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## Book Signing At A Small-Business Networking Organization



**Closest to table: Dr. Jason Vengelis of Sadon Chiropractic Center. Looking on are Eric MacKellar of Morgan Stanley and Lou Malizioso of Lou Can Do, Inc.**  
The book is available on Amazon.com or by calling our office at (732) 566-3660.

The Omar Group, CPA  
"Accounting Guidance in Plain English That Will Grow  
Your Business and Improve Cash Flow and Profitability"  
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## Straight Talk About Small Business Success

*A Monthly Newsletter For The New Jersey Small Business Owner*

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### Welcome

I want to welcome you to the third issue of this monthly newsletter. In this newsletter and the issues to follow, I will continue to share with you business strategies, tax tips, fresh business insights and any information that I feel is relevant to you and your business.

### Questions/Comments Received

One reader writes....Salim, thanks for your newsletter. The information you give is so applicable and easy to understand, I can start applying it the moment I read it. Thank you. Sarah Jones, Belmar, NJ

I'd love to hear from you. You can reach me at Salim@OmarGroupCPA.com.

### Did You See Mr. Omar's TV Appearance On July 5th? If Not, You Lucked Out....Read Ahead!

By Tracy Richardson, staff correspondent

In last month's issue, I had announced Mr. Omar's recent interview with talk show host, Cathy Sims. In this 30-minute interview, Mr. Omar revealed tax reduction, financial maximization and growth strategies that he has successfully implemented in his own business and for his small business clients over the last 12 years. He shared with the viewer, the most commonly overlooked, neglected and under-utilized opportunities that exist in all small businesses. Learning to tap into these opportunities can help any small business owner create their "own" small business success story.

This interview was video taped and can be obtained, for FREE, by calling Dorothy at my office at (732) 566-3660. Limited to 50 callers.

For New Readers Of My Newsletter Only!

### "But My business Is Different"

I hear the words "but my business is different" so often from small business owners who I have consulted with, it almost makes me dizzy. Thinking this is a huge temptation, but 100% erroneous. ALL businesses, and I repeat and emphasize, ALL businesses are fundamentally the same. A "secret" success trait practiced by the highest earning entrepreneurs is to translate and transfer strategies, ideas, examples from outside their field to their field, to gain competitive advantage and create breakthroughs. Unfortunately, most small business owners mentally stay in their own little box, suspicious of the outside world. If you are one of them, this is a vital skill you lack and quickly developing this skill alone will make an enormous difference in your business.

The ideas, strategies and tactics I share with you in this newsletter have worked for me and the thousands of NJ small business owners that I have consulted with. It is stuff that WORKS. The know-how that I share here is derived from studying the greatest business minds for the last 12 years and my own "in-the-trenches" experiences. Ignore it at your own risk.

*Featured Article:*

### Do You Know What The Lifetime Value Of Your Customer/Client/Patient Is?

Figuring it out could make a huge difference

The lifetime value of a customer is one of the most valuable things you as a business owner can know. It is simply the total profit of an average client over the lifetime of his or her patronage - including all back-end sales less all

advertising, marketing, and incremental product or service fulfillment expenses. **Example:** Let's say that your average new customer brings you an average profit of \$100 on the first sale. He or she repurchases three more times a year, with an average profit of \$150 on each reorder. Now, with the average patronage lasting two years, every new client is worth \$1,000:  $\{ \$100 + (3 \times \$150) + (3 \times \$150) \} = \$1,000$ .

**Why is this calculation so important?** By knowing what the value of an average customer is, you can then determine two things:

- 1) How much you can afford to spend to acquire a new customer
- 2) How much you can afford to spend to keep an existing customer from leaving you and purchasing from a competitor.

**Just what is the value of a customer who stays with you for a long time?** Tom Peters, a well-known business guru, says that every time a Federal Express courier comes into his office, the driver should see \$180,000 stamped on the head of the secretary. Tom's small firm of 30 people has a \$1,500 a month courier bill. That's \$18,000 a year times ten years for a total Lifetime Customer Value of \$180,000. And if the secretary convinces just one other customer to start using the service, the value doubles. But most mail couriers think that the value of the customer is just the \$13.95 they spend today. Each of your customer is worth thousands of dollars if you'll take care of them.....much more than the one-time \$19.95 oil change, the \$109 carpet clean, the \$125 dental exam ..... the list goes on with whatever product or service you provide in your business.

There are 2 important lessons here and understanding them will make a HUGE difference in your business.

**The first one is this:** If the Lifetime Value of a customer is \$1,000, how much can you theoretically afford to spend to bring a new customer in and still break-even? The answer is up to \$1,000. This is an important number to know as you make important business decisions on what advertising medium to advertise in, how to compensate your sales people and what price/fees to charge for your product or service.

**The second lesson** is that the key to keeping customers is to develop a long-term relationship with them. A customer on your database is not just a name. It's a real person with changing and evolving needs and wants. They are being constantly bombarded with a hundred other options. You need to do whatever it takes to keep them loyal to you... and keep them out of the competitors reach because the Lifetime Value of each customer is so great.

It has been said, "Sell the sizzle, and not the steak." I say, Sell the sizzle BUT DELIVER THE STEAK! AND the salad AND the hors d'oeuvres AND the dessert AND the limo ride to and from the restaurant. Take care of your customers, there's a huge bounty on their head!

For more free small business information,  
visit our newly updated web site:  
[www.OmarGroupCPA.com](http://www.OmarGroupCPA.com)

## Salim Omar Will Be In Your Area Soon

By Dorothy Stephens, staff correspondent

Have all your business questions answered in person by the "Small Business Expert" himself. Salim will be personally visiting our small business clients at their place of business during the months of August and September. If you have questions or problems you can't solve in any area of your business, I don't know anyone more capable at this task than Salim. I urge you to jot your questions down on a piece of paper so you don't leave it to memory. When he comes to see you, fire away your questions at him.

Salim will also be going to various bookstores throughout the state for book signings during August and September. Don't forget to get your copy of the book personally autographed when he comes to visit you.

Side note: With Salim out of our office for most of that time, I hear the office staff murmuring "let the party begin."..... Sshhh!!!

### Resources:

## What I am reading this month

101 Ways to Promote Yourself by Raleigh Pinskey. This book gives the reader lots of ideas on what you could do to build sales.

Big Bucks by Ken Blenhard. Recommended (I read this 8 months ago, I'm back at it for more valuable information.)

How to Drive Your Competition Crazy by Guy Kawasaki. Good book with lots of lessons.

The Lazy Mans Ways To Riches by Joe Karbo. I Highly recommend this book.

## Million Dollar Resource Directory?

Limited Time Opportunity For Business-to-Business-Service providers ONLY. We are putting together a hard copy directory of our preferred service providers, to be made available to our 1500+ small business mailing list.

If you provide products/services to small businesses (i.e. business-to-business), it would be silly for you not to have a presence in this directory. Please contact me ASAP at (732) 566-3660. There is no cost to be in the directory, but you've got to act now for inclusion.

Tax Question/Tip:

## Mixing Business And Pleasure Can Pay Off

Thinking about attending a business convention and perhaps taking a personal vacation afterward? It is possible to do this and deduct the cost of travel to a trade show or convention if you follow certain rules. First of all, the expenses cannot be ones that will be reimbursed by the company. In addition, the convention must be directly related to your trade or business.

Another deduction to look into involves meetings on a cruise ship. You can deduct up to \$2,000 annually of the expenses incurred while attending a business seminar or convention held on a cruise ship. You can get a deduction for this as long as the cruise is held on a U.S. ship, all ports of call are located in the U.S. or a U.S. possession, and you submit the details regarding the cruise on your tax returns.

Having said that, when is your next vacation...I mean, business convention?

## What Is One Of The Least Known Tips For Saving Money On Business And Pleasure Trips?

This tip reveals how I saved \$760 on hotel costs this year alone. The key is to book hotels on the hotel's website, not at one of the discount sites. Many hotel chains now guarantee you'll get the lowest rates available on their websites. Also, most hotel-owned sites will offer frequent-stay points, last-minute specials, weekend rates, or deals that include amenities you won't find on so-called discount rates.

With a few more vacations/business conventions to go, when the year is up, I anticipate saving about \$2,200 this year. Not too bad, in my opinion. (It will help pay for most of my family's 2005 Caribbean vacation.)

### A Letter That We Recently Received

*Dear Mr. Omar,  
Thank you very much for your donation to Help-A-Pet (HAP). Congratulations on your book, too! How kind of you to think of helping sick and injured pets during this busy time of promoting your book.*

*Please convey my gratitude to your staff member, Tammi Kolbenheyer. Many people who have been provided assistance by HAP have promised to repay the favor but Tammi is the first to do so.*

*Enclosed is information about the pets and people you both are helping as well as a small token of appreciation.*

*Gratefully,  
Allyson Regas*