

# **CUSTOMER LIFETIME VALUE**

## **THE MULTI-LINE EFFECT**

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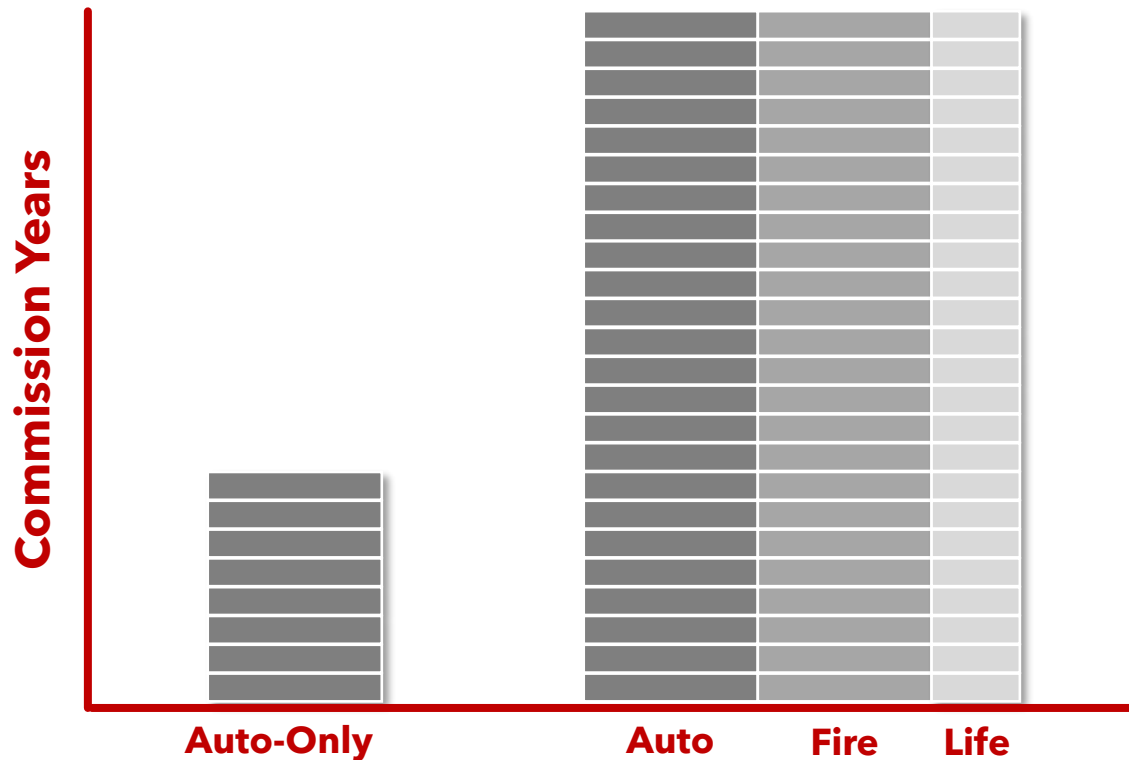
# CUSTOMER LIFETIME VALUE: **THE MULTI-LINE EFFECT**

One of the biggest mistakes small businesses make is to hyper-focus on new customer acquisition. Every small business should want to bring in new customers, but that's only half of a business model.

This overview will illustrate how shifting your focus to Customer Lifetime Value will help you protect more customers and add exponentially more profit dollars to your agency's bottom line.

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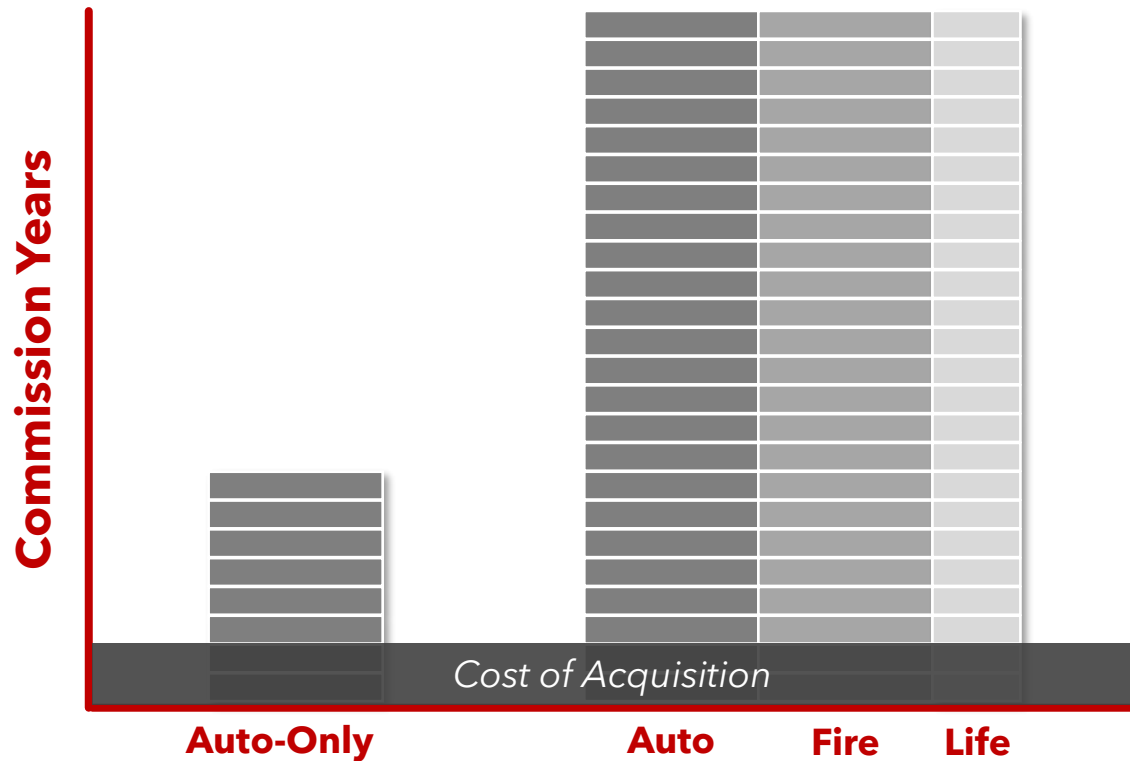
## **5-10x Lifetime Revenue**

When you increase a customer's product count, you also increase the number of years you earn commissions.

In this comparison, a customer with 3 policies generates **5-10 times** as much lifetime revenue as a single-line policy holder.

The emphasis is on policies times years. When you multi-line, you're not adding revenue, you're multiplying it.

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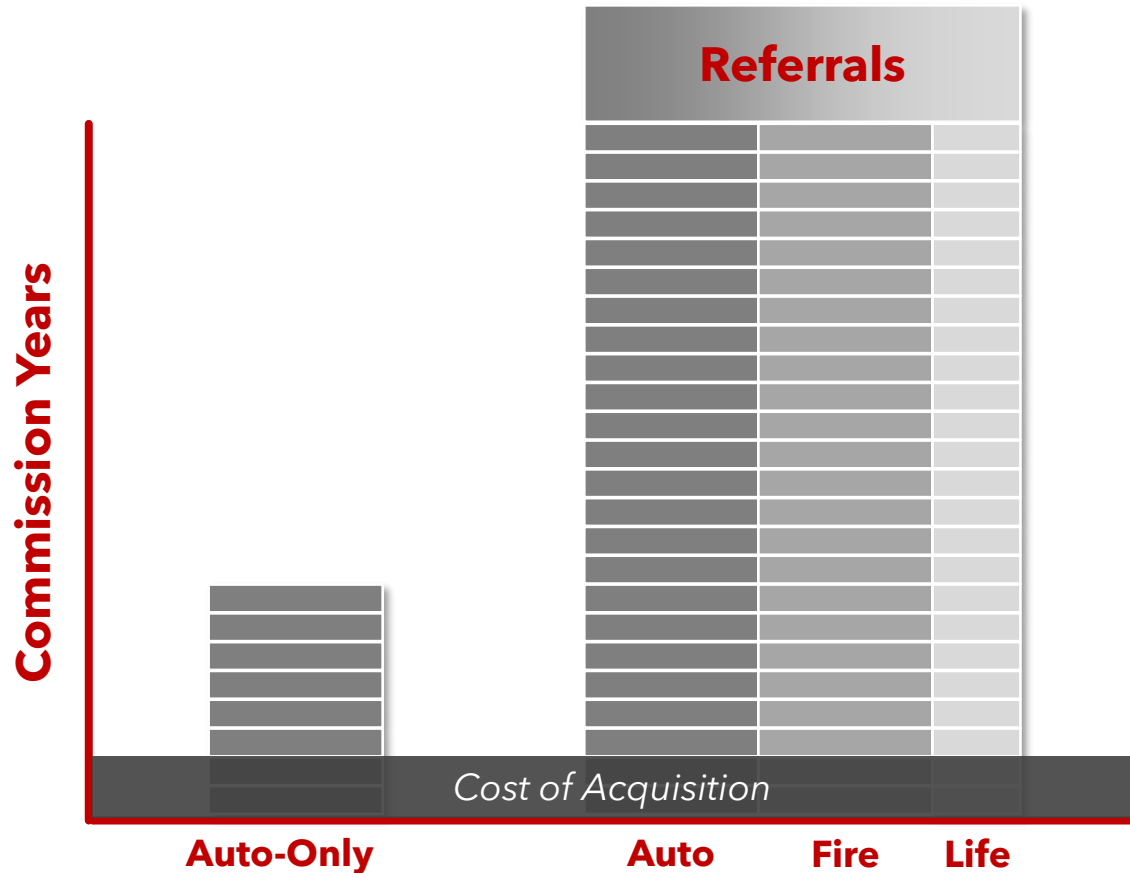


## 8-12x Lifetime Revenue

Now look what happens when we subtract the cost of acquisition. The benefit of CLV-thinking is even more profound.

*Profits* in this example are **8-12 times** higher for the customer with 3 lines.

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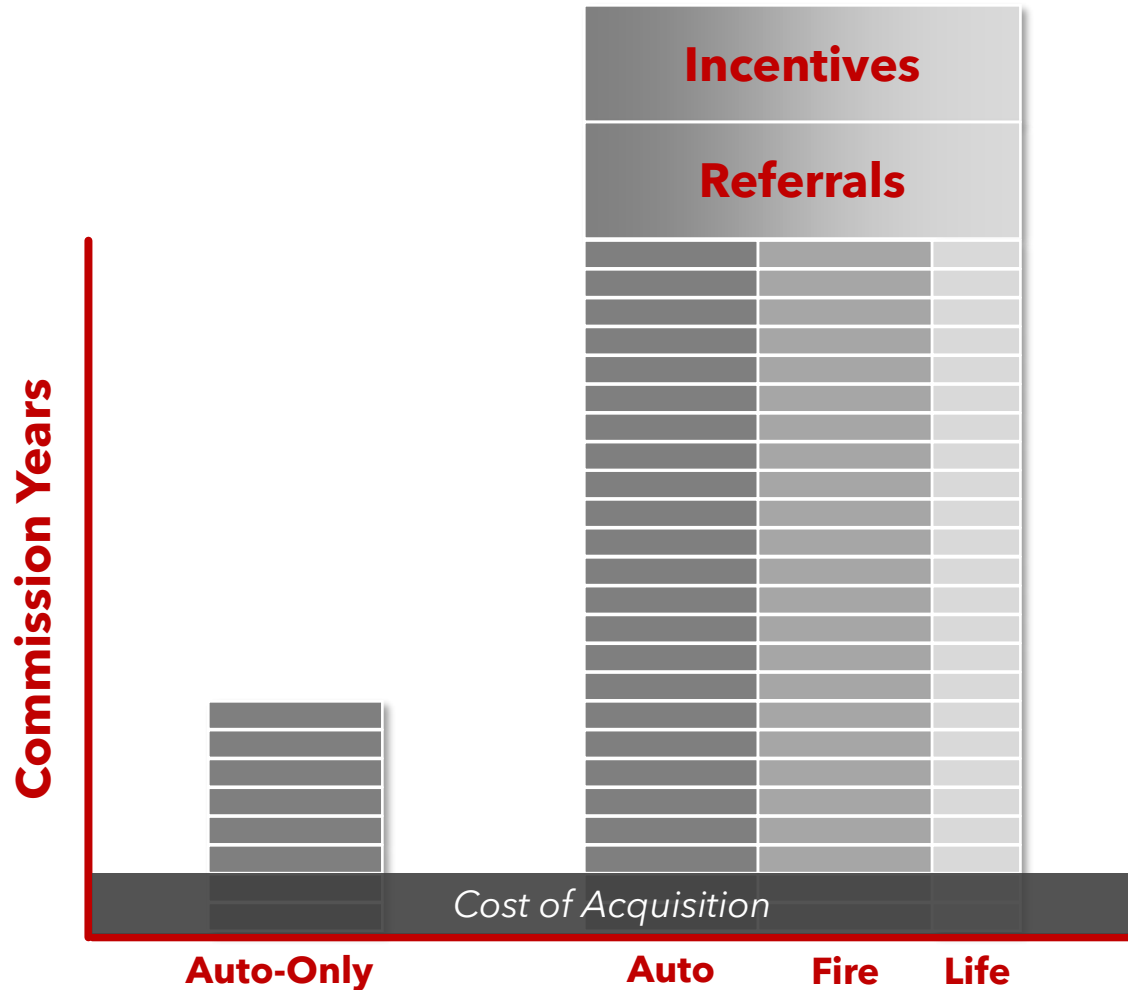


## 10-15x Lifetime Revenue

Taking better care of your clients' needs creates opportunities for high-quality referrals and introductions.

Referrals have low acquisition cost and high conversion rates, adding even more **lifetime profits** to your bottom line.

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## **12-20x Lifetime Revenue**

Finally, when meet more of the customers' needs, you position yourself to maximize your scorecard and promotions and to earn travel opportunities.

An agency that only focuses on new customer acquisition leaves the vast majority of profits on the table. Can you be successful only selling new auto policies? Yes, but at what cost to your agency and to the customers' well-being?

# NEXT STEPS CHECKLIST

- Segment your book into calendar months for appointment setting.
- Make 3-4 rounds of calls for each month's list and do your prior-day reminder calls.
- Keep the appointment-setting script simple. The goal is a high-quality appointment, not a sale.
- Approach every customer meeting with genuine curiosity and empathy toward the customer. Be an advisor, not a salesperson.
- Take time, build a relationship of trust, empower and educate, and meet as many needs as possible.
- Add enough value that referrals are easy to ask for.
- Above all, be consistent and improve continuously.

# WANT TO LEARN MORE?

To schedule an in-depth conversation with your study group, or large agency about Customer Lifetime Value, contact us at [CLV@clientfocuscorp.com](mailto:CLV@clientfocuscorp.com).

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