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**FIVE STEPS TO IMPROVING  
YOUR MARGINS  
CREATE VALUE OR DIE!**

In the first issue of the IT SalesPulse™ I recounted how the IT services industry got to the position where everything had become commoditised, and in issue 2 I identified how 2 major companies were exacerbating the situation. (For more details see [www.Koru-for-it-services.blogspot.com](http://www.Koru-for-it-services.blogspot.com) or [www.korusales.com/it\\_services\\_library.htm](http://www.korusales.com/it_services_library.htm))

In this and subsequent issues I will identify how you can start to increase margins, but before reading on, answer one simple question.

*"What value do my customers get from my services?"* A few answers might be; peace of mind; certainty and reliability; value for money; responsiveness etc. These are all good but wouldn't your customers expect this. If you have an answer that says my service saves my customer £x000, or increases productivity by 5% per annum or increases sales by £y000, then you are delivering value because without you the customer would be worse off.

You only get one chance to make a first impression and prospective customers will in 95% of cases go to your website as their first contact with you. This is the point at which you have to start creating value, as at this time your website is your company. Having looked at over 700 IT services companies' web sites in the last few months there are some recurring themes which contribute to low margins:

- References to price or the phrase "low cost". All this does is to set a negotiating point from which it is difficult to charge more
- Talking about IT as being a problem or being difficult to manage. If

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- prospects see IT as a necessary evil, they will pay as little as possible
- Too much about the vendors business, and not enough about the prospects business

These are easily rectified. Just get rid of all references to price or cost. Work up some case studies that demonstrate how IT and your services have delivered tangible (pounds!) value, and ensure that your site delivers useful information relating to their business. Clearly the case studies will help, but also offer free advice on business issues such as web site design, business and IT security and continuity, and details of projects you have undertaken in their industry. While you will inevitably talk about IT, write your material in business terms. Make sure your sales collateral is aligned with your site.

By doing this you will retain the interest of the prospect, generate credibility for your company and increase the value of your offerings.

**Steve Rowe**

To download our website best practice guide for IT services companies go to [www.korusales.com/it\\_services\\_library.htm](http://www.korusales.com/it_services_library.htm)

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