

A QUESTION OF FOCUS

Many business owners have the misconception that a "consultant" is a person who has all the right answers. Actually, it's quite the opposite. A "great consultant" is a person who knows all the right *questions* to ask.

Through training and practical experience, I've learned that if you ask the *right* questions, the answers will eventually become self-evident. Many business owners "know" the right answers; they've just never asked themselves the right questions.

Over the years, I've developed a series of my own "20 Questions" that I use with clients to help them identify the driving forces in their own business and to uncover the opportunities and key strategies they might employ to move their business to a higher level.

I'd like to share these "20 Questions" with you.

1. Who is your most likely customer?

The key words here are "*most likely*" customer. I used to ask the question "Who's your customer?", but, of course, I always got the same response, "Why, everyone's my customer!" So, I've purposely re-worded this question to help clients to understand that the targeted prospects for their product or service are *different* from the general population, be they individual consumers or other businesses. This leads us to Question #2...

2. How are they different from the general population?

Because of the inherent features, benefits, pricing, distribution, packaging, brand image, etc. of *your* specific product or service, the most likely prospective customers for your company will be *different* from the general population and, in many cases, different from the customers of your competitors.

The key is to identify *how* they are different, so that you can more easily, and efficiently, reach these targeted prospects with a message that "speaks to them".

What may make your customers different from the general population may be: age, gender, education, ethnicity, income, geography, lifestyle, motivation, self image, or in the case of businesses, it may be size (by annual sales volume or number of employees), technical capabilities, industry segment, distribution channels, their own customer base, their brand image, etc.

3. What events trigger the need or desire for your type of product or service?

Often, a certain event will trigger the need or desire for your type of product or service. In the winter when the snow begins to fall, there is a need to purchase snow removal equipment. In the summer, there is a need to purchase lawn mowers, suntan lotion, and picnic supplies.

If there is an event in the lives, or business cycle, of your "most likely" customers that you can identify, it will help you to plan the timing of your message and other marketing activities. This leads us to Question #4 ...

4. When does this trigger occur? Can it be predicted?

Often the "triggering event" can be predicted based upon a cyclical calendar event or significant lifestyle event (e.g., graduation, marriage, divorce, death, purchase of a home, automobile, etc.). In the case of businesses, it may be when they are expanding, downsizing, entering new markets, facing new competition, experiencing a shift in their customer base, a desire to enhance their operational capabilities, etc.

If you can predict, or estimate, when this important triggering event will occur, then you can plan the timing of your marketing activities to reach these prospective customers when their need or desire for your type of product or service is at its peak. This will enable your marketing activities to be more effective and efficient.

If there is no triggering event that can be predicted, or estimated, with any degree of accuracy, then your only alternative is to implement a continuous marketing effort that will keep your company name, brand, product, or service in front of your prospective customers so that when they are ready to buy, they will think of you first.

5. How do they go about deciding which vendor to use?

Just as important as understanding "when" your prospective customers are ready to buy, is understanding "how" they decide which product or service they will buy.

What role does "loyalty" play in your customers' decision-making process? How likely are they to switch vendors? How important is price, delivery, customer support, product reliability, warranties, payment terms, client referrals, customized features, brand image, availability, packaging, etc.?

How many information sources do they consult before making a decision? What are those information sources? How often must they repeat the decision process?

To be an effective, and successful, marketer you must understand your customers' decision-making process.

6. What are the key decision factors?

The key decision factors will most likely be different for each customer or group of customers. These factors could be price, delivery, customer support, product reliability, warranties, payment terms, brand image, availability, packaging, etc. Or, they could be less "rational" and more "emotional" in nature, even for professional "Purchasing Agents". The key decision factor for a business purchase may not be the product or service itself, but the reputation, reliability, or financial stability of the company who sells the product or service. Remember the old saying, "No one ever got fired for buying IBM". The higher the risk of the purchase, the longer the decision-making cycle and the more important it will be that you understand the "real" factors upon which the buyer will be evaluating his alternatives. This leads us to Question #7...

7. How do you compare vs. the competition on these factors?

Once you understand the key decision factors that are important to your prospective customers, make a realistic evaluation of how your company rates on these factors. Often, it will be important to have these factors rated by your prospects and customers (not by you). This leads us to Question #8...

8. Are these differences meaningful to the customer?

On those factors where your company is different (better) from the competition, how meaningful (*to your customers*) is this difference. You may be "5% faster" or "10% cheaper" than the competition, but if this difference is *not* important to the customer, then it is not a competitive advantage for your company. This leads us to Question #9...

9. Are these differences known to the customer?

On those factors where your company is different (better) from the competition, how many of your targeted prospects and customers are aware of your competitive advantage? The 3-step decision-making process of Awareness, Acceptance and Action begins (and often ends) with Awareness. If your targeted prospects and customers are not aware of your competitive advantage, then you will fail. This leads us to Question #10...

10. How can your products and services be exposed to your most likely potential customers?

Once you understand when and how your targeted prospects and customers make their decisions, their key decision-making factors, and how you rank on the most important factors, you can then begin to devise a set of marketing strategies designed to expose your products and services at the most appropriate time using the most impactful means of communication.

The communications channels you select may range from the traditional print (magazines, newspapers, journals) and broadcast (radio, television) media, to direct mail, telemarketing, billboards, promotional events, and online Internet activities. Your available alternatives will depend upon your target audience, your capabilities, and your budget.

11. What other non-competing companies in other industries also share the same target market?

Often a company can significantly enhance its own marketing effectiveness by partnering with another company who shares the same target market. By combining companies' brand image, advertising, shared customer base, distribution channels, cross-merchandising opportunities, and other inherent strengths, a joint marketing effort will generate better results, often with less investment by each partner.

12. How can you sell more of your current products and services to existing customers?

There are two basic methods for increasing a company's sales revenues - sell more products and services to your existing customers (Volume), or sell your products and services to more customers (Distribution).

In this case (Volume), you might want to: create a private-label product, or create a "pre-pack" of assorted products, or offer incentives for "add-on" purchases, or offer incentives for repeat purchases, or provide discounts for volume purchases, or institute quarterly trade promotions to encourage sales during "off periods" or to encourage advance orders.

13. What other new products and services could you sell to your existing customers?

Often a company can reposition, repackage, or reprice an existing product or service to better meet the needs of its current customers. Or adapt or convert existing products or services for new uses by your existing customers. Or introduce a new brand to fit a different use or price point. Or develop its own new

products, or add products from a secondary source, or purchase the exclusive distribution rights from a third party.

14. What is your competition doing to steal customers away from you?

Many times, a company can learn from the activities and strategies of its competitors. By studying and analyzing the actions of competitors, a company can often make an "educated guess" as to what its competitors "know" and "believe" about the current driving forces and future direction of the marketplace. Analyzing the competition can often enable a company to "reinvent" and "redirect" its own marketing strategies.

15. What are other non-competing companies in your industry doing to increase their sales?

In many situations where a company competes on a regional basis only, it can decide to share its marketing strategies and results with other companies in its own industry who operate in another non-competing geographical area. Feedback from other similar non-competing companies can often provide valuable insight into what is working for them and what might work for your company.

16. What current non-sales producing costs can be converted into sales-producing investments?

Do your shipping cartons, invoices, service trucks, letterhead, and other items do their part in helping to convey to customers and prospects "what you do" and "what you sell" ? Do all of your employees understand their role in helping the company to achieve its sales objectives?

Let me share a quick story. I called a company and was speaking to the secretary in the sales department. I explained to her that one of my clients needed to purchase a new trade show booth and had a budget of \$30,000 for this purchase. I asked if I could speak with one of their sales people. Her reply was "I'm sorry, but all of our sales people are in a meeting. You'll have to call back tomorrow." Did she fully understand what role she played in the overall sales success of her company? I doubt it. Was it her fault? Again, I doubt it.

17. What can your suppliers do for you to improve your current products/services/exposure/sales?

An often overlooked source of competitive advantage is a company's own suppliers. When was the last time you asked your suppliers what they could do to make you more competitive? There are a number of areas where you could collaborate with suppliers to significantly impact product design, function,

materials, pricing, delivery, packaging, terms, warehousing, etc. that could lead to creating a unique competitive advantage for your company.

18. What emerging social, economic, or technological trends can be turned into new sales opportunities?

Study after study has confirmed that those companies who are first to identify emerging trends and take action to be at the forefront of those trends become the market, and profit, leaders in their marketplace. Who, in your company, has been assigned the responsibility for studying and analyzing those emerging trends that may present new sales opportunities for your company? If you don't have someone, get someone. Your competitor does.

19. What new markets could be served with a slight modification of your current products and services?

A multi-million dollar R&D effort is often not required to modify your existing products and services in order to make them appropriate for other markets or customer segments. Often it's simply a repackaging that's needed, or the addition of a new feature or performance requirement. Perhaps it could even be a different way of delivering your product or service to a new market.

20. How can you make your products and services easier to use or buy?

It could be that you'll want to modify, or improve, your current products' or services' performance, utility, service life, safety, weight, size, compatibility, storage, disposability, ease of access, closure method, portability, etc. in order to make your product or service easier to use.

You may want to extend your warranties, enhance your guarantees, accept more methods of payment, extend your credit terms, offer early-pay incentives, establish 24/7 customer service & order entry capabilities, etc. in order to make your product or service easier to buy.