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The Collaborative and FiscalDoctor President Gary Patterson Target Profitable Prospects, Profitable Customers

Boston, MA—The Collaborative (www.the-collaborative.com) and colleague Gary Patterson, president of FiscalDoctor, advise companies that by identifying and targeting profitable prospects, they can create a true sales pipeline that increases revenues **and** profitability. Recommendations for successfully growing companies were recently featured in *In Collaboration*, The Collaborative's quarterly newsletter that explores issues related to driving business growth.

Patterson — whose "fiscal clinic" offers a host of financial services to help clients achieve fiscal health — said he is continually amazed at how few firms really know who their "top ten" clients are. He often hears such questions as "What do you mean 'profitable' prospects and clients?" or "Aren't **all** prospects and clients profitable ones?"

"This is a mistake many firms, both new and seasoned, make all of the time," said The Collaborative Principal Beverly D. Flaxington. "Spending time on a prospect that isn't going to buy or that isn't a right fit for your company, is likely not to be a profitable customer. Having clients that demand too many resources and cost too much to manage won't be profitable."

What's going on? While it may seem like a simple problem to fix, there are a couple of things at work. Salespeople are often asked to focus on quantity, not quality. The idea of having a "thick pipeline" however, doesn't necessarily translate into more sales. Often times, a shorter, more qualified list lowers the cost of sales and ultimately results in a more profitable customer.

Flaxington also said that asking the tough questions of the prospect is key and possibly coming to the conclusion that not all business is good business. "The problem starts at the prospecting stage. If a firm doesn't focus on qualifying, or is eager to 'get any business' for revenue purposes, many times a book of business is built on unprofitable relationships," said Flaxington.

The Collaborative and Patterson advise that as a first step, the management team takes some time to understand the profile of a "profitable customer" and review the sales process to understand what the company is really looking for at the prospecting stage. It is important to look for ways to make those unprofitable clients more profitable and you'll find money and revenue that you didn't know you already had. While you can't eliminate all unprofitable business, understanding why that business was closed and looking for ways to make it more profitable is a key business management strategy.

FiscalDoctor™ President and CEO Gary W. Patterson has more than 30 years of senior management experience with high growth technology, wireless, manufacturing and service companies. He has worked with over 100 companies — from start-ups to Inc 500 to Fortune 500 — providing high-level strategic guidance and expertise. Gary's financial acumen and extensive business knowledge have brought about significant outcomes for his clients, helping them to successfully navigate that often-murky pathway to growth and profitability. For more information, please visit www.FiscalDoctor.com or call (781) 237-3637.