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VAM Event

# Business Constraint Identification Guide

# Overview

1 **Do your best**, done is better than nothing

2 Provide **context for numbers**

3 **Help us help you**

# The Basics

1 Your name

2 Your email address

3 Your business name

# Who You Serve

1 Be as specific as possible, multiple avatars is okay

2 Try to help us understand the **breakdown across avatars**, what percentage does each group make up, do people upsell from one group to another often

3 Example: *(1) someone who wants to start a coaching business and currently has savings/day job (2) existing business owner who needs more online presence - about 80% of our customers come from here*

# Core Offer

- 1 Be as specific as possible, be sure to **include prices!**
- 2 Include what this core offer accomplishes (what you **help your customer do**) and anything else that would differentiate the product
- 3 Example: *\$2500 for a 3 month course to get 100k views a month from organic social media, including access to a community group to help with implementation/feedback*

# Upsells

- 1 **When** do you make upsells (if offered multiple times, list them all)
- 2 What **percentage** of people ascend
- 3 Example: *\$2500 per month to have our team create organic content for you, in place of the course, upsell is made during the initial sales. We usually get 14 people in a year to take this offer*

# Business Background

- 1 Country of business (example: *90% US, some global*)
- 2 Years in business (example: *4 years, started in pandemic*)
- 3 Employee breakdown - provide **detailed count by department or role type** (example: *7, me + partner, 1 VA, 2 sales people + 2 social media managers/coaches*)

# Business Metrics

- 1 Trailing 12 Month Revenue: Revenue in the **last 12 months**  
(Example: *\$810,000*)
- 2 Trailing 12 Month Profit: Profit in the **last 12 months** (Example: *\$320,000*)



# CAC & How You Calculated It

1 How much does it cost to **acquire an additional customer**?

2 Example: *I spend \$10,000 a month on advertising to get 70 calls booked. 50 of those show, and 20 close. Therefore my total cost (\$10,000 per month) divided by my customers acquired (20 per month) is \$500 per customer.*

# LTGP & How You Calculated It (Part 1)

1 How much is **each additional customer worth** on average?  
Lifetime revenue per customer - COGS per customer

Example:

2 *COGS: The cost of my delivery team is for 1 VA and 2 coaches. I pay the coaches \$80k/year and the VA \$40k/year for a total of \$200k. Across 20 customers per month for the course and 14 customers a year for the done for you service, 254 customers for the year, this is an average current cost of \$787 per customer. We could have at most 25 done for you customers and 50 course customers per month without hiring more people, which would bring the total cost down to \$320 per customer.*

# LTGP & How You Calculated It (Part 2)

3

*Example: I have about 20 customers per month that spend \$2500 for a 3 month course. I also have about 14 customers across the year that purchase my done for you service which costs \$2500 per month. On average, they stay for about 6 months. Therefore I have 240 customers per year worth \$2500 and 14 customers worth \$15000. The total value of all my customers is \$810000 across 254 customers, or an average value of \$3188.*

Please make sure your submission includes all details above, to the best that you can

# Marketing Background

- 1 Business Cash On Hand (example: \$50,000)
- 2 Primary Acquisition Channel (example: *Facebook ads*)
- 3 Marketing Spend Per Month (example: *\$10,000 per month*)

# How do you currently get your leads?

1

Provide details on **all channels for leads** including organic, paid ads, outbound, inbound, referrals, etc and **cost & lead count for each channel**

2

*Example: I currently have four main methods of getting leads. I post organically on Facebook and Instagram, run ads on Facebook only, and I have referrals. I pay \$10,000 a month for Facebook ads to push my top performing organic content, which myself and my partner make and record. Our organic content and referrals vary greatly, but we usually get 1-2 referrals a month and 1000 views across all organic posts per month. We get about 10,000 views for \$10,000 per month.*

# Top 3 Products & Sales Per Month

1

Be **specific and clear**. Details should go into the core offer section. This section should be direct and focused on the numbers

2

Example:

*Product 1: \$2500 3 month course, 20 sales per month*

*Product 2 : \$2500 per month, done for you social media.  
14 clients per year, 6 month average duration*

# Total leads per month

- 1 Context around how many **total people are getting the offer** and **how many choose to move forward**
- 2 If booking calls this could look like (1) total ad views (2) page views for book a call (3) opt ins (form, survey, etc)
- 3 Example: *10,000 views per month from ads → 300 page views → opt in (we don't have an extra form or ebook, we just ask them to book calls directly)*

# Total new calls per month

- 1 From your leads, how many book calls (if calls are part of your funnel) - if not, you can put 0 here
- 2 **Total booked, total show, total qualified** (setter sends to close call) and other relevant details are helpful
- 3 Example: *70 calls booked. 15 cancel, 5 no show, 50 calls are completed each month. We do not have a setter*



# Sales metrics

- 1 Total sales per month (example: *Around 20 for course, usually 0-2 for done for you model, 14 for year*)
- 2 Close rate (example:  $20 \text{ sales} / 50 \text{ shown calls} = 40\%$ )
- 3 Show rate (example:  $50 \text{ calls completed} / 70 \text{ booked calls} = 71.4\%$ )

# Churn rate

- 1 For recurring products only, what **percentage of customers renew?**
- 2 If you have more than one product, provide the churn for **just the recurring revenue products**
- 3 Example: *I have 14 customers a year, that each stay for about 6 months each. On average one leaves every other month, so 0.5 customers/12 months = 4.1% churn*

# Final Thoughts

1

What do you believe is **your business constraint and why?** Put your best guess here. Provide lots of detail, especially anything that wasn't disclosed in other answers

2

*Example: From the scaling workshop, I understand that my LTV to CAC ratio should be at least 10 to 1. I think my customer acquisition costs are pretty reasonable, but I could potentially decrease a bit more if sales and marketing is better. The majority of my CAC comes from a \$500 commission I pay to the closer (20% of offer) which I think will be hard to decrease. I think my best bang for buck would be to increase my LTV by improving my offer. Something I am currently considering is creating a community from the course group (I currently have a Facebook group for people who join the course) to help them after the course duration of 3 months is over. I'm thinking to price this at \$250 a month, which I think people will value for the continued access, Q&A, and to get feedback on ideas for content*

**BUSINESS NAME:** Your Online Business Presence LLC

**COUNTRY OF BUSINESS:** 80% USA, some global

**YEARS IN BUSINESS:** 4 years, started in pandemic

<b>Who do you serve:</b>	<i>(1) Someone who wants to start a coaching business and currently has savings/day job (2) existing business owner who needs more online presence</i>
<b>Core Offer:</b>	<i>\$2500 for a 3 month course to get 100k views a month from organic social media, including access to a community group to help with implementation/feedback</i>
<b>Upsells/Add-ons:</b>	<i>\$2500 per month to have our team create organic content for you, in place of the course, 14 people take this offer per year</i>
<b>LTV:</b>	<i>Current LTGP is \$2401 and it could go up to \$2868 if the team is operating at full capacity</i>
<b>CAC:</b>	<i>\$1000. \$500 in advertising costs + \$500 in commission to sales person who closes</i>
<b>Show Rate:</b>	<i>~71% show, or 50 calls per month</i>
<b>Churn Rate:</b>	<i>About 1 client every other month (4%)</i>
<b># of employees:</b>	<i>7, me + partner, 1 VA, 2 sales people + 2 social media managers/coaches</i>

<b>FINANCIAL PERFORMANCE:</b>	
<b>Trailing 12 Month Revenue:</b>	\$810,000
<b>Trailing 12 Month Net Income:</b>	\$320,000
<b>Business Cash On Hand:</b>	\$50,000
<b>Marketing Spend Per Month:</b>	\$10,000
<b>Primary Acquisition Channel:</b>	<i>Facebook ads</i>
<b>Total Leads Per Month:</b>	<i>10,000 paid ad impressions per month + organic views</i>
<b>Total Calls Per Month:</b>	<i>70 calls booked. 15 cancel, 5 no show, 50 calls are completed each month. We do not have a setter</i>
<b>Total Sales Per Month:</b>	<i>Around 20 for course, usually 0-2 for done for you model (14 for year)</i>