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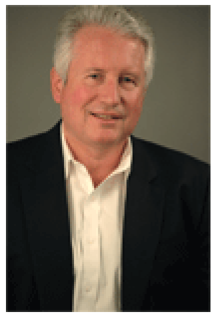
THE REVENUE ACCELERATOR

3RD QUARTER 2014 | WWW.MARKETDEVELOPMENT.NET

From the Editor



Eric Wiedenmann

Welcome to the 32nd issue of The Revenue Accelerator™. **Market Development Group** (MDG) aims to provide practical revenue and profit generator tools for MDG clients, colleagues and friends. The Revenue Accelerator™ circulation has grown to over 3,500 business leaders worldwide since our first issue was published in 2006. We welcome any suggestions of articles or topics you would like to have included in future issues.

The guest writer in this issue is **Paul Witkay**, CEO/Founder of Alliance of Chief Executives.

Eric W. Wiedenmann
President
Market Development Group, Inc.
(925) 648-0680
ericw@marketdevelopment.net

Persistence Is the Major Driver for Increasing Revenue

By: Eric Wiedenmann

The persistence factor over the course of history has been the major factor between achieving revenue goals and not meeting goals. The following are examples of well-known successful business leaders who have achieved success through persistence.

R.H. Macy: The first four stores that he opened were abject failures between 1843-1855. The fifth store that he opened in New York City was successful.

Harland Sanders: Colonel Sanders endured over 1,000 rejections before he finally found a restaurant that would work with him. This resulted in one of the most successful franchise food establishments of all time – KFC.

Thomas Edison: Thomas Edison discovered over 900 ways not to produce a light bulb. His persistence created many new industries and companies such as General Electric.

Walt Disney: Bankruptcies and rejections from countless banks throughout the 1920's did not stop Walt from finally achieving his dreams of producing cartoons, movies and theme parks.

James Dyson: James Dyson became famous with the bagless vacuum cleaner. It took over 1,000 prototypes before he perfected his product and became a billionaire inventor.

I participated in a seminar in Los Angeles in 1988 "Acting for Businessmen." One of the major takeaways was that most of the successful members of the Screen Actors Guild would average over 30 auditions before they would be selected for a movie or television role. This can be translated into the theme as the person who makes the most sales calls or outreach to target customers will create the most revenue.

Persistence and sales call activity have paid off for my firm. For example, MDG's largest client is the result of 15 years of focused business development effort. MDG's second largest client is the result of 6 years of effort.

Turn the Tables on Your Competitors

By: Paul Witkay

Breakthrough ideas are typically the result of someone who was able to challenge conventional wisdom and think differently. Author Malcolm Gladwell demonstrates this in his newest book, "David and Goliath: Underdogs, Misfits, and the Art of Battling Giants."

David's victory over Goliath is widely accepted as a monumental victory for the underdog. David's tactic of fighting from a distance with his sling changed the playing field.

Every industry has at least one, if not several, powerful companies with massive resources to win most any customer they decide to target. Is it possible that, like Goliath, they all have weaknesses that can be exploited? I believe this to be the case. But how can a smaller, less trained competitor be like David and turn the tables?

Change the field of battle

For years, the major auto companies have had the ability to build new electric vehicles, but they never focused on them because they didn't believe the market would be large enough. As a result, they tried to modify their current vehicle platforms with hybrid or electric motors.

Yet in only a few short years, Tesla Motors has created a huge brand image and a market valuation that is already half that of Ford Motor Co. — even though Tesla's current market share is less than 0.1 percent. The market currently values Tesla at $1 million per car, while General Motors Co. is valued at just more than $7,000!

Similar to David, Tesla refused to compete on GM and Ford's terms and instead focused all its efforts on building the best electric cars available. Although sales are still small, Tesla has sold more electric cars than anyone else — despite its higher price tags.

Large companies sometimes ignore profitable opportunities

Large companies regularly dismiss new products and markets because these opportunities aren't currently large enough to "move the needle," or they may threaten to "cannibalize" their very profitable current businesses.

A classic example is Kodak. It didn't pay attention to the introduction of the digital camera — mostly because early digital cameras weren't very good. Yet this would not always be the case. Kodak decided to remain focused on its core film and camera business. In 2012, it declared bankruptcy and sold its valuable intellectual property.

Leverage the larger competitor's assets against them

As successful companies grow, they make significant investments in plants, stores, technology platforms and other tangible and intangible assets. All these investments actually become barriers to change because they can tie a company's success to certain ways of doing business with certain sets of customers.

In 1992, Fidelity dominated the IRA market. Fidelity and other major industry firms all charged about $22 per year to manage an IRA account. Charles Schwab was much smaller and decided to provide this service for free. Because Fidelity had so many accounts, it would have been very expensive for it to follow suit. As a result, Schwab added $2 billion in assets, and made money managing assets rather than by charging fees.

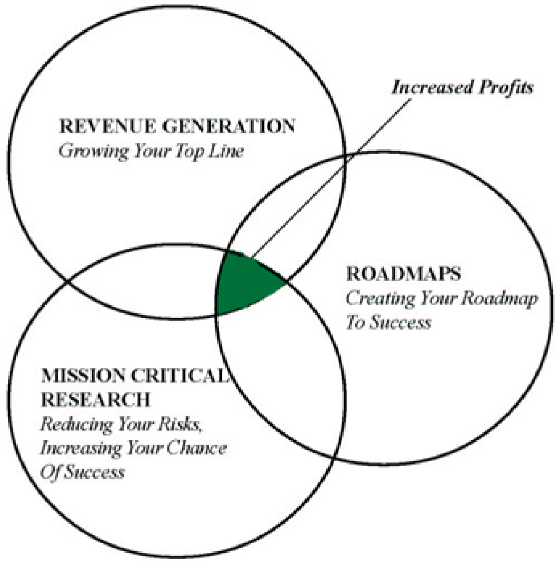
Similarly, Blockbuster had invested heavily in 3,400 brick-and-mortar stores by the time Netflix launched its DVD-by-mail service at a fixed monthly price. Blockbuster couldn't create an alternative without cannibalizing its own store sales.

When we think about the large competitors that we all face, it's difficult to not focus on their size and strength. However, if we view them as David saw Goliath, we can often find ways to topple them.

About Paul

Paul Witkay founded the Alliance of Chief Executives in 1996. He believed that chief executives have a wealth of knowledge and experience that would be extremely valuable to other executives if only given an opportunity to share their knowledge with each other. He created the Alliance with the goal to bring chief executives together to create new opportunities, address their issues and challenges and have some fun. Paul can be contacted at paulwitkay@allianceofceos.com.

This Is How MDG Helps Clients Increase Sales Efficiently and Cost Effectively



Revenue Generation:

- Increasing Closure Rate
- Finding Untapped Markets
- Time/Territory Management
- Developing New Channels
- Business Development

Research:

- Helping Companies Make the Right Mission Critical Decisions
- Customized Market Research
- Competitive Intelligence
- Opportunity Identification
- Customer Surveys
- Finding Acquisition Candidates

Roadmaps:

- Strategic Marketing Plans
- Rapid Response High Impact Sales Plans

Contact **Eric Wiedenmann** to learn how **MDG** can help increase your company's sales and profit goals quickly and cost-effectively.

Phone: (925) 648-0680

Email: **ericw@marketdevelopment.net**