Financial training
For non financial staff

ATTAINMENT TRAINING

The financial training specialists

Making the sale (profit)

This week I was working with a group of a client's project managers, and we were discussing how often their clients ask to change the project specification. The change is made, but often not invoiced. They incur the cost, but get no sale.

We need to consider the cost to us, and the benefit to the client. If it costs us a lot, we <u>must</u> invoice it. If it is costly, but of little benefit to the client, they may decide not to go ahead. If it costs us very little, we are tempted to give it away (we don't want the reputation of charging for every tiny change). But if it is of high benefit, the client is often happy paying (sometimes quite a lot) for it.

I am reminded of a story a partner told me. As a young manager he had made a loss on a client's audit, and was determined to recover it. The client later asked him to help with a grant application, and afterwards he "loaded" the invoice with the audit loss. He expected the client to complain about the amount of the invoice – in fact the client was surprised the invoice was so small in relation to the size of the grant.

Whereabouts in your business are you giving things away? How many of them come into the "low cost, high benefit" category? How can you make sure more of those get invoiced?