

Better Business Focus

Essential reading for managers and entrepreneurs



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Better Business Focus aims to be the essential key for business owners and managers. It achieves that aim by focusing on the way in which successful businesses in the UK and elsewhere compete and manage their organisations.

It focuses on how people are recruited, coached and developed; on how marketing and selling is undertaken in professional markets as well as in markets with intense competition; on how technology and the Internet is reshaping the face of domestic and home business; and on how people are being equipped with new skills and techniques. In short, it's a focus on a better way to do business.

July 2006

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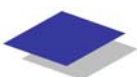
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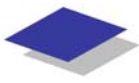
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Opportunity Pursuit – Part 2: Making Sales

By Phil Shipperlee

Finally! This is the stage where you get to make sales, take orders and earn money for your business.

Account planning and Account networking

We previously talked about the different roles within the account, the key ones being: gate keeper, influencer, information provider, coach, buyer, decision maker, user, and budget holder. During the customer creation process you will have identified and got to know these people and they will have helped you to understand how their organisation functions. Now, these people will be very useful to you, and the relationships built up over time will prove invaluable. For example, anyone wearing the hats of influencer, information provider and particularly coach will clearly be of great value to you. However, if you do not know who these people are, it is too late once you have an opportunity to work on, perhaps with only 10 – 14 days to respond. Knowing these people in advance is not necessarily enough, you must gain their agreement that they will continue to talk to you once you have submitted your proposal.

Value Propositions and ROI

During the process of creating a customer, you can help them to understand, in general terms, the value of your proposition and the value of their relationship with your company.

For an individual opportunity you need to establish specifically what really matters to them and why. What is it that they will be prepared to pay extra for? It could, for example, be about a guarantee of on time delivery, it could be about the quality of your creative work, or it could be about risk mitigation. You have to establish all of their buying and selection criteria so that you can present your solution in the most favourable light when measured against their buying criteria and your competitors.

If you do not do the work to ensure you are perceived in terms of value then you will probably be perceived as a commodity and the decision may well be made on price alone.

The first article on Opportunity Pursuit highlighted the distinction between identifying and creating opportunities. This article identifies key factors in mounting the response, and in the next article, I'll cover the mechanism of Quantification for ensuring a more productive bid.

Getting over excited that there is an opportunity to bid can be dangerous as it could distort your objectivity. Creating a plan to cover the whole bid cycle will help you to avoid this trap.

Bid/deal plan

Once you reach the stage of actually planning a bidding campaign, you are past the stimulation and specification stages of the buying process.

The prospect is now moving into the three final stages of their buying process; search for and select a supplier, substantiate the selection, and sign-off and sanction the decision. Your bid plan must include everything that you need to do to meet the customer's timetable for the buying cycle, and also how you will manage the customer relationship as they go through the process of selection, sign-off and sanction. You also need to agree with the prospect exactly what form your proposal will take.

I cannot over emphasise the importance of good quality information to underpin your bid plan and proposal. The result of incomplete information is imperfect opinion that will lead to poor judgement in how to mount your bid.

The account plan comes into its own now as the repository, collecting and collating all the information you will need when bidding for an opportunity.

A valuable selling process involves anticipating and pre-empting objections. By providing your proposed solution in a form that includes answers to questions and objections that you expect the prospect to raise, you are controlling the high ground when it comes to the negotiation stage. You can only achieve this if you have good information and you can only gain good information through careful research cross-correlated with your inside contacts.

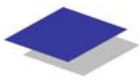
Win/Loss Review

Whether you win or lose, find out why. Understanding fully why you win, as well as why you lose, is vital for future planning for other work both with the individual customer and with other prospects as well. The output from the win/loss process should be fed back into the qualification and quantification process for the individual customer, and also for other suspects and prospects in similar market sectors and segments as there may be common lessons to be learnt.

The win/loss review process should not be undertaken by the sales person who was involved in the bid as they are too personally involved for the customer to be completely honest and objective. For important customers, it is very impressive if the CEO of the













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supplier takes the time to undertake the review. It can also be done by an external company or someone other than the sales person from the supplier; perhaps the quality manager, technical or financial director. You should create a simple check list to ensure you ask all the questions you want answered.

TIPS:

-  Create a bid plan.
-  Include a resource plan to ensure the right resources are available at the right time to work on your bid.
-  Create a multi-skilled bid team for both creation and review; use people with different skills from within your business, plus external experts where appropriate, to review the bid. Several pairs of eyes are better than just one.
-  Include a networking plan to cover all relevant contacts within the prospect's organisation.
-  Ensure your bid plan covers the whole buying cycle – don't be left wondering what is going on because the customer clams up having received your proposal – ensure you have contacts who will keep talking to you.
-  Ensure you have as much relevant information as possible; gleaned through Qualification and Quantification.
-  Do not be seduced into using too much standard material in your proposal – customers will spot boiler-plate a mile off and it will leave them feeling less than special.
-  Don't assume you know what will impress the customer – ask them what criteria will really count when they are making their selection.
-  Understand and then pre-empt their likely objections.
-  Present value or be treated as a commodity.



Win or lose, understand why and make good use of the information for future bids.

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About the Author:

Phil Shipperlee, CEO and Founder of Performative, the fourth successful company that he has started since 1980. Special area of knowledge covers the creation of high performance selling operations within any corporate environment. Other specialisms; solving the business issues of SMEs, M&A, and the use of off-shore delivery.

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Good News for Small Businesses

Google has announced the launch of a web-based spreadsheet service.

Google's web-based spreadsheet is a good example of how ASP-delivered software can help small businesses. Offering flexibility both in terms of access and cost they are in line with the demands of modern working practices. Why buy software when you can rent it by the month and not have any of the hassle associated with installing and using new files?

This latest offering from Google represents another step in the outsourcing revolution. Other applications such as word processing, presentation (similar to PowerPoint) and other software currently dominated by the Microsoft Office bandwagon will also be made available by ASPs.

It's very clear that Google is on a collision course with Microsoft - we know that Google recently bought *Writely*, an online word-processing application that also allows users to collaborate online. Taken together with its web-based e-mail programme, its recently launched online calendar and the "Google desktop" search tool, Google is increasingly straying into Microsoft territory.



I believe the true road to preeminent success in any line is to make yourself master in that line.

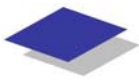
I have no faith in the policy of scattering one's resources, and in my experience I have rarely if ever met a man who achieved preeminence in money making.. certainly never one in manufacturing.. who was interested in many concerns.

Andrew Carnegie



The successful person makes a habit of doing what the failing person doesn't like to do.

Thomas Edison



Work/Life Balance – Why Is It Out? How To Get It Back.

By Graham Yemm

We hear and read a lot about the need for people to achieve a work/life balance. In this world of seemingly increasing pressure and workplace demands, is it really feasible to seek this balance? Does it matter? The short answer is yes, to both.

When you don't have this balance it leads to even more pressure building. You may be getting it from home and your life outside because you are not devoting time to that, or possibly from work as you struggle to cope with the demands there whilst keeping "life" going. As these pressures mount and the imbalance becomes worse, there is a probability of stress occurring. Organisations are more aware of the costs of stress related issues these days – local government included. Not achieving balance can begin to affect you as an individual, your team or colleagues and your family and friends, so it does matter!

For most people, the lack of desired work/life balance is a result of things creeping up on them rather than a specific event causing it. The trouble is they do not take action on these small issues and changes as they happen, and before long these are the habit. This is often combined with events around them at work and the culture which has evolved around use of time and expectations from staff.

Having said this, the reality is that the problem of a lack of work/life balance is self-inflicted - you have allowed it to happen! The other challenging factor is that the solution lies within you! You need to start by accepting more responsibility for how you use, or abuse, your own time. You need to acknowledge that the underlying problems arise because you are allowing others to take more control of your time!

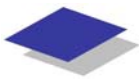
To change your life and begin moving towards getting the right work/life balance for you, begin by thinking about what it would be. One of the problems many people face is they do not know what their ideal work/life balance would be like! (They often know they don't want what they have.) To get an idea of what you want, spend some time doodling your thoughts. Write them down, mindmap them or even draw an image of what you want. As with many other activities, it can help you mobilise yourself into action if you have a really clear and compelling idea of what the end result will be. Be specific about what you want for you, personally, and for time with family and friends – and for work.

Now you know what you want, think about what needs to be different to achieve this. Identify what is happening with your time, and your life, currently. You can start with some generalised thinking, but this may lead to you overlooking some vital events or people! It can be useful to back-up your thinking by completing a time-log to make a note of exactly what you are doing, who and what interrupts you and how long these things are taking. Assess the activities against the key tasks of your job – and ask yourself which

of these could or should be done by someone else?








The next step is to do a form of "gap analysis". You can be specific about what needs to change in order to begin to achieve the desired balance which you created earlier. Before setting plans in place to address these areas, you can help yourself with a bit more self-assessment.

Over a number of years of working with groups and individuals in all aspects of time management and stress management, I have come to a conclusion that we make choices about what we do with our time. We do not think of it in those terms because those choices operate at such a deep-rooted level that we make them unconsciously. When we work late, even if asked by the boss, we are choosing to do that rather than go home to our family. These choices are based on our values and beliefs. Our values are the things which are important to us and we have evolved those over the years. Beliefs, in this context, are things we "hold to be true". They take two forms, namely empowering and limiting. Put simply, the empowering ones are our "can do..." or "it's OK to..." thoughts, whereas the limiting ones are the "must...", "mustn't...", "can't do..." or "it's not OK to..." thoughts we have. This combination of values and beliefs dictate what we choose to do with our time. Taking the example above, you probably have values around security, career and ambition, which rate higher than values about family, relationships or self. You might have some limiting beliefs which say, "I must do what my manager (or other authority figures) asks."



If you decide that achieving a better work/life balance is important, you need to start by examining your values and beliefs. Firstly, identify what your values are (not something many people do or have done!) List them and then leave alone. Go back and look at them, decide what else you might want to add and then prioritise them. This can be a great exercise to do with a partner or significant other! When prioritised, evaluate how well you think these are being met with your current work/life balance. Where there is a gap, there will be a greater probability of pressure and stress being generated. If these really matter to you, you will take steps to start to make sure that your life is being lived to achieve them. This is why I said earlier, the solutions to getting your work/life balance lie with you!

The next stage is to do an action plan to tackle the areas in your gap analysis. Check back on your time logs and notice what is stealing your time from what would be your priorities in your balanced life. Be open to change - remember, *“if you continue to do what you have always done, you will always get what you have always got.”* Some basic things to do:

-  Decide what you need to reduce or cut back at work.
-  Learn to say “no” more often, be OK about being unavailable to others in order to get on with your own work. This includes the telephone!
-  Accept that you need to take breaks and have a life in order to be more productive.
-  Organise your time with basic time management technique, “to do lists”, time planners etc.
-  Plan to do things for yourself and with your family and friends – and stick to those plans.
-  Schedule to leave work at a certain time – and stick to it.
-  Avoid taking work home and doing it in evenings or

weekends, only allowing yourself very rare exceptions.

If your work/life balance is not what you want it to be, recognise that one of the reasons for this is you have allowed others to take control of your time (and life!). To achieve the balance you want, which leads to a happier life, less pressure and greater contentment, you need to put yourself back in control. To do this, be willing to change, take responsibility for your own actions and reactions and use the appropriate behaviours to get the work/life balance you want.

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The only question to ask yourself is, how much are you willing to sacrifice to achieve this success?

Larry Flynt

Don't worry if you don't know what Introduction is, here's an explanation:

Introduction – An Introduction is a method of application for listing where marketing arrangements are not required because the securities to be listed are already of such an amount that their adequate marketability when listed can be assumed.

Source: Bizezia's Glossary of Key Financial Terms and Business Ratios.

Bestsellers

1 Freakonomics: A Rogue Economist Explores the Hidden Side of Everything
by Steven D. Levitt, Stephen J. Dubner, Penguin Books Limited
Price: £4.49

2 The Undercover Economist
by Tim Harford, Little, Brown
Price: £10.78

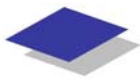
3 Getting Things Done: The Art of Stress-free Productivity
by David Allen, Piatkus Books
Price: £5.74

4 The Money Diet: The Ultimate Guide to Shedding Pounds Off Your Bills and Saving Money on Everything!
by Martin Lewis, Vermilion
Price: £3.99

5 Introducing NLP Neuro-Linguistic Programming (Paperback)
by Joseph O'Connor, HarperCollins
Price: £7.25

Source: amazon.co.uk





Entrepreneurial Purchasing.

By Colin Coulson-Thomas

'You are what you eat' is a slogan of our time. The corporate equivalent could arguably be 'you are what you buy'. While over indulgent eating can lead to obesity, flabby buying can drain a company's coffers and impair its performance.

The cash generated by a business is the difference between payments into and out of corporate bank accounts. Companies need to be entrepreneurial when buying from their suppliers as well as entrepreneurial when generating revenues from their customers.

Far too many purchasing teams focus on short-term issues and do not contribute to the formulation of corporate strategy or the development of new products. They fail to strike up and sustain relationships with external suppliers that might both help them to control costs and improve the quality of their offerings.

Many purchasing professionals also fail to secure senior management appointments because they struggle to demonstrate the value they are adding. They are perceived as paper processors rather than creative entrepreneurs. The attitudes, competences and approaches of many purchasing professionals need to change.

One of the 'winning companies: winning people' research teams led by the author found that for almost 70% of 296 companies

surveyed purchases of external products or services amounted to over a half of their total costs, while all companies reported that their purchasing achievements were falling short of their aspirations. Clearly more effective purchasing can have a very significant impact upon the bottom line.

The 'effective purchasing' study of European purchasing was undertaken with the cooperation of the European Institute of Purchasing Management. The resulting 'Effective Purchasing, the Critical Success Factors' report* reveals significant differences between the approaches of winners and losers, the companies that succeed and fail respectively at achieving the benefits of effective purchasing.

Losers tend to view purchasing as an administrative activity of relatively low status that is sometimes a source of both management and quality problems. Purchasing arrangements are often fragmented, and attempts to consolidate them are viewed as empire building by cynical business colleagues. Targets tend to focus upon year on year savings, yet often ignore price movements over business cycles.

Purchases by losers are often ad hoc. Losers like to shop around. They avoid 'getting involved' with particular suppliers. They look for 'deals' and opportunities to make quick savings. They also fail to recognise differences of capabilities among different suppliers, and that one's approach to purchasing may need to vary according to factors such as degree of commoditization, volume, storage, transportation, quality and item importance, value or visibility to end customers.

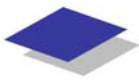
Compared with effective purchasers losers are less successful at all of the considerations relating to choosing suppliers that were examined by the research team. Sometimes they have so many relationships with different suppliers to maintain that finding the time to assess individual providers and properly distinguish between alternative suppliers becomes difficult, if not impossible.

When negotiating losers play win-lose games. They keep their various suppliers at arms length and endeavour to play one supplier off against another. They tend to be oblivious to the longer-term consequences of their relentless drive to cut costs. The benefits of consolidation, bulk-buying and cooperation elude them.

Losers give a low priority to the ethical employment, environmental and safety records of suppliers. They also seek to avoid the scrutiny of their colleagues, and are slow to assess their own performance. Winners are different. They measure and report their achievements, and demonstrate their contributions to colleagues. Their greater openness encourages others to have more confidence in them.

For winners purchasing is a source of competitive advantage. They work with their suppliers to reduce costs, innovate, and improve quality or speed up deliveries. Involving purchasing and preferred suppliers earlier in the new product development process can often reduce the time required to bring new products to market by a quarter or more.

Winners are more likely to be involved in boardroom discussions of business strategy and new product development. Integrated systems are also more likely, that



provide group-wide information and monitoring capability. Winners are able to show they are in control and achieving purchasing objectives. Their targets are more likely to include the building of longer-term and partnering relationships with strategic suppliers, and integrating purchasing into group strategy.

In comparison with their less successful peers, winners are also more likely to pursue win-win approaches to negotiations. They recognise that building value can be as important as controlling costs, and that working with certain suppliers might enable the delivery of improvements and innovations that lead to more competitive offerings and benefits for both parties.

Canny winners recognise it is usually in their best interests that strategically important suppliers do well. Squeeze them too hard and they may lack the margins needed to fund the investments that would enable them to stay at the top of their game. Collaboration to find new ways of working together can lead to opportunities to save both sales costs for the supplier and purchasing costs for the customer.

Winners prefer longer-term contracts with reviews, and framework contracts with local call-offs. They are more interested in establishing and building collaborative relationships with a smaller number of strategic suppliers, and monitoring the quality of what is procured. They are also ahead when it comes to using IT and e-business technologies to automate aspects of purchasing, and facilitate methods of purchasing such as 'internet auctions'. Losers play catch up where the winners pioneer.

When assessing suppliers, winners look for a willingness to enter into a partnership, flexibility and senior management commitment. Other considerations when selecting key suppliers are product quality, low cost and delivery track-record, while for building a successful relationship responsiveness, technical support, technical

leadership and – once again – flexibility are especially important.

In recent years purchasing has been transitioning from a regional to national and from national to multi-national model. In larger companies it is becoming increasingly continental or global in scope. Winners favour smaller but more able teams, made up of purchasing professionals who endeavour to keep their skills up to date.

Losers appear to be some way behind the winners in relation to longer term trends. Thus many of them were still centralising, while their more successful peers who bought more centrally were devolving responsibilities to operating units within a framework of approved suppliers and group standards. Winners are more willing than losers to trust colleagues to make higher value purchases.

While losers buy a smaller proportion of a wider range of goods, winners are more likely to spend over half their total costs on bought in items. In particular, they enter into more partnership arrangements and are more willing to outsource. While the purchasing costs of losers are sometimes hidden, winners are both more aware of such costs and more likely to allocate them either to benefiting business units or central overheads.

Few companies appeared to have an integrated approach to checking the quality of purchased supplies. Winners were more likely to get the quality checking basics right, while losers tended to 'hope for the best'. Some losers play Russian roulette with quality, neither requiring supplier liability for faults, nor carrying out supplier audits.

Benefits of effective purchasing secured by purchasing winners include control of product quality, the integration of purchasing into group strategy and product plans, minimum costs of goods purchased, the use of standardised components/materials specifications, minimum work in

progress stocks, security of supplies, partnerships with key suppliers, and retrospective discounts.

Losers tend to operate in isolation, while winners are more alert to what is happening in the marketplace. Effective purchasing teams aim to beat market prices by continually monitoring what others are buying, and taking immediate action to remedy any divergences of prices paid by competitors. Winners also embrace just-in-time or lean purchasing and benchmark their performance.

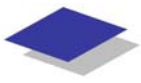
Companies with successful purchasing departments are more likely to be engaged in international trade. International sourcing is spreading and more activities are being outsourced, including the purchasing function itself. By adopting a more strategic approach, and acquiring the skills and experience to manage and monitor collaborative relationships, winners are more able to safeguard the intellectual capital and know-how needed for knowledge-based competitiveness.

It is important you understand where you are in relation to the differing approaches of winners and losers. The 'effective purchasing' database has been constructed to allow companies to benchmark their approaches against their peers in the survey sample and the winners who derive the most benefits from their purchasing functions. The fifteen page bespoke report* that is produced covers 137 purchasing issues and enables those who complete a questionnaire to identify the areas they most need to improve.

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* 'Effective Purchasing, the critical success factors' and related bespoke benchmarking reports that compare corporate performance with the average for both all companies and those companies that win most benefits from their purchasing functions are available from Policy Publications by:

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The findings of the 'winning companies: winning people' research programme are summarised in 'Winning Companies: Winning People, the differing approaches of winners and losers' by Colin Coulson-Thomas which can be obtained from Kingsham Press by:
Tel: +44 (0) 1243 779378,
Fax: +44 (0) 1243 779078,
Email: sales@akdpress.com;
or from: www.akdpress.com or
www.ntwkfirm.com/bookshop

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As we go forward, I hope we're going to continue to use technology to make really big differences in how people live and work.
Sergey Brin

What Is A Wiki?

'Wiki' is currently one of the most popular new buzz terms in business discussions. But, unfortunately, it is also one of the most incomprehensible for many people.

Wiki is a piece of server software that allows users to freely create and edit Web page content using any Web browser. Wiki supports hyperlinks and has a simple text syntax for creating new pages and crosslinks between internal pages on the fly.

Wiki is unusual among group communication mechanisms in that it allows the organisation of contributions to be edited in addition to the content itself. It can add, remove, or otherwise edit all content very quickly and easily, sometimes without even the need for registration. This ease of interaction and operation makes a wiki an effective tool for collaborative writing.

The term wiki can also refer to the collaborative software itself (wiki engine) that facilitates the operation of such a website (see wiki software), or to certain specific wiki sites, including the computer science site (and original wiki), WikiWikiWeb, and the online encyclopaedia Wikipedia.

Like many simple concepts, "open editing" has some profound and subtle effects on Wiki usage. Allowing everyday users to create and edit any page in a Web site is exciting in that it encourages democratic use of the Web and promotes content composition by non-technical users.

The word wiki is a shorter form of wiki wiki which is from the native language of Hawaii (Hawaiian), where it is commonly used as an adjective to denote something "quick" or "fast". WikiWikiWeb is named after the "Wiki Wiki" line of Chance RT-52 buses in Honolulu International Airport, Hawaii. It was created in 1994 and installed on the web in 1995 by Ward Cunningham, who also created the Portland Pattern Repository.

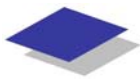
Now for the technical stuff...

In essence, a wiki is a simplification of the process of creating HTML pages combined with a system that records each individual change that occurs over time, so that at any time, a page can be reverted to any of its previous states. A wiki system may also include various tools, designed to provide users with an easy way to monitor the constantly changing state of the wiki as well as a place to discuss and resolve the many inevitable issues, namely, the inherent disagreement over wiki content. Wiki content is prone to be misleading, as users are bound to add incorrect information to the wiki page.

Wiki is sometimes interpreted as the acronym for "What I know is", which describes the knowledge contribution, storage and exchange function.

Want to know more?

Visit <http://www.ariadne.ac.uk/issue42/tonkin/> to learn more.



Are You LinkedIn?



LinkedIn is a social networking site, mainly used for business. As of March 2006, it had more than 5 million registered users.

LinkedIn's CEO is Reid Hoffman, the former Executive Vice President of PayPal.

LinkedIn has more than 5 million registered users, representing 130 industries. It is intended to be used to find jobs, people and business opportunities recommended by the user's direct contacts, or by individuals connected to a contact at the 2nd or 3rd degree.

The "gated-access approach" (where contact with any professional requires either a pre-existing relationship, or the intervention of a contact of theirs) is intended to build trust among the service's users.

Employers can list jobs on LinkedIn and search for passive candidates and job seekers can review the profile of hiring managers, HR professionals and/or recruiters, and then discover which of their existing contacts can introduce them.


More than 1,000 alumni and professional organisations use LinkedIn for Groups, members-only areas on LinkedIn that facilitate networking among their members. Many of these organisations have groups that exist under the Yahoo! Groups domain. Additionally, a number of Yahoo! Groups are specific to the LinkedIn community (see external links below).


LinkedIn participates in the EU Safe Harbor Privacy Framework and is certified to meet the strict privacy guidelines of the European Union. All relationships on LinkedIn are mutually confirmed, and no one appears in the LinkedIn Network without knowledge and explicit consent. LinkedIn is located in Palo Alto, California, and is funded by Greylock and Sequoia Capital, the venture capital firms behind Google, Yahoo!, Cisco Systems, and Apple.


This professional-oriented site is also the least likely to bother members with trivia. Like Ryze, LinkedIn targets business users, but at a higher level—meaning upper-echelon managers and executives.

A quick search of LinkedIn's 40,000 members revealed over 700 VPs, over 140 CTOs, and over 500 CEOs; such stats might cause executive recruiters—or job seekers—to prick up their ears. If LinkedIn can maintain its cachet of exclusivity, it'll be an impressive way to make important contacts for those in senior positions.

Privacy Concerns

 Some data is available for people who know your name, even if they are not in your connections. At the very least, non members can check whether you are a member or not.

 Removing yourself from LinkedIn is an option just not available. Instead, you have to fill a customer support ticket.

 The same for breaking connections: only LinkedIn employees can do it for you after you fill a customer support ticket.

Business Insight... Dealing With Politics

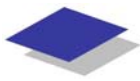
I was fortunate to have the CEO of a major American company as my earliest mentor. When I was 23 years old, I went to see him to discuss how I was enjoying my first six months in my first job after university.

I told him I loved the job, but the politics in the office were a problem. I didn't really know what I meant, but I had heard from others that politics were an issue and I was naïve enough to repeat it.

My mentor thought briefly and then said, "Bob, you will have politics at any company or organisation you work at for the rest of your career. How you choose to work effectively with people will be a major determinant of your success. You need to figure out how to make the most of every situation and never sit back and complain about it."

20 years later, he is still right. People who know how to navigate an organisation are the leaders. Politics are really just our description of how humans are interacting with each other. And it is our job to help ourselves and help others to make the most of any situation.

Bob Pearson spent the first part of his career in marketing communications and pharmaceutical sales. He took an MBA in his spare time, moved into consultancy, where he became a COO of an international agency, and is now global head of pharmaceutical communications at Novartis. He never complains about office politics... or anything else.



Recruit Your Way To The Top!

By John Boe

As a manager there are several benchmark questions you need to keep in mind during the interviewing process. Ask yourself, does the candidate make a favourable first impression and would you want this person working for your competition?

Essentially a sales manager's primary responsibility is to recruit, train and motivate his or her sales force to achieve peak performance. Of these three vitally important tasks, recruiting is the least understood and by far the most challenging.

When you recruit the right person you will find that they're self-motivated and eager to train. On the other hand, if you hire someone that is not suited for the position, you'll experience low morale, high turnover and find yourself constantly in the training mode.

While there's no perfect system that can guarantee you'll hire the right person every time, there are fundamental guidelines you must follow if you expect to recruit your way to the top!

Are you a Buyer or a Seller?

It pays to be patient and selective during the interviewing process. Obviously, what you're looking for is a hard-working, self-motivated, team player and not just a warm body to fill the position. By approaching the interviewing process with a buyer's mentality, you're more likely to maintain your objectivity and hire a long-term top producer.

During the initial interview, the vast majority of sales managers have a tendency to oversell the position. These well-meaning managers make the fundamental

mistake of describing the sales profession in its most favourable light by over-emphasising the compensation potential and understating the inherent challenges.

Buyers understand the importance and the responsibility of being straightforward and laying all of their cards on the table. They know through experience that it is better to run the risk of scaring off a prospective hire than to face a disillusioned salesperson after the fact. Buyers tell it like it is by emphasising the demanding aspects of the sales profession such as rejection and hard work. By placing a few roadblocks and challenges in front of a prospective hire you are able to check his or her interest and validate their resolve.

The Process Makes the Difference

You'll never see a bad resume. Buyers understand the absolute necessity of doing a thorough reference check. In addition to the standard questions regarding character and work ethic, it's always a good idea to ask his or her reference, "In your opinion, if (candidate's name) were to fail as a salesperson, what do you think the reason would be?" This question is never anticipated and frequently invites the most insightful discussion.

I strongly recommend that you use a checklist, because it allows you to stay on message and helps you to remember important questions. Relying on your memory is a poor business decision and will normally come back to haunt you. Take good notes throughout the interview. If you talk more than you listen during an interview, you're a seller and not a buyer.

As a manager there are several benchmark questions you need to

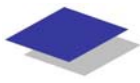
keep in mind during the interviewing process. Ask yourself, does the candidate make a favourable first impression and would you want this person working for your competition?

You would be fooling yourself not to anticipate that your prospective hire has been coached and is well prepared for a standard office interview. With this in mind, I suggest that you conduct two formal interviews followed by a social interview. The initial interview is designed primarily to probe for general suitability such as punctuality, communication skills, financial stability and evidence of past success. It's been said that both success and failure leave a trail. Look for past experiences where they have faced difficulties and have shown the resiliency to bounce back. This approach lends itself to a valuable discussion about the necessity of being self-motivated and maintaining a positive attitude in the sales profession.

To allow for reflection, temperament testing and verification of references, I would advise a minimum of one week between interviews. Consider setting up some hurdles between the first and second interviews that will allow you to measure interest and personal responsibility. When I was a sales manager, I would invite both my potential hire and his or her spouse out to dinner or to a sporting event. When you're interviewing a salesperson for a commission-based position, it's imperative to check for spousal support.

Here are my Favourite Eight Interview Questions:

- 1. Do you have written goals you want to accomplish and if so,



tell me about them?

You are looking for indications of maturity, focus, planning ability and desire for achievement.



2. How did you earn your first paycheck, how old were you, and what did you do with the money? With this question you are probing to check his or her work ethic.



3. What are the top three leadership traits that you look for in a manager? With this question you are attempting to gauge his or her expectation and preferred management style.



4. Have you ever failed at something and if so, why did you fail and what did you learn from the experience?

This question lends itself to a discussion on resiliency, personal responsibility and tendencies under pressure.



5. Everyone has strengths and weaknesses as employees. What are your strong points for this position? This question gives them the opportunity to tell you what assets they bring to the table and how they see themselves fitting into your organisation.



6. What is the one thing you would improve about yourself? This question gives you an indication of his or her self-assessment capability.



7. Other than family members, who has been the greatest influence in your life and why?



8. If you were to fail in this business, what do you think the reason would be?

Temperament Profiling is an Absolute Must

A sales manager who lacks the benefit of temperament understanding is inclined to place too much emphasis on his or her gut-level feeling during the hiring process. Progressive organisations that understand the value of temperament profiling actively seek people with varied behavioural styles and thereby benefit from a richness and diversity of perspective. People with different behavioural patterns are more likely to complement rather than duplicate each other's strengths and serve in a check and balance capacity.

Managers frequently ask me which traits are the most important to look for in a prospective hire? In my opinion, there are two mandatory qualities any new hire should possess. The first quality I look for is loyalty. If a person is not loyal to their company, research indicates that they are more likely to violate company policies and procedures. Disloyal employees are also the first to leave when the going gets tough. Look for signs of job stability on the resume and check his or her attitude regarding previous employers.

The second quality I look for is dependability. It makes absolutely no sense to invest huge amounts of emotional and financial capital training someone that you can't depend on.

The most effective people are those who know themselves, know the demands of the situation, and adapt strategies to meet those demands. Research indicates that career incompatibility is the major cause of personnel discontentment and costly turnover. The hidden cost of excessive personnel replacement is often measured through a decrease in customer retention.

Simply put, you want to hire a person that has a temperament profile compatible with the job opportunity. For example, some people are born analytical and have a temperament style that excels in administration and

attention to detail. Others are more comfortable in a supportive role and are better suited for a customer service position rather than the uncertainty of commission sales.

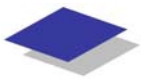
The importance of matching the job description to the correct temperament style cannot be overstated. Temperament testing is not only advantageous for hiring and suitability but also as a management aid to assist in training and supervision after the hiring process. I strongly recommend that a temperament evaluation be administered between the first and second interview.

When a temperament evaluation is properly implemented and utilised in conjunction with other standard hiring and interviewing procedures, it ensures that applicants are treated fairly without regard to race, colour, age, religion, gender or national origin. If a temperament evaluation is used as part of a hiring process, it shouldn't constitute the total basis for hiring or placement. I recommend that an organisation establish and utilise a consistent standard hiring process. Information gathered in each step of the hiring process should be reviewed in total prior to making a final hiring decision.





You're Only as Good as Your Pipeline

While some turnover in your sales force such as retirement, promotion, and transfer is understandable and can be anticipated; the quitter is often unpredictable. With this in mind, recruiting must be thought of as a long-term strategy, not a knee-jerk reaction.

Perhaps the greatest mistake a manager can make is underestimating his or her turnover. If your personnel turnover is high, it's more than likely caused by improper recruiting, rather than inadequate training or a lack of incentives. Even if you're the world's best trainer and motivator, if you haven't recruited correctly you'll experience high turnover and may find your sales team bogged down



with low morale. If your recruiting pipeline has dried up, here are four tips that will assist you in filling it back up with quality salespeople!

-  1. To have an effective recruiting program, it's imperative that your sales team be enthusiastically involved in the recruiting process. Let them know that their ability to recruit is considered a vital skill in leadership development and that their assistance is essential to the health of the organisation.
-  2. Keep your sales team informed by focusing on recruiting as an agenda item at the weekly meeting. On the agenda show the status of each recruit, highlighting the salesperson that has recruited them.
-  3. Design and implement an incentive program for your sales force that places an emphasis on recruiting.
-  4. Consider inviting potential new hires out for lunch and cultivate relationships with clients that you think may be successful on your sales team. Make certain to include them in your company's social events when appropriate.

I hope I have inspired you to look at your recruiting program with fresh eyes and a renewed determination to recruit your way to the top!

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The Perils And Pitfalls Of DIY eMarketing

By Owen Ashby, Founder Director, ThinkSmart Marketing

So what is it that most people get wrong?

Personalisation

There's only one thing worse than someone getting your name wrong, that's not using your name at all! Why is it that companies of all sizes spend decades gathering databases and then fail to use them effectively?

We can do that with a mail merge!

Yes, mail merge is great for importing raw data, but it's not enough. You want your email to appear as a personal one to one communication, so it has to be constructed as a personal one to one communication.

Mail merge simply won't do it because it cannot make intelligent use of your data and so you're message will look like a mail merged letter, because it is.

To BCC or not to BCC

Adding all of your contacts to one message as "Blind Copies" (BCC) is a common approach; here it's obvious to the recipient that this is a blanket email communication. The alternative is adding them all as Copies (CC). THIS IS SUICIDE! The recipient won't be best pleased having to receive your entire email database with each message you send.....what happens when they "Reply to all"?

A Read Receipt/ my Web Stats will do my tracking

Many people use the "read receipt" feature offered by many email tools to tell you who has opened your mail. This works at a very basic level and is highly inaccurate as it can be turned off by the recipient, does not show mails viewed in preview and is

considered by many to be intrusive.

Similarly reports that show you clicks to your website will give you an indication of increased traffic and in some instances which pages have been most popular. It won't however tell you who looked, what articles or pages they looked at or allow you to collate that data and download it for future activity and campaign planning. It is however great if you want to collect a string of IP addresses.

Which emails bounced and why?

A string of inbound "bounces" may well appear in your inbox, but how do you manage them, track them or use them to make the relevant changes to your database?

Unsubscribe?

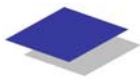
The law is toughening up and it's key that you understand your responsibilities. When people unsubscribe from your email list how do you track that and make sure you don't contact them again via email?

"We can develop something in house"

There's no doubt that there are a lot of clever technical people out there, many of them working in Web design and IT departments and of course given the time, budget and infrastructure they could design a system that will provide a level of functionality. But is this really the best use of your time or your budget or indeed your infrastructure?

"I'm sure if we put our minds to it....."

Just like your best sales people, eMarketers make what they do look easy. And just like your best sales people, eMarketers use the



think**smart**marketing

experience, expertise, techniques and tools built up over many years to ensure that the campaigns they design and deliver are not only successful, but tie into your other sales and marketing activities. ".....we only need a good letter". At Think Smart Marketing we've many examples of where people have used their own data and their own email system to launch a campaign and have seen disastrous results. And yet just a month or so later we've taken the same data and delivered response rates in excess of 20%.

But the bottom line is that eMarketing is probably the most effective and efficient tool available to businesses today. It's extremely powerful for opening doors, winning new business and staying top of mind with your customers.

So the DIY approach is very often a false economy. Not only could you be missing out on some revolutionary features and some breakthrough expertise, but you could be wasting time, throwing budget out the window, upsetting customers and of course risk being on the wrong side of the law.

But the bottom line is that eMarketing is probably the most effective and efficient tool available to businesses today. It's extremely powerful for opening doors, winning new business and staying top of mind with your customers.

Therefore use a proper solution designed and delivered by a capable and competent provider who can add value to your approach and your message and you will reap significant rewards.

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Further Information:

If you would like more information about Think Smart Marketing or wish to discuss your own requirements further, call them now on Tel: 0044 (0)1525 288828; or mail them at:
Think Smart Marketing
(info@thinksmartmarketing.co.uk) Unit B2, ARC Progress, Ridgmont, Bedfordshire, MK43 0RD

5 Ways In Which Branding Pays Off

By Dr. Gary S. Goodman

There has been a lot written about branding, but I thought I'd take a fresh look at the subject and ask the simple question, "Why are buyers attracted to brand names?"

Five basic reasons come to mind:



1. Brands imply safety. If a name is recognisable, it doesn't sound experimental. For example, which firm would you trust to provide a drug for your rare medical condition, Goodman Pharmaceuticals or Abbott Laboratories?



2. Brands imply widespread distribution and acceptance. Lots of people have purchased, and lived to tell about it!



3. Brands command higher prices, and profits, because we expect their costs to be higher, especially those invested in quality control.



4. Brands, of course, imply distinctiveness. Bayer Aspirin may contain exactly the same ingredients as a generic, but at least unconsciously, we sense there must be something extra or special in the recipe.



5. Brands seem big and successful, and most people want to identify with this. It lends them a feeling of strength.

I'll never forget when I was bidding on a large consulting contract against a division of Xerox, which was known at the time for excellence in sales training. I lost out to this company, partly because their rep asked our prospect "What would happen if Gary gets your business and is then hit by a truck?"

Actually unknown to the buyer, this is an insurable risk. Moreover, and this is one of the ironies you come to relish in business, the division of Xerox that I was bidding against "died" before I did – it was sold off.

Not only that, but Xerox went on to invest a ton in MY sales training, shortly thereafter. Still, the prospect I didn't sell, took the "safe" route, and went with the bigger name at the time, demonstrating the power of branding.

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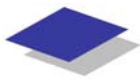
Dr. Gary S. Goodman, President of Customersatisfaction.com, is a popular keynote speaker, management consultant, and seminar leader and the best-selling author of 12 books, including Reach Out & Sell Someone ® and Monitoring, Measuring & Managing Customer Service, and the audio program, "The Law of Large Numbers: How To Make Success Inevitable," published by Nightingale-Conant. He is a frequent guest in radio and television, worldwide. A Ph.D. from USC's Annenberg School, a Loyola lawyer, and an MBA from the Peter F. Drucker School at Claremont Graduate University, Gary offers programs through UCLA Extension and numerous universities, trade associations, and other organisations from Santa Monica to South Africa. He holds the rank of Shodan, 1st Degree Black Belt in Kenpo Karate. He is headquartered in Glendale, California.

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Never Underestimate The Power Of “Who You Know”

By Alf Nucifora

I often come into contact with captains of industry, high-powered attorneys and other assorted masters of the universe. All are happy to tear at a competitor’s juggler as part of negotiation process or invoke the gods of wrath or war on behalf of their business affairs. But ask them to engage in the simple act of networking and they morph into mild-mannered milquetoasts. What is it about networking that scares so many yet returns so much?

As one who is currently building a business from scratch, solely through networking and constructing a web of referral contacts, I can attest to the extraordinary power of this simple, inexpensive and highly efficient and effective marketing tool. I like it because it works; because there is a direct correlation between effort and result. If you make the calls and take the meetings, the network will get built, the referrals will be made and the sales will ultimately get closed. In essence, networking serves to reduce the “degrees of separation” between marketer and

prospect. For those who feel uncomfortable (as I do) working within the structured confines of an organised networking organisation or club, let me reassure you that successful networking is as much a result of personal commitment and disciplined application as it is a catechism of formalised rules and practices.

Joanne Black, networker extraordinaire and author of the recently published “No More Cold Calling”, one of the best guides on the subject of networking condenses the core philosophy down to four basic rules.

Show up!

Black preaches a commitment to constant activity, a minimum of one networking meeting a week. (I do five to ten). These can be the proverbial breakfast, lunch, dinner, drinks, or as is happening more often nowadays, coffee at Starbuck’s. Meetings can take any forms...one-on-ones, professional association meetings, business groups, prayer groups, trade conferences, etc. The issue is not so much the nature of the meeting as the fanaticism or discipline that must be applied in making the meetings. It has to become a business ritual, an agreement with one’s self that a certain part of each day, week or month will be reserved for the process of meeting people and expanding one’s web of business associates and contacts. It is after all, nothing more than a numbers game-meet more people and get exposed to more business opportunities. Let me also acknowledge the difficulty that this can entail in day and age when each of us is over-worked, travelling too much and trying to balance family and career needs, and most often not succeeding. That’s where the

commitment and discipline come into to play.

Have a good time!

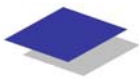
Enjoy yourself. Networking doesn’t have to be drudgery. But always have a goal for the meeting or the event. Aimless attendance is a waste of time. If it’s a meeting environment, go in with the express aim of meeting someone and making good connections. Take the initiative and talk to three or four interesting people. Try to learn something from the evening even if it’s not related solely to your own particular business. And if you fear or hate networking events, find a comfortable entry point into conversations with strangers. Ask people about themselves and what they do, and then sit back and listen. It’s always a winning formula. Why? Because people love to talk about themselves. That’s how conversations get started, dialogues developed, friendships formed, and business eventually consummated.

Resist the urge to be overly aggressive during these first forays. Your intention at first-time meetings should always be to learn something, gain introductions and break down barriers or doors. Don’t feel pressured to immediately solicit leads or vacuum up business cards. Let nature take its course. Be comfortable, project comfort and concentrate on establishing empathetic connections that can be mined later. Business can always be done in a subsequent meeting and in a more conducive setting.

Follow up!

When you’ve made the connection and both parties have agreed that getting together later would be good thing (“Let’s do lunch”), follow up immediately on the promise or agreement. Drop the

Networking doesn’t have to be drudgery. But always have a goal for the meeting or the event. Aimless attendance is a waste of time. If it’s a meeting environment, go in with the express aim of meeting someone and making good connections. Take the initiative and talk to three or four interesting people. Try to learn something from the evening even if it’s not related solely to your own particular business.



other party a call, email or note within twenty four hours to reaffirm the arrangement. You would be surprised how often good intentions never get acted upon. By the same token, be wary of impersonal mass mailings, the readily-identifiable cliché letters that the reader instinctively knows have been mailed to everyone on the meeting attendance list. While the success of networking is undeniably tied to meeting more people and expanding the network itself, quality of contact will always trump quantity.

Be active!

Black stresses this point in her book to great effect. One of the essential underpinnings of successful networking is being seen, as often as possible. This means “joining and volunteering”, working in environments where you can prove yourself, demonstrate your talents and demonstrate to others, particularly the influentials who populate volunteer boards that you have the skills, temperament, passion and conviction to be trusted in all matters both personal and professional. Whether it’s serving on a Rotary committee or trade association board, consistent communal activity of this type is a core element of a successful networking strategy.

Let’s face it, for some people networking has all the appeal of a root canal procedure. Most lack the time; many lack the people skills; others are downright unsociable, and proud of it. But it works. It’s how American society functions. And within the context of building a business, particularly within an entrepreneurial setting, it has no equal in opening doors. Remember that a cold call without an introduction has a success factor of less than 40%. Accompanied by a word-of-mouth referral or pre-introduction, that factor grows to more than 90%. It’s networking, more than anything else that enhances the odds.

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Alf Nucifora is a California-based marketing consultant. To correspond with Alf or to receive a copy of his free, monthly, on-line newsletter, “The Alf Report,” contact him via email or through his website (see his contact details.)

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The Future - Retailers With No Product

By John Stanley

Stores without products how would they survive, but this is 2006 and anything goes. A few years ago I was approached by a global bank to do some consultancy; the brief was I was to design a bank that did not hold any money, a money less bank. Head office was convinced that by 2010 their banks would not be places where consumers would actually collect money.

It is 2006 and I have just been to a paint shop where they do not have paint in store, plus as you would expect it is causing quite a stir in its market place. The store is owned by Plascon, South Africa’s leading paint manufacturer, it is located in Fourways on the outskirts of Johannesburg in South Africa in what is a retail design shopping mall.

Firstly, this paint store is located next to a florist and home décor shops and up market coffee shops, its target market is purely and simply women, they don’t want painters to enter the shop. The shop is then decorated as fashion shop with drapes and large

splashes of colour around the interior.

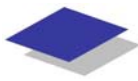
The sales team is attractively clad consultants and consumers are encouraged to sit at a consultancy desk and discuss their décor desires for their rooms. Once a complete décor decision has been made, the consultant then discusses the Plascon paint colours she feels would best suit the room. Once a decision has been made, the paint is ordered and delivered to the consumers home or room decorator. All this with not a single tin of paint in view.

This concept is a challenge to all retailers, can you retail in your store without having the commodity product in stock in the store. It does highlight the changing face of retailing and that consumer expectations are changing the face of retailing around the globe.

Let us look at the opportunities and why they are happening

Less is more

In previous articles I have discussed the fact that many consumers are now confused with the array of products on offer. Many stores are that cramped due to the amount of product that they stock, that the consumer is finding it a challenge and as a result either does not shop the shop or spends less time in the store as they feel it is too cramped to linger longer. They are looking for solutions not more variety and as a result the less is more theory is coming into more prominence. In my local paint store example they have decided to trade on their brand. If



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the customer trusts the brand then the less is more practice can become a reality in the marketplace.

It is not about Product it is about ideas

Consumers today are looking for ideas and solutions not product. When they want product they go to the mass market retailers, when they want ideas they go to the specialist. The specialist can therefore narrow their product range and offer the best advice possible. If you are offering the best advice possible and the customer believes in you, you can then reduce your product range.

It's a female shopper

Traditionally the paint industry, like many other retail sectors was considered a male purchase. Women were often intimidated by the traditional retail environment, but times have changed and the consumer is now intimidated by the traditional paint shop. The industry has moved into the fashion industry and now has to produce a female product. Today's consumer does not want to see rows of tins of paint. As a result the retailer has an opportunity to reinvent the offer for the consumer. This is not unique to paint; it applies to many retail sectors and provides the retailer with a lot of new opportunities that were not there a few years ago.

You cannot be a Me Too Retailer

Today's consumer is looking for new and exciting opportunities and is prepared to search them out. The me too operator down the road can now lose out to the retailer who provides a unique experience in the way they present themselves to the consumer. Daring to be different in today's retail climate is a non negotiable. You have to take the risk to survive. If you don't, your competitor will.

It is a coffee culture even in a Paint Store

I recently worked with a retailer where I suggested they put in a coffee dispenser, her reaction was

that she had resisted it for the last few years, but realised she had to get over it and put in a coffee offer. The consumer is now looking for more entertainment when they go shopping and the emergence of coffee shops around the world has shown that shopping is now firmly a source of entertainment and the shopper wants a refreshment as part of the offer.

Service is more important than Product

We live in a 'do it for me' society. Consumers today want to have a decision in the process, but don't necessarily want to do the job themselves. In our paint shop example, the majority of visitors to the store will not actually do the painting themselves, they will join the do it for me society and get someone else to do it for them. Therefore the product on the shelf is not relevant to their buying process. The same is becoming true in other retail sectors. Consumers are employing other trades people to do the work for them and therefore if they trust the retailer they don't necessarily need to see the product.

Trust retailing

I have used the word trust a number of times in this article. Before you can take the product off the shelf, you have to be retailers who are growing trusted by their consumers. The retailers who are growing their market share quicker than anyone else are the trusted retailers. This means you need team members that can relate to the consumer and who are trusted by the consumer. In the future retailers will need to invest more in their sales consultants to ensure they are experts in their field and are trusted by the consumer.

Location, location, location

Before you venture into this new world it is worth considering are you in the right location. Cluster retailing of the right stores is critical. With our paint shop example it was strategically placed next to a florist, coffee shop and interior design retailer to ensure

that between them they could become a key destination in the consumers mind.

Having the right location and retail cluster is critical to success. In Holland, for example, it is now quite common for retailers to cluster based on consumers needs. Furniture stores may now cluster together to attract customers and fashion stores the same. In Dubai the retail trend with new shopping malls has been to theme them based on cluster retailing. This trend will continue as more stores try to compete for wallet or purse share.

Will we see more retail sectors moving into stores where the product disappears completely? Time will tell, I do believe we will see stores offering a simpler solution for the consumer, the width and depth of the product on offer will decrease to reduce customer confusion, plus this is an opportunity to reduce the brands on offer and to specialise in house brands or private labels. Clearly this means thinking outside of the box, but by doing that, you may come up with a unique offer for your consumer and this could allow you to separate yourself from the competition.

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About the Author:

John Stanley is a conference speaker and retail consultant with over 20 years experience in 15 countries. He regularly contributes to retail magazines around the world and has co-authored several successful marketing and retail books including the bestseller Just About Everything a Retail Manager Needs to Know.

John Stanley Associates produce an e-newsletter specific to retailing; this includes innovative ideas and advice to help you grow your profits. If you would like to receive a regular copy, please visit www.johnstanley.cc or email newsletter@johnstanley.cc



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