

THE REVENUE ACCELERATOR®

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Providing Business Growth Solutions

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FROM THE EDITOR

Welcome to the 8th 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 ericw@marketdevelopment.net or call (925) 648-0680.

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Why B2B Messaging Quality Is So Abysmally Low:

Marketers Need a Better Way to Be More Relevant to Customers, Sales and the Growth of Profitable Revenue and Market Share

By: Michael Cannon

It's odd. There seems to be general agreement on the definition of high-quality messaging, yet the quality of most B2B messaging is still quite low. Why the disconnect exists and what the marketing profession can do to close the gap are both critical to understand and resolve, in order to grow revenue and market share more profitably. It's also critical if Marketing wants more relevance, more budget, and more influence!

The Disconnect

Most B2B marketers agree that messaging is the words we use, both written and verbal, along with the supporting pictures, to convince someone to do business with us. They also agree that great messaging must articulate how their company and products help prospects solve meaningful problems and produce solid business value. Furthermore, the messaging must be differentiated, segmented by markets and tailored to the primary buyer roles in the sales process - such as the technical buyer in IT and the economic buyer who owns the budget - a.k.a. the stakeholders.

Contrast the above definition of high-quality messaging to what is produced by many marketing departments today, which is mainly descriptive messaging. It's most often a description of the company, its capabilities, and the products and services offered. Along with the products' associated features and specifications. Sprinkled along the way or usually at the end of these descriptions is a short sentence about benefits and/or value. The capability advantages and how those advantages help prospects better solve their problems and generate greater value are generally not clearly articulated, differentiated, or segmented.

Validation of the gap between the agreed-upon definition of great messaging and what is delivered to customers and channel sales teams is manifested by the following market research:

Over 65% of sales leaders feel they're losing business because they don't have a compelling value proposition.

Miller Heiman, Sales Best Practice Study, 2006

80 to 90% of marketing collateral is considered useless by sales.

Proceedings of the Customer Message Management Forums, published by the American Marketing Association (2002 and 2003)

As much as 40% of a sales rep's time is spent creating presentations, customizing messaging, and preparing for pitches.

Study conducted by the Chief Marketing Officer Council, 2004

The Primary Reasons for the Disconnect

There appear to be at least six reasons for the disconnect between what is said and what is done:

Disconnect #1: Lack of visibility to the true cost of low-quality messaging. As an example, when a few marketing folks work for a few weeks to create great messaging, that work can then be leveraged over most of the marketing deliverables and across the entire sales channel. But, when marketing is not willing to prioritize or is unable to produce high-quality messaging, then each person in the sales channel is forced to figure it out on his or her own. For each product, reps have to first determine what the true capability advantages are and then determine how these advantages translate into getting prospects to a) meet with them, b) change out their current solution for a new solution, and c) buy this solution from them and not the competition. This substantial inefficiency and ineffectiveness does not show up directly on a financial statement. It's hidden in the current business model and/or accepted as the way business is done. Research conducted by the Silver Bullet Group indicates that low-quality messaging costs U.S. companies over \$100 billion every year.

Disconnect #2: Lack of objective criteria to evaluate messaging quality prior to testing or launch. Most B2B messaging is agreed to in meetings. Each participant touches the proverbial messaging elephant from a different perspective, convinced that his or her opinion or view of the elephant is the most accurate. Vigorous "discussion" ensues and the approved messaging is either watered down to gain consensus or driven by the person with the most political power.

Disconnect #3: Lack of a methodology or process for how to create high-quality messaging. This is not to imply that there is no process for creating messaging. It's often developed through positioning workshops, market research, customer interviews, competitive analysis, etc. The point is that all these activities are not a holistic process and do not seem to consistently produce high-quality messaging. The process is decidedly sub-optimal.

Disconnect #4: Lack of the needed skills and knowledge to create high-quality messaging. Even when provided with objective evaluation criteria and a methodology, marketing teams often struggle to create high-quality messaging. It's hard work. It takes time. It requires a new set of skills that are not currently taught in business schools or by training companies that focus on marketing. These courses tell participants what to do, i.e., create value-based messaging, but they do not tell them exactly how to do it! There also seems to be a lack of knowledge or customer intimacy, both of which are needed to translate product features into differentiated value.

As one client recently stated, if we, the product experts, find this difficult to do, imagine how hard this is for the channel sales force to do, which has multiple products to sell.

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Disconnect #5: Lack of appropriate priority setting. Messaging is seen as one of many marketing deliverables that needs to be produced to launch a product. It's not seen as the only item that has the greatest impact on the quality and success of all the other launch deliverables. High-quality messaging is not seen as the primary fuel that powers a company's sales and marketing engines.

Disconnect #6: Lack of a new product introduction process that defines the messaging types and messaging quality needed to successfully launch and sustain a product or service. The lion's share of messaging is created in the months and weeks before a product launch. This is when the product website, the brochure, the sales tools, the channel training, and the demand generation programs are created. The timelines are tight. The pressure is intense. Filling in the white space with words and pictures is the priority. If high-quality messaging is not created earlier in the launch process, there simply is not enough time to create it in the weeks just before launch.

Next Steps

The sales and marketing professions must understand and work cohesively to resolve these disconnects in order to more profitably grow revenue and market share. Marketing must do this to gain more relevance, budget, and influence! One proven path forward is to use the concept of sales messaging as a tool to improve messaging quality - to establish objective evaluation criteria and the internal processes for creating great messaging.

Recommended Resources to Improve Messaging Quality

Free articles on sales messaging at
<http://www.silverbulletgroup.com/resources.shtml>

Top Ten Principles of Great Sales Messaging, a one-hour, on-demand audio training course with a 14-page workbook, available at
www.top10principles.com

A 10-page eBriefing on how to implement great sales messaging, available at
<http://www.silverbulletgroup.com/ebriefing>

Michael Cannon is an internationally renowned sales and marketing effectiveness expert and bestselling author on topics related to sales messaging and sales planning. For more information, visit www.silverbulletgroup.com or call 925-930-9436.

CEO Tip 6 “What’s in it for me” – Your Customer*

By: John Maver

Presented at the Renaissance Forum for CEOs

"What's in it for me." This isn't just a song by Faith Hill. It is a way of life for your customers. They don't care about you and your business issues. They are interested in what makes their life better. How can you or your product help them? Yes they want a great price and they want value but most of all they want that emotional benefit that says "This fills MY needs." It isn't always the best product from a logical standpoint. The emotion is also important and needed. Think about it.

"People don't want a quarter inch drill. They want a quarter inch hole."
Theodore Levitt

Value is what the consumer says it is. This is where a brand has to walk the talk.

"It's the EXPERIENCE, stupid!" as James Carvel might have said.

**Customer satisfaction =
Your performance / Customer Expectations**

What a great simple equation of how to determine customer satisfaction. Are you under or over delivering against their expectations? Better be over delivering.

Research shows that people want:

- To have you really know what they want and need
- To be treated with respect and to be listened to
- Not be bounced around and treated like dummies
- Not be served by people who don't know their stuff
- To have products that fill those needs

Find out what customers want from you and know that what you are providing matches it. Do the research and don't guess. Deliver what you say you will. Far too many businesses focus on ways to keep customers, only to lose sight of the fact that their product or service simply isn't what it should be. Stop talking about features and start talking about benefits. The benefits to the customer. The benefits make a customer, YOUR customer. Make yourself more valuable to your customers, become a part of their world. Give them the five star treatment and they will give you five star loyalty.

"Call it "loyalty" or "customer intimacy". Come hell or high water, get close to that customer, listen to that customer, and love up that customer for all you're worth".
Tom Peters

How do you measure your customers' loyalty and what are you doing to drive it ahead?

John Maver, Maver Management Group
(925) 648-7561 • www.mavermanagement.com

* This article is part of a series of CEO tips found on the Maver Management website.

Doctors and Salespeople

By: Chip Doyle

The March 26th 2007 issue of TIME magazine contains an interesting article titled "Where Doctors Go Wrong." They could have titled it "Where Salespeople Go Wrong" as well...

The article outlines 4 errors doctors make:

- 1) *Stereotyping patients* - Incorrect diagnosis drawn from a patient's appearance or circumstance.
- 2) *Recent reference* - Allowing recent cases and remedies to bias judgment about the current patient's illness.
- 3) *Prescribing solutions when still in doubt about the nature of the problem* - The article used the phrase "commission bias" which really got my attention. Apparently, doctors also suffer from feelings that they should prescribe something even though they don't fully understand the problem.
- 4) *Emotional involvement with the patient* - Either positive or negative feelings about the patient may cause the doctor to misdiagnose illness and/or remedies.

Replace the word "patient" with "prospect" in the synopsis above and you would be talking about selling instead of medicine! Salespeople fall into these same traps for 3 basic reasons:

- A) They don't realize they are supposed to understand problems before recommending solutions.
- B) They simply don't know how to uncover the problems their firm can solve.
- C) They are unwilling to change their behavior or thought patterns to do #1 and #2.

Great salespeople spend very little time polishing their presentations. Instead, they focus on connecting with and understanding their patients (or prospects).

Using Budget for Qualification

"Should I discuss fees or budgets early in the sales process to screen out poorly qualified prospects?" It's a reasonable question I hear frequently from CEO's at seminars and roundtable discussions.

Answer: *Absolutely not!*

While the "budget question" does need to be asked at a specific point later in the sales process, firms run the risk of scaring off naive prospects that have a set figure in mind - even though they have no accurate knowledge of what today's costs truly are to address their issue. These prospects eventually find a salesperson that is willing (or manipulative enough) to tell the prospect what they want to hear, only to:

- 1) Shock them with a higher price later in the sales process
- 2) Deliver an unacceptably low quality product/service
- 3) Start the service and then intentionally up-charge them throughout the engagement.

I have an ethical problem with these tactics. But even from a purely financial standpoint, clients obtained this way (if they remain clients) won't buy from you again, they won't give you positive testimonials and they sure as heck won't give you warm referrals. Please understand I'm all for up-selling that broadens customer satisfaction, just not the kind that destroys it.

Over-Qualifying

Covering budget too quickly is a form of "over-qualification." It afflicts about 50% of the companies I encounter and is most prevalent in firms that spend a lot of money on lead generation and marketing for their salespeople. The salespeople learn that it takes less time to get a yes or a no from a prospect by covering budget early. While it does save time, it won't close more sales!

The other obvious issue with broaching budget too early is you destroy most of your opportunity to sell value. Once the customer hears your price points, they are less inclined to stick around for the questions you want to ask to develop a value-based justification.

Why don't more companies share budget later so they can sell on value instead of price? Quite frankly, it's laborious to track the impact that delaying the budget question can have on sales. One of my hardest working clients tracked judiciously for an entire year and watched their overall close ratios on all leads increase from 9% to 11.5%. It didn't sound very exciting in light of the extra time their sales force was spending until we realized it was almost a 30% increase!

Sure it takes more time to sell value and hold back on the budget question. Discussing budgets too early may not be affecting your close ratio by 30% but it may be worth considering.

Selling vs. Marketing - Key Differences

I come in contact with many consultants and salespeople that think an important part of the sales process is educating the prospective client. This undermining belief often stems from a misunderstanding about the differences between sales and marketing. Recognizing the distinctions between these two responsibilities is usually the first step in improving the performance of both roles with companies I've worked with.

Sandler Insight: Marketing is the role of identifying groups of people or companies that may be a fit with your product/service **before** person-to-person contact is made. Selling is the effort applied to those "possible fits" initiated by person-to-person contact...

<i>Effective Marketing:</i>	Targets many prospects at a time.
<i>Effective Selling:</i>	Targets a specific company or person.
<i>Effective Marketing:</i>	Generates interest in a product/service with one-way communication (i.e. print, radio, newspaper, PR).
<i>Effective Selling:</i>	Uses questioning techniques to uncover compelling reasons to buy in 2-way interactions, allowing the prospect to do most of the talking.

(Continued on next page)

Doctors and Salespeople (continued from page 4)

- Effective Marketing:* Gives something away that is valuable (i.e. coupons, new concepts, research studies).
- Effective Selling:* Avoids "unpaid" consulting or free advice.
- Effective Marketing:* Provides generic concepts and solutions to a mass audience.
- Effective Selling:* Uncovers unique benefits that will solve a potential customer's problem.
- Effective Marketing:* Causes the prospective client to ask for more information.
- Effective Selling:* Causes the prospective client to make a yes/no decision.
- Effective Marketing:* Is more effective when repeated many times to a large targeted audience.
- Effective Selling:* Attempts to minimize the sales cycle and the number of follow-ups made with a single prospect.
- Effective Marketing:* Provides a short, catchy and easily recognizable slogan.
- Effective Selling:* Uses very specific questions to recognize characteristics or interrelated symptoms the prospect may have never considered.

Sandler Rule: *Sell today, educate tomorrow.*

There's nothing wrong with educating customers! The problem arises when salespeople begin educating *prospects*. Marketing is cost-effective because the advertising medium reaches a large number of people. It becomes prohibitively expensive if it only reaches a small number of prospects. Monitor your sales calls and see if they are turning into marketing to a single prospect.

Order Taking and Educating

Most salespeople I encounter work under the misconception that educating a prospect is an important way to develop trust and convince prospects to buy. Psychologists and therapists know what few salespeople and sales managers understand: Educating the prospect is the least important aspect of selling – Getting people to change is.

Building trust and getting prospects to make decisions are crucial elements for the salesperson to address. However, selling is ultimately about cultivating a prospect's desire to do something different. A typical sale may involve changing suppliers, adopting a new methodology, altering a process or changing a prospect's environment.

Most basic sales require the prospect to change a buying habit or their perception of value. In the event the prospect isn't required to change anything to make a purchase, we call that process order taking, not selling. This isn't necessarily a bad thing. Order taking can be very profitable in certain industries such as food service and other retail outlets. Just recognize which process your team is pursuing in your profession.

The process of educating prospects has a low success rate (especially in most technology and professional service firms) because people:

- 1) Are likely to be skeptical of most anything a salesperson tells them.
- 2) May view change as risky or uncomfortable.
- 3) Remember only a small percentage of what they see and hear.
- 4) Often use the information they receive to justify terminating the conversation.
- 5) Use the information as "**unpaid consulting**" and leverage against a current vendor.

In spite of its inherently low success rate, the process of educating prospects can be done cost-effectively. It's called marketing! This newsletter is an example of marketing. Direct mail, seminars, free talks and pay-per-click banners are proven methods to market a product or service. Public relations can also be a very attractive means of marketing because it provides educational information via a credible third party.

A success rate of about 1% may be devastating for a salesperson yet most welcome by any savvy marketer or PR expert. These professionals know that educating prospects can only be done cost-effectively by reaching out to thousands of people at once.

Behaving Famously – (aka Prospecting)

Most people would never consider using the words "famously" and "prospecting" in the same sentence. The mere thought of prospecting for new business is often a depressing notion for professionals, CEO's and business owners. Conversely, the concept of being well known, highly respected and lucratively compensated always resonates positively with my professional and entrepreneurial clients. People fail to recognize that the behaviors and activities required for prospecting are precisely the same as those required to be well known and well compensated. Hence the term "Behaving Famously..."

Consider the actions of your favorite movie star or sports figure. When they embark on the talk-show tour and appear on morning news shows, they have one goal in mind: To sell something. It may be an event, a movie or a nonprofit cause. But rest assured their intention is to influence viewers to spend money.

Now examine the activities of someone who is well known (or even mildly "famous") in your industry. Are they sitting in their office waiting for the phone to ring? Odds are, these "famous" professionals are writing articles, exploiting public relations opportunities, speaking to or regularly attending public events, hosting seminars and methodically building a network of valuable contacts that will last a lifetime. They constantly reinforce messages that resonate with their potential clients and build credibility. Whether they would admit to it or not, they are prospecting! "Behaving famously" requires effort, but the paybacks can be enormous.

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Send Chip Doyle an email to chip@train2improvesales.com to receive a complimentary subscription for his once-per-month selling tips so you can "Sell without sounding like a salesperson" and please mention MDG.

Things You Need To Do To Have A Successful 2008

By: Eric W. Wiedenmann

Based on working with over 100 clients worldwide during the past 10 years, I created a list of 6 things your company needs to do that will help achieve your sales and profit goals.

1) **WRITE A MARKETING PLAN**

Over 50% of the businesses surveyed in 2007 did not have a marketing plan. Not having a plan is a “plan for failure.” The plan does not have to be complex and long. If you are interested, MDG, Inc. can provide you with a “white paper” titled “*MARKETING PLANS THAT WORK.*”

2) **FIRE 5% TO 10% OF YOUR CUSTOMERS**

It has been proven that at least 5% to 10% of your customers need to go elsewhere as they routinely drain away your vital resources of time and money. You know who they are – the ones that do not pay on time, low margin customers, the ones that take up a lot of time without the commensurate returns etc. There are basically three ways to remove them – 1) raise prices or remove their discounts, 2) refer them to other companies (hopefully your competitors), 3) change the rules or business terms of conditions. Don't wait, do it now!

3) **KNOW WHERE YOUR BUSINESS IS COMING FROM**

Take your customer list of your major customers and potential growth customers and put a notation of where they originated – such as trade shows, referral, advertisement, marketing event, direct mail, website, etc. If you see a pattern occurring, spend your business development time and money on the areas that you received the highest return on your investment.

4) **SURVEY YOUR MAJOR CUSTOMERS**

A satisfied customer is your most valuable asset. You should ask them how you are doing in terms of quality, price/value, service, how they perceive your company at least once a year. You should also ask them “*what would it take to earn more business?*”

This survey should be done by the owners or the executive team. If you want really insightful data, an independent firm should be retained as customers will open up more to an independent third party. Furthermore, the third party will in almost all cases be more objective.

5) **COMPLETE A SWOT ANALYSIS ON YOUR TOP 3 OR 4 COMPETITORS**

Competition can make or break your company. Long-term success is often predicated on how your company is positioned relative to the competition. There are about 5 to 10 proven methods on how to get competitive data quickly and cost effectively. This is contained in the MDG, Inc. publication “*HOW TO ANALYZE THE COMPETITION.*” Call (925) 648-0680 for a complimentary copy.

6) **MAKE SURE THAT YOUR BUSINESS DEVELOPMENT PIPELINE IS FULL**

If your company wants to grow sales and profits, the business development pipeline must have target customers that can be converted into future revenue growth. Less than 50% of the opportunities in your pipeline will not translate into revenue for numerous reasons such as timing, budget issues, losing to competitors. As a result, your pipeline should have at least 300% more potential revenue dollars in it than your sales goal. For example, if your company wants to grow sales by \$5,000,000 in 2008 compared to 2007, the pipeline should have at least \$15,000,000 in revenue opportunities as a typical company usually closes 25% to 33% of their new business opportunities.

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.

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.

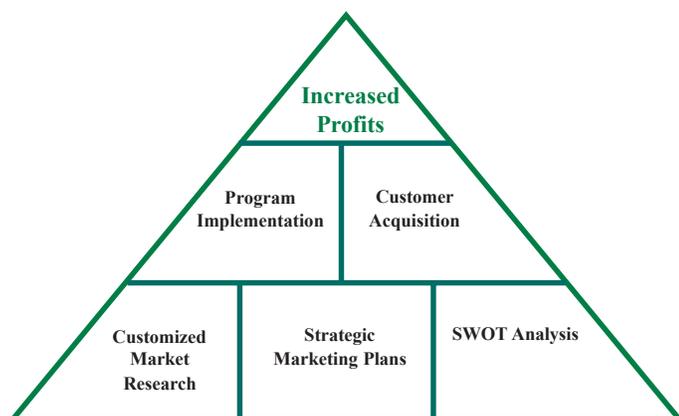
MDG Provides the Following Benefits to Its Clients

- 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 Rapid Response High Impact Sales 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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