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Who Do You Think They Are?

Paper 6. Series 5: Sales Made Easier

Sales Made Easier is a series Know+Do produces to demystify the process of selling and encourage a whole business approach. In a time of 24-7 communications it is not just the role of Business Development or the Sales Department, all of a workforce influences the business' capacity to sell well. This Think Paper shares a way of getting smart by making more effective marketing decisions.

A constant need within all businesses is the need to market your goods and services. Without the right pipeline of potential new customers, a business cannot find new paying customers. This is a reality for business at all stages of development.

A start up desperately seeks potential customers, trying to create sufficient levels of interest to justify the investment in the business venture. Owners often need to learn new skill sets – and quickly – around marketing on a shoe string budget. However competent you are at the technical delivery of your businesses, customers will rarely find you without pro-active prompting.

Expanding businesses can be fun to work within but their growth is rarely tidy and predictable. As cash-flow fluctuates and investment in an infrastructure is required, pressure builds to find a customer pipeline that meets the rising costs of overheads.

Larger companies may be able to develop marketing teams, set strategies and forecast from a sufficient scale and track-record. However, this can remove the wider staff team from being aware of how they all support and influence the marketing message, and silo working is a danger that can breed complacency.

Marketing is also one of those business topics that has bred a whole industry of theories and mystique; gurus abound and specialists share their wares. Whilst such specialist skill sets are often needed it is very hard for business leaders to assess return on investment. It was John Wannaker who is first quoted as saying way back in the late 19th Century:

“Half the money I spend on advertising is wasted; the trouble is I don't know which half”

Creating Clarity, Enabling Success



In response to this need a common default is to structure marketing activities around our own preferences. If a business owner loves social media they will promote and welcome a digital marketing strategy; conversely, if someone is mystified by Facebook, Snap Chat and Tweeting they will steer away from these tools and be sceptical of their value.

However, any great marketing method, book or trainer will highlight the need to understand your audience first. What are their needs / wants? What do they like / dislike? How do they communicate? After all our product or service may be brilliant but someone has to want to buy them to make them 'commercially' brilliant.

For example, last year I met a successful entrepreneur who for one of their businesses only advertises in local newspapers. That is because the target demographic read those publications and he reasoned it is the best way to communicate with them.

Another company in the hospitality industry set their stall out to be exclusive and refuse to advertise – they do not want to be over whelmed with the general public. Their customers find out about them by word of mouth in their peer group; and that peer group is wealthy, famous and values discretion.

A great resource to focus your marketing plans on your customer's preferences is the *Value Proposition Tool* produced by the team behind the *Business Model Canvas*. Their book¹, has a clear message in it:

"Don't risk wasting your time, energy and money working on products and services nobody wants"

The book sets out a method of first observing your customers to create a profile of what makes them happy (which they call gains) and also sad (pains), alongside what do they need to get done (jobs). Next you assess the value your products / services create, i.e.: How do they increase the customer's 'gains' and relieve their 'pains'? From this analysis you can identify if you match the customer's profile. It provides the starting point to explaining the benefits and advantages of your products / services before you describe the features.

If the *Value Proposition Tool* approach sounds simple, that's because it is – but it is also fundamental and putting it into practice is the key. Viewing your products and services as a customer sees them reveals ways to communicate well. Your knowledge of the true value in your business can then be refined from it. Value can seem obvious but it is not always, it can depend on many variables including customer preferences and their level of knowledge or experience, the budget they have, their need or emotional state.

And here is the rub of the issue. As consultants we are often asked to provide strategies, tools and techniques to help a client better market and sell their wares. The real problem is something that is often best dealt with a stage earlier than the value proposition. **The**

¹ Osterwalder, A et al (2014) *Value Proposition Design*. John Wiley & Sons: New Jersey

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biggest issue with effective marketing and sales strategies is not the lack of ideas or creativity but rather it is not being able to identify who the customers are!!

When asked, so many businesses take the premise that they are selling to everyone. That is great if you are Coca-Cola and can spend \$3.5bn per year on your marketing; maybe then you could sell to everyone but if your budget is smaller than that you will struggle. Narrowing down who you sell to is called segmentation.



Segmenting your customers is important not because you can ONLY sell to these types of people or organisations but because it allows you to rationalise who, where and how you will start your marketing. It provides a reference point to shape your communications and enhance your ability to better understand potential customers.

For example, Know+Do is a B2B company; that is, we are a business selling to other businesses, our marketing is not targeted at the general consumer or high street shopper (that is known as a B2C). To keep a value to our brand and clarity over our services, we decided early on in our existence we will focus upon two core customer groups:

- 1st. **Business owners**, those who have set up and started their own company. We focus on making them successful and being a critical friend who ensures they make sound strategic decisions that are congruent with their values and ambitions. Our one-to-one coaching service is therefore called the *Business Success Package*.
- 2nd. **Busy managers**, those who have teams of people – often technically highly skilled – and need to make smart, quick decisions to motivate and drive high performance from their workforce. Our training and facilitation services are often delivered in-house as highly focused events, with a clear practical application that connects to the goals of the business. This is our *Great Teams* service.

By segmenting the potential customers further into industries, scale, location or experience we can target our marketing budget and time. We can then source different ways to share our knowledge with the right people to build their trust in us. Our approach means some people we meet do not need our services, however that is a benefit as it prevents both us and them from wasting time. Our interest is in working with those who need our skills and will utilise their investment in us, those that will gain knowledge and then use it – those who will literally KNOW and DO!

So, for your business do you know who your customers are? Have you segmented the organisations or people who could use your products and services? Do you have particular customer groups in mind when communicating your value? Have you identified the best way to connect with them? Even when you are confident of your customer segments, markets are dynamic they constantly adapt and change. Regularly reviewing your assumptions stops

you missing out on opportunities or being over-taken by a more open-minded and agile competitor.

Try the exercise below and as you complete it you will refine your customer segments, then you can determine how your products and service 'fit' their profile. It will make your marketing smarter and give you space to listen well as you sell.

Exercise: Segmenting Your Customers

A. Analyse a list of your current / most recent customers from the past 12 months.

Are they predominantly businesses or individuals, or is it a mix? Knowing if you are a B2B and B2C business helps frame the questions.

B. Begin to look for commonalities. Do they fall into any patterns?

<i>B2B – Businesses / Organisations</i>		<i>B2C – Individuals / Consumers</i>	
– <i>Industry</i>	– <i>Experience</i>	– <i>Stage of Life</i>	– <i>Qualities / Characteristics</i>
– <i>Sector</i>	– <i>Qualifications</i>	– <i>Geography</i>	– <i>Demographics</i>
– <i>Size / Scale</i>	– <i>Authority</i>	– <i>Experience</i>	– <i>(e.g. age,</i>
– <i>Geography</i>	– <i>Issues</i>	– <i>Responsibilities</i>	– <i>gender, wealth)</i>
		– <i>Issues</i>	

There are many more questions you could ask to find patterns dependent upon the nature of your business. The key is to look for commonalities that make sense to you.

C. Can you identify core customer groups?

From your lists above step back and look at the patterns. Can you describe different types of customers in the patterns?

As each group will have its own profile your aim should be to list no more than 3 to 5 different customer segments otherwise you may well be overwhelmed with actions!

Now you have started to segment your customers you can analyse each groups needs and wants, its pains and gains and begin to prepare to market smartly and listen well to sell.

If you would like to discuss this segmentation exercise in more detail, call Know+Do on 0161 2804567 or email info@knowanddo.com