Startup Ignition

Providing a structured framework to help startup companies navigate through the unchartered waters on their way to achieving market leadership



David Newberry

Introduction

Starting a business is never easy. It takes courage, belief, focus, dedication, a clear market opportunity and a reasonable dollop of luck to succeed.

In the US alone, approximately 543,000 new businesses get started each month. In the UK, you can ascertain the number of new businesses set-up every day by visiting the Centre for Entrepreneurs website. So far this year there have been approximately 500,000 new businesses started. By any assessment criteria, these are impressive numbers.

A new business usually starts with a great idea. The hard part is making that idea a reality. You need to establish an offering, understand the value you are creating and then to be able to monetize this successfully by gaining the attention and commitment of your desired customers. You need to be able to achieve all this in a constantly changing environment where you are competing with both existing players as well as new market entrants.

This book has been written to help you ask the right questions along the business journey and to ensure that the more marketing focused elements of building a startup business are considered. You will also find more content on specific marketing areas in my book "Marketing Undressed".

I have also used the image of a bridge. In fact it is the bridge that crosses over the Zambezi River just a few hundred meters along from Victoria Falls. I think it is a good metaphor for starting a business as you try and connect vision with reality above the swirling, perilous, ever changing waters beneath you.

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"Startup Ignition"

"Startup Ignition" is a compass by which early stage companies can help identify what to focus on and when, to achieve the success they are seeking. It is a sound board to help senior executives make the right decisions, by helping them ask the right questions, at the right time.

The reality is that market success cannot be achieved with faster, better, cheaper. Real breakthrough and sustained market growth requires differentiation. Differentiation in the way that problems are solved, value is delivered and the market opportunity is addressed.

The framework for success is built on five pillars:

- Problem-solving; understanding the problem / issues in your target market at a very observed and detailed level
- Urgent need; confirming the urgency of the need and the potential value that can be created in resolving the discrepancy
- Differentiation; developing a differentiated problem-solving position that is supported by your product or service
- Leadership; establishing yourself as the leader in the market or category through your differentiated approach to the market
- Focus; focus, focus and focus

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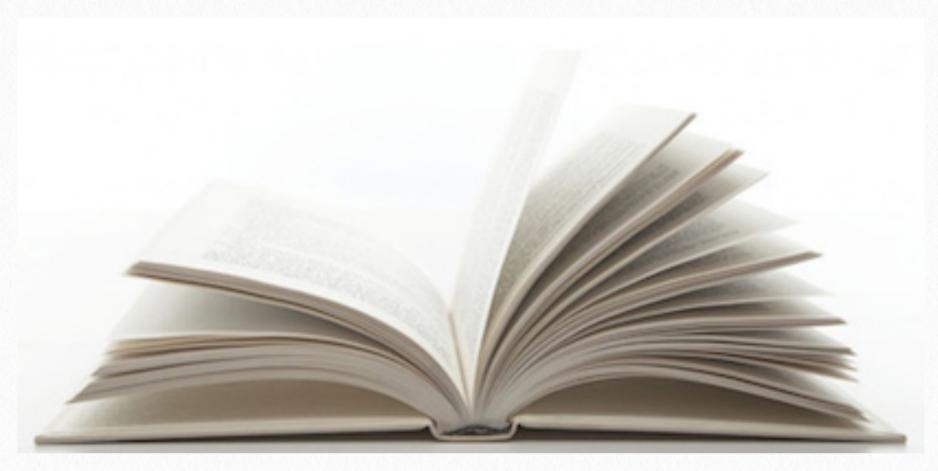
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Other books available by this Author

"Marketing Undressed"

"Marketing Undressed" is about pulling back the covers on the marketing discipline and providing an insightful guide as to how the marketing function can and should contribute to a successful business. To do this marketing needs to combine both art and science in equal measure and to build brands through emotional connections and compelling experiences.

Who is this book for?



This book is most applicable to Chief Marketing Officers who are seeking to make the step up to a CEO. In all likelihood that transition will be made to a smaller organisation that is just starting out and could well be a startup company.

The book has been designed to provide a guide / checklist that helps new CEOs navigate their widened responsibilities. It focuses quite heavily on marketing, new business development, sales and service.

It also touches on product management but I believe there are many more books

out there that are better qualified to address this topic. Key examples being:

The Lean Startup by Eric Reis
The Innovator's DNA by Clayton Christensen

Entrepreneur's Guide To The Lean Brand by Jeremiah Garner and Brant Cooper

I also hope this book helps more experienced CEOs establish and scale their sales, marketing and service functions, in a way that effectively contributes to the creation of a successful company.

Section

What people are saying

"For anyone contemplating or involved with a startup, David's 5 Pillar Approach distills the areas of focus needed to succeed. An industry veteran, David has worked both sides of the table from the largest organizations to nimble startups."

Jared Hendler BCA. Brand Content Agency

"Very well written book, it covers everything that an entrepreneur would want to know."

Nasser Sagheb President, ProMost

Overall principles

The challenge with starting a company is that there is so much to do and so little time to do it. Invariably the CEO and / or top teams end up trying to do everything themselves. They identified the opportunity, did the research and are so clearly the best people to do what needs to be done.

In addition, you have that added pressure where it often feels like a single meeting can make a big difference to the company's future. This compounds the view that nothing should be left to chance and therefore you need to be involved in everything.

This often leads to a situation where time can be spent on tasks, communications and meetings which are not material. You feel you can never get you head above the water to take a real deep breath.

When time is stretched so thin, it is important to do two things; identify what is im-

portant and secondly to prioritise, to know what needs to be done first etc.

This book is not setting out to be prescriptive in any way, that would be far too ambitious. However, I am seeking to provide a framework by which early stage companies can help identify what to focus on and when. In effect, I see this book as a sound board in helping senior executives make the right decisions, by helping them ask the right questions at the right times.



Most analyst companies would agree that growth is one of the most important factors in creating a successful company. The approach to this book has therefore been to focus on:

- The principles underpinning growth
- The drivers for achieving growth
- The catalysts for stimulating and accelerating growth
- The recipes for sustaining growth

As you will see in this book, growth is highly dependent on 5 critical pillars:

- Problem-solving; understanding the problem / issues in your target market at a very observed and detailed level
- Urgent need; confirming the urgency of the need and the potential value that can be created in resolving the discrepancy
- Differentiation; developing a differentiated problem-solving position that is supported by your product or service
- Leadership; establishing yourself as the leader in the market or category through your differentiated approach to the market
- · Focus; focus, focus and focus

The reality is that market success cannot be achieved with faster, better, cheaper.
Real breakthrough and sustained market growth requires real differentiation in the

way, in the approach that is taken to solve the identified issue and to deliver value.

This book does have a natural bias to B2B but most of the principles can also be applied to a B2C market opportunity.

CHAPTERS

The OPPORTUNITY

- What is the market opportunity?
- What are you solving?
- What is your monetisation model?
- What is your Go-To-Market strategy?

The BRAND

- What's in a name?
- How do you define your brand?
- · How do you convey your brand?

Achieving GROWTH

- How will you position your company?
- Who will be your first customers?
- How will you engage your first customers?
- How are you going to ensure the right customer outcomes?

Stimulating GROWTH

- How will you influence your stakeholders?
- Where do you present your story?

How do you present your story?

Accelerating GROWTH

- Where are your next customers coming from?
- How do you grow pipeline and revenue?
- How do you support sales?

Sustaining GROWTH

- How do you expand your market opportunity?
- How do you scale your organisation?

There is also a checklist at the end to act as an aide-memoire to the discussion topics that were raised in the preceding chapters.

There is no doubt, you will be on a wild roller-coaster ride. You will have bumps in the road but in the words of Mario Andretti:

"If everything seems under control, you're just not going fast enough."

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The Opportunity

WHAT IS THE MARKET OPPORTUNITY?

GO-TO-MARKET MODEL

There are a number of ways that a company can go to market to establish a winning position.

Personally, I like the way that Richard Currier, a well known technology consultant, has identified and defined the three most common go-to-market strategies. He defines these as follows:

- Solution leadership; this is achieved when your product or service offering is perceived to lead the market (in terms of feature / function)
- Sales leadership; this is achieved when your sales approach is perceived to lead the market (in terms of matching your product or service to the needs of the buyer)

 Market leadership; this is achieved when your market vision is perceived to lead the market (in terms of fulfilling both the current and the future needs of your customers)

There are a number of positives and negatives (challenges) that can be assigned to these three different approaches. These can best be summed up as follows:

Solution leadership

Positives

- You are likely to have a number of unique features in your solution that are viewed well by the market
- Buyers will work hard to see how they can make these unique features work for them (they will see an opportunity to steal a march on their competitors)
- Technical buyers will rate your solutions highly when undertaking feature comparisons

- Your solution appeals to the innovators / trend setters / early adopters and helps you achieve some market traction
- You are likely to achieve successful outcomes as buyers push the limits of the unique features to deliver more value

Challenges

- Competitors respond by copying your unique and differentiated features, thereby strengthening their offerings
- Your feature-based differentiation erodes over time as competitors catch-up
- Your competitors messaging says that they can deliver the same features as you (so you have to work harder to prove your differentiation)
- There are fewer and fewer "killer" opportunities to continue your leadership in product development to maintain your "leading-edge" position

Outcome

Ultimately you start focusing too much attention on developing the feature set that will sustain your solution offering differentiation. This is sometimes referred to as the "development death spiral".

Sales leadership

Positives

 You have to work hard at being actively considered as a serious contender in the

- early stages (where sales is less influential)
- You excel in the face-to-face situations, but that is only once you have buyer engagement
- Once considered, you achieve high conversion rates through superior sales performance and greater industry / product knowledge
- You are competent at winning new business and growing your customer base (hunting)

Challenges

- There is a high sales cost due to the level of effort that needs to be expended to win. This can sometimes make deals unprofitable
- Sales cycles are long (as you are involved in highly competitive tenders)
- There is on-going pressure on capacity, especially on personnel like pre-sales, engineers, consultants, product/industry specialists who all need to support the sales process
- Predicting and managing this capacity is hard and increasing capacity with the right people takes significant time
- It is hard to achieve high growth rates and create momentum

Outcome

Can work well in an immature market but ultimately you end up focusing too much attention on sales. This may result in you becoming a "deal-driven" company, that embraces a very short-term outlook (with a quarter by quarter management style) By leading the market you are able to influence and direct the market to focus on those areas where you excel

Market leadership

Positives

- You are able to define what "best practice" is for the category
- You become the go-to company and are therefore considered and invited in for every deal
- You are able to influence and help define the way buyers buy. This enables you to align this to your own competencies and differentiators

Challenges

- You need to be a marketing-led company which follows an Outside-In approach (you always focus on and start with the customer)
- You need to solution-sell (problem solving) rather than product-sell. Another way to describe this is to sell on strategic value rather than tactical needs.
- You need to be able to craft industryleading, compelling messaging and content
- You need to invest in a world-class marketing team

Outcome

Research has shown that market leadership is the most sustainable go-to-market approach with solution leadership stalling first, followed by sales leadership.

Adopting a market leadership model

It should be the aspiration for every company to become the market leader as this is the most efficient and the most sustainable way to achieve long-term success.

Jack Welch best summed this up when he said:

"Be number one, or number two or get out."

To achieve marketing leadership status you need to have a very well defined target market and to ensure that there is a very real, worthwhile and winnable opportunity in that market for your company to succeed.

DEFINITION OF A MARKET

A good way to define a market opportunity (or market) is to identify the common characteristics:

Of a set of actual or potential customers

For a given category of solutions, products
or services

Who have a common set of needs or wants, and

Who reference each other when making buying decisions.

The really important aspect of this definition is that there is a common need or problem that you are able to address. A market is **not** a segment. You may have several segments within a market so the best way to approach market definition and targeting is as follows:

- MARKET; every company or individual that has a common problem or need
- SEGMENT; this is a subset of the market where the company or individual has a set of common characteristics
- PROFILE; this confirms the specific behaviours of the company or individual that make them more likely or less likely to be in a buying state

Another way of looking at this is:

- MARKET = Needs
- **SEGMENT** = Descriptors
- PROFILE = Behaviours



DESIRED SIZE OF A MARKET

The size of the market you pick can have a very real impact on your ability to succeed. Research has shown that: *the likelihood* of achieving initial success is inversely proportional to the size of the market.

You don't want to fall into the trap of: "The size of the market is \$10 billion so just by achieving 1% share we will achieve our goals."

It really doesn't work like that. If all things are equal then you will have a higher probability of success if the market is:

- Size; small enough that it can be affordably served by your company
- Cohesive; defined well enough that everyone sees the market as a specific category in its own right

MARKET DEFINITION MODEL

The tighter you define the market opportunity, the more likely it is that you will gain your first customers and achieve traction in the market. When in early stage growth this level of focus is essential due to:

- Solution; an immature product offering
- Influence; limited market credibility
- Focus; lack of resources available to explore every opportunity

A very good way to ascertain and validate your target market is to apply the **RWW** model. This stands for:

- Is it Real (R)?
- Is it Worthwhile (W)?
- · Is it Winnable (W)?

Is it Real (R)?

At first glance this may seem to be a silly question but it is seeking to confirm that there are two fundamental elements in place:

- Urgent need; there is an urgent identified and unmet need in the market
- Increasing pressures; there are trends and event triggers that will continue to make these needs more urgent and will motivate your target customers to act

Needs

Buyers will generally see needs in one of three ways:

- Useful needs; this will drive interest, a
 desire from the customer to find out
 more and to ascertain if it is something
 they really do need
- Important needs; this will drive activities. The customer has confirmed that there is a real need and they want to explore options as to how to address it. Invariably at this point they will not have made a decision as to when to act, as they are still assessing the urgency of the need
- Urgent needs; this will drive buying action. The customer wants to buy and buy now as the need has been assessed as being urgent

Trends and trigger events

It is important to identify the underlying trends and trigger events that will increase the pressure and encourage your customers to act:

- Trends are long-term changes (e.g., increasing cost of housing)
- Trigger events are specific (e.g. customer lifestyle events or the introduction of new legislation)

Trends

You need to identify the specific trends that will increase both the desire and the need for your offering. These trends can be at a macro level e.g. climate change or at an individual level e.g. decline in household disposable income.

For companies, there will be industry-specific trends that need to be identified, along with a more detailed assessment of general business environment trends (including governmental, regulatory, etc.).

For B2B organisations you will need to assess these trends and understand the impact to both:

- The overall target market (everyone)
- Specific segments or even companies within those segments

Trigger events

You also need to identify any specific events that would change the status quo and make the customer more or less likely

to buy your offering (based on a change in the urgency of the need).

These events can be:

- Macro; e.g. change in interest rates
- Industry; e.g. new market entrant, change in tax allowances
- Customer; e.g. getting married, moving house
- Contextual; (key contextual components are location, environment, and activity)
 e.g. booked a holiday, Valentine's day

If possible, it is worth ascertaining the degree of influence that each of these events will impart on the customer to purchase.

By assessing the market in this way, you will confirm and validate that the market opportunity is real, that there is an urgent need and that there is increasing pressure on your target market to act.

This analysis will also help provide:

- Foundation for key messaging (by drawing attention to the reasons to buy)
- Confirmation of when to engage and how
- Objective basis for subsequent review and realignment e.g. did I understand the trends and trigger events correctly?

Blue oceans

When identifying a market opportunity, you may have heard about or considered a blue ocean strategy. In a HBR article titled Blue Ocean Strategy W. Chan Kim and Renée Mauborgne defined a blue ocean as:

"Blue oceans denote all the industries not in existence today—the unknown market space, untainted by competition."



In other words, this is a market where no one currently operates. The underlying reality is that there is no one there for a reason and therefore to create a business by establishing a new industry or re-inventing an existing industry is a risky and very challenging one.

Is it Worthwhile (W)?

The desired outcome is to establish a really clear, in-depth understanding of the total

available addressable size of the respective market opportunity.

You need an addressable market that is broad enough, that by achieving a leading position in that market, you will achieve the level of revenue you are looking for.

You need to be able to answer the following questions:

- What is your knowledge base, where are the gaps and are you able to address these sufficiently in order to be able to define the opportunity?
- How do you measure the addressable market?
- Do you know enough to define the size of the addressable market?
- What is your potential (realistic) share of this market?

Goals

If you have managed to define the addressable market and your potential within it, it is now time to establish clear, measurable and achievable goals with a clear timeline in place. e.g. what do you want to achieve and by when?

Is it Winnable (W)?

The final question is to confirm that the opportunity will be winnable. This assessment should be based on two key factors:

- Capability match
- Competitive advantage

These together will determine the ability of your company to succeed and win business.

Capability match

The capability of your offering needs to be objectively mapped to the identified opportunity to ascertain how well it can fulfill the need. Capability is not just feature / function, it is the entirety of the offering in solving the problem and meeting the need.

This should look at two aspects:

- Opportunity match; this is not defined by the product match to the need, but by the value delivered, as perceived by the target customers, relative to their need
- Differentiation; this is the extent to
 which the target customer believes the
 strength of the capability is objectively
 better than that of the competition. True
 differentiation is achieved, not through
 additional features, but through the way
 you go about solving the problem

By answering these questions, you will be able to:

- Confirm your ability to provide to the needs / expectation of the customer
- Identify any gaps in your capability
- Define the importance of those gaps in your ability to succeed

Competitive advantage

It is inevitable that you will have competitors in your market, either direct (offering a similar product) or non-direct (addressing a similar market need). In both cases, they will be competing directly with you for the attention of your target customers and trying to convince them to buy from them rather than from you.



It is important to assess and to learn from what the competition are doing. You should review their online presence, advertising, resources and customer base. You should also engage directly and try out their products and customer engagement approach, if possible.

You should list out what competitors are present and where they compete with you. Then you should rate them on a scale of 1 to 10 against a number of key questions.

Some examples are shown below, but you can add to or delete questions as required:

- How entrenched are they within the market?
- How strong is their customer base?
- How would you rate them on customer satisfaction?
- How do their products or services compare?
- What is the quality of their products?
- Will you be "replacing" or "adding" new capabilities and therefore how will your competitors impact your ability to win customers?
- How do you rate their pricing model in delivering value?
- What is their perceived vision/brand promise?
- How would you rate their profile in the market (based on PR, online, social, advertising)?
- How are they approaching the market?

This should provide you with a robust assessment of your competitors' strengths and weaknesses. This will enable you to identify where you can differentiate and improve upon the competition's approach to win.

In addition, you should also identify those areas of your competitor's business that you admire and adopt them into your own business. Some of your competitors may well have been in business successfully for a number of years, so following their best practice may help you avoid any mistakes. Certainly there is an opportunity to learn from them and cherry pick what they do well.

This assessment will also help you establish a competitive framework which can then be used for subsequent review. This will help you see how the competitive landscape is evolving and to understand the implications of any changes on your own business.

Competitive assessment

I would suggest drawing up a scorecard matrix and evaluating all your competitors against a set of defined criteria that are important to your business. Regularly review this to assess how the competitive

set may be evolving as well as confirming how well you are competing against them.

This will help you understand their points of difference / areas of strength. From a messaging perspective, you also need to ensure that you are able to convey your differentiation in meeting and solving the buyer's problems. An easy way to do this is to "stack out the corners" using a spider graph technique. This is also known as a radar chart. This will help you visually see how you can position your company and its offering.

individual segment will require an amended engagement and messaging strategy, to ensure optimal engagement.

It is essential that the establishment of these segments is undertaken with objectivity and rigor. This is best summed up by Philip Kotler who said:

"If markets are to be segmented and cultivated, they must meet certain requirements. Segments must be Measurable, Substantial, Accessible, Differentiable, and Actionable."

MARKET SEGMENTATION

By applying the RWW model you will have identified and defined the overall market you are targeting.

The next role is to identify the individual segments within this market. There may just be one but it is likely that based on demographics or firmographics you will be able to identify a number of different segments.

Even though these segments will still have a common problem or need to be addressed, they will have different characteristics. It is important to segment as these characteristics will likely mean that each

MARKET INSIGHTS

Importance of building market understanding

It is essential to build an in-depth understanding of the market. By understanding the market better than your competitors you will be able to identify opportunities that they will miss.

The most effective way to do this is through direct market engagement and then to supplement this with more formal research.

Role of market research

Market research can provide valuable insights into the problems, needs and expectations of your targeted customers. However, beware, as research will not be able to provide you with the answer as to what will best fulfill the opportunity. This is best summed up by both Henry Ford and Steve Jobs:

"If I had asked people what they wanted, they would have said faster horses." Henry Ford

"You can't just ask customers what they want and then try to give that to them."

Steve Jobs, Former CEO Apple

Research should be used as a guide to test various scenarios and to help you determine which of a series of options best resonates with an audience. Research works best when you have developed the idea and now want to test that concept in specific areas like branding, creative / messaging, packaging, pricing etc.

Another great quote that makes this point rather well is from Andrew Lang (1844-1912) a Scottish poet, novelist and literary critic:

"He uses statistics as a drunken man uses lamp-posts...for support rather than illumination."

If you are seeking to bring a new innovative, differentiated product or service to market, no amount of research will help you to define how to construct it. Research should **not** be used to to help build products but it is beneficial in helping to guide you on how to bring those products to market. So yes, do undertake research, but use it to refine and validate your concepts (the how) rather than to develop those concepts in the first place (the what).

"People are unlikely to know that they need a product which does not exist and the basis of market research in new and innovative products is limited in this regard." — John Harvey-Jones, former chairman, ICI

WHAT ARE YOU SOLVING?

THE DISCREPANCY The Discrepancy Model

I always find a good way to describe a market opportunity is to define it as a discrepancy. The rationale is that a discrepancy compares two states, in this case, a before and an after state.

The best way to define the discrepancy is to ascertain the current state (the AS IS) and then to compare this to a future state (the TO BE), after the customer has acquired your product or service. In this way you are able to define the exact impact of your offering on the customer, This works extremely well for complex sales but can also work well for direct B2C sales as well.

A good way of approaching this is to use a modified version of the 4D approach:

- Discovery; discover what the current status is. Be highly objective, logical and analytical. Focus on process rather than people at this point. Establish an AS IS.
- Dreaming; create a "what if?" scenario.
 Hypothesize on what could be created if you started with a blank sheet of paper, but bake this in reality. Use this to establish a view of the desired future state, the TO BE.
- Designing; compare the current state
 and the future state to identify and con firm the discrepancy. Use this to define
 the potential value that can be unlocked
 and what solution will be required to ad dress the discrepancy

Destiny; map out the project plan to establish what it will take to move from the prior state to the future state. This confirms how the solution will be implemented. Change management will be a major part of this and people will form a an essential component of this phase

By using the discrepancy model approach you will be able to confirm the size and nature of the opportunity. This will then form the basis for the development of your pricing model.

Why it works

The discrepancy model works as it is neither too negative or too positive:

- Negative; if you focus on the problem then you might invoke blame. This creates both resistance and creates fatigue, thereby lowering the level of people's engagement in trying to manage change
- Positive; if you focus too much on the positives then this waters down the opportunity and the potential impact of changing the status quo. This can reduce the level of urgency of the need

The value of the discrepancy model is that it focuses on the potential, the difference between the before and the after. In this way, it does not apportion blame or water down the aspiration. Instead, by focusing on the potential, it puts all the effort on discerning the value that can be unlocked. This can often help transition a latent need into an urgent one.

How Buyers respond

The discrepancy will be influenced by two factors:

- The urgency of the need (the speed with which the buyer needs to act)
- The response state of the buyer (the reason why the buyer needs to act)

For B2B companies, I like the way that Miller-Heiman categorises the possible response modes of the customer. Even though this is for B2B, there may well be benefits to applying this type of thinking to certain B2C opportunities as well.

In the Miller-Heiman book "The New Strategic Selling", they have defined four response modes, that are as follows:

 Growth; here the customer is focused on doing more, better, faster, etc. e.g they may be looking for a product or service that helps them become more effective at what they are currently doing

- Trouble; here the customer is focused on achieving the same, but at lower cost, with less resources / effort. e.g they may be looking for a product or service that helps them become more efficient
- Even Keel; here the customer doesn't perceive a discrepancy and therefore they see no value in your offering e.g. they don't believe they need your product or service
- Overconfident; in this case the customer believes they are doing better than the normal, so there is no incentive to consider anything different e.g. they don't believe they need your product or service as they already have something better

Clearly the buyer will only view the first two response states as being urgent.

This approach my not work for all instances but the concept of considering different customer response modes to a discrepancy is very tangible for the following reasons:

- It forces you to focus on the customer and to develop an understanding of their perspective
- It helps you identify the desired outcome and thereby the potential of the value to be delivered (by comparing the before and after)
- It helps you define this value in an objective way, that can inform your pricing strategy

It really is very simple, the more you can define, in intimate detail, what the potential discrepancy (need) is and how you can address it (value), the better equipped you will be to succeed (WIN).

This is best summed up in the words of Seth Godin who said:

"Don't find customers for your products, find products for your customers."

CONFIRMING YOU CAN ACHIEVE BREAKTHROUGH

Breakthrough used from a business perspective means; "A major achievement or success that permits further progress."

Breakthrough is the goal of every startup and to achieve success, you need to ensure that you have:

- Identified a breakthrough opportunity
- Created a breakthrough solution
- Established a breakthrough go-tomarket strategy

Breakthrough opportunity

- What they are not; it often ends up being different from what both you and the buyer thought. To unlock what it is you need to follow the Problem Urgent need
- Differentiation approach
- What they are; they enable a leadership position, they generate significant interest, people seek to be engaged, the excitement builds a sense of urgency and there is a confidence that "we can do this"

Breakthrough solution

- What it is not; it is most often not the most sophisticated solution with lots of features
- What it is; it is more often than not a solution with a few, carefully chosen capabilities, that is differentiated through the way it solves the problem and delivers value to the customer

Breakthrough go-to-market strategy

 What it is not; competing head-on through faster, better, cheaper What it is; differentiated positioning to breakthrough the clutter with focus on market leadership, buyer perception and company confidence

WHAT IS YOUR MONETISATION MOD-EL?

PRICING STRATEGY

Every business in the future will need to work by the principle of mutual value exchange. What this means is that there needs to be a fair, transparent and equitable balance of value exchange between both parties; your customer and the company.



Customers of the future, whether they be individuals or businesses, will be highly informed. They will have enough information at hand to develop a clear perception of

what they deem this value to be. They will no longer rely on you to tell them.

It is therefore incumbent on you, the provider, to influence the customer value perception. To do this you must adopt a customer perspective, develop an objective way of assessing the actual value delivered and then align your pricing strategy accordingly.

In this new world of customer knowledge and transparency, your pricing strategy can no longer be based on your costs to deliver the solution, It can now only be based on what the customer is willing to pay for the value delivered.

Philip Kotler sums this up well when he says:

"Cost is of no importance in setting the price. It only helps you to know whether you should be making the product."

Pricing principles

There is a general shift in the market to the way that products or services are charged. The overall trend is for value-based pricing that balances simplicity with fairness. This should be the foundation for any pricing model.

VALUE-BASED PRICING MODEL

Price list

In order to implement a value-based pricing model, you will need to:

- Understand the discrepancy that you are delivering against
- Establish a set of metrics and methodologies that can objectively ascertain exactly what value is being delivered

If you adopt this approach, it also means that that you need to commit to two fundamental principles:

- Value based on customer perception;
 you need to engage with your customers
 to objectively validate the value that will
 be delivered by your product or service
 in addressing the discrepancy
- Value based on actual delivered customer outcomes; it is no longer just about whether your solution works or not. It is no longer about the potential that could be realised. It is now all about the actual value that was accrued and very importantly from the perspective of the customer. It is immaterial if the actual behaviour of the customer impacted this, as there is now an expectation that

the vendor needs to help the customer realise the value

Future customer value perception will be based on:

- Quality of the outcome delivered. This may include upgrades e.g. software to keep the quality of outcome in line with customer expectation
- Frequency on which the product or service was used (level of participation / degree of activation etc.)
- Availability to continuously deliver. This
 includes the level of support that is offered and how any product or service issues are handled

This very much reflects the transition to a service based economy. The fundamental impact of this is that customers now evaluate value based on what they received / experienced rather than what they bought.

Any pricing model should be kept in line with the continuous improvement programme for your product or service. In this way any additional value that is delivered through new features etc. is fully validated and reflected in any changes to the pricing model.

Clearly, due to the importance of this area, it is worth ensuring that there is a formal process in place for review and validation of the pricing model on a regular basis.

Menu of services

In many cases, an early stage company will need to provide an increased level of customer support to ensure that:

- Its offering is fit for purpose
- The desired outcomes are achieved e.g. user adoption, customer satisfaction, validation of value delivered etc.

It is also likely that service will become a key differentiator, as goods become more and more commoditised. In addition, this is further compounded as customers focus more on meeting needs (outcomes) rather than on product features and function (potential).

Key features of any additional service that you offer to your customers, should be to make them:

 Adaptable; you should seek to offer an assortment of options / levels to accommodate all the different types of customers you have

- Flexible; you should build in flexibility so customers can easily change the package they are on, based on changes to their circumstances and needs
- Outcome based; you should seek to provide services that support all stages of the relationship to ensure that the desired benefits are accrued by the customer. This comes back to your vision and strategy. It is no longer enough to just address issues (to be reactive). Successful companies in the future will be those that ensure that their customers accrue the benefits they are looking for (often this means that you need to be proactive in your service delivery)

Finally, even if you offer some of these services for free as part of developing the relationship, it is important that both sides understand the "value" of the uncharged services. This is all part of building a social business that reflects and lives by values such as integrity, openness and transparency. It also makes the opportunity for charging for these services at a later date easier to implement (if desired).

WHAT IS YOUR GO-TO-MARKET STRATEGY?

Developing your strategy

Once you have defined the opportunity in sufficient detail, you are now moving towards execution. This will require a strategy to be developed. The strategy defines the set of activities and investments that you will make in the market to give you every chance of winning.

It is important to realise that there will be a series of investments to be made that may have important inter-connecting dependencies. It is therefore essential that these are identified, understood and prioritised.

As the old adage goes:

"You should never try and eat an elephant in one sitting. Always approach this one bite at a time."

The strategy defines how you will execute and it is imperative that everyone in the company is aligned on what needs to be done. An effective way of communicating your strategy is through the application of a <u>Strategy Map</u>.

A strategy map is used to:

 Communicate the strategy to all your employees

- Focus the resource utilisation and efforts of the team to the areas of strategic priority
- Convey the key objectives and desired outcomes
- Provide the basis for performance reporting which will be managed through use of a balanced scorecard

A simple strategy map can be created using PowerPoint and for each strategic initiative you would usually include:

- Objectives; confirming the goals / Key
 Performance Indicators (KPIs)
- Customer; confirm who you are seeking to attract, engage and close, based on Market, Segment and Profile
- Internal business processes; confirm what investments, activities and tactics you will need to undertake
- Learning and growth; confirm what you will learn, develop, deliver and seek to apply in the future

As part of a strategic planning process it is also important to understand what to stop doing or what not to start doing. Strategy is about priorities and focusing your attention where you can get the greatest progress against your vision. This doesn't mean there aren't other things you could do that would contribute to the end goal. It

is always worth identifying these and capturing why they were not included. in your strategic plan. This ensures alignment, breadth of consideration and helps in the on-going review process as learnings are gathered from realised actions.

"People think focus means saying yes to the thing you've got to focus on. But that's not what it means at all. It means saying no to the hundred other good ideas that there are. You have to pick carefully. I'm actually as proud of the things we haven't done as the things I have done. Innovation is saying no to 1,000 things."

Steve Jobs, Former CEO Apple

As distractions and non-core activities are what can kill a start-up and create a stall, it is important that they are managed on a day-to-day basis. Consider drawing up a list of non-core activities and posting them for everyone to see. This can help keep everyone honest and focused on what is important and what **not to do**.

Identifying quick wins

Confidence and momentum are the golden nuggets of any startup. Quick wins are essential to achieving this. Spend time identifying where these are and how you can get them over the line. These may not be material to long-term success but short-term they can be an excellent stimulus. Not only will the company benefit from the momentum created but you will also gain learnings on what works / what doesn't as well as being able to demonstrate that you can successfully deliver.

Quick wins can be achieved in any part of the business; customer, sales, marketing, product etc. Just pick wisely and then ensure that you leverage the win across every possible avenue.

Testing your strategy

In 2011 Chris Bradley, Martin Hirt, and Sven Smit wrote an excellent article titled "Have you tested your strategy lately?".

This article provided 10 really important questions to sense check your strategy and to make sure that it is fit for purpose. These were:

- Does your strategy beat the market?
- Does your strategy tap a true source of advantage?
- Is your strategy granular about where to compete?
- Is your strategy ahead of trends?
- Does your strategy rest on privileged insights?

- Does your strategy embrace uncertainty?
- Does your strategy balance commitment and flexibility?
- Is your strategy contaminated by bias?
- Is there conviction to act on strategy?
- Has your strategy been translated into action?

Clearly, it is essential to take a questioning position and to pressure test your strategy to make sure it is robust as possible. This is an ongoing process as a strategy will continuously evolve based on market changes and internal learnings on what works and what doesn't. Chris Guillebeau summed this up when he said:

"If Plan "A" fails - remember you have 25 letters left."

Tracking your strategic progress

Every business strategy should be supported by a a balanced scorecard. The concept of the balanced scorecard was put forward by both Dr. Robert Kaplan and Dr. David Norton from the Havard Business School. The balanced scorecard extends the traditional financial measures of revenue / profit etc. to include other strategic measures that provide a more balanced view on the health and growth performance of the company.

An excerpt from the <u>Balanced Scorecard</u> <u>Institute</u> sums up the purpose of the balanced scorecard very well:

"The balanced scorecard has evolved from its early use as a simple performance measurement framework to a full strategic planning and management system. The "new" balanced scorecard transforms an organization's strategic plan from an attractive but passive document into the "marching orders" for the organization on a daily basis. It provides a framework that not only provides performance measurements, but helps planners identify what should be done and measured. It enables executives to truly execute their strategies."

The vision (what you are setting out to achieve and with whom), the strategy (how you are going to achieve it) and the scorecard (how well you are progressing towards your goals) set the foundation for future success.

MILESTONE



BREAKTHROUGH VALIDATION

At the end of this phase, you should have fully validated that you have identified and clearly defined a breakthrough market opportunity.

REMEMBER success is predicated on finding the market (smallest with highest potential) where you can quickly be perceived as the leader and which has great expansion potential.

You will have confirmed:

- You will have a well defined <u>market</u>
 based on an urgent need that you are
 able to successfully address.
- You will have defined the market in a way that you can establish a <u>leadership</u> 1 or 2 position

- You will have identified the specific customer <u>segments</u> within the market opportunity
- You will have understood the <u>"urgent"</u>
 <u>need</u> and validated the value you can deliver as perceived by the customer
- You will have defined the problem-solving <u>differentiation</u> that will set your product or service apart
- You will have defined and validated the potential <u>value</u> available in addressing the discrepancy
- You will have a <u>monetisation</u> strategy in place
- You will have a first stage <u>pricing model</u>
 to work with. Even if your pricing model
 and terms of service are likely to be refined in the future, the important thing is
 that you have a base to work from.

If you have not fully quantified the value to be delivered, you should not try and contract your first customers as you will have no basis to negotiate and justify your offering.

2

The Brand

WHAT'S IN A NAME?

NAMING STRATEGY

Very simply "things that are important have names."

There are a number of areas where you can create names to help differentiate your business:

- Category; there is the market or category you are addressing
- Brand; there is the name of the company, which is your corporate brand
- Offering; there are the different products or services that you are taking to the market

CATEGORY NAME

The ultimate definition of category leadership is when you are seen to actually define / create the category. You need to find a name that uniquely defines that category and validates the compelling urgent need for your target customers to address the problems / issues they face.

Some examples:

- <u>Taulia</u> invented the term "Dynamic Discounting"
- Ariba invented the term "Spend Management"
- MAPInfo invented the term "Location Intelligence"

The key is not to trademark the term. The rationale is that this then enables everyone else to use that same term. This builds credibility behind the category definition and ultimately cements its place in the market. If you trademark the term, then only your company can use it and therefore it cannot become synonymous with a category.

Clearly you need to ensure that your company is recognised as defining the category. This requires you to embed this definition into everything you do and to achieve 100% consistency in how you convey and communicate it.

In order to establish the new category name, the company needs to make sure that they:

- Clarity; define the key characteristics with absolute clarity so it is easy to understand, repeat and share.
- Rationale; confirm why this definition provides a more beneficial and compelling way to view the category

Co-creation

It is also important to engage some of the key industry analyst and market influencers in the development of the category definition. By co-creating in this way you will solicit their support and provide the category definition with immediate credibility and external market support.

BRAND NAME

Importance of brand naming

It is worth considering the advice of Alexandra Watkins who says: "A name will last longer than any other investment you make in your business.

Whether people see it on your storefront, read it on your badge at a trade show, or see it on their caller ID, your brand name makes a critical first impression--even more than your shoes."

Creating a brand name

Alexandra is the Founder and Chief Innovation Officer at Eat My Words and someone who truly understands the importance of creating brand names that resonate with customers.

In her book <u>"Hello My Name Is Awesome:</u>
How to Create Brand Names That Stick",
Alexandra reveals the 5 qualities which
need to be considered when creating a
brand name:

Suggestive. Evokes a positive brand experience. When Jeff Bezos decided to call his new online retailer Amazon, he knew that the name was synonymous with enormous. And, that is indeed what the retailer has become. Examples include Brawny paper towels and Leaf electric car.



Meaningful. Your customers "get it." A name must resonate with potential customers no matter when and where they encounter it--chances are, you won't be around to explain it to them. Examples include Kryptonite bike locks and Repel insect repellent.



Imagery. Visually evocative to aid in memory. It's much easier for your customers to remember a name that conjures up a memorable image in their minds than one that is tied to a random acronym or unfamiliar name. Examples include Irish Spring soap and Range Rover SUVs.



Legs. Lends itself to a theme for extended mileage. These names provide lots of potential for wordplay and verbal branding opportunities. Examples include Get a Grip tea (Republic of Tea) and Chunky Monkey ice cream (Ben & Jerry's).



Emotional. Moves people, and makes an emotional connection. Examples include

Obsession fragrance and Snuggle fabric softener.



Value of a great brand name

Once you have a name, this needs to be developed into a brand. Liz Goodgold, an international branding coach, wrote a blog called "6 Surprising Ways a Red Hot Brand Boots Your Biz". I have included her views below.

- 1. Flawless Recall Prospects must hear your name correctly the first time and every time; they need to jump from hearing about you to finding you in a nano second on Google. Hint: if your biz name sounds generic or similar to all of your competitors, you have a naming problem that is costing you business.
- 2. **Referral Business** Raving clients can't wait to sing your praises and bring other clients into the chorus for you. Question:

- are you getting at least 4 referrals per month from your happy customers?
- 3. Raving Fans Wow your customers with an amazing brand experience and they'll love you for life. Remember: branding out takes courage; you must put yourself out there differently than your competitors. If you don't have naysayers, you don't have a brand!
- 4. Fierce Customer Loyalty Similar to the old Tarenton cigarette commercials, your customers should want to fight rather than switch.
- 5. Word Of Mouth Buzz One of the surprising benefits of branding is that your clients talk about you behind your back in a good way! Thanks to social media, your name is not only on everyone's lips, but in their Facebook posts, Instagram accounts, and Twitter streams.
- 6. Pricing Flexibility— If you are losing customers to cheaper on-line competitors, you haven't earned iconic brand status.

 And, just as the "must have" iPhone 6 and Givenchy Rottweiler tote aren't going on sale, either are you!

Checking a name

There are a significant number of areas that need to be considered when establishing a company name, including:

- Trademark search
- Competitor search
- Language search
- Negative connotations search
- Domain search
- Domain strategy

Trademark search

Always check for trademarks to ensure you have the right to use the name. Consider checking in international markets where there might be long-term potential, even if short-term you will not be participating.

Competitor search

Clearly a no-brainer. Make sure that your proposed name is not being used by or is referenced in any way to your competition. You do not want your name associated or to be confused in any way with the competition.

Language search

Undertake a search to check that there are no potential language conflicts with the name. This includes:

 Language translation; I was once going to name a FairTrade company I set-up with a specific name, only to find out that in the Basque language it related to a part of the male anatomy. I am glad I found that out in the search!

 Trans atlantic spelling differences; This can be messy and is best to avoid if at all possible, especially as it can impact domain names

Negative connotations search

Consider names for possible negative connotations that might be construed by anyone in the market place. This can include:

- Likelihood of being misspelt
- Ease by which it can be searched for
- If the name is more than one word, how it works when the words are joined up like in a #hashtag
- How easy it is to pronounce in the different markets you will be operating

Domain search

Check that the domain name is available and register it. It is worth registering both .com and .co.uk. There are other options available and it is best to seek professional advice.

If your desired domain name is not available, you can be inventive. A great example of this is Little Bird, a social media in-

telligence platform. They use the domain name <u>getlittlebird</u>. However if you take this route you need to have a very clear SEO strategy in place.

There is also the opportunity to register a Top Level Domain (TLD) but this is not realistic for a small company in growth mode. More information on this can be found here from ICANN

Domain Strategy

Following on from the above, it is also worth considering developing a domain strategy where you have more than one domain name. This can be used to focus on a specific core value of the company or to create a more meaningful name for the specific stage of the customer journey. An example here is trust.salesforce.com

As part of your domain strategy you may have the opportunity to register the category name you develop or a version thereof. This will certainly be beneficial for you in your SEO endeavours.

So when you are thinking about a company (brand) name, give it the time it deserves. It is a key component for future success.

Innovative brand naming

If you want to be really inventive, then here is a great post from Cezary Pietrzak at Mashable coined "16 Tips for Picking the Perfect Startup Name".

As a final point, don't be afraid to change the name if your current name is not working. However if you are considering this, do it earlier rather than later.

PRODUCT NAME

Naming a product will follow a very similar pattern to that of naming a brand or a company. However there are some additional considerations:

- Naming convention; you will want to ensure there is some consistency in the way that you name products in relation to your brand, so you will need to develop a naming convention. e.g. iPhone, iPad etc.
- What it does; you will want to use a name that helps the customer understand what the offering is e.g. Microsofts's Internet Explorer

However be careful not to pigeonhole the product to a specific area / feature set, as you may develop additional capabilities in the future that extend the breadth of your offering.

HOW DO YOU DEFINE YOUR BRAND?

VISION (LEADERSHIP)

Having a well defined vision and being able to communicate this both internally and externally with clarity and authenticity is critical.

I have covered many of the aspects of good leadership in my book "Marketing Undressed" so I will not be repeating myself here. However, there are certain traits and characteristics of leadership that are extremely important for a startup and they include the following:

- Be relentless, believe in yourself and stick with it.
- Patience is required, it always takes longer than you think.
- Embrace paranoia but don't give up.
 Remember what you see is often the tip
 of the iceberg and your competitors are
 likely to have challenges which you cannot see

- Learn from criticism and continuously improve by applying your learnings. It is not about right and wrong but about continuous improvement and progress
- Keep it simple and stay focused, adapt as you go but don't be distracted along the way from your long-term goals
- Don't accept mediocrity, always strive to be the best. This is the only way you will be able to obtain market leadership
- Always try and exceed expectations (so never over promise in the first place)
- Negotiate everything and always strive to do more with less. It is amazing what can be achieved with very little
- Don't go it alone and make sure you surround yourself with great people

Great leadership is about the ability to connect your vision with the people who will help you get there.

"Leadership comes when your hope and your optimism are matched with a concrete vision of the future and a way to get there. People won't follow you if they don't believe you can get to where you say you're going."

- Seth Godin, Best-Selling Author

However, leadership is challenging in an early stage company and the demands can be significant. Here is a quote from the

author James Patterson which provides a point of view on how to cope with these pressures:

"Imagine life is a game in which you are juggling five balls. The balls are called work, family, health, friends, and integrity. And you're keeping all of them in the air. But one day you finally come to understand that work is a rubber ball. If you drop it, it will bounce back. The other four balls...are made of glass. If you drop one of these, it will be irrevocably scuffed, nicked, perhaps even shattered."

- <u>James Patterson</u>, Suzanne's Diary for Nicholas

Relinquishing control

Relinquishing control is not easy for founders and early stage employees but it is essential if the company is to grow. This becomes easier and more effective when you have the following in place:

- Clarity of vision; everyone knows where the company is heading
- Market focus; a very well defined market opportunity
- Strategic priorities; a well defined strategy in place

 Empowering culture; built around transparency, communication and trust

Business is complex and becoming ever more so. The disciplines of functions like product management, marketing and sales are now highly sophisticated. Even as a marketer you can't be expected to know everything.

New joiners can provide enormous benefits to a company as:

- Skills; they bring skills and experience that augment the existing capabilities of team members
- Innovation; they bring new perspectives and an Outside-In viewpoint that opens up new opportunities to progress
- Momentum; they can act as a catalyst, build confidence and accelerate key initiatives

Jay Abraham, who knows a thing or two about what it takes to succeed as an entrepreneur, once said:

No one ever succeeds without the help of others."

As they say never a truer word was spoken.

CULTURE

Value of culture

The value of culture is very simple and is best summed up by Tony Hsieh, the CEO of Zappos, the online shoe retailer: "Your culture is your brand."

If you can successfully connect your vision, corporate values and your people seamlessly together, you will have established the foundation for a winning culture. Now all you need to do is to live those values every day.

Team building

It all starts with a great idea. However, sometimes the idea is never brought to life as the founding members don't give enough consideration to people factors.

Startups come and go for a lot of reasons, but a lot of good ideas fail because the founding team fails to take into consideration the value of great people. It's one thing to come up with the great idea, it's another to pull together the right team to execute it. It's not always going to be easy to do, but it's absolutely the most likely factor that's going to determine your startup's success or failure.

Work on the premise that the first ten people you bring on board will determine the culture of the company. Make sure they are A-Players as they in turn will attract more A-Players. You want a rock solid team that are as good or better than the CEO at specific areas. This way the entire team can grow together.

Be willing to pay more to get A-Players as a 20% increase in renumeration may give you a 5x or even 10x return. In addition, for your first team members, the type of people you want are self-starters, with a business-building owner mentality rather than an employee mentality. These people can operate without the supporting company infrastructure and can make things happen on their own.

When considering bringing on your first sales people, bring new business development managers on first. These types of people are better equipped at doing multiple roles like product management, marketing as well as sales, which will be required as you seek to bring your vision to life.

You also don't want to too closely define the roles, this will come in the next phase as you start to confirm your operational processes and structure. In the early phases the team will need to collaborate strongly and share some tasks. You should try and ensure everyone works from the same office as face-to-face interactions are essential to build teamwork and a highly collaborative culture. If this is not possible and you have some distributed personnel then you should consider using a tool like SoCoCo. SoCoCo stands for Social Communications Company and is a great tool for motivating and enabling active collaboration through the creation of a virtual office. This tool provides a sense of belonging and encourages team working.

CORPORATE PRINCIPLES

Transparency

There is a growing demand from customers for organisations to be more transparent. They expect organisations to be honest with them in all aspects of the relationship, whether it be pricing or a defective product. Information has been set free and most customers can find this information anyway so withholding information is a risky strategy.

In this scenario, successful businesses of the future will be those that are more transparent; transparent in how they are performing but also just as importantly in how they operate, especially in areas such as pricing, invoicing and customer service queries.

This approach can also have a profound positive impact on employees who feel more engaged, trusted and involved. This leads to greater motivation and commitment.

Communication

When you are an early stage company, your customers will feel a sense of uncertainty. You are new, unproven, there is a fear of the unknown and you are asking your customers to put trust in you. As we all experience in our personal lives, we know how frustrating it is when there is a lack of information e.g. think of how you feel when you are involved in a transport delay and no information is forthcoming. It is the same in business.

You should communicate good news and bad news with clarity and credibility. Good news should not be overstated or amplified as setting high expectations can put undue pressure on the business. With bad news, as the maxim goes, it is how you deal with it that is important. Every company has hiccups, but it is the way they are overcome, that builds confidence and trust.

Communication improves understanding which in turn fosters goodwill and ultimately unearths new opportunities to progress. It is the lifeblood of the company and can empower all stakeholders, both internally and externally.



Drinking Our Own Champagne

Drink your own champagne

Momentum and credibility are the friends of new companies and nothing can create credibility more than the adoption and use of your own products.

By "drinking your own champagne" you gain the following advantages:

- You get to know and understand your products better
- You become your own best advocates
- You can test and try out new ideas and concepts, at a very early stage
- You become experts in knowing what your products can deliver and this in turn can create compelling case studies
- · You can create market momentum,

through word of mouth through friends and family

BRAND MESSAGING

A document should be established that captures how the company will be conveyed. This should be an iterative document that evolves based on both internal and external engagement. It is the company narrative. It is the words, expressions and phrases that best describe all elements of the company.

At this point, it is the content (narrative) that is important rather than the creative. The rationale is that the vast majority of your early stage customer interactions will be direct (telephone or face-to-face) and it is the story you tell that is important. The need to focus on the creative will happen as you seek to accelerate company growth and engage a wider audience.

As **David Ogilvy** once said:

"What really decides consumers to buy or not to buy is the content of your advertising, not its form."

The suggested format for the messaging document that you should create is as follows:

Describe your ambition

- Vision; this describes what the company stands for and why it exists, and also sets forth what it aspires to become, achieve and create. In a nutshell, it details the journey the company is on and the direction in which it is heading
- Mission (Goal); this describes the company's key objective for the next two-to-three years and should guide decision making for all levels of management. It is an achievable goal and stepping-stone to achieving the more forward-looking company vision
- Overall story; this is the story of the idea. How it came to being, why it matters, why it is different, what it is setting out to achieve and what it means to the customer from their perspective

· Describe who you are

 Core values; core values are the company's essential and enduring principles that require no external justification. They have intrinsic value and importance to everyone who is part of the organisation. These are the values you hold dear, respect and seek to live by

- Core purpose; the core purpose is
 the fundamental reason for existence
 and takes into account where the
 company has come from. An authentic purpose reflects the importance
 people attach to the company's work

 it taps their idealistic motivations –
 and gets at the deeper reasons for
 an organisation's existence beyond
 just making money
- Cultural principles; this is the company's soul and heartbeat. The company's beliefs and behaviours are at the core of the organisation, and guide the commercial future. The company culture is embedded in the way every employee behaves and what they care about

Describe your offering

 Brand positioning (The Why); this is how the company describes the brand in terms of what is unique and compelling about what the company does. It is the distinctive way the company addresses the customer's needs (problems) and delivers value. It conveys how this is differentiated from the competition and it provides the reasons why audiences engage and choose the brand

A great quote from Philip Kotler supports the need to identify and focus in on the unique way that you can create value for your customers:

"The key to branding, especially for smaller firms, is to focus on a limited number of issue areas and develop superb expertise in those areas."

- Brand proposition (The What); this
 is what customers actually get and is
 the most inspiring and compelling
 thing the company can convey about
 the brand and the solution that is
 provided. It is a description of what
 the company does and how the value is created
- Product descriptions; (The How)
 this is how the company describes
 the solutions that it takes to market
 and how these are provided to meet
 customer needs. This will include an
 overview of the capabilities and features included

Key word analysis

Key word analysis is very important. It is not just to ensure that your online properties are key word enabled but more importantly it can help build understanding about how your customers think. The way your customers search is very revealing about how they see the market, the issues they face and the solutions they are seeking.

It is more than words and key word analysis should be conducted to:

- Build understanding of the customer perspective
- Inform narrative
- Identify key words and phrases for optimal Search Engine Optimisation (SEO)
- Ensure no conflict with competitive positioning and narrative

"Increasingly, search is our mechanism for how we understand ourselves, our world, and our place within it."

John Battelle, Founder, Federated Media Publishing

- Describe how you speak
 - Brand voice / personality; brand voice is defined by the human characteristics that are attributed to and personify the brand. It is a reflection

of the personality and the type of people who work for the company

- Elevator pitch; this is a conversational message to explain (all in the timespan of an elevator ride):
 - Why the company exists and what problems it will solve?
 - What is in it for them (WIIFM), the customer and what the potential value is if the problem is addressed?
 - How the value will be unlocked through the delivery of a unique and differentiated offering

Formal company descriptions

- Company boiler plate (for signing off formal press releases and company content)
- Company descriptions (described in 50 words and 100 words)
- Company telephone introduction (script)
- · Company e-mail signature

The initial brand messaging should be developed in consultation and consideration of all stakeholders, especially:

- Employees
- Customers and prospects
- Analysts and influencers

HOW DO YOU CONVEY YOUR BRAND?

MESSAGING PRINCIPLES Storytelling

Conveying your message in a storytelling style is critical. People resonate with stories.

"Find interesting stories to tell – look to your customers or challenges in your industry. Don't worry so much about talking about your products. Build an audience first with compelling stories." Tim Washer, Corporate Comedian, Cisco

There are many articles expressing the power and value of great storytelling but I like the article "The Irresistible Power of Storytelling as a Strategic Business
Tool" by Harrison Monarth. He ends this article with the following summary:

"Storytelling may seem like an old-fashioned tool, today — and it is. That's exactly what makes it so powerful. Life happens in the narratives we tell one another. A story can go where quantitative analysis is denied admission: our hearts. Data can persuade people, but it doesn't inspire them to act; to do that, you need to wrap your vision in a story that fires the imagination and stirs the soul."

Storytelling has many advantages:

- It draws an audience in (they listen)
- It establishes empathy (they put themselves in the shoes of the storyteller)
- It establishes an emotional connection
 (as we are social, we relate to other peo ple and the stories they tell)
- We remember stories better as memory encoding is higher when an emotional connection is established
- You can create clarity out of complexity when explaining something through a story (establish understanding quicker)

It is the final benefit that makes storytelling so compelling as an approach. Ultimately your goal is always to move your audience to the position of "OK, I get it now" as quickly as possible.

Crafting the story

Every story has a sequence; usually a beginning, a middle and an end. In business, a good way to craft your story is to use the sequence of:

- WHY
- WHAT
- HOW

The reason for starting with "Why" is to ensure you create an immediate connection with your audience by positioning the story from their perspective. This is essential. You have very limited time to create a bond and the most successful way to do this is to focus on their issues, challenges, problems and / or needs.

WHY

This is really answering the question "Why should I care?" It is about defining the problem or issue that the customer faces. It is about demonstrating that you know and understand their pain point. It is about establishing empathy and putting yourself in your customer's shoes. In so doing you are then able to reassure them that you have a compelling way to solve their problem or meet their need.

WHAT

This is really setting the scene and answering the question "What If". It is conveying the potential value that is available if this problem, challenge or need is resolved. It is where you can confirm that yes, you do have a solution and secondly, that the following value can be unlocked.

HOW

This is answering the question "OK then how would you do this?". It is taking the audience through the steps of how the problem is resolved or the need is met. This is where your company would demonstrate your differentiated and unique way in addressing the problem / meeting the need.

Styles of storytelling

There are three main ways that you can tell your story:

Through fact based narrative; presenting your story through the use of facts. In these cases axioms help set the scene and build empathy as these facts are widely accepted as being true. Wow facts (facts that are compelling, little known but make a big impression) are useful for creating interest and validating the thinking. These stories are usually very logical and evidence-based in approach.

presenting your story using a metaphor. This is where you might use an analogy. A very obvious way to do this would be to recount the story of another customer who had a similar issue and to describe how

this was resolved. In this way you can infer

Through metaphorical based narrative;

similarities between the story and the situation the audience is in.

Through visuals; presenting your stories through visuals. These visuals can include images, graphs, charts and diagrams. As the adage goes "A picture is worth a thousand words". Visuals are a great way to simplify complex narrative and to enable an audience to gain understanding quicker and easier.

MESSAGING ADAPTATION

Once you have developed your first version of how you will present the company and your offering, you will need to consider audience types.

You will have a significant number of different stakeholders, all of which will have different perspectives. In addition, you will wish to influence them in different ways. This is addressed more in a following chapter, but it is important at this point to confirm that you will need to adjust messaging based on the following:

- Audience (the type of stakeholder e.g. customer, prospect, partner)
- Persona (the specific individual by segment, by function, by role)

- Point of influence (how you are seeking to influence them)
- Desired response (how you are desiring them to respond)

The best way to align your top line messaging to your different stakeholders is to draw up a message map. The message map should confirm the one single message that you wish to convey to each audience group with confirmation on desired influence and response.

As your business develops you will also need to start considering further adapting messaging based on:

- Stage of relationship; reflecting their position on the relationship journey with your company and all the interactions that have taken place previously
- Context of interaction; reflecting the context of the audience (such as environment, location and activity) on how this may impact the message you are seeking to convey. This is important when the audience have highlighted or drawn attention to a specific obstacle

MESSAGE TESTING Importance of testing

It is essential that all messages are tested in real-life situations. You should consider combining a number of tests with different audiences to validate that they work.

You are really seeking to confirm 3 things:

- Clarity; Is the message clear and easy to understand?
- Sharing; Is it easy to share and pass on to other colleagues?
- Consistency; Is the message conveyed in a consistent format when repeated to another audience?

The last two aspects are as important or more so than the first one. The reason? Word of Mouth is extremely important, especially in early stage companies as this is the main way that any form of excitement, interest and profile is built.

Always ensure that testing is continuous as things are constantly evolving and changing. In addition, always integrate changes back into your structured documentation and ensure all employees are onboard with any changes. Lack of consistency at any point is a killer to building market leadership and brand profile.

How to test?

The key is to make any testing as informal as possible so you can capture real, honest and immediate responses.

Selecting the audience

Make sure you have a cross section of your stakeholders included:

- Pick three of your colleagues
- Pick three of your customers
- Pick three of your prospects

Testing approaches

Use a variety of methods such as:

- Phone calls
- Focus groups
- Corridor meetings
- On a walk is a great way to solicit informal views

Mechanics

- Tell peer-based problem stories
- Introduce your problem-solving differentiated solution characteristics
- Suggest hypotheses such as "What if we did this?"

Capturing responses

Capture informal feedback through "tells such as:

Speed to "OK, now I get it" moment

- Level of openness and energy shown by individuals in the way they listened and responded?
- Did they hijack your conversation and build upon it?

MESSAGING FRAMEWORK

At the point when the messaging has been sufficiently validated, then a more comprehensive brand framework should be developed. This will include all the required creative elements to support communication across all channels, offline and online.

Clearly messaging and communications will continue to be adapted to the specific situation they are to be used for but with a brand framework in place, they will always connect back to a single, consistent brand definition. See this as the overarching "theme" under which all the messages relate back to.

It is this cohesion that is important as it conveys that the company has:

- Clarity of purpose (vision)
- Commitment to that vision
- Integrity in everything the company communicates

A singular well defined brand framework will also deliver untold efficiencies as there will be limited reworking to be done and all personal views and subjectivity will be removed. This also enables outside parties (agencies) to be easily and quickly briefed on requirements with the sure knowledge that the outcome will be fit for purpose.

In the early stages you should continuously test all the content produced by bringing it all together. I would suggest something as simple as printing it all off and then laying it out on one table.

This will ensure that:

- It works in an integrated way (it looks like it was all developed together)
- Key themes are consistent and have the same level of highlighting
- The creative has been applied as per the guidelines
- Any gaps are identified and addressed immediately
- Opportunities for templating are identified to further improve consistency and efficiency

MESSAGING BREAKTHROUGH

For your messaging to breakthrough the clutter, it is important to realise that "breakthrough" is a buyer perception.

Perception is shaped by learning, memory, expectation and experience.

Shaping perception is not altering the truth but it is augmenting the truth with emotional traits. This is where you should focus; on raising aspirations, building confidence, generating excitement and instilling a sense of the possible.

This approach will rely heavily on thought leadership content, on themes, **not** lists. Focusing on strategic values, rather than tactical needs and "Marketing the Vision and Selling the Solution".

Breakthrough is very heavily reliant on marketing and on the content you create. This must be a central element of your goto-market strategy.

LEADERSHIP MESSAGING

Pulling all these strands together, the key principles that will enable you to communicate compelling messages are:

- Adopt a storytelling style
- Position for market leadership by creating thought leadership content

- Connect with emotion as well as logic to achieve breakthrough perception
- Start with the buyer's problem
- Focus first and foremost on "Marketing the Vision"
- · Lead with a theme, not a list
- Use clear, crisp and compelling messaging (short and easy to understand)
- Accelerate time to "OK, I get it now" through analogies, anecdotes, cues and examples
- Achieve "Strategic Interlock" by aligning and agreeing on an outcome
- Sell the Solution through simplicity. A
 good analogy is "aisle and shelf". Know
 its precise fit to the business and make it
 easy to understand how it fits in
- Always be consistent
- Continuously test your messaging with your stakeholders
- Excellent communication internally

MILESTONE



BRAND VALIDATION

At the end of this phase, you should have fully validated your brand positioning. You should know how to convey, express and articulate your brand with all of your stakeholders.

Your brand messaging will enable you to achieve market "breakthrough" by:

- Focusing on buyer problems and challenges
- Following a "Market the Vision and Sell the Solution" approach
- Elevating your conversation to senior management
- Influencing buyer perception and the way that buyers buy
- Conveying your differentiation in solving the buyer discrepancy

This narrative should be consistent, cohesive and compelling in a way that allows you to differentiate. It should be able to answer these 3 questions:

- WHY the customer should care?
- WHAT you offer?
- HOW you deliver value?

Clearly the brand model will not be fully baked but as changes are made they need to be applied across all future communication, to ensure that you always speak with ONE brand voice.

3

Achieving Growth

HOW WILL YOU POSITION YOUR COM-PANY?

PRINCIPLES FOR MARKET LEADER-SHIP

The old adage of "Perception is Reality" is very true in business. It is not what the market says about you that is important but rather how you are perceived.

Establishing a foundation for market leadership starts with your vision and the ability to answer the question; "What do you want to be known for?" down to how you assemble that knowledge and package it in such a way to offer a fresh and different perspective. A perspective that shows:

- You have understood the problem intimately
- You have developed a unique and differentiated way to address the problem

There are three main building blocks to becoming a thought leader and they are:

- Category leadership recognition
- Market thought leadership
- Account thought leadership

BECOMING A MARKET LEADER

The basis for becoming a market leader is to listen. You listen in order to learn "how to lead", rather than to follow. The more you know and understand the market, the easier it is to identify the themes on which you can build a thought leading position. Achieving thought leadership is often

Category leadership recognition What does this look like?

- Your company is synonymous with the category
- You are recognised as defining the category
- You probably invented the category name

 Analysts support your repositioning of the category

How to achieve this?

In order to be recognised as a category leader you need to:

- Establish a structured definition for the category (objective fact-based with a strong rationale as to why this makes sense)
- Collaborate with analyst companies in redefining the category together. It is a win:win scenario as you can provide them with information and insights and they can make you credible
- Produce and publish facts that substantiate your viewpoint. A good example is to produce a market index or benchmark

Market thought leadership What does this look like?

- Your company produces the most valuable content
- Your company includes a number of the most influential people in this market space
- You have very close relationships with a number of the leading external influencers, with which you often co-create
- Analysts recognise you as visionaries in this space and this is formalised through industry assessments

How to achieve this?

In order to be recognised as market thought leaders, you need to:

- Create high quality, distinctive content that questions the status quo (seeking engagement both positive and negative)
- Focus messaging on strategic issues (elevate discussions)
- Bring to market a new, differentiated and distinctive way of addressing the market problems
- Tell stories as these are powerful at shifting market perceptions
- Create new "What if?" scenarios which you can then bring to life as real stories that you have delivered on (validation)
- Get busy; pump out progress stories as often as possible (to convey momentum) but don't misrepresent the facts
- Be CONFIDENT. Confidence is a competency (you are a winner) but this needs rationale. It is not arrogance
- Ensure message consistency clarity with repetition

The real difference in thinking is that the focus is more on level of engagement than reach per se. It is about level of excitement and appeal more than awareness and familiarity. A good analogy would be that you are more interested in the QScore than the Nielsen measurement solutions.

Account thought leadership

What does this look like?

- Your company provides unbiased market advice for both your customers and your prospects (you are honest, trusted and transparent)
- You are seen as a genuine partner in the customer's business
- It is clear that your success is based on the success of your customer. Their win is your win
- You take a long-term view on the relationship and will strive to build long-term value

In order to be recognised as an account thought leader you need to:

- See the relationship as a journey (on-going) rather than a specific destination (closing a deal)
- Market the Vision before Selling the Solution
- Focus on delivering strategic value rather than tactical features
- Focus your messaging on outcomes and not activities
- Seek to align yourself with the customer by gaining agreement to specific outcomes "Strategic Interlock"
- Change the way buyers buy by elevating the conversation to longer-term more strategic initiatives
- Only use demonstrations for validation that your solution does what it says

By focusing on these three areas you will be able to establish a leadership perception in the minds of your customers.

WHO WILL BE YOUR FIRST CUSTOMERS?

NARROW YOUR TARGET AUDIENCE

Focus on where you can win

It is important to make your target audience as laser-pointed as you can. In B2C this may mean having very precise customer segments and in B2B you may well drill down to individual account level.

You need to be very precise around who you are targeting and start by focusing on where you are most likely to win.

In the words of **John Romero**:

"In marketing I've seen only one strategy that can't miss - and that is to market to your best customers first, your best prospects second and the rest of the world last."



By focusing your energies and resources on a narrow target audience, you can ensure that momentum and credibility is achieved at the earliest possible stage. Expansion into attractive adjacencies can happen later on as experience and competency are built up. See later chapters.

In all likelihood you will have a variety of early stage prospects, all of which you will wish to acquire. However, this can distract resources and may result in the critical customers not receiving the focus they require.

Benefits of a compact market are as follows:

- Easier to understand as less complex
- · Easier to serve as less diversity
- More affordable and less resource intensive to engage

- More opportunity to become a credible leader
- You can achieve position 1 or 2 in the market quicker
- You may have the opportunity to "create or define" the market category

It will also be easier to identify and establish the sales "sweet spot" where buyers:

- Buy standard product or service
- Buy on standard terms

ic need.

More likely to buy from you
...... as your product / service is more
likely to be designed to match their specif-

Create an Ideal Customer Profile

It is really important to define an Ideal Customer Profile (ICP). An ICP is a description of a customer that identifies all the characteristics that would make them most likely to buy into your offering.

As the business develops, this can be refined based on your wins, losses and no decisions. This win-loss analysis is critical and you are likely to learn as much from the losses and no decisions as you will from your acquired customers.

An ICP is based on specific pieces of information that can be gathered about the

customer and fall into the same three areas that you use to define the market:

- Needs
- Descriptors
- Behaviours
- Needs; these are identified needs based on solving a specific problem or issue e.g. stated preferences like quality, price, service
- Descriptors; these help categorise and segment the customer e.g. demographics or firmographics
- Behaviours; these are actions by the customer e.g. recent purchasing or engagement behaviour

Qualification criteria

The Ideal Customer Profile should be supported by a list of qualifying questions / criteria. This provides objectivity in how you determine whether the prospect meets the ICP definition and is therefore likely to have a high level of interest in your offering.

This should be set-up as a scorecard and each prospect should go through the qualification process:

- Those prospects that qualify should then be progressed
- Prospects that do not qualify should not be ignored but placed into an ongoing online engagement programme. This will keep your company top of mind and will also enable you to keep track of them so that if their criteria change you are in a position to re-engage

"Fishing can be a good metaphor for finding the right prospects to progress. You often think you have hooked a fish but invariably you haven't, however when you do hook a fish you know you have. Think like a fisherman and and focus all your attention on reeling in the ones who have bitten, rather than those that are only nibbling."

HOW WILL YOU ENGAGE YOUR FIRST CUSTOMERS?

BUYER'S JOURNEY

Every purchase follows a buyer's journey which successively takes the buyer through the various stages from first touch to close. A standard model would reflect the three stages of Awareness - Consideration - Purchase.

For B2B markets, there is a more complex buyer's journey as you have multiple buyer influencers and a more complicated buyer's journey. There are many different versions of the buyer's journey, but my preference is for:

- Attract
- Engage
- Position
- Present
- Prove
- Close

This buyer's journey is really comprised of two halves.

- The first stage is to Market the Vision (Attract, Engage and Position)
- The second stage is to Sell the Solution (Present, Prove and Close)

To be a market leader and to succeed in the market, you need to excel at both halves.

"Strategic Interlock"

A buyer should only move from the first half to the second half if you are able to agree "Strategic Interlock" where both parties are aligned and agreed on the same set of strategic outcomes.

THE BUYER INFLUENCERS

For B2C you will have one individual but for B2B you will have a number of defined buying influencers that you need to engage and influence.

As an example Miller-Heiman categorise them as follows:

- Economic Buying Influence; final approval to buy and is the decision maker
- User Buyer Influence; uses/supervises
 the product and provides judgements on
 suitability to deliver what is required
- Technical Buying Influence; screen possible suppliers and make recommendations on whether product meets variety of objective technical specifications
- Coach; the person who can guide you in the sales process and could also be any of the above

Clearly these buyers will:

- Engage at different stages of the buyer's journey
- Exert different levels of influence over the buyer's journey

However, when following a market leadership model, you will generally manage the two halves in the following way.

Market the Vision

- Buyer influencer; main influencer is the Economic Buyer
- Focus; identifying pain points, overcoming problems / challenges, meeting strategic needs
- Approach; focusing longer-term on the overall journey rather than on a specific end point
- Required wins; buyer is seeking to find solutions to strategic issues, to enhance level of influence (is in charge but not in control), to generate a clear win
- Concerns; buyer wary of risk of not addressing urgent need and also of not delivering the required outcome for the investment made

Sell the Solution

- Buyer influencer; main influencers are the Technical Buyers and the User Buyers
- Focus; finding the right product, improving the operational processes
- Approach; looking short-term at an endpoint (successful deployment of a specific solution)
- Required wins; product works, product delivers increased efficiency / effectiveness, product improves ability to deliver more value

 Concerns; buyers wary of risk of the product not working, paying too much for product versus market rate

BUYER ENGAGEMENT STRATEGY

Engagement principles

Your engagement strategy for these two halves should be as follows:

Market the Vision

- Unearth the key problems / issues
- · Determine the urgency of the need
- Help fill-out incomplete lists
- Align and agree on strategic outcomes through "Strategic Interlock"

Sell the Solution

- Match solution capabilities to required needs
- Deliver a solution that will meet all urgent needs
- Identify additional capabilities which are available for future incorporation

The rationale for the Market the Vision and Sell the Solution approach is based on:

- Buyers choose vendors strategically but tend to buy tactically (there is an urgent problem that needs solving)
- Interlock around strategic vision is critical to the Economic Buyer

 Once the outcome is agreed, buyers will move to focusing on solution evaluation (thereby progressing to the next stage of the buyer's journey)

In the Market the Vision stage you can speak to both interesting and important needs in addition to urgent needs. However, once you have "Strategic Interlock" you must focus just on urgent needs (otherwise customers may distract you with other tactical issues and demands).

The benefits of including interesting and important needs are as follows:

- Alignment; may assist in gaining agreement to "Strategic Interlock"
- Interest; by having a greater range of needs it may extend the conversation onto a more strategic conversation
- Transition; there may be an opportunity, with economic buyer support, to transition an important need to an urgent one
- Scope; adding additional needs may extend the scope of the required solution, which in turn may further differentiate you from your competitors
- Entry point; discussing interesting and important needs may act as an entry point as it is easier to explain and demonstrate opportunity with these needs

Importance of "Strategic interlock"

If you are not able to align and agree "Strategic Interlock" with your prospect, then the following is likely to happen:

- The prospect will not make a decision and the sale will not proceed
- The prospect will mitigate risk and buy from the biggest / safest vendor
- The prospect will focus on cheaper / faster, reducing the sale to a commodity auction
- The feature list will extend as the prospect seeks to gain more features for the investment
- You will lose to a competitor who was able to reach "Strategic Interlock" with the prospect
- The sales cycle will be extended indefinitely, as the prospect is wary of buying a sub-optimal solution
- If you win the deal, the lack of a well defined outcome will result in a over-extended, forever-changing and expensive implementation

Winning a seat

Most buying organisations, in all reality, will only seriously consider a maximum of

three vendors. So there are three seats available, one of which you need to win, to be considered.

This is all about positioning and how you shape the perception of the buyer in such a way that they have to include you.

Generally the three vendors will be perceived as having a differentiated offering in some way, usually along the lines of:

- Biggest vendor; safe, reliable with perception being close to reality
- Service-orientated vendor; excellent experience and service support, perception-based
- Innovative vendor; new features, enhanced functionality, perception-based
- Visionary vendor; different approach, future-orientated, perception-based

As mentioned before, as an early stage vendor, your positioning needs to be based on "What sets you apart" rather than why you are better. You need to find the angle that best suits you.

Differentiation is not better, faster, cheaper but **DIFFERENT** in how you solve the buyer's problems / meet their needs.

ENGAGEMENT STRATEGY

Personal engagement

In early stages, personal engagement is the cornerstone of building strong relationships.

Jennifer Hyman, CEO of Rent the Runway says it best in a recent article titled <u>"Why relationships trump data"</u>.

While data and analytics are crucial tools for things like gathering business intelligence, growing a company still depends heavily on in-person interactions, even in today's digital world, according to Hyman. "It's important to remember that despite how high-tech the world has become, that people tend to work for people they're inspired by, who can create a culture that appeals to them," she said at a recent roundtable hosted by Inc. "Most business is still done via relationships and via social connections, and those happen in person."

You should never forget the human element. We all intrinsically want to engage face-to-face to get to know someone. It is the basis on which we form trust, understanding and friendship.

You might want to consider using the App called Refresh. Refresh links with your calendar and searches the web for all references for the people you are meeting. It then presents a full synopsis of each person you are meeting to give you the best possible insight into what makes them tick and what their interests are.

Building understanding

Direct personal engagement also enables you to ask more searching questions and to receive more detailed responses. If you are solving a more complex issue, here are some considerations for possible questions to ask based on the three main discovery areas:

- The WHY; definition of the problem or need to be addressed
- The WHAT; identification of the required solution and the potential value that is available to be unlocked
- The HOW; confirmation of the considerations and recommendations for a smooth and successful implementation

The following questions are in no way prescriptive and I have only provided them to inform your thinking. Never, ever use them as a list and in all likelihood they would be used at different meetings / stages of the buyer's journey.

The WHY

- How would you describe your current status?
- Where is the urgent need?
- Why is it an urgent need?
- Could you please identify all the individual steps / tasks that are currently undertaken as part of the overall process?
- Could you please identify all the different users and functions that this process touches?
- Which functions and users do you believe this will affect the most?
- What measures do you use today to assess the beneficial outcomes of the current programme?

The WHAT

- In your opinion, how do you think the urgent need should be addressed?
- Who do you believe this would benefit the most?
- How would you describe a successful outcome for this project?
- What outcomes would you hope to see at the end of the project?
- What outcomes would you expect to see at the end of the project and why the difference?

 How would you go about capturing the benefits and outcomes of the project?

The HOW

- What are some of the key factors that will lead to success in this project?
- Are there any possible barriers to change and if so what are they?
- Who do you think might resist the implementation and why?
- If you were starting out with a blank piece of paper, how would you do this differently?
- What is the key piece of advice that you would give to the project team?
- In view of your experience, what two or three things do you think will help the project team succeed the most?

ENGAGING THE BUYER

Market the Vision, Sell the Solution

Successful engagement is predicated on following a Market the Vision, and Sell the Solution approach. But why does this work and what are the best tactics to use?:

Market the Vision

Why

To engage senior management (Economic Buyer) and gain their interest

- To identify, define and confirm urgent need
- To increase sense of urgency
- To influence evaluation requirements
- To change the way the buyer buys to better support your offering
- To achieve "Strategic Interlock"

How

- Focus on the customer
- Identify and define the customer problems / challenges
- Highlight problem-solving differentiation
- Deliver compelling, cohesive, consistent, clear and crisp messaging (the 5 C's)
- Showcase previous delivered solutions
 e.g. customer examples
- Engage through stories; narrative, metaphors and visuals

Sell the Solution

Why

- To focus evaluation on strategic outcomes
- To set competitive traps by influencing solution needs to better support your own offering
- To maintain support of executive leadership (Economic Buyer)

How

 Influence / control the buying process (layout the steps to be followed)

- Showcase how rich outcomes will be delivered
- Demonstrate use cases rather than features / functions
- Engage with support of customer references and share success stories
- Negate / remove level of perceived risk through strong project management

You need to develop messaging that will generate interest and pique their curiosity. It needs to be compelling, crisp and to provide a reason why they should care. It is all about differentiation and needs to answer the question "What is unique and sets you apart from other vendors or solutions?"

Buyer motivations

Contrary to most people's beliefs, buyers are more motivated by the fear of the unknown / known than they are in delivering enhanced benefits.

It is for these reasons that the discrepancy model should be adopted as this minimises risk / uncertainty and therefore the fear associated with any project. It achieves this by defining clear boundaries for the solution (it removes uncertainties).

Selling time

When you first engage, you will not be trying to market your vision. The reason is, in all likelihood, you will not have the time. You will need to use the first 30 seconds to buy you another 5 minutes. Then you will need to use those 5 minutes to buy you a 30 minute meeting.

Handling objections

You need to be able to identify potential objections well in advance of any meeting.

There are a number of ways to prepare, influence and manage objections but the one thing you should not do is to ignore them and hope they do not turn up. This is the one certainty, that if you take this approach, these objections will come back to bite you.

When you have identified your objections, you can handle them in the following ways:

- Position your offering; "Market the Vision" in such a way that it negates and reduces the impact of the identified objection
- Raise the objection yourself; you should do this in advance of the prospect raising it. This way you can

control the impact of the objection and portray confidence that it is not a barrier to progression

 Test the objection; in many cases an objection is actually not an objection.
 Don't be afraid to ask a question to confirm that it is actually an objection. You will be surprised how often the buyer cannot substantiate the objection.

BUILDING RELATIONSHIPS

Acquiring your first few customers

The reality is "Until you have your first three or four customers, you really don't have a business."

Your first few customers are critical to getting your company off the ground. This must be where you place 100% of your initial focus. Your first few customers will:

- Confirm your business opportunity and provide evidence that there is indeed a need
- Provide you with valuable insights on what is working and what is not so you can refine your business strategy and solution offering
- Provide you with validation and proof that you delivered real customer value.

This will help confirm your monetisation strategy

The most successful approach to obtain your first customers are to:

- Engage current contacts
- Amplify your first customer win
- Build and extend your network
- Consolidate lighthouse customers

Engage current contacts

Very simply the people who are more likely to buy from you or help you with introductions are the people you already know.

Therefore, the first step is to establish a list of warm contacts.

Here are some areas for consideration:

- Start with friends and family
- Review all your business connections.
 LinkedIn is an obvious starting place but there are a number of other networks that are very useful.
- Consider trade associations
- Consider industry analysts
- Consider business networking clubs e.g. Institute of Directors or Soho House (if you are London based)
- Consider potential partners or vendors
- Participate in key industry events

Everyone is busy, so try opening up the conversation with a personal letter and / or a telephone call. That way they will know how important this is to you.

Amplify your first customer win

Your very first customer is extremely important and you need to ensure you deliver what Miller-Heiman would call "Win:Results".

"Win:Results" is recognition that you will need to deliver on two distinct outcomes:

- A personal win for the Buyer
- Results that match the required company outcomes

By delivering a real win for the Buyer you will gain their support in sharing and promoting the success of your project with that customer. In fact, if the personal win is help raise their individual profile then you will have a win:win situation, as you will also benefit as the Buyer shares his/her story.

Build and extend your network

In the early stages it is important to use and expand your network as much as possible. However as you call in favours and arrange catch-up meetings there should be more of an objective than just updating them on what you are doing. If this is all you are planning to do then you should spend your time in other activities.

Before any networking meeting you should identify the outcome you are seeking. How is it that your contact can assist you?:

- Advice
- Feedback on a proposal
- Introduction / referral to a colleague
- Endorsement
- Reference call

You don't necessarily need to offer something of value back. Paying it forward is the new social business norm but you need to be prepared to offer a favour in return at some point in the future.

In the words of Zig Zigler:

"You can have everything in life you want, if you will just help enough other people get what they want."

Consolidate lighthouse customers

Wikipedia define <u>lighthouse customers</u> in the following way:

"An early adopter or Lighthouse Customer is an early customer of a given company, product, or technology; in politics, fashion, art, and other fields, this person would be referred to as a trendsetter."

When you have managed to acquire your first three or four customers, it is the time to consolidate your learnings and package this up into market leadership content. In this way you can elevate individual customer references into thought leading content for the entire category. This is the basis on which your strategy to acquire market leadership should be built.

You must be careful however that you do not adjust your strategy just to acquire these types of customers, in isolation of the broader market opportunity. Invariably lighthouse customers can be very demanding and request a whole host of features and services before they can commit. In response, organisations can end up making too many concessions on product and pricing to win over these customers. Even though this may result in a major reference customer it could have impacted the product roadmap in such a way that either broader adoption is either curtailed or delayed.

Value of discrepancy model for early adopters

There is another major benefit to the discrepancy model, especially as you seek to extend your business from early stage adopters.

If you take the traditional route of focusing too much on the pain points and challenges that your first adopters faced, you run the very real risk that follower companies will be put off following the same route. This is another reason why you need to focus on the potential opportunity rather than the current status.

CREATING MOMENTUM

Importance of rapid adoption

Rapid adoption is really important. There are two aspects to a successful company; momentum and credibility. Both are served by rapid adoption.

The advantages to rapid adoption are numerous:

- It protects a company from becoming too focused on meeting the needs of a specific group of customers
- It builds confidence internally as well as externally. This can have a significant impact on productivity
- It enables swift validation of value delivered
- It creates potential customer advocates, who are the best means of acquiring more customers

It is imperative to try and keep adoption at a steady pace rather than struggling with the uncertainty of peaks and troughs. The best strategy to achieve rapid adoption is to:

- Position to urgent needs; so it is as easy as possible for buyers to progress through the buyer's journey
- Create senior level relationships; so you can carry a mandate through to the vendor evaluation stage
- Remove obstacles; that are prohibiting adoption and smooth progression through the buyer's journey

Position to urgent needs

If you follow the strategic needs, tactical values approach you will better manage buyer progression. The main reason is that by aligning and agreeing outcomes at an early stage you will remove the majority of issues that companies face in the later stages of the sales funnel.

To position your company successfully you need to be able to:

- Identify; discover and define the unmet urgent need and the problems / challenges that need to be addressed
- Differentiate; be compellingly different in how you will go about solving the buyer's problems

- Focus; Market the Vision and then Sell the Solution by focusing on a specific outcome rather than a list of features / capabilities / benefits
- Achieve "Strategic Interlock"; ensure that you align and agree to as set of well defined outcomes with the buyer

Create senior level relationships

You need to establish a strong relationship with the Economic Buyer. The Economic Buyer is the decision maker and if you can achieve Strategic Interlock with this individual then you will carry forward a mandate into the evaluation phase. This will enable you to influence the way this phase is conducted and to ensure that it aligns with your areas of strength and competency.

Remove obstacles

There will always be barriers in the way that inhibit success. It is critical that these revenue-impacting, success-impacting obstacles are removed. The best way to achieve this is as follows:

- Draw up a list of all obstacles
- Position them across the buyers journey.
 They will generally fall into:
 - Top half obstacles

- Bottom half obstacles (these will generally be top half problems that only appear in the bottom half of the sales process)
- Grade them on a scale of 1 (low) 3
 (high) dependent on the level of impact they have
- · Identify what is causing the obstacles
- Focus on those obstacles that are:
 - Customer-orientated
 - Consistent across customers
 - Happening at the same stage of the buyers journey / sales funnel
 - Roadblocks i.e. they stop the sale from progressing
- Dedicate whatever resources are needed to remove these obstacles
- Develop and implement a marketing communication plan once these obstacles have been addressed

All the other obstacles should be put to one side, with only the minimum undertaken to ensure that you can still pass.

The only exception would be those opportunity programmes where you can obtain significant advantages for minimal investment.

HOW ARE YOU GOING TO ENSURE THE RIGHT CUSTOMER OUTCOMES?

CUSTOMER EXPERIENCE

Importance of experience

Right from the start you need to focus on the experience you are creating for your customers at every single touchpoint. It is this experience that will define you and help you:

- Convey who you are and what you care about (your core values)
- Convey what differentiates you from your competitors (unique value)

This means that you need to put yourself in your customer's shoes (before any engagement), identify the experience you wish to deliver and then act on it.

Whether this be a meeting or just an email, every engagement will contribute to the view the customer has of your company.

"I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel."

- Maya Angelou

Building use cases

The term <u>use case</u> is used in software and systems engineering but it has relevance in really anything you are selling. A use case is a series of steps that need to be undertaken between a role and a system, to achieve a specific end result. The role is usually a human and could be a customer or a user and the system is what they interact with.

A use case defines all the interactions that take place between both parties and are usually mapped out in some form of flow diagram.

By developing a use case or a number of use cases you will be able to define exactly how the customer / user will move from the AS IS position to the TO BE position. This level of granularity will help you:

- Determine exactly how your product or service is used
- Identify every point at which your product supports a specific task
- Identify any gaps in your offering which will enable you to create workarounds
- Validate the value that is delivered

A use case ensures that your understanding of the problem and corresponding solutions is matched and has the same perspective as that of the customer. "To be successful and grow your business and revenues, you must match the way you market your products with the way your prospects learn about and shop for your products."

Brian Halligan, CEO & Co-founder, Hub-Spot

Project management

With any technical or more complex offering, the customer will have two main questions at the back of their mind:

- Will this work and deliver what I need?
- What are the risks and how can I mitigate these?

Remember buyers are more concerned about the fear of the unknown than they are of delivering the requisite benefits

Clearly it is important to mange these buyer concerns and the best way is to apply a rigorous project management approach. I would suggest applying a streamlined version of **Prince2 methodology** from the ILX Group.

This will result in a detailed project plan which will help in many ways:

 Everyone will have a common understanding of ALL elements of the purchase

- The customer will know and have agreed to provide whatever resources are required to successfully implement
- The customer will confirm their view of success so you will have an agreed goal to measure against. This ensures "Strategic Interlock"
- There will be an agreed steering group so you can ensure that all influencers have a stake in the programme. This will keep the Economic Buyer involved (and help maintain your mandate)
- There will be an agreed communication plan so you can ensure that every influencer will be engaged to the appropriate level
- There will be an issue / risk log agreed that ensures any problems are identified at the earliest moment and rectified without derailing the project. There is nothing worse than thinking everything is going swimmingly well until just at the last moment an unexpected problem arises and derails the entire programme.

ENSURING SUCCESS

Many companies have established what they call customer success teams. These teams are NOT involved in sales, their remit is to ensure that the customer meets their outcome objectives. The difference between a traditional customer service team and a customer success team is that the success team is proactive. They do not wait for a problem to arise, they engage early to ensure the customer has every chance of a successful implementation

There are many "hidden" advantages to these roles as they can:

- Gain more access to senior management (coming from a non-sales position)
- · Identify new sales opportunities
- Identify potential gaps / opportunities in solution that will inform the product roadmap
- Identify and engage with more account contacts, thereby extending the depth and breadth of the relationship
- Capture further insights and information on the business
- Identify issues or obstacles before they happen
- · Capture the value and benefits delivered
- Influence the level to which the customer will provides references / case studies

It is certainly recommended that every startup implement some form of customer success programme for these reasons. It is critical in the early stages.

CAPTURING SUCCESS Customer quick wins

It is worth noting that quick wins are as important to your customer as they are to you. It is therefore essential to always seek to identify where these can be achieved and focus attention on delivering them as successfully as possible.

Capturing success stories

As part of the project management approach, include a formal performance evaluation in the plan. This way you are assured that you will capture learnings on what was delivered and how much value was created.

If possible you should also seek permission from the customer to convert these learnings into a case study. Case studies from your initial customers are like gold dust.

They provide significant benefits including:

- Pricing model validation
- Great PR stories
- Significant interest from analyst companies
- Compelling content for building credibility with prospects in your future pipeline
- Input into your product roadmap

Creating customer advocates

It is never too early to start a customer advocacy programme.

So who is an advocate?

An advocate is an individual that has a strong emotional connection with a brand (company). They have trust that the brand will always deliver to their needs and expectations. This confidence leads them to want to share their views on that brand with others, so they can also benefit from a relationship with the brand.

Advocates can have a significant impact on how a company is perceived in a market. It is for this reason that every business should consider how they can unlock this value through the establishment of a formal customer advocacy programme.

To develop a customer advocacy programme, you will need to consider five key areas:

- Governance
- Support
- Platform
- Content
- Measurement

Governance

You will need to develop a customer advocacy strategy that defines and confirms:

- How advocates will be selected? e.g.
 will they have to be a customer with a
 high NPS score / level of engagement?
- What will be provided to the advocates? what are you offering the advocates in return for their support?, how long will the programme run?
- How advocate relationships will be handled? e.g. is there a need for a contract?, will sensitive information be made available? etc.

Support

You will need to dedicate resources to this programme and there will need to be strong alignment / support across all functions.

Platform

You will need a technology platform to manage the ongoing engagement with your advocates. You can use LinkedIn or Facebook groups but by having your own community you will enable improved branding, integration and control.

Platforms for consideration includes:

- Jive Software
- Lithium
- Fancorps

- Zuberance
- Influitive (B2B)

Both Fancorps and Influitive have a strong gaming component which is very effective at encouraging customer participation.

Content

Advocates like to share content so there must be a plan in place to generate rich, sharable content that resonates with the advocate base.

Content topics should include:

- Upcoming events
- New product launches
- Contests, polls, focus group questions
- User generated content

Measurement

You should set customer advocacy goals aligned to your corporate goals. With your customer advocacy programme focused on assisting growth, the likely KPIs to be considered would include:

- Influence on pipeline (number of referrals)
- Influence on "Strategic Interlock" (speed to interlock based on impact of content)
- Influence on conversion rates (number of reference calls / case studies)

Customer introductions

One of the MOST effective ways to develop new prospects is to use a customer advocacy programme to ask your advocates to introduce you to potential customers. Immediately, you not only have an introduction, but it comes with a strong recommendation from a trusted source. There is no better way to engage and develop new prospective customers.

CUSTOMER LEARNINGS

Listening to the users

In some cases the buyers (the people making the decisions on whether to purchase) will be different from the users (who consume or use the product or service). In early stage companies it is very important to identify and engage with the users.

Many users may not have been involved in any part of the buying process, so they could be totally new to you.

Find out who they are, engage and find some personal face-to-face time with them. Understand their issues, what they are trying to do, how they work. Understand the experience they have with your product or service. This is critically important as by enhancing the overall experience this is the basis you will gain rapid adoption and loyalty.

"We're all learning here; the best listeners will end up the smartest."

Charlene Li & Josh Bernoff, Co-Authors,
Groundswell

OPERATIONAL LEARNINGS

Manage the gaps

You will always have gaps in your offering, especially as an early stage company. It is how you manage them from a customer perspective that is important:

- Be transparent: it will help you in the long run
- Set realistic expectations; that way the customer will always see that you have delivered on your promise
- Dedicate resources; to understand what those gaps are and define them in as much detail as possible.
- Understand dependencies; identify any dependencies for those gaps and how they may impact the overall outcome.
 Take a Total Cost of Ownership approach (TOC) to this.
- Create workarounds; so you know the solution you are offering will work
- Identify the value; to the customer of filling in those gaps
- Prioritise the gaps; with input from your customers and other stakeholders
- Build into your roadmap

- Continuously refine
- Share and communicate; changes to anyone who may be impacted

"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."

Strategic agility

Everyone talks about being agile so that you can adapt immediately and seamlessly to the market and the opportunities that are arising. But there is a word of caution here, agility is not the same as changing what you are setting out to achieve.

Yes, it is imperative that you develop an agile culture and can embrace change on the spur of the moment. But and a big BUT, the desired outcome should remain the same. Agility is all about how you modify, adapt and innovate your tactics to win.

If however there is a significant change that requires a rethink on your vision and core purpose then you need to go back and review, assess, discuss, agree and define the new way forward. Any other approach will likely lead to you compromising your vision, becoming distracted, losing focus and fragmenting your efforts and resources across too many initiatives.

As Charles Darwin once said:

Sales agility (or lack thereof)

One of the biggest challenges you will face will be sales agility or lack of sales agility. What I mean by this is that human behaviour dictates that if we find success through a certain set of actions, we will imagine that if we repeat them we will find the same level of success.

The reality is very different. Each and every customer is different. You can never assume that the same approach will work in a new environment. So sales need to never assume and always start with identifying the specific problem that the customer wishes to address and to work this through to an aligned and agreed outcome.

MILESTONE



OPERATIONAL VALIDATION

At the end of this phase, you should have fully validated that you have all the required operational processes and resources in place to successfully deliver your product or service, to your target customer base.

The end of this phase should be determined by both internal and external measures.

Internal measures are:

- You have achieved your goal of number of customers acquired
- You have achieved a specific share of a targeted customer segment

External measures are:

- High level of customer satisfaction such as Net Promoter Score
- Confirmation from customers that they have met their desired outcomes

 Agreed number of customers providing customer references and case studies

You should not seek to accelerate customer acquisition until you are confident that your company is operationally set-up to succeed, from both your and your customer's perspective.

If you try and expand too fast, when you still have operational deficits, your resources will be drained in trying to fix these. Your growth will then stall and getting the flywheel going again will be tremendously hard.

4

Stimulating GROWTH

HOW WILL YOU INFLUENCE YOUR STAKEHOLDERS??

CREATING BREAKTHROUGH Go-To-Market strategy

"The function of marketing is to define how the company can <u>lead the market</u>." Marketing needs to be responsible for overseeing the entire Go-To-Market strategy, and not just the communications.

In the words of David Packard, one of the founders of Hewlett Packard: "Marketing is the one thing in a company that is too important to delegate."

Stimulating growth is all about achieving a position in the specific target market where you are perceived to be the leader. This is often referred to as the "break-through".

Breakthrough is achieved when all of your stakeholders perceive you as the category leader in a cohesive and consistent way.

Stakeholders

Your stakeholders include everyone that touches your company, brand or product and includes customers/prospects, investors, media, analysts, associations, partners, vendors, employees etc..

INFLUENCER STRATEGY

Influencer strategy development

You need to develop a detailed and highly focused influencer strategy which takes into account all of your stakeholders.

The rationale for calling it an influencer strategy rather than a marketing communications strategy is two-fold. It recognises that:

- The focus is not on message delivery (what we say) but more importantly it is based on how the audience responds.
 e.g. it is the outcomes and NOT the activities that are important
- Influence does not just come from the messaging that a company puts out but also from third party sources (or earned media). In other words some stakeholder groups will influence other stakeholder groups.

According to Nielsen:

"84% of people trust recommendations from friends and family above all other forms of marketing".

So an influencer strategy is built on how to influence an audience (both directly and through third party sources) in regard to:

- How do they perceive you?
- How do they respond to you?

The approach to developing an influencer strategy is as follows:

- Define; draw up a list of all the stakeholder groups that you wish to influence in some way
- Position them; recognise the interdependencies between the various stakeholder groups but more importantly identify the level of direct engagement you will have with each group. Those stake-

holders closer to the company will be closer to the truth and should therefore be more reflective of the actual reality

A good analogy is like a drop of water in a pond. The ripple starts in the centre and progressively expands and moves out, but lessens in intensity as it goes The same applies to an influencer strategy. The stakeholder groups on the **outside** will:

- Consume more third party content than direct company content
- Be influenced more by what other people are saying than by the company
- Be harder to influence (due to competing market noise)



Just like <u>Chinese whispers</u> the more times a message is passed on, the more likely it will be altered in some way, thereby changing the nature of the story that is finally received.

This is why it is very important for any company to focus on three things:

- Message clarity
- Cohesion and consistency
- Transparency and honesty (acknowledging that brand reputation is now more important than brand promise)

In the words of <u>Graham Atkinson</u>, who was the Senior Vice President and Chief Marketing and Customer Experience Officer at Walgreens:

"Don't let your marketing get ahead of your customer experience delivery."

It is on this basis that, in constructing your influencer rings, I would position the stakeholder groups as follows:

Position 1: your employees

Position 2: other "internal" stakeholders that contribute assets / capabilities to your company. This includes investors, partners and vendors

Position 3: your current customers and prospects

Position 4: traditional influencers such as media and analyst companies

Position 5: market influencers (with significant reach and influence). This group will also be highly influential to your future employees

Position 6: your next customers (future prospects)

Position 7: your competitors

For each of these stakeholder groups you should then develop an influencer strategy that will confirm the following:

- Identify: identify specific companies or individuals if possible that you wish to influence
- To engage; ascertain how you are going to go about influencing them?
- With the result that; confirm what perceptions, opinions and behaviors you would like them to exert?
- So they respond by; confirm how you would like them to respond?

Noise in the market

This may seem to be very focused and detailed and it is for a reason. You will be operating in a very, very noisy environment. Some facts:

- On Twitter; every day over 200 million tweets about companies, products and services are shared across the social universe
- On LinkedIn; over 300 million users and 187 million unique monthly visitors are

posting, liking and commenting on profiles, content and group pages

In Media; the average American is exposed to over 3000 advertising messages per day

So when you start thinking about putting together an influencer strategy and plan, focus is just as important here as it is with identifying where your first customers will come from. Your strategy needs to be laser focused rather than scattergun as you will only achieve breakthrough if you are providing the right content to the right people in the right way. Only then will you create the market perception you are seeking.

Some additional facts:

- In the year 2000, the average human attention span was 12 seconds
- In the year 2012 the average human attention span had decreased to 8 seconds
- In contrast the average attention span of a goldfish is 9 seconds

Not pointing fingers here but <u>we</u> have an attention span less than a goldfish!!

Influencer strategy map

The end result is that you will have quite a complex influencer strategy in place. I al-

ways find that mapping this out using mind mapping techniques is a great way to create clarity. In this way you can also clearly see the circles of influence and how content created in the centre of the picture can ripple out across the entire stakeholder universe.

Influencer strategy framework

I have included below an indicative framework for an influencer strategy for the various stakeholder groups. This again is not prescriptive and has only been provided to inform your thinking.

POSITION 1; your employees

You should <u>always</u> start with your employees. They are your voice and if they cannot articulate your offering then no one outside the company is going to be able to do so.

Research by a number of leading social science thinkers, such as <u>Danah Zohar</u>, has shown that when managers and employees are asked what motivates them the most in their work they are equally split among five forms of impact:

Impact on the customer; quality of service and level of customer experience

delivered, level of customer satisfaction achieved

- Impact on the company and its shareholders; financial performance, level of growth, reputation and profile
- Impact on the working team and department; creating a caring environment, influence on peer group
- Impact on "me" personally; my skills development, paycheck, and bonus
- Impact on society; corporate social responsibility, community engagement, caring for the environment and sustainability

Your influencer strategy and plan for your employees must include and address all five forms of impact to be successful.

Identify

 Include all employees, full-time, part-time and contracted staff

To engage

- Through transparency and openness
- By providing information, insights and training when required
- Frequently
- By treating employees as a stakeholder group in their own right (rather than an afterthought)
- By including both formal as well as informal communications events

With the result that

- They are more knowledgeable
- They are more energized, motivated and passionate
- They are confident about the company, direction and progress

So they respond

- By living corporate values every day
- By putting customers first
- By putting customer care before results

POSITION 2; "internal stakeholders"

This group includes investors, partners and vendors

Investors

Identify

You should know who they are

To engage

- With the principle of managing expectations
- By never over promising
- To ensure they are appraised of material progress as it happens
- By keeping the communications succinct, to the point and fact based

With the result that

- They are confident
- They are patient and are taking a longterm view (expectations are managed)

 They have all the information they need to evaluate the business and its ongoing performance

So they respond

- · By providing introductions
- By helping to build media relationships with key publications
- By contributing great media content

Partners

Identify

 Include both current and potential future partners

To engage

- Through dedicated partner updates
- By providing content that can be shared and repurposed for their own use (it supports their business)

With the result that

- They fully understand the market opportunity you are addressing
- They see the commercial opportunity for them to partner
- There is real enthusiasm to work together
- · They see you as a genuine partner

So they respond

- By providing you with beneficial market knowledge and insights
- By investing in the relationship (people and time)
- By introducing you to their customers

Vendors

Identify

 Include current vendors and also those that are desired

To engage

- With regular updates
- With opportunities to work more efficiently together
- With information that helps them improve the service to your company

With the result that

- They align with your core values (from an ethical, CSR, sustainable point of view)
- They value the long-term potential of the relationship

So they respond

- By putting your company first
- By bringing you new innovative products and services
- · By providing best possible pricing

POSITION 3; customers and prospects

Your current customers and prospects engage with different functions such as marketing, sales and service. This is where message consistency and cohesion is really important. The detail for influencing this group is covered elsewhere in the book. However:

Identify

 The number one priority is to make sure you have accurate data, brought together into one CRM system

To engage

- With content that:
 - Recognises their position on the buyer's journey
 - Is adapted for the specific audience
 - Takes into account all previous interactions

With the result that

- They see you as an advisor / partner in the business
- They recognise your category leadership
- They believe a close working relationship will deliver mutual benefits to both parties

So they respond

- By taking a meeting or confirming they want to take a meeting
- By providing you with a seat
- By participating in your advocacy programmes

POSITION 4; traditional influencers

This includes media and industry analysts.

Press media (PR) Identify

 Identify key publications and the specific journalists who cover your category in detail

To engage

- Through a well structured PR plan
- By identifying hot topics that are resonating in the media and providing content that resonate with these topics

"Keep your eye out for hot topics and trends. The media is constantly looking for timely stories."

Jim Kukral Author, ATTENTION!

Caryn Marooney who has launched a number of key brands says:
"To get a reporter to write about your product, you have to convince them that what you're doing matters."

She follows an approach called the RIBS, test which stands for is the story Relevant, Inevitable, Believable and Simple? I like to see this as getting to the heart of the matter.

- Relevant: Is your company solving a real pain point and why should people care?
- Inevitable: There needs to be some inevitability that whatever trends and events are taking place, this will surely happen at some point in the future, it will come to pass.

- Believable: You need to be able to demonstrate that you will be the market leader and will be the leading company that will make this happen.
- Simple: You need to be able to distill your message down to the bare essence and be be able to hone in on the single one line or statement that you want people to remember. You only get one chance at capturing attention, so it has to be compelling, succinct and easy to understand.
- By connecting with journalists through social channels
- By providing customer success stories
- By supporting content with great visuals (or by making sure there is the opportunity for them to create / use great visuals)
- By always supplying facts (wow facts if possible)
- By introducing them to customer references, especially at trade events etc.

With the result that

- They understand your business and how you are differentiated
- They see you as a leader, which has been substantiated by customer success stories
- They see you as a provider of really compelling, interesting content that their readers are looking for

So they respond

- By providing a high level of coverage
- · By working closely with you
- By bringing you future opportunities for coverage ahead of competition

Analysts

Identify

 Identify industry analysts who either communicate directly with our buyers or who have common areas of interest.

To engage

- By briefing key analysts in advance of market launches (pre-announcement)
- By providing in-depth, fact based content

With the result that

- They recognise and support your category leadership
- They rate your solution highly
- They respect your opinions
- They like your company (leadership, core values etc.)

So they respond

- By recommending you as the preferred company to their clients
- By ranking you highly on their industry assessments
- By actively seeking your opinions and input for papers they are writing
- By providing a high level of coverage on your company

POSITION 5; Market influencers

The reality is that your owned and bought voice (including PR) will not carry very far, as a small early stage company. In order to increase your market awareness and reach all your stakeholders, you will need to identify and engage with market influencers. These individuals will have extensive reach and influence on all your other stakeholders that you wish to engage.

They are also likely to be the biggest influencers on your future employees and are a great source for finding new talent.

Identify

- Market influencers are individuals and will include consultants, public speakers, bloggers and academics etc.
- You can find out who these people are through online research
- Look at associations, communities and special interest groups to see who is influential
- There are tools like <u>LittleBird</u> that will help you understand and identify these key influencers

To engage

- Through social on a 1:1 basis (not as the company)
- With their content (like, share, comment)

- By providing compelling and distinct information they can easily share
- By meeting in person if you can
- By investing in them to show support (pay it forward)
- By considering formalising these relationships through companies like Moveable Media

With the result that

- They see you as a thought leader
- They see that there is mutual benefit in them being associated with your company
- They like your content and market view points
- They see you as a great source for new stories

So they respond

- By sharing your content with their audience (amplification)
- By contributing content (e.g. as a guest blogger)
- By co-creating content e.g. video interviews etc.

POSITION 6; future prospects

Your future prospects are target customers who you have currently not had direct contact with, but they, in all likelihood, have had some contact with your brand.

Google described this as the Zero Moment of Truth. This encapsulates everything the buyer does before directly engaging with the company. This is where the purchase path begins and where first impressions are made.

"When consumers hear about a product today, their first reaction is 'Let me search online for it.' And so they go on a journey of discovery: about a product, a service, an issue, an opportunity. Today you are not behind your competition. You are not behind the technology. You are behind your consumer."

Rishad Tobaccowala Chief Strategy & Innovation Officer VivaKi

Jim Lecinski wrote a great book on this topic in 2012 entitled <u>"ZMOT; Winning the Zero Moment of Truth"</u>. In this book he highlighted:

"Would it surprise you to know that a full 70% of Americans now say they look at product reviews before making a purchase?

Or that 79% of consumers now say they use a smart- phone to help with shopping?

Or that 83% of moms say they do online research after seeing TV commercials for products that interest them?"

So, it is important to recognise that your prospects may already be on a purchasing journey but you just don't know. In order to influence them, before direct engagement takes place, you will need to identify what information they are looking for, where they are looking and how they wish to consume this information. These are the principles for the concept of Inbound Marketing. Inbound Marketing is where you strategically position compelling content for your prospects to find that then through engagement encourages them to make direct contact.

As a startup company, your reliance on Inbound Marketing will be critical. This means that the content that you create and the way you publish it will also be critical. This will be the basis of your influencer strategy for prospects. More to follow later.

POSITION 7; competitors

In you have sufficient bandwidth, you may also consider how you wish to influence your competitors

BEING INFLUENCED

You also need to think about how you wish to be influenced. Who are the stakeholders that can help you with information, feedback, advice on refining the business plan etc.? These stakeholders will likely also include people that you wish to influence.

The approach to developing a "Being Influenced" strategy follows similar lines but there are different desired outcomes:

- Identify; draw up a list of stakeholders who you seek to be influenced by
- Engage; ascertain how you would like to work with them?
- Listen; confirm what information, feedback and advice you are looking for?
- Apply; confirm how you will be responding to those influences? If there is no agreed actions arising, then the programme is a waste of time.

The stakeholders that you may consider as inbound influencers are as follows:

 Customers; customers (and potentially some prospects) can provide valuable input on strategic direction, product features and user experience through both advisory boards and user groups

- Analysts; industry analysts can provide valuable input on market trends, business strategies and product roadmaps
- Partners; partners can provide valuable input on go-to-market strategics and tactics

Clearly you can extend this programme to also include co-creation and other more ambitious collaboration programmes. Social businesses of the future will be more collaborative with all stakeholders and the lines between internal and external stakeholders will diminish.

INFLUENCER ENGAGEMENT PLAN

With your influencer strategy in place, and based on available resources, you will then need to establish the influencer engagement plan.

This will form the foundation for your inbound marketing and content marketing strategies.

WHERE DO YOU PRESENT YOUR STO-RY?

MESSAGING PRINCIPLES

The way you tell the story along the buyer's journey will change along with the messaging. and the nature of the relationship that is in place.

When you are "Marketing the Vision" the messaging will be:

- Crisp and clear to the point
- Based on themes
- Talking to strategic values
- Focused on moving the buyer to the "OK I get it moment"
- Outcome-centric
- Compellingly different
- Innovative, ground breaking, conveying leadership
- · Creating confidence
- Developing long-term partnership

When you are "Selling the Solution" the messaging will be:

- Rich in detail
- Based on lists
- Talking to tactical needs
- Focused on building buyer knowledge and insights (depth and breadth)
- Product-centric
- Compellingly better
- · Safe, risk adverse
- Developing a strong relationship

It is important that your messaging, wherever it is used, is reflective of the audience

MEDIA CHANNELS

The main three messaging channels for a company are:

- · Owned media
- Bought media
- Earned media

However from a customer perspective these channels MUST not be treated separately. To ensure cohesion and consistency you need to ensure there is convergence across these channels in regard to execution.

Owned media

- Definition; This is the channel that a brand controls
- Examples; website, mobile site, company blog, twitter account, LinkedIn account
- Role; acts as a show window to the company, provides basis for buyers to understand the company and the offering
- Benefits; control, cost efficient, longterm
- Challenges; based on brand promise not brand reputation, there is a need to generate inbound traffic (otherwise not seen), difficult to personalise

Bought media

- Definition; This is the channel that a brand pays to leverage
- Examples; paid search (SEM), display ads, sponsorships
- Role; acts as a feeder channel to your owned media
- Benefits; control, reach, ability to scale, immediacy (can be switched on very quickly)
- Challenges; poor credibility, declining response rates, not trusted, adds to significant noise levels, can turn buyers off

Earned media

- Definition; This is when customers become the channel (or the voice)
- Examples; any content that references your company. Essentially it is all Word of Mouth (WOM), both digitally as well as in the physical world
- Role; acts as a very real, trustworthy view of the brand as seen from what it delivered rather than what it said
- Benefits; very credible, exerts a very high level of influence, is believed and trusted
- Challenges; no control, can be negative as well as positive, hard to scale (as each customer has a voice), hard to measure

as much WOM cannot be captured and referenced

HOW DO YOU PRESENT YOUR STORY?

OWNED MEDIA

Web-site

Establish your web-site as the foundation for your company messaging programme.

"In today's information age of Marketing and Web 2.0, a company's website is the key to their entire business."

Marcus Sheridan, Author, The Sales Lion Blog

Key features

- Keep messaging concise (keep words to a minimum)
- Utilise imagery and visuals as much as possible to speed up time to understanding
- Undertake SEO analysis and incorporate key words
- Research how your audience navigates the site and establish navigation pathways which reflect the needs of the different audience types
- Implement the "Market the Vision, Sell the Solution" principles in the content

- Utilise colours and icons to aid navigation
- Incorporate earned media content wherever possible

"Search engine marketing and search engine optimization are critically important to online businesses. You can spend every penny you have on a website, but it will all be for nothing if nobody knows your site is there."

Marc Ostrofsky, best selling author

Mobile

Either make sure that your website incorporates responsive design or you have developed an actual mobile version. This is important as a large share of website visits are accessed via smartphones, especially in a business context.

Concise messaging, iconography and visuals will also help you achieve more consistency between your web and mobile sites.

Blog

"No matter what, the very first piece of social media real estate I'd start with is a blog." Chris Brogan, Founder New Marketing Labs

A blog is very powerful as it helps you achieve the following:

- It enables you to show your human side
- A blog is a personal perspective, it helps create empathy
- A blog is an excellent story telling device and is a great way to portray the "stories" of your business
- A blog is very immediate / relevant as it is used to talk about the "here and now".

"A blog is a great way to connect more deeply with your existing or would-be customers, build a community around your business, give a human personality and "voice" to an organization, evolve your business and relationships in sometimes unexpected or surprising ways, and yes, drive sales."

Ann Handley, Chief Content Officer, MarketingProfs

There are a number of tools that can help you amplify your blog and they include:

 Newsle; this is a great way to promote your blog content to the people you know. It also allows you to track content that they are sharing

- Twitterfeed; Twitterfeed is a great tool for feeding your blog post to all your other owned social media channels. It is automated and free
- SlideShare; everyone knows SlideShare but what they don't know is that this is the best platform for creating demand. In addition to posting your blog and perhaps creating a video version, you should also create a PPT version and share it on SlideShare

Other media

You can now extend your brand content into other partially owned media sites like Facebook, LinkedIn, Twitter, Google+, SlideShare etc.

You need to see these as an extension of your website so you should not repeat your content word for word but adopt it for the modified audience you are likely to engage. Your strategy with these sites should be to encourage users to transition through to your web-site.

The best way to achieve this is to use vignettes, snippets, gists, extracts etc. See then as trailers for the movie which is your web-site. Include crisp clear messages and visuals that are compelling, cohesive

and focus on Marketing the Vision (early stage engagement)

You may want to use some social media management tools like <u>Tweetdeck</u> or <u>Hootsuite</u> to assist you with listening and publishing.

Video

You can publish your videos on YouTube or Vimeo but it is worth considering a customised video marketing and sales enablement video publishing tool.

Vidyard is a good example of a platform worth considering. It provides flexibility in video design / calls to action as well as providing enhanced analytics on user engagement.

BOUGHT MEDIA

Digital Bought media includes Search Engine Marketing, Display Ads and Sponsorships etc.

<u>SEM</u>

If you can build a strong understanding of how your target buyers progress along the buyers journey, you should be able to identify the key words they use. As you are looking for early stage buyers you need to find the key words that these buyers refer to and use at this early stage. Consider running a SEM campaign with these words.

The other consideration is if you have made progress in defining the category. If so, the more you can associate the category name and key words / phrases with your company, the more entrenched you can establish the perception of market leadership.

Display Ads

"It no longer makes economic sense to send an advertising message to the many in hopes of persuading the few." M. Lawrence Light, Former Chief Marketing Officer, McDonalds

Advertising is defined as "The activity of attracting public attention to a product or business, as by paid announcements in the print, broadcast, or electronic media."

The use of advertising (bought media) is however, changing. It is changing from trying to generate propensity or interest in a product / business to trying to solicit an immediate engagement.

An example of this is the way that Shazam is being used by advertisers to connect a TV advert with a second-screen engagement. Here is an article from the Guardian featured: "Shazam: TV advertising is going to become our primary revenue stream."

I am not going to touch on programmatic advertising here but there are some interesting strategies being adopted for bought media with B2B.

A couple of examples

- Account based targeting; this is where you run a bought media programme specifically for one company. For specific targeted publications, if someone visits from your targeted company then they will be presented with an ad. These ads can also be sequenced. This is also known as the Swarm principle, where you try and raise awareness for your brand amongst everyone in that one company. An example of a vendor doing this would be Vendemore
- Role based targeting; this is where you run a bought media programme that targets a specific market segment. This targeting uses precise firmographics like industry, function and role. An example of

a vendor doing this would be <u>Bizo</u>, a company that is now owned by LinkedIn.

EARNED MEDIA

"So what exactly is earned media?"

It is any content that your have not paid for, that has been created and is owned by a third party. In fact the concept has been around for a long time. PR is traditionally built on this very same concept. A company works with a PR agency to create an article or press release that is then passed onto the media (journalists) to encourage them to write a story about that topic. This is earned media.

Sources of earned media have now expanded to any of your stakeholders including customers prospects, partners, analysts, market influencers etc.

Earned media can include blog posts, any social media post, tweets, product reviews, images, photos, product reviews, videos and any dialogue or correspondence with online communities.

In order to be able to leverage earned media a company will need to be able to:

- Encourage the market to create content by stimulating market interest through the content you create
- Listen and capture the resulting earned media content
- Integrate and repurpose this content e.g.
 overlay earned media text over an image
- Publish and amplify the content

An example of a company that can support the capture, curation and republishing of earned media content is Engage-Sciences.

INBOUND MARKETING

Hubspot have really been the leaders in creating and defining the Inbound Marketing discipline and therefore they are best versed to explain exactly what it is. In their words:

"Sharing is caring and inbound is about creating and sharing content with the world. By creating content specifically designed to appeal to your dream customers, inbound attracts qualified prospects to your business and keeps them coming back for more.

Major themes:

- Content Creation + Distribution; Create targeted content that answers prospects' and customers' basic questions and needs, then share that content far and wide.
- Lifecycle Marketing; Promoters don't just materialize out of thin air: they start off as strangers, visitors, contacts, and customers. Specific marketing actions and tools help to transform those strangers into promoters.
- Personalization; Tailor your content to the wants and needs of the people who are viewing it. As you learn more about your leads over time, you can better personalize your messages to their specific needs.
- Multi-channel; Inbound marketing is multi-channel by nature because it approaches people where they are, in the channel where they want to interact with you.
- Integration; Content creation, publishing and analytics tools all work together like a well-oiled machine allowing you to focus on publishing the right content in the right place at the right time."

The basis for great inbound marketing is great content marketing.

PROFILE TRACKING

You will be able to assess the level of awareness you have been generating in relation to both the overall market and your competitors through tools such as:

- Vocus
- Meltwater

However in certain markets, Germany being an obvious examples these companies will not be able to pick-up all mentions, as there are many publications which are still broadsheet with no digital versions.

CONTENT MARKETING

The <u>Content Marketing Institute</u> describes content marketing as follows:

"Content marketing is a marketing technique of creating and distributing valuable, relevant and consistent content to attract and acquire a clearly defined audience – with the objective of driving profitable customer action."

The important point to note is that content marketing is content you control. It can consist of owned, repurposed earned and third party content.

It serves two functions:

- To influence the directly targeted audience
- To motivate your targeted audience along with third party influencers to create earned media content

So what are the key principles for creating great content:

- Focus on what matters
- Tell the story
- Provide clarity
- Be authentic
- Always be helpful
- Create for your channel
- Augment with third party content
- Combine content
- Develop set of FAQs
- · Catalyse word of mouth

Focus on what matters

It is simple:

"Focus on the core problem your business solves and put out lots of content and enthusiasm, and ideas about how to solve that problem."

<u>Laura Fitton</u>, Inbound Marketing Evangelist, HubSpot

Always develop content from the perspective of the customer. If you can do that you are 90% of the way there.

Tell the story

You will need to build a "stories and anecdotes repository". Each story or anecdote should be referenced to a specific audience / objective (point of engagement).

Every story should relate to a specific theme, dependent on the stage of the buyer's journey

- · WHY; Problem theme
- WHAT; Value theme
- HOW; Differentiation theme

You might also want to consider developing some secret sauce components. A secret sauce is; "a special feature or technique kept secret by an organization and regarded as being the chief factor in its success." In other words don't tell the full story all in one go.

You can further enhance the value of the storytelling approach in your company by undertaking the following activities:

- Train and develop all staff members in storytelling techniques
- Embed storytelling in your culture by implementing an ongoing storytelling incentive programme.

- Reward employees who contribute stories
- Create an internal story library
- Communicate internally using stories so it just becomes the way of doing business
- Identify key influencers who are excellent story tellers and work closely with them
- Last but not least make sure that you integrate storytelling into every presentation that your company undertakes:
 - Be rigorous on presentation structure
 - Create storytelling templates and processes (PPT)

Storytelling presentation tips

Listeners only remember:

- 50% of your presentation after 10 minutes
- 25% of your presentation one day after
- 10% of your presentation after 3 days
 Key principles for effective presentations:
 - Simplicity
 - Unexpectedness (surprise your audience)
 - Concreteness (build on known facts)
 - Credibility

Story structure

- Presentations suffer from the "Hammock Effect " which reflects that you have
 - 70% attention at the beginning
 - 20% in the middle
 - 100% at the end

Therefore you need a compelling beginning and ending

Beginning

- Start with a story or an anecdote
- Use questions to create knowledge gaps
- Introduce interesting / startling statements or wow facts
- The call-back (this is where you refer back to a previous presentation or previous slide in your own presentation)

Ending

 Use the recency effect, to relate back to the presentation beginning

"The recency effect, in a learning episode, confirms that we tend to remember best that which comes first, and remember second best that which comes last. We tend to remember least that which comes just past the middle of the episode."

- Signal that you are closing
- Link conclusion of the presentation to your theme
- Provide a clear call to action and the expected response you are seeking

Slide design principles

- 10/20/30 rule:
 - 10 slides
 - 20 minutes
 - 30 font size
- Picture superiority effect (keep the imagery uncluttered)

- Signal versus noise (reformat to remove noise and create more clarity)
- Grids and the rule of thirds (hero subject to be positioned at right third or left third but never in the middle)
- Use contrast, repetition, alignment and proximity
- Use images with text overlaid but always ensure plenty of white space

The reason to focus so much on presentations is that invariably this will become your foundation engagement tool, so you must get it right.

Provide clarity

In the words of Winston Churchill: "I don't have time to write you a short letter, so I'm writing you a long one."

The power of the message is down to how little you have to say to bring your audience to the "OK, I get it now moment". Be brief, be concise but make sure that your message is easy to understand.

Be authentic

Being both authentic and credible are paramount to the audience buying in to what you are saying.

Be honest, do not over promise, make sure that anything you say can be substantiated (preferably by a customer).

Always be helpful

Your content must always be helpful, to serve a purpose. It needs to solve an issue, impart knowledge, provide a new perspective or even lighten the day, but it needs to have value to the audience. If your content does not add value in any way, then it is not content that will be read and certainly not shared. You should always ask yourself: "What's In It for the Reader?"

Create for your channel

When you create content you must consider the channel that will be used. Don't just develop the creative / story and then adapt it for the channel. Always start with how you are trying to influence the audience and then work back from there.

Augment with third party content

To be a thought leader you need to recognise that you alone will not have all the ideas, concepts, viewpoints etc. It is therefore important for you to help the audience

gain a more balanced and broader perspective on the market. To do this you will need to curate third party content and to make it available alongside yours.

Some key points:

- Always add your perspective, so the reader can see how you view the content
- Even though the viewpoint might be contrary to your own, it is useful as it allows you to convey your reasons as to why you don't agree

The benefits are that:

- The reader will recognise your broad market knowledge and leadership position
- You will have helped the reader grow their knowledge base (they will appreciate that)

Resources worth considering to help you find, manage and curate third party content include:

- Paper.li; this enables you to create curated newsletters and to publish them. It is also a great way to share content internally and to keep you ahead of the market
- Curata; this is a great tool for finding relevant third party content and then au-

tomating how this content can be published through your own owned media

Combine content

When you have compelling and helpful content, you should also consider combining this with additional new content. As an example, you could combine text with an image. In this way you can make the content more powerful by visualizing and simplifying the message.

An example of a company that supports this type of activity would be **Percolate**.

Develop set of FAQs

Frequently Asked Questions or FAQs are often some of the most readily consumed content. However what is really powerful about developing FAQs is that you need to think about what questions you audience will want to ask. This puts you in the shoes of your customer and really helps you understand their perspective.

In addition, it helps ensure that your content is conversational in format and further builds the commitment to a storytelling style.

As part of this programme, you should also identify those *Toughest to Answer Questions" or TAQs. These would relate to any obstacles or barriers that you have identified. As stressed before these should be brought forward to mitigate their potential impact in establishing a customer relationship.

tion has been actively influenced or encouraged by a company.

You can encourage WOM by providing the right sort of content and by ensuring it is easy to share. You can also develop more formal seeding WOMM programmes by working with companies like **Fizz.**

Catalyse word of mouth

In the words of Gary Vaynerchuk:

"More contact means more sharing of information, gossiping, exchanging, engaging — in short, more word of mouth."

Word of Mouth will be critical to an early stage company.

Word of mouth; is the passing of information from one person to another by oral communication. The most common form of word of mouth is storytelling.

Electronic word of mouth; is the sharing of information from one person to a broader audience via the internet using social networks, instant messages etc.

Word of Mouth Marketing (WOMM); is where the person passing on the informa-

CONTENT LEADERSHIP

Pulling all these strands together, the key principles to building a strong market leadership profile, are as follows:

- Understand the strategic process and importance behind the messaging / communication approach (themes, strategic values, marketing the vision)
- Focus on what matters to the customer
- Always add value
- Create memorable stories
- · Use simple, clear, crisp messaging
- When answering questions, short answers are credible, long answers are suspect
- Remember your number one target audience is your own company and your employees
- Internalise the stories (embed into your culture) rather than memorise (go through the motions)

- Support ongoing, continuous story development rather than staging a specific one-off event
- Practice, practice and practice

MILESTONE



MARKET VALIDATION

At the end of this phase, you should have fully commenced your company profile building programme and have clear evidence that you are making headway to becoming a recognised market leader.

The key components are:

Employees

- Your employees will be fully energised and motivated
- They will be fully committed to story telling
- They will be creating great content,
 adapted for both channel and audience

Influencers

 You will have a formal influencer strategy in place for all your stakeholders

- You will have established formal programmes for how you wish to be influenced
- You will have prioritised your influencer strategy and executed on a formal plan

Media channels

- You will have high quality owned media in place
- You will be capturing, repurposing and republishing earned media content
- You will be selectively implementing bought media programmes where required
- You will be augmenting your own content with third party content

You will be able to validate progress in this phase by assessing your overall company profile versus the broader market and competitors using tools available in the market.

5

Accelerating GROWTH

WHERE ARE YOUR NEXT CUSTOMERS COMING FROM?



PERFORMANCE REVIEW

Meeting customer needs (addressing the question Is It Real?)

There is a need to continually assess the status of the current customer base within the defined market opportunity to:

 Confirm the success of the offering; in terms of number of customers acquired, rate of adoption, level of attrition etc. Validate the level of value created; in terms of actual prices paid, additional services provided and the level of satisfaction created

In addition to looking at the positives, it is essential to also identify what didn't work and why. Bill Gates best sums this up when he says:

"Your most unhappy customers are your greatest source of learning."

Current market penetration (addressing the question is it Worthwhile?)

An assessment should also be undertaken to ascertain the level of market penetration achieved and to identify the drivers of successful adoption.

This should also enable you to identify a clear picture of the untapped market potential available, as well as confirming the

potential long-term market share that could be achieved.

Assessment should include:

- Number of customers acquired?
- If B2B number of buying centres engaged?
- Number of products sold?
- Spend per customer (as percentage of opportunity)?

Current market performance (addressing the question is it Winnable?)

Undertake a review of current market performance, by assessing:

- Number of opportunities created
- Win / loss rates
- Number of no decisions
- Future pipeline (number of potential customers currently engaged)

SEGMENTATION REVIEW

It is also an important time to review your market segmentation and more importantly to assess how well it is being adhered to.

Segmentation often fails in an organisation and there are a number of reasons for this:

Entrepreneur's syndrome

- · Everyone will want what we offer
- I am not going to ignore anyone who shows interest

Sales syndrome

- I will follow every opportunity, wherever it comes from
- If I am struggling, I will just extend my area of focus and the number of potential customers I can engage

Data syndrome

- Not sure where to find the data
- Not sure how to do it
- Don't have time, too busy on handling all current leads
- Why is it important if I have enough leads already?

You need to be honest and address your segmentation issues. Keeping your market opportunity as small as possible and maintaining focus is the only sure way to achieving a market leading position.

BUYER REVIEW

As we discussed before a market is defined by buyers who have a common need that requires a solution.

In addition to the quantitative review, there is also great benefit in undertaking a qualitative assessment of all the buyers you have engaged with. A successful definition of a market segment is when you have like buyers who provide a compelling, highly motivated response to your single-theme strategic message.

You need to look for buyer tells, phrases, responses which are synergistic. The more homogeneity you can identify, the more effective the segment will be.

You may also find, that with all the added information you now have, there will be a need to further segment the market. Having multiple segments will not be a problem. It just enables you to better align your messaging with the better defined customer groups. It also enables you to prioritise and focus even more on the customers where you can win well and win now.

FINANCIAL REVIEW

One of the most important elements of the customer review is to review, analyse and validate the pricing model, as well as any terms of service that are offered.

Key financial metrics should be in place that are part of an on-going balanced scorecard reporting process. There are two sides to this and here are a couple of

examples of metrics to assess the financial validity of your pricing model:

Customer

- Improvement in Performance; how did the difference between the current and future states impact overall business performance?
- Return on Investment (ROI); was sufficient value created above the cost of the investment?

Company

 Customer Acquisition Cost Payback Period; how long does it take to payback your combined sales and marketing costs to acquire a customer?

There are many, more ways you can assess the validity of your pricing model and each company will need their own specific approach. However the overall principles will remain the same.

CUSTOMER REVIEW

Customer relationship status

It is early days, but there are a number of elements that should be reviewed to ascertain how satisfied your customers are with the relationship. Key areas of assessment should include:

- Customer satisfaction measure of some kind. There should be a basic NPS or Sat score programme in place that is able to capture levels of customer satisfaction for:
 - Overall relationship (general survey)
 - Management of the buying / onboarding process
 - Handling of any customer service inquiries
- Frequency of interaction / purchase (how often they engage)
- Recency of interaction / purchase (the last time they engaged)

NB Recency can also be used as a measure as to whether the customer is still a customer. If you are a travel company and the customer has not purchased from you for two or three years you may reclassify them as no longer a customer.

Customer advocates

Customer advocates are very important to helping you:

- Develop new prospects (through introductions)
- Validate your offering (through reference calls, case studies etc.)

The level of importance is best summed up by the following two quotes:

"People don't trust businesses the way they used to ... For the first time we found that the most trusted sources were 'a person such as yourself or a peer'."

Steve Rubel, Chief Content Strategist, Edelman

"A thrilled customer is the most potent marketing asset your organization can leverage."

John Jantsch, Author, Duct Tape Marketing

The level to which you have been able to establish customer advocates will be a real indicator of:

- The perception of the company (in terms of vision, culture, core values and market leadership)
- The strength of your offering

You need to assess:

- Number of advocates established (as % of customer base)
- The level / role of the advocates within their organisations
- The level of engagement of those advocates (how responsive)
- The level of influence they have exerted on other customers and prospects

LEADERSHIP REVIEW

As you establish yourself as a leader in the market you will go through a number of progressive stages. You will be able to determine how far you have come by assessing where you are versus the following continuum:

- Must speak to; they take your call and the Category - Problem - Value story resonates immediately with the buyer
- Must see; they call you, industry analysts recommend you
- Must consider; you consistently win a seat or are given a seat
- Must buy; you are perceived to be the best and you become the vendor to beat

Adverse indicators of market leadership

You can also tell if you are struggling to obtain market leadership as the following characteristics will be evident:

- The 3 Ds; you will constantly be having to <u>Demo, Discount and Develop</u> (additional capabilities)
- Standard pricing; it will be difficult to maintain standard pricing
- Top heaving funnel; you will have a top heavy funnel with significant numbers of

- non-converting prospects languishing in consideration phase
- Conversion rates; you will have poor conversion of leads with few prospects moving from interesting to important or urgent
- Objections; prospects list the reasons why they cannot buy (tactical sale not a strategic one)
- Speed of closing; you will have a protracted sales cycle as prospects are hard to close
- Revenue mix; only a small percentage of your customer base is accounting for the lion's share of revenue

PRODUCT REVIEW

Identify vulnerabilities

Vulnerabilities or gaps in your offering are serious and if left unattended or un-neutralized they can ruin both existing as well as future customer relationships. Vulnerabilities imply missing value and customers will either see this as:

- A reduction in the value they are obtaining from the relationship
- Alternatively they are paying more for the same level of value.

In both cases it is likely they will seek to have this missing value addressed elsewhere.

All gaps therefore need to be identified, understood and prioritised as part of a remedial action plan. If gaps are serious then plans for market acceleration should be reconsidered until the offering is more complete.

Focus on the "SWEET SPOT"

Once you have undertaken your review, it is simply a case of applying the learnings and focusing in on the sweet spot where you will garner maximum traction.

Avoid the noise

As you develop market momentum, you will receive more approaches from companies wishing to partner. You should endeavour to ensure this does not distract you from your primary purpose. As the adage goes;

"it is better to do one thing exceptionally well than several things moderately well."

HOW DO YOU GROW PIPELINE AND REVENUE?

RAMPING UP

Creating predictability

Successful startups scale their growth on the basis of proven, paying customers. This is especially true for any subscription model.

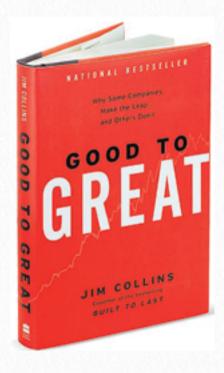
In addition, it is really important to achieve a steady, constant acquisition rate. More important than that, you need to make it as predictable as possible. The more predictable it is, the more you are able to ensure you have the requisite resources in place to effect conversion and to deliver the required customer experience.

This requires you to put a number of key activities in place:

- Make accurate data a cornerstone of your culture, as any report is only as good as the data that is used
- Make sure that you capture data from a very early stage and that the data is very easy to extract and analyse.
- Incentivise this type of behaviour
- Create some common standards so everyone uses common definitions and data classification

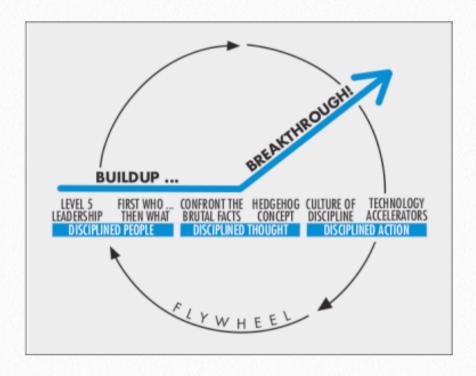
Creating momentum

The reality is that momentum creates more momentum. Jim Collins is his book "Good to Great" uses the analogy of a flywheel as a means of conveying how businesses can create market momentum. The concept is that it is difficult to get a heavy flywheel to start but if you keep up the effort it will slowly pick up speed and eventually it will create its own momentum.



There is a great article by <u>Jeff Haden</u> coined <u>"Best from the Brightest: Jim Collins' Flywheel"</u> that reinforces this analogy in his own words;

"A flywheel is also a self-reinforcing loop made up of a few key initiatives. Those initiatives feed and are in turn driven by each other, and build a long-term business." For me, the analogy works as it is about focus, keeping to what you can do well and continuously working towards a single goal. It is the distractions, strategy / plan changes, reorganisations, etc. that take the pressure off and never enable the flywheel to pick-up enough speed to create the momentum you are seeking.



Creating a single data repository

It is certainly worth considering implementing a CRM system at the earliest stage possible. In fact as soon as you start to engage prospects. Data is your lifeblood, the more data you have, the more understanding you will have and therefore the greater the opportunity to win new customers.

A valid reason why you want to start early is that you don't want to have to input all this historical information at a later date.

The practical reality is that you won't and that this very valuable information will be "lost" in legacy excel spreadsheets as you grow.

A single CRM system is also essential for efficient ramping up and it ensures that everyone uses common definitions, classifications, methodologies and processes. It also supports new employee inductions and reduces the resource demands on existing employees.

I don't believe you can start too early. as if it can make you more efficient, the time saving in itself is invaluable.

Creating common processes

It is also recommended to introduce a specific sales methodology, especially as you seek to ramp up the sales function (when you have 10+ people).

This provides:

- Common language
- Aligned definitions
- Improved focus
- Efficient processes and workflows
- Good data capture
- Integrated reporting
- · Enhanced understanding of performance

There are a number of different options:

- Challenger (from CEB)
- Miller-Heiman
- TAS
- Holden

The best is just to select what you are currently comfortable with and knowledgeable about. If you are not familiar with a sales methodology I would go with Miller-Heiman.

CHANNEL DEVELOPMENT

Channel Strategy

In most cases there will be potential for additional / new routes to market. Today's environment offers a myriad of distribution channels, many which were just not available just a few years ago.

In order to consider new routes to market, it is important to understand how the customer would like to purchase and deploy their solution. To do this you should consider the following aspects:

- The customer's preferred means by which they will be charged
- The customer's preferred purchasing method or process

- The customer's preferred means of receiving / accessing the product or service
- How well the product / solution offered aligns to the new channels across all parameters including:
 - Packaging
 - Distribution
 - Deployment
 - Onboarding
 - Servicing
- The creation of any potential conflicts, which is especially relevant as a B2B company that may consider selling through a third party as well as direct.

Channel Partners

You should apply the same principles to your channel partners as you do to your own company in defining your Go-To-Market approach. Remember the three leadership models; product, sales and market?

In selecting Channel Partners, you should be looking for partners that can help you achieve market leadership. In other words they can help you create enhanced differentiation in the way you solve your customer's problems. They may bring additional product features or a broader distribution capability but it is the way that this augments and enhances your differentia-

tion that is important. So always ask yourself, from the customer perspective, how does this relationship enhance the way you solve the customer's needs?

If you select partners based solely on product or sales leadership potential, eventually the differentiation offered by the partner will be eroded.

This is especially true if you are looking to your partner to open doors for you to their customers and prospects. These types of relationships start off with a great fanfare but soon fail as the relationship becomes deal focused and non-strategic. So if you are in a situation where a joint press release becomes the launch platform for the relationship, then you are already on very rocky ground.

Channel Execution

Many companies struggle with developing channel partners. The main reason is that companies don't understand the level of investment and time it takes to build a strong, productive and successful relationship.

In many cases, where there is real pressure on achieving revenues, a simple solution is thought to be "why don't we sell through partners?" The hole in this strategy is that if your company is challenged with selling your solution, with all the knowledge and expertise that you have, how can you expect a partner to fare any better than you? The reality is that you can't.

To build a successful partnership, you need to have the following in place:

- Clear market benefit (by combing the capabilities of both companies, there is a stronger market offering)
- There is sufficient enhanced value created to provide commercial value to both parties
- The market opportunity aligns with the strategic goals of both companies
- There is a cultural fit with aligned core values (as from your customer's viewpoint your partnership will significantly influence their perception)
- There is executive commitment from both parties
- There has been agreement to invest from both parties. This is important as even though there may not be product investment, there will be people investment
- Both parties take a long-term (greater than one year) view on the partnership.
 Short-term focus drives deal focus which takes you down the sales leadership route.

- Go-To-Market strategy is agreed by both parties
- Joint messaging is consistent, cohesive and aligned
- Key departments are aligned and have set aside time to invest in the relationship e.g. product management, pre-sales, engineering, marketing

DEMAND GENERATION

Definition of demand creation

From my perspective the difference between demand creation and lead generation is critical. It is often an overlooked or misrepresented area but it is fundamental to get right if you want to establish a market leadership position:

- Demand creation; is about influencing the buyer to see the opportunity and to recognise an urgent need
- Lead generation; is about capturing the attention of a buyer who has already recognised the urgent need

You cannot create a need but you can transform a latent need into an urgent need. It is to your company's advantage to focus on demand creation rather than lead generation. The rationale is that you will be:

- Strategic; engaging on a more strategic level
- Level of engagement; engaging with more senior management such as the Economic Buyer
- Earlier; engaging the buyer earlier in the sales process and thereby opening up the opportunity to:
 - Influence the requirement so it is better aligned to your offering
 - Establish a competitive differentiation by directing the way the buyer buys to your advantage

Creating demand

The way you create demand will vary depending on your target audience but there are some fundamental principles that will apply across most businesses. These are as follows:

- Creating demand is an organisation-wide activity
- Sales and marketing must be aligned on the same goals
- Personal engagement is very important at the early stage as it:
 - Forces mastery (you are in front of customers and can see their immediate reactions)

- Confirms urgent need / uncovers latent need (can hear directly from the prospect on their problems / needs)
- Errs to action (you commit to followup actions)

Demand creation activities that support personal engagement include:

- Roadshow events
- Seminars
- Trade shows
- Client workshops
- Sponsored roundtables

This has application for B2C as well as B2B. As an example I love the Ben & Jerry's story of their Cowmobile, where they sampled their ice cream right across the USA. This gave them the opportunity to directly meet with their customers. It is interesting to note that a number of B2C companies like P&G are now significantly increasing their sampling efforts as they seek to directly connect their customers with their products / brands.

Sales and marketing alignment

The singular biggest challenge with establishing a very well run demand generation capability is to ensure compete alignment between marketing and sales. Marketing need to create demand in line with the ex-

pectation and needs of the sales organisation.

Key factors to help create alignment:

- Target market; agree and align around the target market in as much detail as possible. For B2B this could be agreeing on specific accounts and roles within them.
- Buyer's journey; agree and align on the marketing / sales process (based on the identified buyer's journey)
- Lead handover; agree and align on the handover process for leads. There should be an agreed Statement of Work (SoW) from both sides. This MUST define the specific process and timings for the management of a single lead.
- Messaging; agree and align on all messaging to ensure sales have the skills, knowledge and assets they need to succeed. The best way to do this is to package all sales requirements up into a single sales playbook that contains everything they need.

HOW DO YOU SUPPORT SALES?

Depending on the type of organisation, the sales function will need to be supported in four critical areas:

Sales Training

- Sales Playbook
- Content Resources
- Product Support

SALES TRAINING

Training is often misunderstood and overlooked. It has many benefits to the organisation:

- Sales feedback; most importantly it enables sales to provide feedback on the messaging and content. Sales are close to customers and understand what works and what doesn't
- Generating alignment; reaffirming everyone is aligned on vision, objectives and approach
- Ensuring consistency; it helps to create cohesion and consistency around how individual sales people relay the stories
- Confirming completeness; ensures sales have everything they need
- Building confidence; builds sales confidence and momentum
- Sharing learnings; establishes improved collaboration amongst the sales team

Any training should be:

- Face-to-Face if possible
- Include role plays

 Be open to adapting messaging based on sales feedback

SALES PLAYBOOK

It is critical to package all the learnings, knowledge and assets you have into one place. You need to make it as easy as possible for everyone in the company to both access and apply all of the combined Intellectual Property (IP) of the company. The best way of doing this is to create a single sales playbook.



By packaging everything up into one place you accrue many key benefits:

- Alignment; this is the MOST important benefit, keeping everyone focused on the same goals
- Knowledge; as IP grows the key is to leverage these learnings and insights at every opportunity so everyone benefits immediately
- Consistency; this enables you to build efficient awareness and understanding for your company and offering as each message will add to and augment any previous communication
- Experience; with a sales playbook you can focus more attention on the experience you deliver and the relationships you build

Playbooks are especially beneficial for B2B companies and it is imperative that any sales playbook is directly and closely aligned to the sales methodology system that is used.

I am a fan of Miller-Heiman, as you will have gathered from the language I use, but other methodologies follow similar principles and will work just as well. The following content should be considered for inclusion in a sales playbook:

- Market overview
- Problem theme

- Benefit theme
- Differentiation theme
- Competitors
- Ideal prospect
- Conversation strategy
- Proof points (secret sauce)

Playbook formats

Playbooks are usually created as word documents but can also be created in PPT. They would also include links to other assets.

More recently however sales playbooks have been created in an e-book style as interactive PDFs. This way they can be used with both PCs and tablets and can be configured for direct presentation to prospects.

Market overview

Market opportunity overview

Provide a clear definition of the market opportunity that is available. This will come from your strategic RWW analysis.

Industry trends

Confirm the industry and market trends that support this market opportunity.

Trigger events

Confirm the trigger events that will encourage people to act.

Wow facts

It is always beneficial to validate the market opportunity with WOW facts. Facts that are compelling, interesting and bring home the enormity of the opportunity. Some companies use infographics to bring these to life.

So here is a WOW fact (as an example): "Global food loss and waste is estimated at 1.3 billion tonnes annually across the food supply, equalling one third of global food production."

Can you imagine that one third of all food produced is wasted and thrown away??

Problem theme

This is often referred to as a Critical Business Issue (CBI)

Critical Business Issues (CBI)

There may be a number of potential business issues that a customer could face and each of these needs to be identified and defined:

- A critical business issue is one that impacts the bottom line
- It either impacts the efficiency or the effectiveness of the business
- · There is an urgent need to address it
- It would usually relate to an end-to-end process

 There is an identified discrepancy between potential and actual

Pain points (PP)

For each individual CBI, there may be a number of pain points, or inhibitors along the end to end process. These need to be listed along with the level of impact they are having on the overall outcome

Current solutions

You need to understand the current situation and what is in place today and why it is not working. In other words what elements of the current system are causing these pain points?

Barriers to change

There may be a variety of different reasons why people may not have acted before. Again it is useful to know what the barriers to change are and how these relate to the trends and trigger events identified.

Potential impact

If you have identified the pain points correctly you will know the level of benefit that can be accrued when the urgent need is addressed. This should be conveyed using structured metrics and methodologies so you have a well defined view of the discrepancy (AS IS versus TO BE comparison).

Benefit theme

You should develop a value statement and a visual representation of the value that is delivered. As best practice is based on comparing a previous state (AS IS) with a future state (TO BE) it should be relatively easy to convey this visually.

Pricing

You should have a formal price list and menu of service, if applicable.

Discrepancy model

Your pricing model should be based on mutual value and therefore you should have clear well defined metrics in place that support this. These metrics need to be underpinned by clear methodologies for capturing and reporting outcomes.

Be careful not to become too caught up in ROI analysis. It is imperative to focus effort on identifying and defining the potential value that can be unlocked. This will help provide the basis for a strategic business case.

Differentiation theme

Offering description

Provide a detailed description of the offering. This should always focus on what it is solving and how it manages to do this in a highly differentiated way.

Capabilities

Provide confirmation of the way that you will solve the problem. This is more about the approach than actual feature / function. It is about a differentiated approach rather than a list of features.

Differentiators

Confirm the differentiators which will impact the buyer influencers decision. Differentiators must always be identified from the customer perspective and be focused on how outcomes are delivered.

Message map

A good way to summarise this and make it easy to understand is to create a message map. A message map is nothing more than a flow chart that connects your elements together.

For each Critical Business Issue (CBI) you can identify the pain points (PP), mapped capabilities (MC) and finally the differentiators.

Competitors

List of competitors

Draw up a list of competitors, both direct and adjacent. Constantly review this list to capture changes in the competitive environment.

How to compete

You should undertake an assessment to confirm the best way to compete, especially in a head-on tender. You should describe:

- Your points of difference in the way you solve the buyer's problems
- Your strengths (to substantiate the differentiation)
- Where you should focus buyer attention, based on your identified competitive advantage
- Know your weaknesses and obstructions (and how to deal with them)

It is sometimes useful to create more detailed competition battlecards (fact sheets) that get into problem-solving differentiation, for your key competitors. These should be built on strategic value and influence the way the buyer buys.

Ideal prospect

Ideal Customer Profile (ICP)

Confirm your ICP in as much detail as possible based on needs, descriptors and behaviours.

Qualification criteria

Qualification criteria will be used to qualify the prospect based on:

- Customer match; matching the ICP profile
- Opportunity match; confirming that a real, worthwhile and winnable opportunity is available. It is recommended to establish qualification criteria using the RWW model to maintain consistency between market opportunity and individual organisations.

Qualifying questions

Create a set of objective qualifying questions based on:

Are they an ideal customer?

- Do they convey the right ICP preferences / needs?
- Do they match the ICP description?
- Do they demonstrate the right ICP behaviours?

Is it Real?

- Is there an identified discrepancy?
- Is it an urgent need?
- Is the response mode either Growth or Problem?
- · Is there a good capability match?
- Have we solved this type of discrepancy before?

Is it Worthwhile?

 Is there a good strategic fit with our vision?

- Does the potential value of the deal meet our threshold?
- · Does their timing align with ours?

Is it Winnable?

- Have we identified the buying influencers?
- What is the strength of our relationship with them?
- How embedded is the competition?
- What is our probability of closing based on historical win/loss rates?
- Do we have the requisite resources in place and are we aligned to win?

Scorecard

The purpose of qualifying is to ascertain whether a prospect is worth pursuing or not. But it is not as black and white as that, there will always be shades of grey as:

- Different people will interpret the facts differently
- You may not have all the data
- Some prospects will be better than others, even though they are all qualified
- You might have a lean pipeline and may wish to adjust the level of the qualifying bar

For these reasons, you should always deploy an scorecard for qualification to help maintain objectivity

Buying influencers / roles

Depending on the sales methodology you use, you will have a number of defined buying influencers:

- Economic Buying Influence (final approval to buy)
- User Buyer Influence (uses/supervises the product and provides judgements on suitability to deliver what is required)
- Technical Buying Influence (screen possible suppliers and make recommendations on whether solution meets a variety of objective technical specifications)
- Coach (the person who can guide you in the sales process)

Persona profile

For each buying influence (with the exception of Coach) you should create a persona profile. This is a description of a generic person who matches the buying influence.

Information would usually include

- Job Role (expected role in the business)
- Buying Center (the function they work in)
- Common Titles
- Position on Org Chart (confirming reporting lines)
- Challenges (list their key challenges)
- Initiatives (list their key responsibilities)
- Current perceptions (confirm their likely perceptions of your company and the competition)

- Interaction preferences (how they like to engage)
- Watering Holes (where they go for information)
- Coffee breaks (how they like to unwind)
- Wins (what is important to them personally and what they are individually trying to achieve)
- Personal Brand (how they present themselves)

Conversation strategy

It is always useful to provide guidelines on how to handle conversations with potential customers. The rationale is that you will have a small number of excellent sales people who can do this very well, so the intention is to capture their expertise to guide the rest of the team. Interview your stars and package up the learnings.

The more the provided conversation content can reflect a storytelling theme the more valuable it will become. With all conversation content, there should be stories and anecdotes referenced and available to support each section.

Conversation starter

Guidelines to help the first conversations with prospects are useful and should include:

- Doing the homework; how to find out about the individual / organisation. Provide lists of possible sources such as company website, annual report, Slide-Share presentations, social media profiles, blogs and other media articles
- Identify the potential CBIs; how to use the research to identify the possible CBIs of the prospect
- Qualifying questions; provide a list of questions that can help better qualify whether there is a real opportunity available

Talk track

Talk tracks are sometimes useful. They are just ways to guide a conversation to a desired outcome. Most talk tracks will follow a similar path to the following:

- CBIs; how to help you identify the most important CBIs
- Pain Points; how to ascertain the key pain points that the prospect is trying to address. Understand the response mode, are they in growth (effectiveness) or problem (efficiency) mode?
- Current status (As Is) questions; provide a list of questions that can help build understanding of the current status and why they have not yet found a solution

- Positioning a solution; how best to position your solution (in a minute or less)
- Conveying credibility; provide a number of case studies or reference stories that support the specific solution and validate the value you can deliver

Solution map decision tree

Provide a decision tree that enables the user to take the prospect on a journey of discovery from:

- Identifying the relevant CBI
- Confirming the associated pain points
- Describing, in detail, the process/use
 case that needs to be addressed; pro vide a list of specific, objective based
 questions that can help ascertain where
 the process is breaking down (AS IS).
 This will help you map out the use case
- Consider the "What If" scenario; how to position a possible solution based on addressing the process shortfalls (TO BE)
- Mapping the capabilities; show how your problem-solving differentiation can be supported by your capabilities
- Calculate the potential benefit; use the AS IS and TO BE comparison to convey the potential value that is available to be unlocked

Proof points

List of customers

Provide a list of all the customers that you are able to formally reference. If you have significant numbers, make sure they are classified by industry, size and solution so it is easy to find relevant customer references.

Case studies

A case study is a fully validated example of where your company has addressed a specific problem for your customer and delivered discernible value.

Most case studies are written as a story and follow the format of:

- Problem (need)
- Solution
- Results (value delivered)

The Case Study Recipe

Problem Solution Results

In many cases, companies are able to translate a case study into multiple formats such as:

- e-Book (integrates video, images and narrative)
- White paper (reflecting best practice)
- Case study brochure (2-page or 4-page)
- PPT (single slide)
- PPT (SlideShare version)
- Video (customer perspective)
- Video (case study)

The sales playbook forms the basis for enabling your sales team but you might want to consider implementing a tool to support this process. A good consideration would be <u>Brainshark</u>, who provide a platform that can help the training and onboarding of new hires and ensure an overall consistent management of sales execution.

CONTENT RESOURCES

Printed

- Industry credentials (includes references to multiple customers)
- · Company fact sheet / story
- Case study brochures (referencing one customer)
- White paper (conveying thought leadership and best practice)

e-versions

These are usually highly interactive and act as self-navigating stories:

- eCredentials
- eStudies

Video assets

- Videos
- Vignettes (video clips), often teasers for the longer length videos

Visuals

- Infographics
- Images (can include overlaid text)
- Diagrams
- Marketecture (for technology companies), which is a visual representation of how the technology works

Presentations

- PowerPoint (events)
- PowerPoint (SlideShare; have to work without voice)

Text based assets

- Press Release
- Narrative (for inclusion on website and in responding to RFPs)

Social content

- Posts (for blogs)
- Comments, tweets

Many of these resources can be provided to your prospects and customers. A very good way to manage the distribution of these assets to outside parties is to use personalised collaboration tools like <u>Post-</u>

wire. Postwire enables you to create a customised, personal url / landing page for each prospect that pulls together all the relevant assets along with your conversation stream. This improves the experience and enables you to position yourself as a thought leader.

Customer references

Customer references are customers who would are willing to take a reference call or visit with a prospect. These need to be closely managed in a very structured way. In others words, sales should be requested to make a request to a central point in the company who oversees all relationships, to access and use a reference. This structured management will ensure that certain customer relationships are not over burdened and over used.

PRODUCT SUPPORT

Product expertise

For the more complex offerings, consideration should be given to establishing a formal process where sales people can connect with subject matter experts from product management etc. to answer any technical questions. This should also be connected into any pre-sales and consultative selling support that might be required.

Product demonstrations

Bringing your product to life and demonstrating it will always be more effective than talking about it, but should only be used in the second stage of the funnel; selling the solution.

There are two ways you can connect your audience with the product more directly, prior to purchase:

- Live demos; enable your customer to actually try out the product. In these cases, always create use case stories and then configure the product accordingly. This applies as much to a user in an Apple store as it does to a user in a large corporation. When it is a B2B2C opportunity then ensure that you are able to demonstrate what the experience is like for both sides (both provider and end customer)
- Captured demos; enable your customers to gain a sense of what the product is like when being used. This content can be free standing or embedded in other content. Format is usually video (can be interactive), video vignettes for specific features and screen shots, Effective application for captured demos include; retail stores, online, direct marketing and/or sales enablement activities

In all cases, ensure that there are sufficient resources in place to support the programme in full. There is nothing worse that a demonstration that does not work or looks less than the actual product. This is especially true in retail!

CONTINUOUS LEARNING

Feedback loop

"Success builds confidence which in turn builds more success."

Identify, capture and communicate success stories from around the company to motivate and enthuse all employees. Tell the stories through first person experiences in face-to-face settings or through video / podcasts.

Recognise and reward those that contribute. The more participation and feedback you receive, not only do you have more empowered employees but you also have greater insights about how to further improve your business.

A story and anecdote repository is your number one priority for content.

SUMMARY

Accelerating growth is about two things:

- Doing the same things better but on a broader scale
- Extending your reach through new market opportunities that are complementary to your current business

MILESTONE



FINANCIAL VALIDATION

At the end of this phase, you should have fully validated that you a monetization strategy that will support your company revenue goals.

This means that you will be charging as per or close to your pricing model and that you have fully identified and validated a menu of services that support any ancillary support that is offered.

The end of this phase should be determined by a specific financial goal, based on revenue, cash flow or the payback period for customer acquisition.

You now have a business that has the foundation to be sustainable.

6

Sustaining GROWTH

HOW DO YOU EXPAND YOUR MARKET OPPORTUNITY?



EXPANSION STRATEGY

When to expand?

The initial tight focus on a specific customer segment will eventually run into natural limits, as defined by:

- The definition of the segment itself (too narrow)
- The targeted geography (perhaps only one single country market is currently in play)
- The appeal of the offering (it currently only addresses a specific market / customer need)

To identify when this might happen a CEO should continually ask themselves a number of key questions in order to assess when and how they can maintain or even accelerate the current growth trajectory:

- How much revenue is needed, and how quickly is it required?
- How much potential is still available in the targeted market opportunity?
- How secure is the current customer base in this market opportunity?
- Are there any obvious new market opportunities appearing where the timing to move is right now?

Having achieved a foothold in the market, the next step is to ascertain how this level of growth can be sustained. This will usually require a new growth strategy and therefore knowing when to divert or allocate new resources to this is a very important decision.

Clearly timing can have a major impact:

- Moving too soon may result in the company not converting all of the potential in the targeted market opportunity. This may allow competitors to gain share.
- Moving too late may result in slower or even stalled growth and this can severely impact market relevance, profile and confidence.

Clearly, therefore, knowing when to expand is critical. The following indicators can help identify when you have passed the time to move:

- Slowing acquisition rate for new customers
- Declining lifetime value of your current customers
- Declining frequency of interaction and engagement with those customers
- Declining recency rate (the time that has elapsed since the last engagement with your customer)
- Decreasing approaches and participation from the partner channel
- New entrants who are bringing a disruptive offering to the market
- You are losing key talent that has probably been with you from the beginning, especially in sales and engineering (if a tech company)

Leadership

What is important at this juncture is the leadership strategy rather than the business plan.

It is easy to spend too much time on the business plan at this point, as the business becomes more complex but this should not be the focus.



You have already validated your operational capabilities and confirmed you have the right processes and controls in place. This next stage is all about unleashing your talent and empowering your employees on the next stage of the journey. Leadership is key. Leadership that creates the right environment with the right resources for each and every employee to succeed.

"If your actions inspire others to dream more, learn more, do more and become more, you're a leader."

- John Quincy Adams

If you don't get the culture, passion and level of motivation right at this stage, no business plan will be able to rectify this.

Self-reflection

This is a good time to take stock. Be honest with yourself and write down your strengths and identify those areas where you need to improve. Seek advice and feedback from colleagues / mentors outside the business. They will have insights and experiences beyond your own that can provide different and new perspectives on the business. Listen and learn.

Taking a business onto the next level requires different skills and it is important that the CEO can make the transition to the next stage of the company as it is for the company itself.

EXPANSION OPTIONS

There are a number of different growth strategies that could be adopted. The pivotal component to determining the next growth strategy is to identify, analyse and

validate all possible options in an objective way.

I have described three possible strategies below, but these are not meant to be prescriptive, as there may be other options available to you:

- Same market expansion
- Extend into adjacent markets
- Transform your original offering

1. Same market expansion

In some instances, you may be able to just expand your current targeted market opportunity. This is generally only possible when the original market opportunity is both large enough and also in a growth phase. An e-commerce market is a perfect example of this.

Expansion can take place in a number of ways:

- New geographies; take the same offering into new markets (for instance expand into Anglophone markets where the level of localisation required may be very low)
- New outlets; take the same offering into new channels of distribution (which may not have been available or been served previously)

 New categories; adapting the offering for new categories that are very closely related to the original offering (could just be repackaging the offering in a way that supports a different type of use or application) e.g. Starbucks selling their ground coffee in retail supermarkets

2. Extend into adjacent markets

For some companies the best option may be to extend into adjacent markets. A number of companies who adopt this strategy will seek to make an acquisition in the adjacent market. This enables them to:

- Gain an immediate foothold in the adjacent market (with new customers, additional revenue and increased market share)
- Quickly build / assimilate market knowledge and insights, which accelerates the speed by which you can differentiate and win further business
- Gain immediate market profile, awareness and credibility

The focus should be on finding synergies across the existing and adjacent markets that enable an integration of the offerings in some way.

This should provide:

- Efficiency; increased operational efficiency for the merged entity
- X-sell; Opportunity for x-sell (selling both the original and the new product) of a combined product set across both customer bases





An example would be Coca-Cola buying Innocent Drinks, who have a strong offering in the fruit juice / smoothie market, where Coca-Cola was poorly represented.

3. Transform your original offering

Another option for companies is to transform their core product, which in turn opens up a greater market opportunity.

This can take many forms:

- Upgrading quality; Heineken did this in the UK when they upgraded their core Heineken Lager and moved it from the mainstream market (that was declining) into the premium lager segment (that was growing)
- Changing the pricing model; Adobe
 changed the pricing model for its range
 of Photoshop creative suite products
 from a term licence model to a subscription model. This enabled them to have a
 more direct relationship with their customers and through this to increase
 spend per head

Testing the expansion strategy

It is important that the new growth strategy is tested to ensure that any key assumptions that are made are realistic and that customers respond in a predictable way.

Too often, a new growth strategy will be established and then significant effort will be placed on building the fact base that supports it. To deflect this bias, it is always important to maintain an environment where questioning and challenge are applied.

In addition, to further negate any bias, one should try and develop multiple options that are all duly considered in an objective fashion, so there is not focus on one single idea alone.

Common pitfalls

When developing an expansion strategy there are a number of common pitfalls. These can generally be placed into the following buckets:

- Insufficient data / insights; not enough time and resource is spent on assimilating market data. This can be caused by:
 - Pressure on timing
 - High confidence level that negates the need for such in-depth assessment
- Too many assumptions; it is assumed that what works in one market will work in another. This is especially common when companies are seeking international expansion
- Gaps in capability; there are gaps both in required skills and product features that are undervalued in terms of the impact they will have
- Insufficient investment; the level of investment required is miscalculated. This
 is a very common mistake. In addition,

the time it takes to built up core competency is also often undervalued.

HOW DO YOU SCALE YOUR ORGANI-SATION?



"As a business matures you need to establish operational processes that decrease variability and increase efficiency."

ORGANISATION

Operational efficiency

One of the big changes is that, as the business evolves, it will move from more project-based work to process-based work. Getting your processes right will be a cornerstone to sustaining growth in the next phase of company development.

Every business is fundamentally built on a series of processes, that convert assets into products that can be taken to market.

As businesses scale, it is imperative that every process step is identified, understood and optimised.

Customer buying process

One of the most important aspects is to make sure that you align and map the company processes to the identified buying process of the customer (from their perspective).

This will ensure that:

- There is a clearly defined engagement process along the entire length of the customer journey from first contact to point of advocacy
- The experience for the customer is optimised for every engagement that takes place
- The operational processes are integrated and are as efficient as possible for marketing, sales and customer service

Organisational structure

In order to maintain the ability to adapt quickly it is key that the organisational structure is not too rigid. However, you need to maintain some level of control over how resources are deployed and who is responsible for what and by when.

I like to use the <u>RACI model</u> which is a very structured way of ensuring everyone knows their role.

R = Responsible

A = Accountable

C = Consulted

I = Informed



Whether you are working in a reporting line structure or within a project, application of the RACI model will ensure all team members know their responsibilities.

Marketing attribution

As you increase your marketing budget you will also want to ensure that you are optimising the use of your resources. It is worth considering a tool like Allocadia. Yes, you could continue to use excel spreadsheets but by bringing in a tool like Allocadia you are saying:

Marketing is important

- Marketing needs to be accountable
- Marketing's time should be spent on strategic value generating activities
- Marketing needs to continually learn and adopt by doing more of what works and less of what doesn't

In addition, the data captured is valuable and will help you make the best of the limited investment resources you have.

EMPLOYEES

Employee hiring

One of the most challenging aspects of scaling a business is finding and recruiting new talent.

Most recruiters when searching for candidates look for experience first, then skills and finally attitude. What is surprising about this is the following statistic:

"90% of recruits are employed on the basis of their experience but 85% of recruits leave based on their attitude."

Most recruiters will also tell you that they often recruit more successful candidates when the market is hot. So why is this? Well, most if not all the people with experi-

ence are not available and so the recruiter has to focus in on skill base and attitude.

Finally, employees can learn your business but they can't learn passion, change their personality or modify their attitude.

So my advice would be to recruit people who love your business, have a will to succeed and have relevant skills. The rest will fall into place. This does also mean however, that you have to have the right company culture flourishing in the first place.

Employee induction

How your new joiners are treated when they first arrive is critically important. It is like buying a house, first impressions are very strong influencers and they tend to stay with you forever.

"Invest one hour in your new joiners today and they will repay you with ten hours later on."

In addition, just from a productivity perspective, getting your new joiner up to speed quickly means you will obtain a faster payback. So in summary, one day put in at the beginning may be worth two to three weeks in the long run. Don't scrimp on this. People are your most valu-

able asset and the first week is the most critical in defining the level to which the new joiner will contribute to your organisation.

A great example of how to welcome new joiners to a company is demonstrated by Percolate, a marketing content company headquartered out of New York. They have a very structured approach to induction that comprises:

- Organised from the start; they have a very well structured induction process
- Well documented; everything the new employee needs is on hand, easy to understand and available
- The introduction email; there is a personal introduction from the CEO and everyone is advised of the new joiner
- Getting to know the people; there are formal and informal introductions set-up with the joiner meeting everyone within the first 24 hours
- Training and resources; every effort is made to bring the new recruit up to speed
- Continuous improvement; induction is not an event, it is continuous and part of the company culture

It is interesting to note that they followed this approach from the beginning, even as a startup with very limited resources. More information is available form the Percolate blog



Employee development

Business continues to become more complex and to stay ahead it is important that your people, not only have, but also keep building their skills as the market evolves.

Culture will partly address this but it is worth considering putting on events that stimulate personal development. Events like innovation days, brown bag sessions, hang-outs can all be extremely beneficial. The key is to bring in outside speakers to provide new and different perspectives as well as share specific subject-matter expertise. These sessions should always be interactive and have a set of agreed outcomes that need to be followed-up on.

There is also the added advantage that these can also be a terrific fulcrum for finding and hiring new talent.

Employee certification

Putting together a certification programme can be very worthwhile.

Marc Benioff at Salesforce requested all his top executives to go through a presentation certification programme when he introduced the new "Social Enterprise" vision. This included live role-playing exercises to certify that everyone had a common understanding and were able to convey the new positioning in a consistent, compelling way.



This type of programme is very effective for:

- · Senior executive alignment
- · Consistency of narrative
- Enhanced team working and collaboration

Employee recognition

Individuals like to be recognised for the hard work they have put in, this is human nature. More importantly peer recognition that is publicly conveyed can be very inspirational for everyone, not just the recipients.

Results (financial measures) can be rewarded in the usual employee incentive programmes but rewards for individual actions should be considered for recognition in their own way.

Incentivising great stories is a terrific way to enable recognition for outstanding work. Encourage all your employees to identify

and share stories about where their colleagues have gone above and beyond the call of duty.

A company that helps companies pull these types of programmes together is The Storytellers.

Stories work:

- Internal storytelling programmes further support the adoption of storytelling techniques for all conversations, both internally and externally
- Stories are interesting, inspiring and connect emotionally
- Stories are easy to understand
- Stories can help convey the transition from problem-solving to value creation
- Stories can be easily shared
- Stories can be told through video as well as narrative

Employee confidence

You should never assume that the employee base is 100% confident and has the same conviction and belief as the CEO. You should therefore ensure that you have a mechanism in place to test how confident and motivated the employee base is so that any shortfalls can be addressed.

This can be achieved through:

Employee surveys

- Open forum lunches (but outside the usual lunch environment)
- Individual catch-ups (try going for a walk)

These should be formalised in some way to make sure that they happen.

COMMUNICATIONS

Employee communications

Communication is the lifeblood of a startup. The more that people can feel informed and involved, the more personally they will be involved in making the company a success.

In addition, as the company grows, having a generic one-size-fits-all communication programme will start to fall on deaf ears. The reason being, not everyone needs to be presented with everything. Yes, it is good practice to make all information as transparent and available as possible but not all of it needs to be formally communicated to everyone.

Segment your employee base and identify what is important to them. In fact, find employees who would like to act as the point person for a specific group and empower them to determine how relevant information should be cascaded.

Other stakeholder communications

There are other stakeholders, who are outside of the company, but who are also keen to be kept informed on company developments. This is in your interests. The more you can empower and motivate your other stakeholders, the more value they can create for you. This is the principle of a social business where the wider community works together for mutual value.

Three obvious stakeholders are your investors, your partners and your vendors. In all cases, it is recommended that structured communication programmes are put in place to build stronger, more personal and caring relationships.

ALIGNMENT

It cannot be overstressed, one of the biggest inhibitors to scaling a company is a lack of alignment across different functions in the company. The most obvious example is alignment between sales and marketing. If there is a misalignment then fragmentation will occur, focus will be lost and growth will stall.



The way to achieve alignment is to focus on shared outcomes, where goals are integrated across the various functions.

KNOWLEDGE

Profound knowledge

Successful companies of the future will be those that are better informed than the competition and also able to apply the insights from that information in a way to improve company performance.

Philip Sheldrake in his book Attenzi calls this "Profound Knowledge", due to the impact that the application of knowledge can have on company performance. You should therefore give due consideration as to how to make your company a knowledge (smart based) company.

In his words:

"To successfully respond to the myriad of changes that shake the world, transforma-

tion into a new style of management is required. The route to take is what I call profound knowledge – knowledge for leadership of transformation."

Market knowledge

Clearly it is important to keep track of what is happening in the market. The challenge is that the information on the market can come from multiple sources:

External sources

- Employee engagement; feedback captured by employees when engaging outside parties
- Market research; surveys, panels, formal research programmes, formal win/ loss programmes
- Analysts; analyst articles, inquiries, analyst events
- Media; journalists, publications
- Web; articles, blogs, social media, websites

Internal sources

Some of the most valuable information will come from internal sources such as the sales people and the customer service teams. Formal programmes should be put in place to capture this information.

Potential sources include:

- Systems; data extracts from sales and customer service systems
- Interviews; one-to-one conversations for in-depth knowledge
- Surveys; general sales / customer service surveys to gain a broader perspective

To maximise the value of this information,, you need to ensure that:

- Information; is available to everyone, in the format that they require it
- Insights; have been derived from this information (and communicated through dashboards & reports)
- Actions; have been identified and responsibilities for delivery allocated

YOUR CUSTOMERS

Don't forget that your current customers are a terrific resource and are essential to helping you sustain your growth trajectory They can provide:

- Insights
- Recommendations
- Introductions
- References
- Content
- Media

....and last but not least credibility to your position as a market leader.

In the words of Mark Zuckerberg:

"Nothing influences people more than a recommendation from a trusted friend."

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MILESTONE



ORGANISATIONAL VALIDATION

At the end of this phase, you should have a fully validated growth strategy, that will support the next phase of business development.

This growth strategy will be fully aligned to an organisational plan that will ensure that the requisite processes, people and products will be available at the right time to support implementation.

Very simply your new growth goals are aligned with your ability to deliver, both now and in the future.

7

Checklist

So here's a checklist that includes the main areas that have been discussed in this book. This has been created as an aid memoire to help you think about all the different aspects that contribute to creating a successful startup company.

I have highlighted the top areas to consider for each topic area.

May I wish you well on your endeavours.



OVERALL

The five most important aspects to consider when building a startup are as follows:

- Problem-solving; understanding the problem / issues in your target market at a very observed and detailed level
- Urgent need; confirming the urgency of the need and the potential value that can be created in resolving the discrepancy
- Differentiation; developing a differentiated problem-solving position that is supported by your product or service
- Leadership; establishing yourself as the leader in the market or category through your differentiated approach to the market
- Focus; focus, focus and focus

The OPPORTUNITY

What is the market opportunity?

- Commit to a market leadership Go-To-Market model
- Seek a market where you can quickly be perceived and eventually become the number one or number two player
- Define the market based on customer needs by using the Market - Segment -Profile approach
- Use the RWW model to validate the market opportunity e.g. it is real, it is worthwhile and it is winnable?
- Build a thorough understanding of the market through direct customer engagement (augmented and substantiated with research)

What are you solving?

- Always start with the customer and identify the problem you can solve or the need you can meet
- Define the problem or need as a discrepancy by comparing a prior state (AS IS) with the future state (TO BE)

- Understand how buyers may respond to the discrepancy model
- Confirm whether you will have a breakthrough opportunity, solution and Go-To-Market strategy

What is your monetisation model?

- Establish your pricing strategy based on a value-based pricing model that balances simplicity with fairness
- Develop a price list which takes into account customer perceptions and actual delivered customer outcomes (based on solving the discrepancy)
- Develop a menu of services to document all services that need to be provided to deliver the solution (these may or may not be charged for)

What is your Go-To-Market strategy?

- Establish a strategy map to aid alignment, resource utilisation and to ensure focus
- Identify quick wins to help build momentum, external credibility and internal confidence

- Test your strategy on a continuous basis to confirm you are deploying the most effective tactics to win
- Track your progress through use of a balanced scorecard, which includes both financial and non-financial measures

CUSTOMER MILESTONE

Validate that you have well defined market opportunity, a differentiated solution, a monetisation model and a GTM strategy that will ensure you can meet your long-term goals.

The **BRAND**

What's in a name?

- Seek to develop a category name that you can own
- Spend time on getting the right brand name and ensuring that it has no conflicts in terms of trademarking, competitors, language, negative connotations or domains
- Develop and implement a domain strategy that builds distinctiveness and differentiation

 Establish a product naming convention to ensure all products fit under the corporate umbrella brand

How do you define your brand?

- Establish and communicate a well defined vision which has both clarity and authenticity
- Establish a winning culture by connecting your vision, corporate values and people seamlessly together
- Build a world class team based on A-Players
- Apply rigorous adherence to transparency, communication and using your own solutions (drinking your own champagne)
- Develop a messaging document to ensure alignment, coherence and consistency

How do you convey your brand?

- Embed storytelling as the foundation for all future conversations, communications and messaging
- Follow the WHY, WHAT, HOW approach that always starts with the buyer's problem or need

- Test your messaging at every opportunity, both formally and informally with a cross-section of your stakeholders
- Once your messaging resonates, build out the brand framework including the creative
- Achieve messaging (content) breakthrough by focusing on themes, thought leadership and strategic value (rather than lists and tactical needs)

BRAND MILESTONE:

Validate that you have created a messaging platform that resonates with the market and your target customers and enables you to position yourself as a market leader.

Achieving GROWTH

How will you position your company?

- Seek to be recognised as a category leader by establishing a new category definition / name that is supported by the analyst community and substantiated by market data
- Establish market thought leadership by publishing high quality distinctive content

- that questions status quo and is consistently delivered with clarity and repetition
- Establish account thought leadership by changing the way the buyer buys to focus on strategic value (outcomes) rather than tactical needs

Who will be your first customers?

- Narrow your audience to focus only on those prospects who have an identified urgent need and high likelihood to convert
- Establish an Ideal Customer Profile (ICP)
 and qualify each and every prospect by
 applying rigorous qualifying criteria

How will you engage your first customers?

- Build your engagement around the buyer's journey; attract, engage, position, present, prove and close
- Adopt a "Market the Vision, Sell the Solution" approach which focuses on strategic value rather than tactical needs
- Ensure you achieve "Strategic Interlock" before seeking to present or prove your solution

- Gain first customers through personal engagement by connecting with current contacts, networking and amplifying your first customer win
- Create momentum by positioning to urgent needs, establishing senior level relationships and removing obstacles

How are you going to ensure the right customer outcomes?

- Focus on delivering the right customer experience by understanding, building and applying use cases
- Apply a structured process to all deployments by applying a modified
 Prince2 project management approach
- Capture all success stories and put a formal programme in place to motivate and establish customer advocates
- Invest time and resources in engaging with users (not just buyers) to fully understand how the solution is delivering to their needs
- Invest time and resources in undertaking an operational review to ascertain any gaps and to improve operational agility and performance

OPERATIONAL MILESTONE:

Validate that you have tested and successfully established the operational model for the sale, distribution, deployment and support of your solution.

Stimulating GROWTH

How will you influence your stakeholders?

- Develop an influencer strategy that addresses the needs of all your stakeholders, both internal and external
- The strategy will seek to influence the audience (both directly and through third party sources) in regard to how they perceive you and how they respond to you
- Start with your employees first, then other internal stakeholders, your customers, key media / influencers and then the broader market
- Understand how you want to be influenced and formalise programmes with your customers; such as Customer Advisory Panels (CAPs) and user groups

Where do you present your story?

- Develop a high quality owned media presentation, focusing on your corporate website as the key foundational element
- Utilise bought media, only when it makes sense, to drive traffic to your owned media sites, with SEM probably being the focus
- Promote the creation of earned media by creating and publishing content that garners interest and encourages a response

How do you present your story?

- You will stimulate market interest by implementing inbound marketing programmes, focused on thought leadership themes
- You need to assess how successful you are in creating market awareness through implementation of formal tracking programmes
- The success of your inbound marketing programmes will rely on the creation of high quality content marketing
- Storytelling should be at the epicentre of your content marketing efforts and

should utilise owned, earned and third party content

MARKET MILESTONE:

Validate that you are now perceived as a market leader through the creation and publication of high quality, consistent, cohesive and engaging thought leadership stories.

Accelerating GROWTH

Where are your next customers coming from?

- Undertake a review of all elements of your business including overall performance, segments, buyers, financials (pricing), customers, market leadership and product
- Focus in on the sweet spot where you are garnering the most traction
- Avoid the noise, do not be distracted and maintain the focus

How do you grow pipeline and revenue?

 You need to create a predictable business so ensure data is accurate, data is

- analysed to create the best possible insights and that you use incentives to motivate the right kind of behaviours
- Create a single customer data repository (CRM system) and introduce a structured sales methodology
- Assess opportunity of the partner channel and develop relationships with partners that can enhance your problemsolving differentiation (do not focus on relationships that support a product or sales leadership model)
- Implement highly targeted demand creation programmes, that enable personal interactions

How do you support sales?

- Sales training is essential to capture feedback, ensure consistency, generate alignment, confirm completeness, build confidence and share learnings
- Create a sales playbook to ensure all your accumulated Intellectual property (IP) is in one place, aligned to the buyer's journey and available to everyone in the company

- Develop high quality content resources that are fully packaged, easy to access and in the right format for distribution and onward sharing
- Ensure you have the resources and processes to provide full product support in pre-sales, deployment, onboarding and servicing

FINANCIAL MILESTONE:

Validate that you now have a monetization model and investment strategy that will support your company revenue goals.

Sustaining GROWTH

How do you expand your market opportunity?

- You need to find the right timing for expansion and this is all about knowing when you running into natural limits with your current market opportunity
- Focus on leadership (creating clarity on direction and empowering your team)
 rather than creating business plans that are bound to change and evolve
- Identify, define in detail, test and then fully commit to your expansion strategy

How do you scale your organisation?

- You will be moving from more project based work to more process based work. As you manage this transition you will need to establish processes, structure and attribution that gives you operational efficiency
- Invest in your employees as your people are your most important asset. Establish formal programmes for hiring, induction, development and recognition
- Maintain your commitment to communication, ensure you maintain alignment (by focusing on outcomes) and always share knowledge. You want to become a knowledge (smart) company

ORGANISATIONAL MILESTONE:

Validate that you have established a new growth strategy that is fully aligned with the ability of the organisation (both financially and operationally) to deliver successfully

8

Postscript

I have always been fascinated by the expression "the bee's knees'". In simple terms everyone knows this to mean "being the very best." Here is an explanation from FuturePerfect as to its meaning:

It all started with another expression, still used today.

The expression 'the be-all and [the] end-all', meaning chiefly 'the central or most important element' is (like 'one fell swoop') a quotation from Macbeth. Macbeth is contemplating killing Duncan: "..that but this blow/Might be the be-all and the end-all.../..We'd jump [i.e. risk] the life to come." (Macbeth, I.vii.4ff)

This passage is a well-known one, and the phrase the be-all and [the] end-all has been popular over the years. It is usually found without the second 'the'.

Though many people are aware that it is a Shakespearean allusion, it is not as com-

mon as, say, 'to be or not to be' and it is usually used without any special reference to Shakespeare.

After years of use, 'the be-all and [the] end-all' became shortened to: the Bs and Es (the be-all and end-all), the Bs being the things which are all and the Es being those things which end all.

As this was said, over time (if you repeat this fast, you will see), it sounds like 'the bee's knees'.

This has a lot of analogies with building a business. You set out to be the very best, you keep to your path but you may end up with a very different execution or look.

There are no right answers to getting it right but there are a number of principles that would seem to help increase the chances of success.

VISION

Know where you are heading, but remain flexible and adaptable as to how you get there.

CUSTOMER

Fall in love with your customers and not with your products or services.

PROBLEM

Understand in intimate detail the problem that you are setting out to solve.

DIFFERENTIATION

Build differentiation on the way you go about solving the problem and not around the product or service you are offering.

MARKET LEADERSHIP

Find a way to become number one or number two in your market or modify your target market.

GO-TO-MARKET

Adopt the "Market the Vision, Sell the Solution" approach.

FOCUS

Identify what is material and only focus on those areas where there is a defined outcome that will benefit the business. Focus, focus and focus again.

PEOPLE

Surround yourself with the best people you can.

MESSAGING

Convey all your messaging through stories and anecdotes, that are brought to life through videos and images.

As a final note, I like to think that marketing has a huge role to play in the success of any business, especially a startup. So in the words of <u>Gary Vaynerchuk</u>:

"Content is king, but marketing is queen and runs the household."

The Author

David can best be summed up as a "Brand marketer who loves technology".

David started his career in British American Tobacco and spent 20 years in various roles that included brand marketing, trade marketing and commercial management. This provided a very good platform for understanding the power of brands and how best to connect an audience with a brand. There are very few industries where the only differentiator between you and the competition is your brand.

From there, David helped co-found an internet startup company that helped marketing departments brief, source and fulfill marketing requirements for all the goods and services that marketing functions require to run global campaigns. Key clients included SABMiller, Procter & Gamble, Unilever, British American Tobacco, Pernod Ricard and Coca-Cola. This provided David with a very strong technology background, specifically in cloud based software and digital disruption.

David then took his knowledge of brand marketing and technology enablement and joined a small boutique consulting company in London that helped clients improve the operational efficiency of their marketing departments. This covered a wide array of different activities including media production, agency relationships, print management, merchandising sourcing, asset management, content management, MRM etc. Clients included SAB-Miller, Electrolux, Shell, O2 (Telefonica), Sony Ericsson, British American Tobacco and Universal Pictures.

Latterly David has headed up the marketing function as Chief Marketing Officer in a number of software companies including Capital ID, Portrait Software, Pitney Bowes Software and Tungsten Corporation. Responsibilities have included corporate marketing, product marketing and field marketing.

David's latest venture is to apply his experience, built-up over many years, to support a variety of tech startup companies, both in the US and the UK. Assistance is provided in all areas of new business development, marketing, sales and account management.

David has spent approx. 15 years living and working abroad in places such as the Middle East, South Africa, Hungary, South Korea and the USA.

David has also written two books; "Marketing Undressed" and this book "Startup Ignition".

Outside interests include cycling, white water rafting, water skiing, kayaking, running and travel.

Please feel free to contact me directly at david@market-in360.com

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Challenger (From CEB)

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Postwire

The Storytellers

Recommended further reading

The Lean Startup by Eric Reis

The Innovator's DNA by Clayton Chris-

tensen

Entrepreneur's Guide To The Lean Brand

by Jeremiah Garner and Brant Cooper