

RIGHT-SIZING

Creating Scarcity

By Duncan MacPherson

REALIZING YOUR VISION

Take a minute and think back to when you started your business. What was the life you envisioned for yourself? If you are like most professionals we speak to, you likely dreamed of building a business that ran so efficiently you could take 5 weeks off a year, earn a high income, have the time to enjoy the fruits of your labor with your family and friends and pursue hobbies and leisure activities.

Your vision likely did not include 60-hour work-weeks with little to show for the 'extra' hours and you probably didn't relish the thought of taking only a week off in the winter, and if you're lucky, one in the summer.

Now, ask yourself the following questions:

- After blocking off a sufficient number of weeks for holidays, have you ever calculated how many working hours are available to you in a full year?
- Have you ever calculated how many clients you are able to meet with in those remaining working hours?



The results of this fairly simple exercise may astound you once you realize the finite number of appointments you are able to fulfill in the course of a calendar year.

What kind of client do you want consuming this precious time?

Creating scarcity: What does it mean?

In the business world, scarcity is the term used to describe a situation in which there is greater demand than supply for a product or service. Professionals who build quality relationships and who follow excellent systems for being accountable to their clients can create scarcity in their business and thereby enjoy more free time.

The 'supply' of a professional is his or her availability. Your clients create 'demand' by requesting your time and services. Excess demand creates competition among your clients for your time.

By limiting your availability and increasing demand for your time, you are able to differentiate between the clients who 'deserve' to see you face-to-face and the ones who just 'need' you. It is because people typically 'want what they can't have' that the scarcity concept works to increase your profitability while actually giving you more time to do the things you dream of.

Why does creating scarcity create business?

Creating scarcity in your office limits your time to meet with clients face-to-face. When you schedule meetings within specific hours of business, it leaves you time for planning, organizing, and of course, enjoying yourself. This will actually increase your business. Why? You are seen as a professional who is in demand. By design, you are spending your time with the people who deserve it the most and keeping them happy. As a result, they are more apt to introduce you to their friends, family and colleagues.

Only by adhering to these disciplines will you properly benefit from the inescapable law of business productivity that 80% of your productivity comes from 20% of your activity.

From there, you'll be pleasantly surprised that by booking lots of holidays and only seeing clients on certain days of the week, you will become far more productive and correspondingly, enjoy a higher income.

Learning from other professionals

To understand how the concept of scarcity can benefit your business, think about the office hours of a chiropractor, lawyer, dentist, or doctor. What you will notice is that many professionals have created scarcity by setting distinct office hours. Clients know exactly when their doctor is available for an appointment and they make arrangements to meet during these times.

You'll also notice that by bundling their appointments back to back on certain days, professionals gain more time away from the office for holidays or planning sessions. They have learned that by working efficiently, they are able to take more time for themselves or to have more appointments to generate more revenue. They have come to realize that they don't have to continually rearrange their office hours to attract and keep clients.

When our clients implement this component of the Pareto System, many are surprised at how easily their clients adapt. They really shouldn't be surprised. When a professional (a dentist, lawyer or doctor for example) tells you that they see clients on Tuesdays, Wednesdays, and Thursdays, do you ever say, "How about Friday?" Of course not. You buy into the program because you perceive them as professionals for being so structured and organized. The same result can be attained in your business.

Six Steps To Create Scarcity and Increase Demand

Step 1: Classify your clients.

Assign the appropriate levels of service to each classification

Step 2: Abide by the rules that you created when you classified your clients.

Step 3: Establish office hours and communicate them to your clients

- You are a professional and deserve the same courtesy as other professionals.
- If you make an exception to your office hours, be sure that your clients are aware that this is an exception to your usual practice.

Step 4: Decide where you will meet your clients

- To create scarcity, clients should visit you in your office.
- Only visit a client in their home for a good reason: you may want to make an exception for clients that are elderly or handicapped.

Step 5: Allocate a reasonable - but not excessive - amount of time for each appointment.

- One hour is ideal for most appointments and 30 to 45 minutes may be sufficient for follow-ups.
- When booking the appointment, tell the client or prospect how much time you have scheduled for them.
- Put the time frame for the appointment on the top of your meeting agenda and tell your clients how much time has been set for the appointment as you get underway.
- If the appointment starts to exceed the time allowed, then end the appointment on time and schedule a follow-up appointment.
- Always end your appointments on time, even if you aren't scheduled for another appointment. Ending on time shows respect for your time and your client's time.





- How does it look to a client if you have the leisure to “chat” with them all afternoon?
- They are likely to wonder why you don't you have anything else to do with your time.

Step 6: Don't take calls from unscheduled clients

Have your assistant explain that you are in a meeting or on the telephone. Even if you are completing work for a client, you are, in a sense, spending time with that particular client.

Unscheduled phone calls can be disruptive so have your assistant determine the nature of the call and determine when the caller will be available for you to return their message.

Have your assistant get enough details so that you can prepare for the call and be as efficient as possible. Your clients will appreciate your professionalism and respect your time.