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## NO EXECUTIVE LEFT BEHIND

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# 10 SALES & MARKETING STRATEGIES "YOU" MUST KNOW NOW

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### The 10 Things:

- 1 Don't Sell Benefits, Focus on Loss
- 2 Most Brains Wins!
- 3 Study What's Worked in the Past
- 4 Stop Unprofitable Activities
- 5 Weekly One hour marketing meeting
- 6 Sales and Marketing rhythm
- 7 Black Swan Moments
- 8 What's Your Story?
- 9 Customize your service
- 10 Student of Marketing

There you have it – Ten marketing imperatives.

There has never been a more explosive global economy

**Now is the time to grab market share.**

**If you don't, others won't wait**

KNOWLEDGE CAPITAL

*Inspiring Business Intellect*

Raghoo Potinii

CEO, Knowledge Capital

People switch to  
avoid losses;

they don't switch  
to get gains.

### 1 Don't Sell Benefits, Focus on Loss

This is critical piece of advice. Especially during downturns STOP pushing the benefits of your product/service. Customers aren't interested, especially when they are highly risk adverse right now. Instead, you MUST emphasize the additional losses they'll experience if they don't consider your product/service. People switch to avoid losses; they don't switch to get gains. Read this paragraph over and over and then sit down, set aside your list of benefits, and **make a list of all the losses your customer will garner if they don't urgently buy your product/service.**

Another interesting side note, Neil Rackham's research found that customers do NOT buy on price during a recession but buy more based on safety. Why? Because during tough times decisions are often made more by committees and they seem to choose the safer options i.e. the suppliers most likely to provide reliable service. And for this safety customers were willing to actually pay 12% more! During a recession, people are walking on egg shells and don't want to risk failures. Interesting psychology.

Figure out how to do this better than your competition and you win big.

It's no longer sufficient to have just a smart executive team.

You need to launch initiatives to access the collective wisdom of your employees, customers, and the broader world around you.

## 2 Most Brains Wins!

What do Google, Facebook, MySpace, YouTube, eBay and Wikipedia have in common? They all utilize a new reality of the information age – whoever leverages the most brains wins! Figure out how to do this better than your competition and you win big. It's no longer sufficient to have just a smart executive team. You need to launch initiatives to access the collective wisdom of your employees, customers, and the broader world around you.

Not surprisingly, one of the first initiatives of Dell's new CMO was launching IdeaStorm, where customers submit ideas and feedback. A parallel process was launched for the employees. In the first six months, over a half million pieces of feedback have been submitted by customers. 'A company this size is not going to be about a couple of people coming up with ideas. It's going to be about millions of people and harnessing the power of those ideas.' Once you can hear them." What are you doing to engage customers in coming up with ideas!?

At your next executive meeting, tackle the question **"How can we dramatically increase the number of brains we can access to drive our business."** Then do it and let us know what you create -- we need your brain as well!

There are some innovative new "community" or "networking" technologies that aid in helping your customers connect with and help each other and in the process, help you.

Whoever has access to the most brains, wins!"

Identifying specific activities that you are doing in good times and initiate those activities again?

### 3 Study What's Worked in the Past

Reade Fahs, world's turnaround specialist, used this strategy for a Brazilian firm. In essence, he identified a period where the firm was doing exceptionally well, then he assembled a team of people that were present during that time period and met for two days to determine what they were doing then that wasn't happening now.

Fahs emphasizes the importance of identifying specific activities the company was doing that aren't happening now. In the case of the Brazilian firm, there were seven distinct activities, like the way product was merchandised, which they simply started doing again and the turnaround was realized.

Sam Goodner, founder of Austin-based Catapult Systems, IT Service company did just this last summer. Anticipating the possibility of a recession, he assessed what helped his technology firm through the previous tech-bubble crash in 2001 – and it was the 30% in government business that his company served that helped him weather the storm. However, since the recovery, his company's share of government business had dropped to 10%, so he put a focus on pumping up that side of his business and was able to achieve the goal by the end of 2007.

Identifying specific activities that you are doing in good times and initiate those activities again?

Hire an extra accounting clerk, have them pour over your specific numbers, and then deliver to you on a yellow legal pad (or Excel spreadsheet)

The calculations of profitability by product/service line customer, territory, store, sales person etc.

Then make the tough decisions. Pruning your operation is a healthy ongoing activity.

## 4 Stop Unprofitable Activities

Rgreg Brenneman, Credited with the phenomenal turnaround of Continental Airlines, he's now working his magic on sandwich franchise Quiznos. Brenneman immediately uncovered that Continental had 18% of their routes that were badly unprofitable and draining cash. He shut them down. **What products, services, territories, or customers are draining you? Do you even know?** When you find out -- prune it NOW!! -- Especially in volatile times. Until you close some doors, it's hard to open others.

The first step is to analyze profitability as granularly as possible. A huge weakness in small to midsize firms is the lack of accounting data and support. It's a natural instinct for entrepreneurs, given a marginal dollar, to want to spend it on either making/buying more stuff or selling it i.e. fund sales and operations. Accounting, in turn, is often under funded and seen simply as a necessary function to keep the Tax dept off your back. Hire an extra accounting clerk, have them pour over your specific numbers, and then deliver to you on a yellow legal pad (or Excel spreadsheet) the calculations of profitability by product/service line, customer, territory, store, sales person, etc. Then make the tough decisions. Pruning your operation is a healthy ongoing activity.

If you are unhappy with anything...whatever is bringing you down, get rid of it. Because you'll find that when you're free, your true creativity, your true self comes out."

Here you will discuss what has been learned from the marketplace, any updated decisions around the 4 Ps, and set marketing priorities for the coming week

ALL your marketing activities must eventually drive leads or you're wasting your resources.

### 5 Weekly One hour marketing meeting

The next step is setting up a weekly one hour marketing meeting, distinct from your weekly sales meeting. Here you will discuss what has been learned from the marketplace, any updated decisions around the 4 Ps, and set marketing priorities for the coming week. This has been the universal key to driving marketing that the famous high tech marketing advisor Regis McKenna (Apple, Intel, Genetech, etc) has shared with our audience of growth firms over the years.

Besides the CEO and head of marketing along with any outsourced marketing resources you're employing, I encourage as many of the other executives to participate as possible. Besides what I mentioned above, you also want to brainstorm this key question **"what are the key influencers we need to reach this week that can fuel the word-of-mouth marketing of our products and services and how will we reach them?"** Think tipping point!

As for metrics, the main function of marketing is the generation of warm leads. ALL your marketing activities must eventually drive leads or you're wasting your resources. Therefore, measure hits to the website; page views and time on the website; inquiries tied to various promotions or ads; and referrals garnered from your word-of-mouth activities. The Net Promoter Score (NPS), outlined in Fred Reichheld's book *The Ultimate Question*, is a must metric for measuring customer advocacy. You also want to measure the cost per warm lead so you can maximize the effectiveness of your marketing expenditures.

## 6 Sales and Marketing rhythm

In summary, do you want to dominate your market?

Pick a handful of key people, a time each week to meet, and get your brain trust focused on how you're going to do it.

***“Now is the time to trump your competition by out marketing them - it just requires discipline and rhythm.”***

**Meet Weekly to Drive Marketing** - this from the great marketer, Regis McKenna (Intel, Apple, Genentech). When asked what it takes to drive successful marketing (measured by number of warm, qualified prospects – this is the fundamental metric of marketing - the other being cost per warm, qualified prospect) Regis simply said **“one hour per week.”** *In essence, get the right team in a room for one hour each week and ask the question “how do we reach more prospects with our message?”* Brainstorm and act on some idea each week and you’ll drive marketing. Regis’s other key is to identify the “influencers” in your market and nurture relationships with them. Is there a key industry association executive? Is there a potential customer that is also the member president of your key industry association? Is there an important media personality? Is there a key lead supplier that can reference you? For business-to-consumer businesses it’s why they use celebrity spokespersons

**Meet Daily to Drive Sales** – Sam Palmisano , CEO of IBM because he turned around IBM’s Global Services. And his key - holding a daily global sales call and working a list of 100 top prospects. *Anything less than daily and you’re leaving business on the table. And sales people need pumped daily - they live an emotional roller-coaster existence. I’m talking about 15 minutes per day.* Dig into why specific sales are stalled each day or whom your sales team is trying to reach that day (not just going over numbers) and you’ll accelerate your sales, period. And no one has ever suggested a type of business that can’t benefit significantly from a daily sales huddle.

In summary, do you want to dominate your market? Pick a handful of key people, a time each week to meet, and get your brain trust focused on how you're going to do it. Now is the time to trump your competition by out marketing them -- it just requires discipline and rhythm.

You have to stay in the game – and the game of business is constant, direct, firsthand interaction with your customers on a weekly basis.

So pick up a phone right now and call a customer.

## 7 Black Swan Moments

The term “Black Swan” comes from Nassim Nicholas Taleb’s book – Tom Peters has already declared this book is the best book of the decade and the decade is not even over! Taleb points out that if you weren’t in the stock market during the last 50 years [on ten particular days](#), you would have missed 50% of the upside. Regardless of what we know from history, a single improbable event can change everything we think about the world. Taleb calls these improbable events Black Swans.

Example :

Naomi Simson, a former corporate marketing executive for Apple, understood the importance of listening to customers when she launched her business in 2001. So when a friend of hers made an [off-hand comment](#) that he loved her company’s website (Red Balloon is a gifting service which today offers over 1500 unique experiences across Australia) – and that he used it as a free directory for locating interesting experiences and then would book directly with her supplier, Naomi’s heart sank.

It was at that moment (Black Swan moment) her business model was reformulated, resulting in what is called a “Pleasure Guarantee” – you pay no more booking through Red Balloon than you would if you went direct. And given the added convenience, service, packaging, and branding Red Balloon provides, it’s become a powerful value proposition which has driven phenomenal growth including over 60% in 2008.

This requires a relentless pursuit of your market involving numerous direct conversations with your customers over a sustained period of time. It involves getting on more airplanes and on more phone calls than you’ve done since the launch of your business – especially during turbulent times.

And it involves stomaching what many perceive as a lot of wasted time and effort in conversations where you must endure a monotonous rehash of issues that risk boring you to tears. In short, you must suck it up and “stay in the game.” You have to stay in the game – and the game of business is constant, direct, firsthand interaction with your customers on a weekly basis. So pick up a phone right now and call a customer.

All marketers tell stories. And if they do it right, we believe them.

We believe that wine tastes better in a \$20 glass than a \$1 glass. We believe that an \$80,000 Porsche Cayenne is vastly superior to a \$36,000 VW Touareg, even if it is virtually the same car. We believe that \$225 Pumas will make our feet feel better -- and look cooler -- than \$20 no-names...and believing it makes it true.

***“Marketers succeed when they tell us a story that fits our world view, a story that we intuitively embrace and then share with our friends.”***

## 8 What's Your Story?

Single most important question we must answer if we're going to drive sales in the next decade. How did Fiji water become one of the bestselling brands of bottled water in the U.S? Is it because it tastes that much better or is more nutritious? Nope. Fiji is a winner because of the story the bottle tells. What's your story? And just as important a question if you're selling business to business, running a political campaign, heading up a non-profit, or selling yourself!

All marketers tell stories. And if they do it right, we believe them. *We believe that wine tastes better in a \$20 glass than a \$1 glass. We believe that an \$80,000 Porsche Cayenne is vastly superior to a \$36,000 VW Touareg, even if it is virtually the same car. We believe that \$225 Pumas will make our feet feel better -- and look cooler -- than \$20 no-names...and believing it makes it true.* Marketers succeed when they tell us a story that fits our world view, a story that we intuitively embrace and then share with our friends.

We should look at the key service points of interaction with our customers and figure out how to make it more of a memorable experience.

(BTW, almost 100 are already holding seats for our Special Management Programs with Neil Rackham-April 28th in Mumbai and April 30th in New Delhi - the famous Neil Rackham is coming first time in India! -- reserve a seat now) *but for some they might prefer to be further back or closer to the door, etc. We're looking into this. Where are your customers sacrificing and how can you fix it?*

## 9 Customize your service

**When You Customize a Service it Becomes an Experience** – Let's walk through the progression of commerce: the agrarian economy was about "extracting" commodities; the industrial economy was about "making" tangible goods; the service economy was about "delivering" intangible activities; and experience economy is about "staging" memorable events i.e. Case Tomahawk building a huge sandbox where prospects can come play with the huge earth moving equipment they intend to purchase. Key Point here -- we should look at the key service points of interaction with our customers and figure out how to make it more of a memorable experience.

**"...ing" the Thing** -- the key is looking for "...ings" in your product/service offering. Case Tomahawk focused on "playing" with the earth moving equipment; Steinway did something similar by focusing on a "piano-playing" experience if you purchase a Steinway they host a party in your home, provide a professional piano player, and allow you to invite your friends. It becomes an experience that normally results in two additional sales!). How you can "...ing" your service offerings.

**Identify a Place of Sacrifice** – We suggest looking at some existing "ings" in your business and seeing where customers are not receiving a customized service i.e. the paying process, invoicing process, etc. We're looking at our "registering" process to see how we can make it more of a memorable experience -- and one place where attendees have to sacrifice is picking where they are seated at our events. It's decided by order of registration -- those that put down earlier deposits get the best seats (BTW, almost 100 are already holding seats for our *Special Management Programs with Neil Rackham- April 28th in Mumbai and April 30th in New Delhi -- the famous Neil Rackham is coming first time in India! -- reserve a seat now*) but for some they might prefer to be further back or closer to the door, etc. We're looking into this. Where are your customers sacrificing and how can you fix it?

*Make an investment in you that will make a real difference in these crazy times.*

That's what we all need right now. Let's do it.

Register now, and I'll see you in Neil Rackham program!

## 10 Student of Marketing

Last, Become a great student of marketing. Read every book, attend every workshop, and visit every company that represents world-class marketing. Particularly in the field of marketing, it takes just one great idea.

Start by reading of Neil books (*Spin Selling*, *Rethinking Salesforce*, *Major Account Sales strategy*); Also study Dr. Robert Cialdini's classic book *Influence: The Psychology of Persuasion* and master his six keys to persuasion and read Malcolm Gladwell's best-seller *The Tipping Point*.

Now that the introduction of his material has been made, Listen, learn, join Neil Rackham live first time in India and form a world-class sales and marketing plan for your business.

Make an investment in you that will make a real difference in these crazy times. That's what we all need right now. Let's do it.

**Register now**, and I'll see you in Neil Rackham program!