customer starts coming to massage, they may stop seeing their acupuncturist.

There is such a thing as wallet share - customers have only so much to spend each month. If the masseuse becomes their choice for relaxation, the acupuncturist will miss out.

The same might go for a CD store and a video store - if people spend all their disposable income on CD’s, they may have none left over for videos. It sounds crazy, but it’s a genuine fact - people set aside a rough amount each month for a particular type of activity ... if another business is dealing in products or services that can replace yours, or may be chosen instead of yours, you need to work out whether they are really non-competitive.

**An ideal example of non-competitive business:** a carpet dealer and a lighting store. The major market for both is people moving into new homes. The fact is, people can’t choose to buy lighting OR floor coverings - they **must buy both**. Therefore, the businesses are in an excellent position to help each other.

The carpet dealer could agree to give out gift vouchers on behalf of the lighting store. The lighting store could do the same for the carpet dealer. Immediately, both would get new business. Each would tap into the customers the other business is attracting. These customers should be almost identical.

Of course, if you manage to get a semi-competitive business to promote you, then more power to you. It’s their loss, not yours.

Usually, there’s a lot of gray area - all businesses are competitive in one way or another. Everybody wants the same type of customer ... one with money to spend. Some business owners are too paranoid to bother with - they think that you’re going to steal their customers - there’s not much you can do about these people. Just go for the ones with a good attitude.

**Positioning:** Of course, you do need to give consideration to the ‘positioning’ of the ally businesses. Here’s what that means: the businesses creating the strategic alliance need to be at the same end of the quality and price spectrums.

For example, if you deal only with sophisticated and wealthy customers, and your prices would send most middle income earners into panic, there’s no point in creating an alliance with ‘Crazy Bill’s World of Discount Heart Transplants’ or ‘Cheap & A Little Bit Nasty’. Choose a business that shares a similar sort of ethic to you.

**Same Target Market ...** This is the most important consideration. The ally business must have the same or a very similar target market to you.

For example, a high class beauty salon and an exclusive hairdresser are very compatible, a Ford dealership and an auto-electrician specializing in Fords click well, as do a Hi-Fi shop and a CD store.

From your answer to ‘Who are your target market’, you should have a clear idea of the people you want to target. You should know how old they are, how much they make, what they’re interested in and more.

Now think about it - who else deals with these people. You can approach it from the other way ... what other businesses do these people deal with. For example, members of a gym might also go to a health food store, or people who buy luxury cars might also like expensive paintings.

Think about what business YOU deal with yourself. Chances are, your customers have similar interests to you. Best of all, if you are already a loyal customer with one business, it should be easy to set up an alliance. For example, if you are a beautician and you’ve been going to the same hairdresser for years, it shouldn’t be too difficult to say ‘why don’t we help each other out?’.

**They Have A Database ...** Of course, it’s not entirely essential - you can ask the ally business to simply hand vouchers out, or make a verbal recommendation to their customers.

If they have a database, it means you can introduce yourself by letter. Better yet, get the owner of the business to write a letter recommending you.

If their customer records are on paper, you could sweeten the offer to them by suggesting that you will organize for their records to be transcribed onto computer - if you’re going to do it properly, you’ll need to do this anyway, so why not throw it in.

**Right Attitude ...** There’s a heck of a lot of jaded business owners out there. They think the whole world is against them, the ‘big boys’ are discounting their prices to force them out of business and the economy is declining.

These people are unlikely to go for anything any more complicated than ‘flyers’ to the letterboxes, which they’ll tell you ‘don’t work anyway’.

If they are negative from the outset, you probably don’t want to get too involved with them - they’ll only kill your promotion.

It’s better to find someone who’s willing to give you the support that you need - someone who’s smart enough to know a good business idea when they hear one. There are people out there like that, and they’ll love to get involved.

**Their Customers Like Them & They Like Their Customers ...** There are two things you don’t want. The first is an ally business with customers that hate them. If the business owner has already burned all of its customers, they’ll be completely uninterested in dealing with another business he or she recommends.

The second thing you don’t want is to get a whole bunch of new customers who the ally business owner hates ... essentially D grade customers - they haggle on price, they annoy the heck out of you and always complain about everything.

You need to check that the host business thinks highly of their customers - if they don’t, you don’t really want to adopt these customers as your own.

**Large Number of Customers...** If the ally business has only dealt with 23 customers in the past 5 years, it’s barely going to be worth the trouble of creating an alliance (although it depends on your business).

If they have a huge number of customers, you may even want to offer exclusivity to the business in exchange for access to the whole customer base, including phone numbers. If they only have a small list, they can forget about exclusivity.

Of course, the more successful businesses will be harder to convince. They don’t need the customer that you will send them, especially if you are smaller than they are.

You need to ask the question when considering an ally business - ‘They’ve got so much to offer me. Do I have anything to offer THEM?’. If you don’t, you may have to think again. It’s probably worth a try, but you may have to be a little less ambitious.

**A Willingness To Test ...** It’s important that you stress to the ally business that you just want to do everything on a small scale before a large one.

If the business owner says ‘no, let’s just send a letter to all 10,000 of my customers’, it’s a less than ideal situation. Thank the business owner for their eagerness and enthusiasm, but stress that it’s best to test first.

You could say to the ally business owner ‘I think we should do a hundred first, just to make sure that everything’s OK. I mean, of course it will be, but you know, it’s your customer base so let’s respect it, and just make sure that everybody’s happy with it’.

And of course, you want to keep reminding the business owner of the ultimate outcome. Make it clear that everything may not work perfectly at first, but it’s worth spending the time refining the idea.

# What (Can You Offer The Ally Business)?

Remember, this is business ... not something based on friendship. You need to work out precisely how much you can offer these businesses.

You need to work out what you’ll sacrifice in order to make this arrangement work. Here are some ideas ...

**Commission ...** the old stand-by. This tends to work well in any situation. There are very few people who would turn down extra money in their pockets. If you are going to sell the idea on this basis, give the potential ally business owner an idea of how much they will be making a week.

If you say ‘I’ll give you 10% of every job you send me’, people don’t tend to get very excited. 10% doesn’t sound like much. Why not phrase it like this ... ‘you deal with about 50 customers a week, don’t you? If you refer one in every ten, that’s 5 customers a week. My average sale is $500 per customer. That adds up to $250 extra profit in your pocket a week. And all you have to do is give them this voucher and say a couple of good words about me’. Big difference?

Why not be a bit more generous when thinking about how much to offer. Consider the lifetime value of the customer. You’d be better off just covering your costs, and banking on the customer coming back to you.

Of course, it depends on your business. A hairdresser can rely on lifetime value - a car salesman can’t. If you do expect to see the customer back, why not give the ally business all the profit from the first sale - it’ll certainly boost the number of customers they send you.

**You Send Customers To Them ..**. If you are in a position to send them customers, offer it first.

Why give away any profit if you can get away with a quid pro quo arrangement instead. Although it will mean you’ll need to change your sales process, it beats writing big checks to the ally business.

There are a couple of challenges with doing it like this - the first is, how much are you doing for them, vs how much are they doing for you. You may find you keep sending them customers, but they never send you a thing.

The other challenge may result if you rarely send them a new customer. Your follow up will be awkward - how can you encourage them to do anything for you, if you haven’t done anything for them? They’ll tell you to get lost.

Only go down this path if you’re certain that you can give the other business a good deal. If you are already sending your customers to this sort of business, chances are this system will work well for you.

**Benefits Appeal ...** This is the most risky, and the hardest way to set up your strategic alliance. Even so, it’s the most satisfying.

Explained simply, this is where you give the ally business good reasons to send their customers to you. For example, you may have the best product for the best price, or something completely unique that sets you apart from your competitors.

The only thing you offer to the ally business is the security of knowing that they are sending their customers to the best business possible.

This system works well if the ally business HAS to refer their clients somewhere. For example, an optometrist has to give people an idea of where buy their glasses.

All you need to do is write potential ally businesses a letter explaining what makes you different. If all you have to offer is ‘good service and competitive prices’, forget it. You need a uniqueness that makes them sit up and take notice of you - something that gets them talking.

There’s nothing wrong with wining and dining with them. People like to help people they know and like - if you develop a relationship with the ally, you’re more likely to get the business.

# How (Do Set Up Your Strategic Alliance)?

There are many ways to set up a strategic alliance, and many variations of the main types. Read through the following, and combine them to suit your situation.

**Set Up A Referral System ...** This is where you get together with one or two other businesses and offer them reasons to refer customers to you.

As covered in a previous section, the reasons can be commission, extra customers or just the knowledge that they’ll be referring their customers to a quality business.

The most effective type of referral system is a combination of all 3. That is, you have a system where you give 10% of any referred job back to the referring business. You do the same for them. On top of that, you insure you give them plenty of supporting reasons - your service, your prices, your quality.

Simply find a number of businesses who you feel would make good referees, and write them letters explaining the system. You’ll find an example of this kind of letter in the fourth section.

Better yet, phone the businesses who have already been referring customers to you. Thank them directly for all their help and send them a gift. After that, say ‘listen, if you’re doing this anyway, it’s only fair that I give some of the extra profits you’re creating for me’.

Not only will they jump at the idea, you’ll find you immediately get more referrals, especially when you offer to start repaying the favor.

It’s important to keep the relationship going after the initial contact, and to build ongoing rapport. And remember, the more referrals you send to them, the more they are likely to send to you.

Choose your businesses well, as those with the wrong attitude and target market will only end up wasting your time. See the previous sections for more specific guidelines on choosing businesses.

Introduce yourself to the database of another business ... This is the easiest way to join forces, and something almost any business can do.

It’s probably best explained with an example. Let’s imagine you run a small hairdressing business. You have a slew of regulars, but rarely see any new business, owing to a poor location and dull advertising.

No problem - for less than the cost of one ad, you can have 300 customers personally recommended to you.

Here’s how it works. You arrange to meet with the owner of a non-competitive, yet related business. For a hairdresser, a beauty salon would be ideal. Dependent on the target market of the hairdresser, a ladies gym might also be a winner.

Tell the business owner you are willing to give every one of their customers a free haircut, valued at $18.95. The trick is, you’re going to set it up so it looks as though the owner of the beauty salon has personally paid for this gift.

You write a letter, signed by the other business owner, that says ‘ Thanks for being a customer - I appreciate it immensely. Just to show that I truly am grateful, I’ve arranged a special gift for you ... a complimentary style cut with Julia’s Hairdressing. I recommend Julia and her team highly - and I’m certain you’ll appreciate the difference too.’

You mail this letter to the beauty salon’s entire database. To sweeten the deal, you might offer to pay for the postage and printing.

The benefit to the beauty salon is clear - they get to mail their customers an $18 gift without paying a cent for it. They get all the good feelings, referrals and repeat business and they didn’t have to do a thing.

But the real benefits are yours. Hundreds of qualified people will receive a personal recommendation to see you for a haircut. They’ll also get an almost irresistible offer.

Compare this with a traditional ad. You spend $400, get 10 calls, and maybe 5 sales. Cost per sale: $80. That’s pretty steep.

With the joining forces concept, the stats are a lot more appealing. A mailout to 200 people might cost you $150 all up. Let’s imagine you get 10% (a pretty conservative estimate) - that’s 20 new qualified customers. Cost per sale: $7.50. Mmmmm, now it’s starting to make sense.

Join forces with 4 or 5 related businesses, and form a ‘collective’ - This idea especially applies to people in the service industry.

# Here’s a great example ...

Let’s say you’re an auto electrician. You’re doing OK, but most of the work is going elsewhere. The main mechanics in town are referring the work to other guys, and you’re getting killed in Yellow Pages.

What can you do? It’s a tough one - although everyone who has a car may one day need your service, you never know when.

The answer is to join forces. Get on the phone to a mechanic, a car detailer, a tire retailer and car window tinter. Tell them of your brilliant idea - ‘let’s join forces!!’.

**Here’s how it works.** You’ll advertise yourselves under the one name - let’s say ‘Guaranteed Car Services’ (you’ll probably need to be a bit more creative than that). You have one number (a Toll Free number), one guarantee (either you’re delighted or you get the job for half price) and one policy - everyone helps everyone else out.

If the mechanic, car window tinter, car detailer or tire seller becomes aware of a car that needs an auto electrician, you get the name and details. If you see a mechanical problem, you pass on the customer to the mechanic. If the car detailer overhears the customer talking about tinting, they refer them to the car window tinter.

At the end of every job, you run the customer through a checklist - ‘OK, that’s your electrical problem sorted out. Now, when was the last time you had the car serviced? Right, I could arrange a service for you. Here’s a $25 voucher towards that - I know the mechanic, Paul, and he does a top notch job. Oh, by the way, summer’s coming - have you thought about tinting? No, you should - I’ve got this card here from John’s Auto Tinting. He said if I gave it to any of my customers, he’d do two windows for free when you book your whole car in. And in case you didn’t know, both of those guys are covered by Guaranteed Car Services. If you’re not delighted you get your money back.’

You run through your checklist, until each business has been covered. Any ‘hot’ leads get passed on to the relevant business, and they return the favor for you.

It takes a bit of organization, but it’s certainly worth it. Here are 3 more interesting combinations ...

1. **Guaranteed Home Services -** a lawn mower, power washer, painter, roof restorer and tree stump remover.
2. **Guaranteed Beauty -** a beauty salon, hairdresser, masseuse, psychic and gym.
3. **Guaranteed Fashion -** a clothes store, shoe shop, hat store, tie store and image consultant.

# Open your mind to the possibilities - who could YOU join forces with?

Arrange free gifts to give to your customers ... This is a reverse idea - where you introduce another business to your customers. It’s a great one for businesses where there’s a long interval between purchases.

**Let’s think about a car salesperson.**

The hardest thing about selling cars is getting people to remember who you are next time. Because they go 2-3 years without buying a car, there’s very little loyalty.

That problem is easily solved - just keep in regular contact. Mail your customers cards, letters and communication, just keep the relationship going.

But if you’re going to mail them something, why not make it extra special. Drop down to the local clothing stores and say ‘you know, most of my customers are young trendy women - they’d love to know more about your store. If you give me a $20 gift voucher for every one of my customers, I’ll write a personal recommendation that they come and visit you’.

Once you’ve got that out of the way, go onto the next target business - a massage therapist. Say ‘most of my customers have the money to spend on a monthly massage, and if they were shown how good it really is, I’m certain they’d be more than willing to come back regularly. If you give me a voucher for every one my customers, I’ll mail it direct to them, and recommend that they see you every 4 weeks’.

THAT should take care of your customers for a few months.

Imagine that - you buy a car from someone, then start getting all these great gifts in the mail. How would that make you feel?

You can arrange gifts from almost any other business - either in the form of a gift voucher, a free service, a trial product, a 2 for 1 coupon, a free consultation, an in-home design service. The possibilities are endless.

Best of all, you won’t have to pay a cent for any of it. And because it’s off your own back (and not the dealership), you take the list of names with you when you leave for another business.

People buy from people, so if you’ve built the relationship, you get the sales.

Join forces with the suppliers of businesses you’d like to sell to ... this is an extension on the first idea.

Let’s say you’re a management consultant - you specialize in helping managers reach a state of peak performance. Simply introducing yourself directly could work - but it’s really only you saying ‘hey, I’m good’.

People expect you to toot your own horn. It’s when someone else toots it for you that they get excited.

**So how do you do that?** Easy - hit the suppliers of the businesses you’d like to deal with. For example, their stationery supplier. You say to them ‘I’d like to give you a gift which you can pass on to your top clients. It’ll make them love you, and give them some genuine benefits. I’m a management consultant, and I charge $456 an hour. For your clients, I’ll do a full 1 hour appraisal and performance evaluation free of charge. This will be your gift to them.’

To understand why this idea will work, you first need to understand the plight of the poor old stationery supplier. They’re aware that almost anyone with better prices can come along and knock them off their perch. There’s so little differentiation between service, price is often the only factor.

Doing something out of the ordinary for their customers will give them the edge. They’ve introduced emotion into a very bland, price driven business.

The benefit to you is also massive - you get a personal recommendation from someone the prospect already knows and trusts. For something as intangible as management consultancy and personal performance coaching, that’s essential.

**Sell someone else’s product ...** probably the most straightforward joining forces concept of them all. The trick is to be constantly scanning for hot products related to your business.

Getting back to our hairdresser example, there are plenty of opportunities - a new quick -setting hairspray that you spray just once, a hair dryer that runs on solar power yet generates more hot air than any on the market, a new hair color that changes with the weather.

You simply write your customers a letter that explains the benefits of the new product and ends with ‘Of course, I’ve arranged a special price for you. To order, simply call me now with your credit card details. I’ll mail it out to you within 2 days. And your purchase is guaranteed - if you’re not delighted, simply phone me and I’ll drop by and pick it up.’

Suppliers generally won’t mind, even if they’re dealing direct with retail stores - it’s another opportunity to sell the product after all.

You can also do this with service businesses - simply take a commission of their first sale to the customer. For instance, a gym might sell a massage therapist in a mail-out to the their customers. They do this, on the condition they get half of the first sale. If the massage therapist is smart, they’ll understand the lifetime value of the customer, and jump at the chance.

So, once you’ve decided which way to go about your strategic alliance, you’ll need to get out there and convince your potential ally businesses to get on board.

The best way is to approach businesses who you already know, especially those who seem to be already referring customers to you. Failing that, the best way is to write them a letter explaining the idea as clearly as you can, then follow them up on the phone.

It’s a common misconception that you have to be a great writer, or some wizard with words to write a letter that works.

That’s just not true - the majority of the most successful letters are written by people who know the people they’re writing to, and know how to come up with a good offer. Their writing skills are irrelevant.

As long as your message is clear, quick and targeted well, your letter will work. It’s really like serving food - if you are serving a delicious meal, it’ll taste just as good delivered on paper plates as on your best silver. People may prefer it on the silver, but if you’re serving to people hungry for what you’ve cooked, they’ll eat anyway.

There is only one sin you don’t want to commit - getting off the point, or rambling too long. If every word and every sentence says something important to the sale, fine. If your letter is full of guff, people will lose interest very quickly. The same applies if you stray from your initial intention and message.

These guidelines apply for any letters you write to the host business to arrange the relationship, or letters that you write to their customers.

# Here are other guidelines for getting your letter just right ...

**Your headline:** Tell people exactly what they will get out of reading the letter ... the headline lets prospects know whether they should bother reading on. It needs to promise immediate benefits. For example ‘Here’s how to make $4500 extra income this month (just by sleeping in 2 hours later)’ or ‘Save 56% on your insurance bill’.

The other approach is to invoke curiosity. This is harder to do effectively, but better if your product doesn’t contain a striking benefit. Here’s a good example ... ‘Here’s why 3 out of 4 Nevada children will lose their hair before they reach 17’ or ‘4 reasons to call George’s Gym before July 15 and say “I’m a willee-wrinkle-wowee’. Most importantly, your headline needs to stop the reader dead in their tracks.

Another trick is to speak directly to them in your headline. For example, why not make your headline something like ... ‘George, here’s how you can make an extra $19,000 this year and make Harriet happy’. If you have your customer's first names, this is easy to do with computer software.

**Create a strong introduction ...** the first couple of sentences are incredibly important. They tell people whether they should read on in depth or start skimming.

9 out of 10 times they’ll skim (or trash the letter entirely).

Here’s a couple of powerful Intros that help get higher readership ... ‘Before you start skimming, just stop. Stop and think about where your life is heading’ or ‘You don’t know it yet, but the next 5 paragraphs contain the secret of earning a fortune, without breaking your back’.

You need to immediately let people know that they’re doing the right thing by reading. Here’s another ‘cut them off at the pass’ style Intro ‘I know you’re tempted to throw this letter away without reading it, but I have a warning for you’.

Of course, in most cases your first paragraph will just support your headline. For example, ‘you’re probably a little disbelieving. In fact, I’m certain that you think I’m pulling your leg, but let me show you why that headline is 100% true’.

Generally, with a strategic alliance letter, the Intro should refer to the relationship between the host and the customer. For example, ‘I wanted to write and say thanks’, or even ‘it’s so rare that anyone says ‘thank you’.

Include a strong, specific call to action ... if you don’t tell people what to do, they probably won’t do anything.

Give them precise instructions on what to do - who to call, which number to use, when to do it and what to ask for. Here’s a good example - ‘Call Gordon Harris now on 334-6756 and ask for your 45 page personal astrological analysis chart’.

**Better still -** tell them to act, then mention that you’ll be phoning in the next couple of days to discuss the letter and offer further. Naturally, it depends if the host business is willing to give you phone numbers - this tends to be pretty rare.

**Include concise and convincing body copy ...** the body copy is the actual text between the Intro and the call to action.

You don’t need to be a great writer to do this part well - it’s more important that you get the point across clearly, in as few words as possible, and in logical order.

After you write your first draft, go through and edit viciously - that is, cut out any sentence or word that doesn’t need to be there. Next, read it aloud and make sure it flows. Last, have a couple of people check through, and ask them to tell you what they got out of it. Ask them to explain it back to you, just to make sure you’re getting the point across. Ask which parts were boring, and don’t be afraid of the criticism. You didn’t set out to be the world’s greatest writer anyway, so any comments should be helpful, rather than hurtful.

**Sub-Headlines ...** If your letter is a long one (anything over 2 pages), it’s important to break up your text with sub-headlines.

These are short mini-headlines that guide the reader through the letter and pique their interest. There’s nothing wrong with making each one as attractive as your main headline.

**Use a PS ...** One of the most important aspects of the copy is the PS. In fact, the PS is often the most read part of the letter. It pays to include a major point right at the end - for example, an extra special bonus if they take up the offer in the next 3 days.

People tend to read the PS because it’s unexpected - they are surprised that someone has forgotten to include something. Some professional copywriters use up to 3 or 4 PS’s and write up to half a page for each. It sounds crazy, but it seems to work.

**Make the layout ‘fun’ ...** when writing your letter, forget everything you learned in school about writing a ‘business letter’ (for some people, that shouldn’t be too hard).

Indent paragraphs, splash bold throughout, use bullet points and give everything lots of space. If you look at your letter and think ‘my god, that’s a lot’, you need to take another look at your layout.

Perhaps it needs to be spread out. Or maybe you need to take a paragraph and put the main points next to bullets.

**Watch out for letters that are too long or too short ...** The number of pages is less important than the actual layout. If spacing it out spills the letter over onto 3 pages, rather than 1, that’s OK. Just as long as it looks ‘fun’ to read.

There’s a common perception that a 1 page letter will always be read. There’s some truth to that, but there’s also a lot of mistruth mixed in there too. If the letter is packed solid with text, just so it’ll fit on one page, people will be more turned off than if it were 4 pages and spaced.

Likewise, if it’s uninteresting and un-targeted, people won’t read it out of politeness. And if it doesn’t have enough meat and reasons to act, people won’t do anything. You need to say enough to get them inspired to do something, but not so much that they run out of time, or get bored.

For a strategic alliance letter, it’s unlikely that you’ll need anything more than 2 pages - if you do, it’s either a special case, or you’re running on. The personal recommendation from the business owner should be enough of a selling point to get you over most objections.

**Avoid anything that’s hard to read ...** type your letter in a standard font: Times New Roman or Courier. While another funny font may look ‘nicer’, it’ll be hard to read.

Remember, people aren’t interested in playing games by trying to decipher your bizarre typeface - they just want to know if they should bother reading, and if they like what they read, what they should do.

Don’t make things confusing - it’ll only obscure your message. Avoid being an artist - be a business person.

**Include a gimmick ...** the very best direct mail letters contain some sort of gimmick, something out of the ordinary that makes them memorable and interesting.

**Here’s a few examples ...**

A letter headed ‘Here’s why life is sweeter when you’re with MGA Insurance’ included a lollipop ...

**Others**

A piece of salami was sent with a letter - the tie-in was that one rotten piece can bring down a whole company. At the time, the ‘salami incident’ (where a piece of salami allegedly poisoned and killed a young girl, subsequently destroying the company) was still fresh in the minds of the readers. The letter was for an employment agency, which helped you weed out the ‘rotten apples’.

40 cents was taped to the top of a letter - the headline was ‘I’m so eager to show you the new range of Grubic Motorcycles, I’ve already paid for you to call me’.

A small bag of fertilizer was mailed with a letter to agricultural wholesalers - the headline was ‘Here’s 8 ounces of Kansas’s most advanced fertilizer. Here’s why you’ll soon need 30 tons of it….

A gimmick is a brilliant way to get attention, and stop people in their tracks. It’s also great if you’re following your letter with a phone call. Imagine calling after mailing the letter with the piece of salami. Instead of the usual ‘oh, I don’t know - I may have read it ‘ reply, you’d get ‘oh, that letter’.

Whether you can do this will heavily depend on the business owner and how crazy they’re willing to get.

Try and follow up with a phone call ... most people won’t call straight off your letter - that’s just the nature of the game.

However, if you mail them a letter, then call soon after, you’ll be surprised by the leap in response. People have the chance to ask you questions, then order directly.

A Special Note About Approaching Ally Businesses

The main thing to bear in mind is that you are doing the host business a favor - if they truly understand what you’re proposing, they should jump at the chance.

Here’s the simplest explanation - you’re giving them the chance to boost their own profits, get more customers and receive the thanks of their customers (for referring them to a quality business).

If you’d like to get paid for the referrals you give, remember that when you approach the ally businesses.

There are certain concessions you may need to make to insure that the deal happens. Here are a list of things that you can offer the ally business if there’s any doubt.

1. **You pay for the postage ...** if they don’t ask you to pay for the postage of any letters to send to their customers, they’re pretty thick. It’s your idea, so you should pay for it. The best you’re likely to get is half and half. The ally may offer to drop it in with a mailing they’re already doing, but you’d be better off paying for a separate mailing.
2. **You pack the envelopes ...** there’s no reason why you should ask the business owner to do anything aside from provide the names. They may want to stick labels on so that you don’t get to keep the names.
3. **You certify you will only use the names once ...** if they give you their list, you should probably guarantee that once this promotion’s over, you won’t touch the names again.
4. **You will do the same thing for them later down the track ...** this offer can be made. If you’re not willing to do the same for them, why should they do it for you.

# What else (do you need to think about)?

Use this section as a final checklist - once you’re happy with your strategy letter, run through and make sure you’re ready to get started. Here are a few things you may not have thought of ...

**Staff Training:** Do your staff fully understand the strategy you’ve implemented? It’s important that they understand the vital role they are to play in this strategy. If your new customers come in and find anything less than the highest level of service your campaign will fail.

**Objects:** Have you included an item with each letter? Check and make sure that all letters contain the object that you’ve mentioned in the opening paragraph. Your letter will not make much sense without it.

**Check Stock and Staff Levels:** It’s unlikely your campaign will bring in hundreds of people all at once (very few actually do), but you need to be prepared for a sizable response. There would be nothing worse than having a rush of new customers come in only to find you have no stock or are too busy to serve them.

Section 3

Creating Powerful Offers

So you’ve come up with a good way to run your strategic alliance, now you need to work out what you can offer the ally business, and what you can offer their customers to come and deal with you.

# So what is a great offer?

When thinking of what to offer your customers ask yourself - ‘Would the offer be good enough to make me respond?’ If the answer is no, then go back to the drawing board. Without a great offer, you cannot achieve great results.

Another thing to consider when coming up with your offer, is the lifetime value of the people who respond to your strategy. Taking a smaller profit in the short term will generally work out better in the long run.

**Here’s some examples of powerful offers ...**

* Free haircut - For a hairdressing salon looking to increase its database.
* 2 Steak Dinners and 2 Glasses of Wine for $10 - Restaurant recruiting members for its VIP Club.
* 1 New Release Video and a Large Pizza for $3 - Video store promotion to recruit new members.

All of these offers have a ‘too good to be true’ ring about them and are sure to get a great response. Weak offers will cause your ad to fail. Understand that your offer is the part of your ad that gets your customers to act now, and to buy from you rather than your opposition.

**Here’s some examples of weak offers ...**

* 10% Off - This is not a big enough discount to generate interest. Of course, it will depend on the size of the purchase.
* Call now for your free color brochure - So what? Everyone hands out brochures. Unless the product is something incredible, people won’t respond.
* Buy 9 and get the 10th for 1/2 price - No one would respond to this offer. It’s pathetic, unless you’re a car wholesaler who regularly sells about 8 cars to dealers at a time.

# Types of offers ...

Here are some possible offers that would be worth considering …

The Added Value with Soft Dollar Cost ...

Soft Dollar Cost refers to products, services or added extras that you can combine with your standard product to make it more attractive and increase its perceived value, but don’t add much if anything to your costs.

For this strategy to be effective the added extra must have a high perceived value, in other words your customers must see the added benefit as being great value.

The Package Offer ...

By packaging products and services together you create a more marketable combination. There is a higher perceived value when products or services are packaged, your customers will want to buy more, simply because of the extra products they get when buying a product they already want.

One of the best examples of a great package is computer equipment. Buy the hardware and receive the software for free. This style of offer is very attractive to potential customers.

Discounts vs. Bonus Offers ...

More often than not discounting will cost you profits. A far better way of clearing stock and generating extra trade is to have a 2 for the price of 1 sale. Or, try a buy one of these and get one of these FREE. The other way of putting this offer is every 10th purchase free, or when you spend $100, we’ll give you $20 off your next purchase.

Valued at Offer ...

If you are including a free item in your ad, make sure you value them. For example - CALL now for your FREE consultation, normally valued at $75. This positions your time, product, or service much more than a simple free give-away that people won’t value or appreciate.

Time Limited Offers ...

Place a time limit on your offer, it will dramatically increase the response rate because it gives people a reason to respond right now. Place urgency in your offer ... For a short time only ... Call before such and such ... Only while stocks last. These will all create a sense of urgency in your consumers mind.

Guarantee Offers ...

Using a guarantee offer is a great way to boost the response to your ad. People will be far more willing to part with their money if you take the risk out of the buying decision. The better the guarantee you make the higher your response will be.

FREE Offers ...

Giving away something absolutely free (no catches whatsoever ) is often a brilliant way to build a loyal customer base. Offer a “bribe” to get them in the door initially, then great service and products to encourage them to come back. This type of offer can reduce your “cost per lead” dramatically.

Example 1

Do you have any expensive jewelry you no longer wear?

Here’s how to make every piece fashionable again ...

Dear [name],

I’ve recently come across an excellent idea.

I’m not sure about you, but I’ve got lots of jewelry that I no longer wear. Either it doesn’t fit my finger, or it’s gone out of style. I mean, these rings still have immense sentimental value - they just aren’t fashionable any more.

That’s why re-making is such a great idea.

Here’s how it works - you take your existing jewelry, extract the raw materials (gold, silver, gems) and create something completely new. Instead of purchasing a brand new piece, you modernize what you already have.

The results can be truly startling, as the ‘before and after’ shots I’ve included illustrate.

Of course, you may be happy with the style - it could be the fit that’s a problem. With re-sizing, it’s easily taken care of. For less than you’d think, your ring can be re-shaped to fit your finger perfectly.

And best of all ...

I’ve arranged a free assessment for you. This is a 15 minute analysis with one of Vancouver’s finest jewelers - Brian Davis of Jolissa’s Jewelers. Mention you’re a customer of Lejose and Brian will clean and polish your ring free. Then, after careful examination, he will explain the possibilities.

You’ll be amazed - the most archaic looking piece can be turned into something sophisticated and dazzling.

This assessment comes with no obligation. It’s simply an opportunity to see how easily your old, unused jewelry can be transformed.

Phone Brian now at 312-3112, or simply drop in.

Julie McNamara

Lejose

PS If you have your ring remade in the next 28 days, you’ll receive a special bonus - a $50 voucher to spend at Lejose.

Example 2

COMPANY

ATT: NAME

ADDRESS

ADDRESS

Good morning NAME ...

Here’s a $195.00 gift you can give every one of your customers ... FREE

I’ve come up with a great idea …. a way that we, as business people that both deal with home owners, can help each other.

It won’t cost you anything, it’ll fit in with your current promotional efforts and it’s guaranteed to make your current customers feel special. More importantly, it’ll give them another good reason to come back and buy from you again (or recommend that their friends do).

Here’s the idea ...

I manage a company called The Mortgage Professionals - we help people slash their mortgage. And when I say slash, I mean that literally - one guy I recently dealt with saved 12 years and $37,000.

While that’s exceptional, it’s not rare ... this happens all the time. We are NOT a bank, or financial institution - just intermediaries.

More on that later. First, I want to explain how this applies to you ...

People usually pay $195 for us to go over their numbers and work out a plan. This is a 30 minute session, and the first step in the process.

I’ve recently had 500 $195 vouchers printed - these cover the cost of this initial consultation. Of course, there’s no obligation to go ahead with anything, but it will give the person an idea of what’s possible.

Here’s where you come in ...

I’m happy for you to distribute these vouchers to your customers. They’re genuinely valued at $195.00 each - it’d make an excellent gift for your customers.

I’ve also written a letter that I’d like you to send out with the vouchers.

Even better than that, I’m willing to pay for the postage, printing and envelopes - all you need to do is stick on the address labels. I won’t see the list, and won’t have the opportunity to contact your customers unless they contact me.

It’s a fantastic way to do something special for your customers without really doing very much at all. All you need to do is say “yes” when I call and I’ll organize for everything to go ahead.

And remember - this promotion won’t cost you anything, and is a brilliant, meaningful way to treat your past customers.

I’ll call you in the next few days, just to answer any questions you have, and organize the fine details ...

Look forward to speaking with you then,

Shane Holzheimer

The Mortgage Professionals

PS If you’re looking for an explanation of how this works, you’ll find it in the small booklet I’ve included with this letter. I’ll answer any extra questions you have when I call.

PPS For each person who goes ahead with a mortgage plan, we’ll mail you a 5% ‘spotters fee’ - that’s around $130.

PPPS This idea comes with the full backing of Citibank.

Example 3

Here’s a couple of cold ones ... and a way to make more doing less ...

Hi there ...

I know what it’s like sweating it out, working out in the sun - that’s why I’ve sent you a couple of cold ones.

See, I run a tree stump removal business - Woodies (you might have heard of us ... we’ve been around for the last 6 years).

Anyway, I’ve come up with an idea - a way that we can both help each other, get more customers and make extra money to boot.

Before explaining anything, let me say this ... I’m writing to YOU because I’ve heard good things about your work. People tell me you do a professional job and leave customers smiling - exactly the type of business person I want to deal with.

The idea works like this - every time I’m out on the job and I see that the customer could use some tree trimming, I’ll give them your name. I’ve also got the same arrangement with a lawn mower, power washer and gutter cleaner.

And each of these folks is willing to refer any tree trimming customers to you.

All we ask is that you return the favor - every time you meet a customer who needs lawn mowing, power washing, gutter cleaning or (most importantly), stump removal, pass them on.

Whoever spots the job gets 15% of it - which means you can make a couple of extra hundred dollars a week, just by recommending Woodies or one of the 4 other businesses.

Of course, the same applies if we send a customer to you.

And just so you know, I had about 3 customers last week that needed a tree trimmer. I told them to look in the Yellow Pages - but I could have just as easily sent them to you.

Ultimately, I want to do some joint-promotions ... you know - get some fridge magnets and flyers out to the local area.

Imagine - 5 house & garden businesses, each helping other out and sending each other customers. That’s more clout than you can poke a stick at - we’ll be the ‘big boys’.

I’m going to phone you this afternoon to explain the idea in more depth. Expect my call about 4pm. If you’re busy, I’ll set up a time for us to speak on Monday.

Look forward to speaking to you soon,

Blair Murray

Woodies Stump Removal

PS You’ll notice I’ve included a couple of movie tickets - why not take the wife out this weekend (and give some thought to the idea while you’re watching the ads at the start).

PPS Actually, this isn’t really my idea - I’ve seen a mechanic do it. He got together with a car detailer, tire store and auto electrician

Example 4

A personal letter from the manager of Pest Busters Pest Control ...

Here’s why I want to tell every one of my customers about [business name]...

A way you can quadruple your customer base ... without spending a cent ...

Good afternoon NAME ...

All right ... that headline sounds a little too good to be true ...

Some guy writes to you and says he wants to tell all his customers about your business, then promises to tell you how to increase your customer base four times ... all without spending a single cent ... I mean, you’ve gotta ask yourself - what’s the catch?

NAME, that’s the magnificent part - there isn’t one ... except that I want you to do the same for me - now bear with me, this is a little tricky to explain ...

See, I own a business called Pest Busters - we kill bugs ... but that’s only a sideline to my main activity - making money ...

I’m one of these guys who’s always looking for ways to make more cash - and if you’re a similar type of person, I’ve come up with this amazing idea that I’m certain you’ll be interested in (actually I stole it from some Australian marketing whiz - but that’s beside the point) ...

I’m about to zip through the idea in high speed - it’s so big I could spend literally ten pages telling you about it ... but I won’t - I’ll let you fill in the gaps ... here’s what I propose to do ...

I’ve written this letter to carpet cleaners, lawn mowing services, window cleaning businesses and a house cleaner - I want to form an alliance with one of each ... and then:

I want to make a card - not just any card ... I’m going to call it the “HomeCare Card” - it will contain special offers from each of the businesses I mentioned before (as well as Pest Busters of course) ... for example, the lawn mower might offer a free treatment with every lawn mowed, the carpet cleaner might offer a free room with every four cleaned - I think you get the point ... but the really interesting part is what we can do with it ...

And here’s where it gets exciting ...

We can mail this card to our existing customers - they already know and trust us, and will be open to the idea of dealing with anybody we recommend ...

So let me just spell it out for you ...

You get to mail a special offer to the database of four other businesses - each of whom will be recommending your service directly to their clients ...

And all you have to do is ...

Do the same for us - simply mail a standard letter to your customers with the discounts card ... and of course, it contains your offer as well ...

And let me tell you the best part NAME - you don’t have to pay a cent for the production or organization ... I’m designing, producing and printing the card (of course, you’ll have full control over what goes in your section) ... all you have to is mail it out ...

Just imagine it, every customer who’s ever dealt with those four other businesses will be told about your business ... and more, then they’ll be directly asked to deal with you - let me give you an example of how the Pest Busters letter will look ...

Dear So and So,

I just wanted to write and tell you about some great experiences I’ve had lately ... see, it’s rare to find a business that offers incredible service - and recently, I’ve found four ...

First, let me tell you about [business name] - I met the manager [NAME] [SURNAME] last year and let me tell you, he/she taught me a thing a two about customer service - [business name] offer amazing service, and I have no hesitation in recommending them as the best [type of business] I’ve ever dealt with - if you’re in the market for this type of service, call them on [phone no] ... you’ll find I’ve included a special introductory offer on your HomeCareCard .. .

And so on and so on - we can say anything we want ... in fact, I’ll even let you write “my” recommendation ...

So let me just recap - we’re going to make a card containing offers from five businesses - Pest Busters, a carpet cleaner, window washer, lawnmower and house cleaner ... we’re each going to mail this card to our existing customers, recommending the other guy’s service ...

In effect, it’s like getting four people to recommend your business to thousands of their “friends” - but a word of warning ...

This isn’t some “first in, best dressed” type of deal - you have to qualify ... and let me fill you in on the criteria ...

* 1. You have to have a large database (1000 people or more)
	2. You have to be one of the best in your business (if I’m recommending you to my customers, you better come through for me)
	3. You have to be willing to go with an unconditional guarantee - if customers aren’t completely delighted with your service, they get their money back (Pest Busters actually refund twice over - that’s right, double their money back)
	4. You have to be willing to approach this with a positive attitude and an open mind - if you want to do things “the old fashioned way” for the rest of your business life, this scheme isn’t for you ...

So here’s what I plan to do ...

I’ll call you in a couple of days to discuss the idea further - we’ll talk about the fine details (dates, offers etc.) and work out if this really is for you ...

But let’s not forget why we’re doing this in the first place - to attract more business and make more money - I wouldn’t bother going to all this trouble unless I was certain that this idea would give me a massive increase in sales ... and the great part is, you get the same advantages as well ...

Trust me NAME, this plan is absolute GOLD - you just have to choose whether you get involved and expand your business ... or just sit and watch while one of your competitors reaps the rewards ...

Anyway, enough scare tactics - I’ll speak to you soon ...

Until then, all the best ...

Brooke Rhodes

Manager - Pest Busters

PS All right, let’s be totally realistic - let’s say between the five of us we have 8000 customers ... each of those people (including those on your mailing list) will be asked to deal with you and given a special incentive to do so - now let’s say that just 1% decide to (and that’s being pretty conservative) ... you’ll get 80 new customers that you wouldn’t of otherwise had - how much would you have to spend on advertising to get that much business? And that’s if you get 1% ... imagine if you get 3% - I’m sure you get the picture ...

PPS As I said, I’m only dealing with one of each type of business - if you want to be sure that you get a strong look in, you might want to call me now ... my direct line is 817-3711 ...

PPPS Oh, one other thing - Pest Busters will take the lion’s share of the space on the card ... hey, you would to if you were forking out the cash to get the thing designed and printed - I’ve even contracted a professional marketing company to help me with it ... so rest assured, it will look magnificent ...

Example 5

Here’s why I’m writing to tell you about Precision Tinting’s Winter Special...

Announcing ... a way to reduce heat in summer, block out glare and keep the burglars out.

Hi there,

Before explaining anything, let me first say thanks - thanks for dealing with Abetta Carpets.

As a token of my appreciation, I’ve sent you a Precision Tinting voucher valued at $113.00. I’ll explain how to use it later.

First, let me talk about home tinting.

People usually think home tinting is a strange idea - they understand the concept of getting the car done, but not the house.

Here’s 3 reasons why it’s a great investment ...

1. It reduces glare ... do you have the problem of the sun blasting through your windows at sunrise and sunset, making everything uncomfortably bright? Tinting is an excellent solution.
2. It keeps you cooler in summer ... exactly the same way auto tinting keeps cars cool.
3. It helps keep the burglars out ... many burglars simply smash a window to get in. Precision Tinting’s tinted security film is virtually impenetrable - meaning burglars can’t easily break their way in.

As you know, people usually think about this sort of thing in summer, when it’s hot and the sun is particularly bright. But I’d say now is the best time to do it - I’ve arranged for Precision Tinting to offer my valued customers a special Winter deal ...

One window free when you have 3 tinted - that’s $113.00 value.

All you need to do is call Steve and the team at Precision Tinting within the next 14 days for a no-obligation, free quote.

Simply mention that I recommended you and that you have the special voucher, and you’ll qualify for the Winter Price.

I hope you appreciate my gift, and I look forward to seeing you again soon,

[name]

[business name]

PS If you’ve just got one window in your home that you’d like done, give Steve a call anyway - I’m certain he’ll work out a special price for you.

PPS Before you put this letter aside, give some real thought to each window and room in your home - I bet you can think of a couple that could really use tinting.

PPPS This is a great and attractive alternative if you’re thinking about security screens.

Example 6

Good morning NAME ...

Just a quick letter to check on your photocopier.

Hope it’s still running well, and providing you with continuous, hassle-free operation. As you know, Blue Star Office Automation stands by our copiers and offer round-the-clock support.

But here’s the real reason I’m writing to you ...

I recently acquired a number of vouchers for a free massage. These come direct from my favorite masseuse, Louise Thurlow.

I see her once every two weeks, and recommend the experience highly. Regardless of how stressed and tense you are when you walk in, Louise never fails to send you out floating.

Anyway, I thought you’d appreciate the gift, and might be the sort of person who’d enjoy a massage from one of Baltimore’s top natural therapists.

Simply give her a call at 223-4456 and make an appointment. She told me any time in the next 14 days is fine.

Hope you enjoy the gift, and I look forward to speaking with you again soon,

Richard Petrie, Blue Star Office Automation

PS If you’re in the market for a new or extra copier, call me. Sharp have just released the K-9000 range ... updated models that do much more, yet cost around the same. I’d love to make a time to show you the range.

Example 7

Here’s a $25 gift you can give every person who stays with you (without spending a cent)

Hi there ...

You’ll find a short letter attached to this page.

It recommends that your guests make an appointment with me, Sue Coombe. It also mentions that you’ve arranged for them to have a one hour therapeutic massage for $25 off the regular price.

As you will have already guessed, this is a great way to add value without spending any more.

Better yet, every $45 massage earns the Centra $10. While that’s not a huge amount, it would go a long way to funding a staff incentive program, or a Christmas party.

Please read through the letter - I’ll phone to discuss the idea in more depth tomorrow,

Sue Coombe

Massage Therapist

PS The way it works is simple - I’ll print a few hundred letters on your letterhead. These will be packed in envelopes, with ‘A gift from the Centra’ printed on the front. I will regularly replenish your supply, meaning you won’t have to do a thing.

PPS Naturally, I’d like to offer you a complimentary massage. And just to get things started on the right foot, I’d like to extend this offer to the three key staff members you believe will have most contact with me.

Template of Letter to Ally Business

Here’s a [gimmick included with letter] ... and a way to make more doing less ...

Hi there ...

I know what it’s like [dealing with customers you both deal with] - that’s why I’ve sent [explain how the gimmick ties in - for example, a couple of beers to cool you down after working in the hot sun].

See, I run a [business type] - [name] (you might have heard of us ... we’ve been around for the last x years).

Anyway, I’ve come up with an idea - a way that we can both help each other, get more customers and make extra money to boot.

**Before explaining anything, let me say this ...** I’m writing to YOU because I’ve heard good things about your work. People tell me you do a professional job and leave customers smiling - exactly the type of business person I want to deal with.

The idea works like this - every time I’m out on the job and I see that the customer could use [the service provided by the potential ally business], I’ll give them your name. I’ve also got the same arrangement with [business 1], [business 2] and [business 3].

And each of these businesses is also willing to refer any [service provided by the potential ally business] customers to you.

All we ask is that you return the favor - every time you meet a customer who needs [service 1, 2 or 3] or (most importantly), [your service], pass them on.

Whoever spots the job gets [commission %] of it - which means you’ll can make [estimate of potential money to be made per week], just by recommending [your business name] or one of the 3 other businesses.

Of course, the same applies if we send a customer to you.

And just so you know, I had about 3 customers last week that needed [the type of service provided by the potential ally business]. I told them to look in the Yellow Pages - but I could have just as easily sent them to you.

Ultimately, I want to do some joint-promotions ... you know - get some fridge magnets and flyers out to the local area.

Imagine - 5 businesses, each helping the other out and sending each other customers. That’s more clout than you can poke a stick at - we’ll be the ‘big boys’.

I’m going to phone you this afternoon to explain the idea in more depth. Expect my call about 4pm. If you’re busy, I’ll set up a time for us to speak on Monday.

Look forward to speaking to you soon,

[your name]

[your business name]

PS Actually, this isn’t really my idea - I’ve seen a mechanic do it. He got together with a car detailer, tire fellow and auto electrician

Template of a Letter To Ally Businesses

COMPANY

ATT: NAME

ADDRESS

Good morning NAME ...

Here’s a $x.00 gift you can give every one of your customers ... FREE

I’ve come up with a great idea …. A way that we, as business people that both deal with [target market], can help each other.

It won’t cost you anything, it’ll fit in with your current promotional efforts and it’s guaranteed to make your current customers feel special. More importantly, it’ll give them another good reason to come back and buy from you again (or recommend that their friends do).

Here’s the idea ...

I manage a company called [business] - we [perform whatever service you perform]. [Back-up statement]. [Something that you believe is special or unique about you].

More on that later. First, I want to explain how this applies to you ...

People usually pay $x for us [do something]. This is [explanation of service].

I’ve recently had 500 $x vouchers printed - these cover the cost of this [service]. Of course, there’s no obligation to go ahead with anything, but it will give the person an idea of what’s possible.

Here’s where you come in ...

I’m happy for you to distribute these vouchers to your customers. They’re genuinely valued at $x each - it’d make an excellent gift for your customers.

I’ve also written a letter that I’d like you to send out with the vouchers.

Even better than that, I’m willing to pay for the postage, printing and envelopes - all you need to do is stick the address labels. I won’t see the list, and won’t have the opportunity to contact your customers unless they contact me.

It’s a fantastic way to do something special for your customers without really doing very much at all. All you need to do is say “yes” when I call and I’ll organize for everything to go ahead.

And remember - this promotion won’t cost you anything, and is a brilliant, meaningful way to treat your past customers.

I’ll call you in the next few days, just to answer any questions you have, and organize the fine details ...

Look forward to speaking with you then,

[name] [business name]

PS [commission incentive]

Template of a Letter To Ally Businesses

Here’s a $x gift you can give every person who does business with you (without spending a cent) ...

Hi there ...

You’ll find a short letter attached to this page.

It recommends that your guests [do something]. It also mentions that you’ve arranged for them to have a [service for a special price].

As you will have already guessed, this is a great way to add value without spending any more.

Better yet, [commission incentive] While that’s not a huge amount, it would go a long way to funding a staff incentive program, or a Christmas party.

Please read through the letter - I’ll phone to discuss the idea in more depth tomorrow,

Name

Business name

PS The way it works is simple - I’ll print a few hundred letters on your letterhead. These will be packed in envelopes, with ‘A gift from [the host business]’ printed on the front. I will regularly replenish your supply, meaning you won’t have to do a thing.

PPS Naturally, I’d like to offer you a complimentary [service]. And just to get things started on the right foot, I’d like to extend this offer to the three key staff members you believe will have most contact with me.

Template of a Letter To Ally Business’ Customers

An important letter from the owner of [business name], [name]

Dear [name],

First, I’d like to say thanks for being a customer of [business name].

It’s good to have you as a client, and we look forward to working with you for many years to come.

As a token of my appreciation, I thought I’d do something extra special for you - consider it my way of saying thanks.

Before I explain anything else, let me tell you the story ...

I know a lady called [name]. She owns a business called [business name]. They [explanation of service]. Here are the 4 reasons why this is a great idea...

* 1. **Benefit 1 ...** explanation
	2. **Benefit 2 ...** explanation
	3. **Benefit 3 ...** explanation
	4. **Benefit 4 ...** explanation

In my opinion, if you are interested in [doing whatever you’re talking about], this is the best way to go.

I’ve organized a [special deal or voucher] for you (you’ll find it with this letter). This means [explanation]. This is a great way to see if it’s for you without spending any money.

Simply phone [your business name and number] and mention this letter.

Hope you enjoy this gift,

Name

Business Name

PS You’ll also find a 2nd voucher with this letter. You can give this to a friend

Template of a Standard Direct Mail Letter

Big Headline Expressing Main Benefit and Invoking Curiosity

Dear [name],

I’ve included a [implement] to make a point - [explanation of why you’ve included the implement].

Let me explain - [a little more explanation of what you mean, plus more body about the problem]. Here are the 4 main benefits of [doing whatever you’re asking the reader to do] ...

* 1. **Benefit 1 ...** explanation
	2. **Benefit 2 ...** explanation
	3. **Benefit 3 ...** explanation
	4. **Benefit 4 ...** offer

[Summing up statement, also tackling any immediate objections, such as ‘and before you say ‘I can’t afford it, check this out’].

I’ll phone you in the next couple of days to discuss the idea further. I look forward to speaking with you then,

Your name

Position - Your business name

PS [Something to sweeten the deal, plus an indication of when the offer ends - make it soon, so they have to take action soon].

Template of a Standard Direct Mail Letter

Short Headline

Sub-headline explaining big headline and getting the reader’s interest and curiosity ...

Dear [name],

I’ve included a [implement] to make a point - [explanation of why you’ve included the implement].

You’ll be glad you received this letter, there’s now a way to buy [product or service] without the usual hassles. With [your business name], it’s ...

**Easier ...** [explanation of how it’s easier]

**Cheaper ...** [explanation of how it’s cheaper]

**Faster ...** [explanation of how it’s faster]

**Higher quality ...** [explanation of how it’s higher quality]

[Summing up statement, also tackling any immediate objections, such as ‘and before you say ‘I can’t afford it, check this out’].

I’ll phone you in the next couple of days to discuss the idea further. I look forward to speaking with you then,

Your name

Position - Your business name

PS [Your offer, plus an indication of when the offer ends - make it soon, so they have to take action soon].

Break Even Analysis

It’s essential that you work out your costs up front. Otherwise, you’ll have no idea what you need to achieve in order for the campaign to be worthwhile. You may find out after doing the analysis that the campaign has so little chance of success, you need to go back to the drawing board altogether.

This analysis is for the whole campaign. After you’ve worked out your total fixed costs (for the campaign), you then work out your profit (your average dollar sale minus your variable costs), which gives you enough info to work out how many responses you need in order to break even.

Break Even Analysis - Strategic Alliance

**Hard Costs Production** $ ................

Envelopes $ ................

Paper $ ................

Printing $ ................

Postage $ ................

Other $ ................

**1. Total Fixed Costs $ ................**

**2. Average $$$ Sale $ ................**

**Variable Costs** Telephone $ ................

Wages $ ................

Electricity $ ................

Rent $ ................

Brochures $ ................

Other Postage $ ................

Other $ ................

**3. Total Variables $ ................**

**Delivery Costs** Cost Of Goods Sold $ ................

Taxes $ ................

Transportation $ ................

Packaging $ ................

Other $ ................

**4. Total Delivery $ ................**

**5. Net Profit [2/(3+4)] $ ................**

**6. Response Needed To Break Even (1/5) $ ................**