

Title:

Popcorn and Other Marketing Mistakes In a Changing Economy

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Summary:

Ten years of competitive hell! That was the title on the seminar brochure I received recently. As I survey some of the forces flowing through our economy, and witness the way in which they effect my clients, I have to agree. The Information Age is certainly one of the most turbulent times business people have ever seen.

Keywords:

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Article Body:

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Ten years of competitive hell!

That was the title on the seminar brochure I received recently. As I survey some of the forces flowing through our economy, and witness the way in which they effect my clients, I have to agree. The Information Age is certainly one of the most turbulent times business people have ever seen.

And the force causing the greatest turbulence is rapid, unrelenting change. Consider this. In 1900, the total amount of knowledge that mankind had was doubling about every 500 years. Today, it doubles about every two years. And the pace continues to increase. One futurist predicts that today's high school seniors will have to absorb more information in their final year alone than their grandparents did in their entire life.

At the same time that things are changing rapidly, competition is increasing in almost every industry. Foreign competitors have entered our markets, the wave of corporate downsizing has transformed thousands of displaced executives into reluctant entrepreneurs, and the knowledge explosion continues to evidence itself in new technologies that often provide radically different ways of accomplishing some task.

The result?

Burgeoning competition in almost every industry. I have yet to meet an executive who has said, "I have fewer competitors today than I did three years ago." Continually growing numbers of competitors seems to be a characteristic of our economy that we are going to have to live with for the foreseeable future.

Unfortunately, these forces of rapid change and growing competition have brought a cloud of confusion to CEOs and sales executives trying to grow their businesses.

One common response to this cloud of confusion is what I call "Popcorn." Imagine kernels of popcorn simmering in hot oil in the bottom of a popcorn popper. As the heat grows, one of the kernels explodes and rockets off against the side of the popper. A few moments later, another kernel explodes and shoots off in another direction. Before long, the canister is full of careening kernels bouncing in every direction.

That's my analogy to the way in which many businesses attempt to increase their sales when the temperature created by growing competition gets hot. As the heat of the situation grows, they know they have to do something. Then along comes a good idea and, pop, like a kernel of exploding popcorn, they lunge at the good idea.

The good idea can be anything. Maybe it's a media representative who suggests a new advertisement. That sounds like a good idea. So, "pop" off they go after that. Or it could be a salesperson suggesting that a computer program will solve their problems. That sounds like a good idea, so "pop," off they go after that good idea. Next is an advertising agency suggesting a new brochure. That also sounds good, and "pop," like kernels of corn exploding in every direction, they expend money and energy in short term "good ideas."

Like kernels of popcorn, they frantically chase lots of good ideas hoping that one will be the answer to the marketing problems. The problem is that these good ideas rarely have any relationship to one another. And, they generally present superficial solutions to problems which are often deeper. The company's time and energy is diverted toward these superficial "good ideas," and away from the deeper solutions.

For example, an advertisement in a trade journal may be a superficial solution for a company that does not have a system for identifying qualified prospects. And a new brochure may be a superficial response for an organization that doesn't have feedback mechanism in place to adequately understand its customers.

The unfortunate consequences are often more pressure, more confusion, and more

energy expended in the wrong places.

Is there a better way? Sure. A far more effective response is to create a powerful sales and marketing system. A sales and marketing system provides an interconnected, measurable set of processes and tools that ultimately result in increased sales. Where would McDonald's be today without a system to consistently produce hot hamburgers? Where would Ford be if they had no system to design and build new automobiles? The keys to success for these businesses has been their ability to create and manage effective systems to accomplish their goals.

Sales and marketing can be treated in exactly the same way. The process of acquiring customers and then expanding the business with them can be systematized. If you're successful in creating a working system, you'll be investing your resources in the most effective way, and producing predictable, regular sales results.

Your sales and marketing system should start with a thorough understanding of the needs and interests of the prospects. Fold into that an honest awareness of the unique value your company brings to the market, and you have the beginning framework for your system. Your system should focus on the highest potential market segments, and develop segment-specific processes and tools to help you reach your market in the most cost-effective way.

When your system is designed, you'll also have a set of criteria in place to help you adequately assess the potential in such things as advertisements, brochures, computer programs, etc.

A well-designed system allows you to move out of the desperate reactive mode characterized by "Popcorn" and into a confident pro-active mode.

Here are seven questions to determine whether you're operating from the "Systems" perspective or the "Popcorn" mind set.

1. Do you have specific, realistic objectives for your sales and marketing efforts?
2. Have you precisely identified your highest potential markets segments?
3. Have you identified the sequence of decisions that a typical prospect goes through to come to a decision to buy your product or service?
4. Have you identified the key activities and processes that must take place on

a monthly basis in order for you to reach your sales objectives?

5. Do you have a monthly measurement of the quantity and quality of your key marketing activities?

6. Are you able to track exactly how much it costs to create a customer?

7. Do all of your marketing collateral (brochures, ads, etc.) directly support the purposes and processes of your system?

Obviously, a positive answer to those questions indicates that you have a well defined sales and marketing system in place. That means that you have gone from reactive to pro-active marketing, and that you're well on your way to regular, predictable sales. Negative answers mean that you have some work to do to bring your sales and marketing efforts into a proactive mode to allow you to successfully compete in the turbulent 21st Century.