



# ***THE REVENUE ACCELERATOR™***

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**High Impact Business  
Growth Solutions**

**Special Economic Recovery Issue**



## **From The Editor**

Welcome to the 13th 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/Founder

Market Development Group, Inc.

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## **Get Ready for the Recovery - Your Competition Is!!!**

By: Eric Wiedenmann

### **The recession will eventually end, will you be ready when it is over?**

Depending on which economist that you talk to, we are about 16 to 17 months into this recession which is probably the worst since the Great Depression from almost all accounts. There have been business cycles for over 5,000 years – the good news is that they always end.

The one common trait for companies that survive the business cycles and come out stronger in the long-term is that they plan for future success. NOW is the time to plan for future success when we will eventually come out of this recession. Here is a list of what best-in-class companies do to set themselves up for success.

- **GET TO KNOW YOUR CUSTOMERS** – Through customer surveys and focus groups, get to know what really makes them tick and how to better serve them. Find out how you can partner together to minimize the affects of this recession.
- **STUDY YOUR OLD DATA FOR HIDDEN SECRETS** – Analyze the data that your computers spew out. You will be able to find valuable data on customer purchasing habits, customer profiles, and seasonal quirks.
- **GET TO KNOW YOUR COMPETITION** – Understanding the strengths and weaknesses of your major three or four competitors is critical for increasing your sales closure rate.
- **WORK ON YOUR BEST PRACTICES** – Put in writing a detailed account of best ideas on how to increase sales. It is best to do this in slow times because sloppy practices that lead to mistakes often occur when business is strong.

Market Development Group, Inc can help set your company up for success so that you can leap frog over the competition through customer satisfaction surveys, competitive data gathering, and a Marketing Assessment. Please call Eric W. Wiedenmann at 925-648-0680 if you want to learn more on how we can help take your company to the next level.

### **Helping Your Organization Survive the Recession, While You Do the Same**

By: Forrest Anderson

A couple of weeks ago I attended a presentation by Professor Lakshman Krishnamurthi, who is the A. Montgomery Ward Professor of Marketing and chair of the Marketing Department of the Kellogg Graduate School of Management. His presentation was on competing in a down economy. He made a number of provocative points, which I'll go into presently.

Professor Krishnamurthi spoke about managing large organizations, but it struck me that his suggestions work as well for individuals as for corporations. So, as you review what I share below, step back occasionally to think of yourself as the corporation and your bosses, clients and coworkers as your customers and collaborators. Hopefully, you will not only find ideas that will help you add value at work, but also to help you manage your career through the recession and beyond.

### *Professor Krishnamurthi's Presentation*

Dr. Krishnamurthi listed three things an organization can manage to gain advantage during a recession:

- Costs
- Deep customer, collaborator and competitive insight
- Ways to change the rules of the game

I'm not going to review managing costs. We all are aware of what our organizations are doing to manage costs, and we may or may not play a role in that management. However, as communicators and managers, we all can and should be involved in gaining insight.

### *Comprehensive SWOT*

The first kind of research Dr. Krishnamurthi suggested doing is a comprehensive SWOT analysis of:

- Your current product or service lines -- revenue, expenses, projected growth or decline
- Your key customers -- their P&Ls and their contribution to yours, your share of their business, forecast growth or decline, forecast effect on your business
- Your top three competitors -- market shares, their share of your customers' sales, financial position, expected behavior during the recession, expected R&D and marketing spending

### *Deep Customer Insight*

He then went into developing deep customer insight. This was a central concept in his presentation. He argued the companies that tend to come out of recessions in strong positions are those that stay close to their customers. He suggests you find the answers to:

- How do customers use our products?
- How would they like to use our products?
- How do they learn about our products?
- How would they like to learn about our products?
- How do customers acquire our products?
- How would they like to acquire our products?

He recommended completely rethinking the contract your organization has with customers and asking:

- If we are to start from scratch with these products [to create the most value for our clients and the most profitable business model for our organization], what will we do?
- If we are to start from scratch with our customer relationships, how will they be

different [what do our customers need and want from us, and how can we better provide it]?

As you ask these questions keep in mind that the business environment is such that your customers, partners and collaborators are hurting. So also ask how you can help them survive and thrive.

### *Marketing Spend*

Another key point Dr. Krishnamurthi made is that while it is easy to cut marketing spending, because it is discretionary, this generally is not a good idea. He cites research from McGraw Hill that indicates B2B firms that maintained or increased their advertising spending during the 1981-1982 recession averaged higher growth during the recession and for the following three years compared to those that eliminated or decreased their advertising. He notes that maintaining your marketing signals to your customers you are a strong player and will outlast the recession. He also argues it is easier and cheaper to attain a given share of voice in a recession, because prices tend to be lower and competitors are cutting back.

### *Changing the Rules of the Game*

Moving to changing the rules of the game, Dr. Krishnamurthi suggested thinking about:

- Will there be a permanent change in the price-value equation for your products and services?
- Will consumption habits change?
- Do you need to rethink your business model to be able to compete?

### *And I suggest asking:*

- What technological, regulatory, social and environmental trends could affect your business model and how?

Based on the earlier question about how, if you were to start your business completely anew, would you set it up to provide in three to five years the most value to your customers and the most profit to your organization ....

- What is keeping you from making these changes?
- Will the issues inhibiting you inhibit your competitors?
- Are your competitors making these changes?
- Are there organizations that might enter your business with a new model if and when they figure it out?
- What are you going to do about all of this?

### *And Now To Cheer You Up*

Dr. Krishnamurthi closed with a list of powerhouse companies that began during tough times. These include:

- P&G founded during the panic of 1837
- GE during the next panic of 1873
- IBM during the depression of 1873-1896 (formed from three companies that merged in 1911)

- Motorola in 1928 (as Galvin Manufacturing Company renamed in 1930)
- Geophysical Services in 1930 (later renamed Texas Instruments)
- United Technologies during the great depression
- DuPont and HP during the 1930s
- FedEx during the oil crisis of 1973
- And more

### *Something for Your Organizations ... and You*

I apologize that this article is a bit "listy," but I hope you find the information from the presentation as useful as I did. The ideas regarding how we can help our organizations succeed in this challenging environment provide opportunities for us to be of more value to these organizations and in doing so be more secure ourselves. Moreover, thinking of ourselves as our own individual corporations and our network of colleagues as our customers and collaborators provides strategies we can apply to our own personal corporations to ensure we, too, survive the recession and come out stronger than ever.

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#### **How to Increase Sales in a Down Market**

By: Eric Wiedenmann and Steven Popell

A satisfied customer, or even one that used to be satisfied, can be your company's most valuable asset. When sales are down, and the economy shows no signs of early recovery, your best sources of new business may well be current and past customers.

This is good news, because when times are tough, finding extra dollars for product development, advertising or PR may be difficult. Getting more business from current customers, or getting old customers back, however, is not expensive. Best of all, the effort is quite straightforward. The following 10-step process can achieve results in a timely and cost-effective manner.

1. Collect at least a three-year history of sales, by customer.
2. Identify customers that are buying less than you could sell to them - by product and/or service, as well as dollar volume.
3. Contact each customer and ask what "share of wallet" (percentage of total purchases) you have in each product and/or service they buy from you.
4. Ascertain whether the customer would be interested in reducing the number of suppliers in one or more products or services they buy from you and from others.
5. Ask specifically what you need to do to increase your share of wallet.

6. Call each significant past customer to learn (perhaps again) why they no longer buy from you and what, if anything, you can do to get their business back. Clearly, this is a more difficult sell than with a current customer. But, since they actually bought in the past, this sell is easier than with most new prospects.
7. Offer extra incentives to the sales force to seek better penetration with current customers, and to get old customers back.
8. Offer price and service incentives to current and past customers.
9. Measure the success of these efforts, and adjust your approach accordingly. Distinct customer groups may require different strategies and tactics.
10. Repeat steps 1 through 9 at least once a year.

This process can produce positive results relatively quickly. One Northern California professional service provider, for example, had experienced significant revenue and profit decline due to the Dot-Com meltdown and overall business spending downturn. This company has about 40 active clients and 10 service deliverables.

A review of the revenue history of each of the 40 clients revealed that a typical client purchased only 2 or 3 of the company's 10 deliverables. The principals undertook a focused 60-day effort to contact all 40 clients to review their relationships, and to determine what else they might be interested in buying. The results were dramatic. Within 90 days, the company was able to gain an additional 15 projects from its established 40 clients. A similar effort directed at former customers is currently underway.

Your customers are rarely asked these kinds of questions. As a result, the majority will be flattered that you took the time to solicit their opinion. Moreover, customers are often reviewing their supplier/vendor base looking for opportunities to consolidate and, as a result, save administration and transaction costs. By taking a proactive approach on this issue, your company will be in a better position to win the consolidation game.

## **About MDG**

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**

Revenue/profit growth by finding and developing new sources of revenue

- Sales and marketing programs implemented timely and cost-

## **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*

- effectively
- Gathers and provides critical market research to help clients make better informed strategic decisions
- 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™."

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.

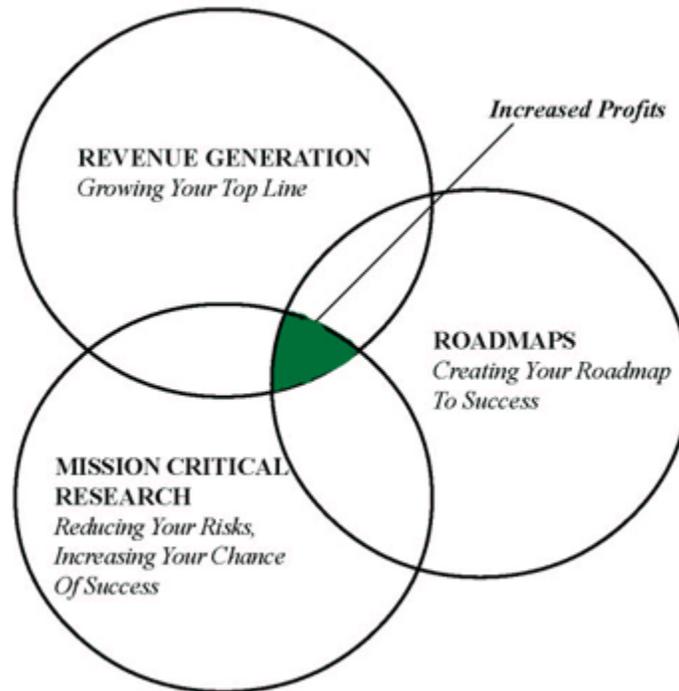
*Todd Schuelke - Vice President, Eclipse Group, Inc.*

Eric'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*

# Increasing Sales and Profits Quickly and Cost Effectively

## This Is How MDG Helps Its Clients



### 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

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