



BMG NZ - Sales & Marketing Tip 5

The 80:20 Rule of Business

There's a classic "Rule" in Business - 80% of your business comes from 20% of your Customers.

There's a converse "Rule" as well - 80% of your headaches come from 20% of your Customers.

So the Good Quality Customers (where the 80% of business comes from) are your Grade A & B grade customers and the Headaches come from the 20% that make up your C & D Grade customers. The C & D customers are the ones who constantly complain, always try and get the lowest price, are always after the win / lose outcome.

So concentrate on your A & B grade customers and let your C & D grade customers go and shop with your Competition and don't be afraid to let your C & D grade customers move elsewhere, at the end of the day it's probably very good for your cashflow....

This tip was brought to you by BMG NZ.