

THE REVENUE ACCELERATOR™

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Providing Business Growth Solutions

1st Quarter 2007

FROM THE EDITOR

Welcome to the Q1 2007 issue of **THE REVENUE ACCELERATOR™**. This publication was established as a direct result of recommendations from a recent Market Development Group, Inc. (MDG) client satisfaction survey. The purpose of the newsletter is to provide practical revenue and profit generator tools for MDG clients, colleagues and friends. The MDG staff encourages our readers to give feedback on the articles included in this newsletter. We welcome any suggestions of articles or topics you would like to have included in future issues.

Eric W. Wiedenmann

President

Market Development Group, Inc.

MISSION

Our major goal is to provide timely, practical and original solutions for the purpose of increasing sales and profits quickly and cost effectively.

COMMENTS/FEEDBACK

We encourage your feedback about the content and topics of this newsletter.

Please submit them to **Eric Wiedenmann** at ericww@pacbell.net or call (925) 648-0680.

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Listening for Profit

By: Cathy Hammer,
Executive Communication Strategist

Next to falling short of their sales call goals, not fully listening to clients is the biggest reason that companies don't close enough business. Listening well can help your sales force:

- Increase repeat business and referrals by building their connect-with-client rate
- Save time and money by reducing misunderstandings
- Improve perception of your customer service and responsiveness

So-called Active Listening takes practice, but it is a key ingredient to fully understanding and meeting client needs. Here are five simple steps your people can take to ensure that they have their ears on.

Step 1: Become Audience-centric

Too many sales people focus on their script: the things they need to say that they think will close the sale. It is far more effective and efficient to align yourself with the person you are speaking to and have a conversation rather than delivering a monologue. Engage the client by establishing and then addressing their needs. Most importantly, speak as a listener: keep your ears open for those little interruptions that signal that the other person has something to say. Remember that if you are the one speaking, you aren't learning anything new.

Step 2: Ask Probing Questions

It isn't unusual to include some close-ended questions in a sales call. However, short and focused open-ended questions are much more revealing. Keep your questions neutral and don't imply that there is a right answer. You are looking for the truth, not a pat on the back. Avoid "why" questions, which can bring up feelings of defensiveness and reword them as "what" and "how" questions which are more revealing.

Step 3: Reinforce with Rephrasing

Many conversations are derailed by simple misunderstanding. Get in the habit of repeating what your client said in your own words to ensure you heard what he meant to express. Some examples of rephrasing are

- "Tell me more about..."
- "Give me an example of..."
- "Let me understand, what I heard was..."

Step 4: Monitor Non-Verbal Cues

Studies have shown that positive body language can be "heard" even over the phone. Rather than sitting at your desk, try standing with your body open as you speak. Smile before you pick up the phone. Use short verbal cues such as "um hum" to let the other person know you are still with them. If you are lucky enough to be having a face-to-face conversation, add eye contact and nodding to the mix. Both are interpreted as signs of straight talk and connection.

Step 5: Employ Silence

Despite its reputation as being "awkward," silence can be extremely helpful when you listening. It ensures that you've heard the entire message before responding and it allows the other person to have one more chance to add a comment. Remember that your sales call is not a contest to see who can arrive at an answer first; it is the foundation for showing that your team can answer "best."

Cathy Hammer and Associates works with business owners, executives, and up-and-comers to develop customized, easy-to-implement communication strategies that build a strong connection with the people they need to succeed. Cathy is an active member of the Institute of Management Consultants and the Directors Guild of America. A graduate of Northwestern University's School of Communication, Cathy also received certification in Training and Development from U.C. Berkeley Extension and Computer Programming and Systems Analysis from UCLA. She can be reached at 415-675-5811 or cathyh@cathyhammer.com.

Four Things You Must Know and Do If You Want To Increase Your Sales and Profits In 2007

By: Eric Wiedenmann
President, Market Development Group, Inc.

1. Know Where Your Business Is Coming From

- It is imperative that you know the origin of your sales revenue. Sources include: a) referrals, b) repeat and additional business from current customers, c) direct mail, d) trade shows, e) Yellow Page ads, f) marketing events, g) trade associations, and h) website visits, etc.
- Action item: you should review your customer list at least once a year and determine the % of business you are getting by each of the above listed methods. Once you have established a baseline for the methods that work, focus on the high payback sales revenue generating activities that have worked for you in the past.

2. Know Your Cost of Customer Acquisition

- How much money does it take to add a new customer/client (\$100, \$1,000, \$10,000, \$100,000?)
- After you establish an estimate of how much you need to spend to get a new customer, work on how to reduce the customer acquisition cost and increase your bottom line. Remember, it takes 5 or 6 times more money to get a new customer than it does to retain and grow a current or active customer/client. So focus on your existing customer base first before you market to targets outside your customer base.

3. Know the Profit of Your Ideal Customer/Client

- What is the makeup or "DNA" of your most profitable customer? If you do not know, then you could be wasting a lot of precious time and money going after the wrong target customers. Take your customer list and group by profitability and growth opportunities. The ones that rank high will be your customer/client category or "sweet spot." You should always focus on targeting your marketing efforts on your customer "sweet spot."

4. Fire Your Most Unprofitable Customers/Clients

- Generally about 10-15% of your customers/clients are a drain on your resources as they take up a lot of time/effort but do not yield significant profits.
- Here are three methods on how to deal with these dysfunctional customers/clients:
 - Send them a letter of termination with a suggestion on where else to get the goods or services they are currently receiving from your company.
 - Do not solicit their business anymore and maybe they will go away.
 - Raise your prices significantly so it will cover your "costs of aggravation" and meet your profit goals.

The Market Development Group, Inc. **Marketing Assessment** can provide businesses with answers to these questions with a **Rapid Response Sales Plan**. If you have any questions on how we provide this to our clients, please call us at (925) 648-0680.

Eric W. Wiedenmann has held executive marketing and business development positions at Masco, Avery Dennison, British Petroleum and CBC Industries. He founded MDG (www.marketdevelopment.net) in 1998, which is based in Danville, California. MDG clients include Fortune 500 companies, mid-sized and startups nationwide. Mr. Wiedenmann received a B.S. in Economics and Marketing at Ashland University and an MBA from Northwestern University Kellogg Graduate School of Management. He is a lecturer at Ashland University and has published numerous articles. Mr. Wiedenmann has given business development speeches to various CEO and COO advisory groups. He lives in Danville, California with his wife, Anne, and son, William.

Recover the Wasted Half of Your Advertising Budget

By: Kevin A. Dean
President, WSI Internet Consulting

Companies of every size and industry have to manage their precious advertising dollars to try to provide the most attention, leads, or sales for their business. Most marketing managers and business owners will admit to the old saying “I know half of my advertising is wasted, I just don’t know which half”. So by sticking to print, post card, letters, catalogs, and other traditional advertising methods, they keep that one-half working and continue to waste the other half.

It’s time to start to recover that wasted half by using the Internet. It takes more than just a professional looking website. Develop a systemic approach of identifying opportunities for your company and finding ways, and places to market successfully online.

It’s pretty easy to find out how your competitors are using the Internet. Just Google your competitors’ products and services and see if they appear in natural or paid search results. Check the online directories which show up as results in your searches and see if your competitors are listed there. Visit your competitors’ websites and, thinking like a prospect or buyer, you can quickly assess their online advertising efforts. Most everything they do is in plain sight!

If you have a website that represents your business well, then it is time to put it to work.

The first key is to drive traffic to the site. This can be done by:

- Optimizing pages for natural listings
- Cost effect Pay Per Click advertising
- Using press releases for regular announcements
- Creating and posting articles of interest
- Listing in directories that searchers use to find companies like yours
- Placing links on sites where your prospects visit

You will need to turn those visitors into contacts – phone calls / emails / visits. Many sites, even though they look nice, do not provide a good visitor experience. They may be difficult to navigate, or in many cases, never really say what the company does. The site should explain clearly what you do. It should also encourage visitors to do what you want them to do. This is known as a “call to action”. There are many ways to encourage visitors to contact you via focused text, placement of contact information, or via dedicated landing pages based on searches.

Lastly, ensure your traffic and conversions can be measured. There are many free and subscription-based tools to measure your visitors’ actions on your website. There are also methods to measure phone calls and email contacts generated from your site. Not all of your efforts will be successful. Take advantage of the web’s ability to measure results quickly so you can make effective changes to continue to improve your marketing results.

By understanding your competition’s online efforts, ensuring your site represents your business properly, developing multiple traffic paths to your site, encouraging contacts via “calls to action”, and measuring your results, you can start to increase the amount of advertising that works for you and start to recover that wasted half.

Kevin A. Dean, President of WSI Internet Consulting headquartered in Fremont, CA, focuses on Internet Marketing solutions for companies seeking to take advantage of the Internet in order to grow their businesses. Mr. Dean received his MBA from Worcester Polytechnic Institute in Worcester, MA and was VP Operations at Sipex Corporation, Milpitas, CA from 1997 until 2002. He can be reached at kdean@WSINetAdvantage.com, www.WSINetAdvantage.com, or by phone at (510) 687-9737.

About Market Development Group

Market Development Group Inc. (MDG) is a professional organization specializing in value added, quick turnaround and fast payback of sales, marketing and product management solutions for entrepreneurial, mid-sized and Fortune 500 companies. MDG has over 50 clients nationwide.

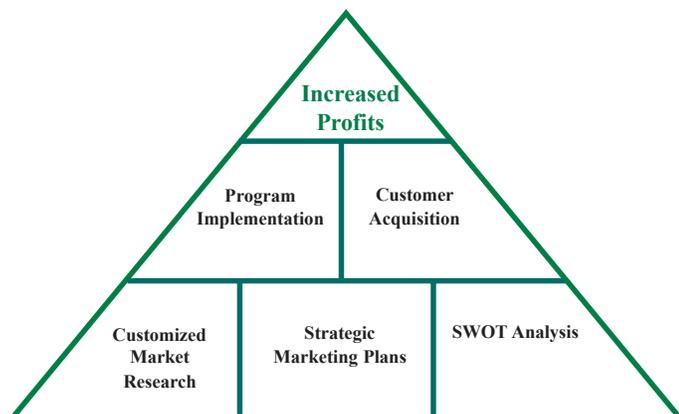
MDG Provides the Following Benefits to Its Clients

- 1) Revenue/profit growth by finding and developing **new sources of revenue**
- 2) Sales and marketing programs implemented **timely** and **cost-effectively**
- 3) Gathers and provides critical **market research** to help clients make **better informed strategic decisions**
- 4) Increased **competitive advantage** through “**SWOT**” (strengths, weaknesses, opportunities, threats) analysis

MDG Difference/Why You Should Work with MDG

MDG provides a unique blend of customized, practical, objective, timely and cost effective business development, market research/market intelligence and “road maps” to successful program implementation services. MDG’s mission is to deliver a fast R.O.I. to all clients. As an objective independent service provider, MDG is able to craft creative solutions for our clients. **MDG is the originator of “The One Page Sales and Market Development Plan”™.**

MDG’s Mission Critical Solutions Pyramid



What Our Clients Say About MDG

MDG was a significant factor in taking a business unit from six figures to middle seven figures. He has some "quick and dirty" ways of getting a lot of information without spending a lot of money and time.

Ron Prescott - President, RJP Inc.

He's dependable, he's thorough, he meets his deliverables, and he keeps you informed.

John Pendergrass - COO, TRW-Lucas NovaSensor

Eric is a very focused, cost-effective way to generate marketing information and strategic data.

Dave Marshburn - Sr. Director, Seagate Technologies

MDG provided me with a marketing plan that I could use to develop a larger client base. MDG can zero in on what the objective is, reduce some of the minutia you're going through, and put together a marketing program that really works for you.

Darren Merritt - VP, Boardwalk Investments

MDG is proactive, has excellent follow-through, and exceeds service expectations.

Todd Schuelke - Vice President, Eclipse Group, Inc.

Eric Wiedenmann is clear and to the point, and delivers what he says he will deliver when he says he will deliver it. Some consultants simply reconstitute their clients' information. Eric guides, directs, researches and produces. He has his opinions and doesn't shrink from presenting them in a direct yet respectful way. He cares about his work and is committed to his clients' success.

David Hingston - CEO, Sketch Team

Eric's willingness to take the extra step, spend the extra hours and pull the team together was a big ingredient to our current success.

Albert R. Steele - President, CBC Industries

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