

LifeTime Client Value



Q: How much can you pay to get a new client?

A: up to a little bit less than than you will earn*

Math:

**Average Transaction Volume X Margin X
Frequency X Duration**

**Ex: \$100 transaction x 20% margin x 3 times
per year x 10 years =
\$100 X .2 X 3 X 10 = \$600 Lifetime Value**

Conclusion: You can pay up to \$600 to
acquire a new client and make a profit. If you
pay only \$200 to get a new client, you are ahead
of the game!

NEW QUESTION:

**How much are you willing to pay for new
clients?**

* if you are *under capacity* and a new client
won't require spending more on staff or
equipment