

Growing Your Business Sales & Marketing Insights

Executive Forums

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Strategic Sales & Marketing Solutions

The **F** EXECUTIVE
Renaissance
FORUMS **RUM**

Objectives

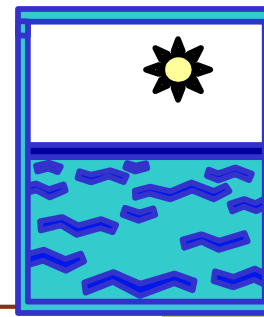
- Identifying and developing high-potential new products/services
- Identifying and targeting new markets, channels and prospects to grow sales and profits



Definitions

- New Products and Services – different from what you currently sell, ideally not a “product line extension”
- New Markets – a different group of customers
- New Channels – a different way to get your products to your customers, e.g.:
 - A different sales force
 - Selling direct via catalogs or ecommerce
 - A national account

Blue Ocean Strategies



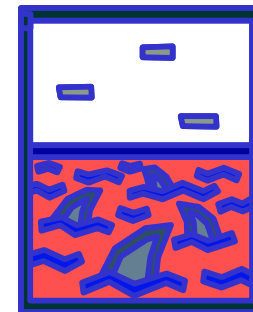
Level IV New Products, Markets, Channels

Level III Expansion into related business

Level II Expansion of current business

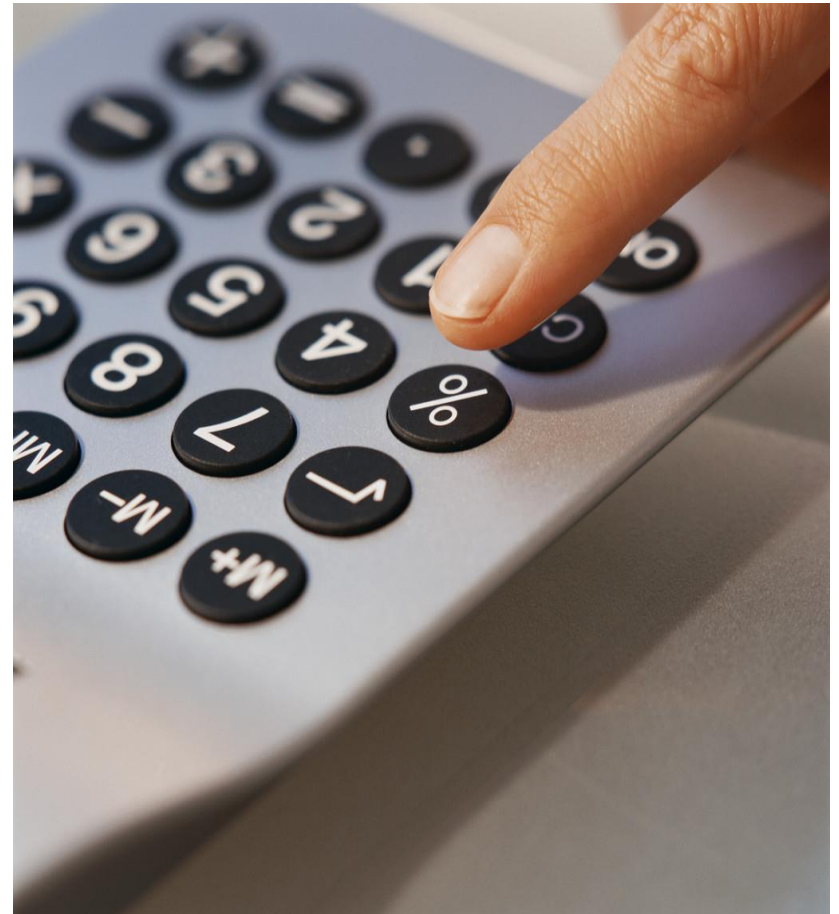
Level I Maintenance of current business

Red Ocean Strategies



First Step: Know Thyself

- Analyze Current Sales
 - By Product
 - By Market or Customer Segment
 - By Sales Channel if you have more than one
 - Look for areas that are growing and declining



First Step: Know Thyself



- Examine company strengths and weaknesses
 - Ask your management team
 - Ask your customers
 - Ask your spouse and kids
 - Core Competency Ex.

Second Step: Know Thy Customer

Benefits

Repeat
business/
referrals from
the customer

Find
more
customers

Develop more
products/
services
to sell


Getting to Know Your Customers

- **Interview your customer-facing personnel:**
 - Sales and Service personnel
 - Receptionist/Switchboard/Office Manager or Admin
 - Talk to the smokers on their breaks
 - Medela example
- **Field Trips:** Get out of your office to see what's going on with your customers
 - Laundry detergent example



- **Who should do the interviews**
 - You?
 - Your management team?
 - An outsider?

Getting to Know Your Customers

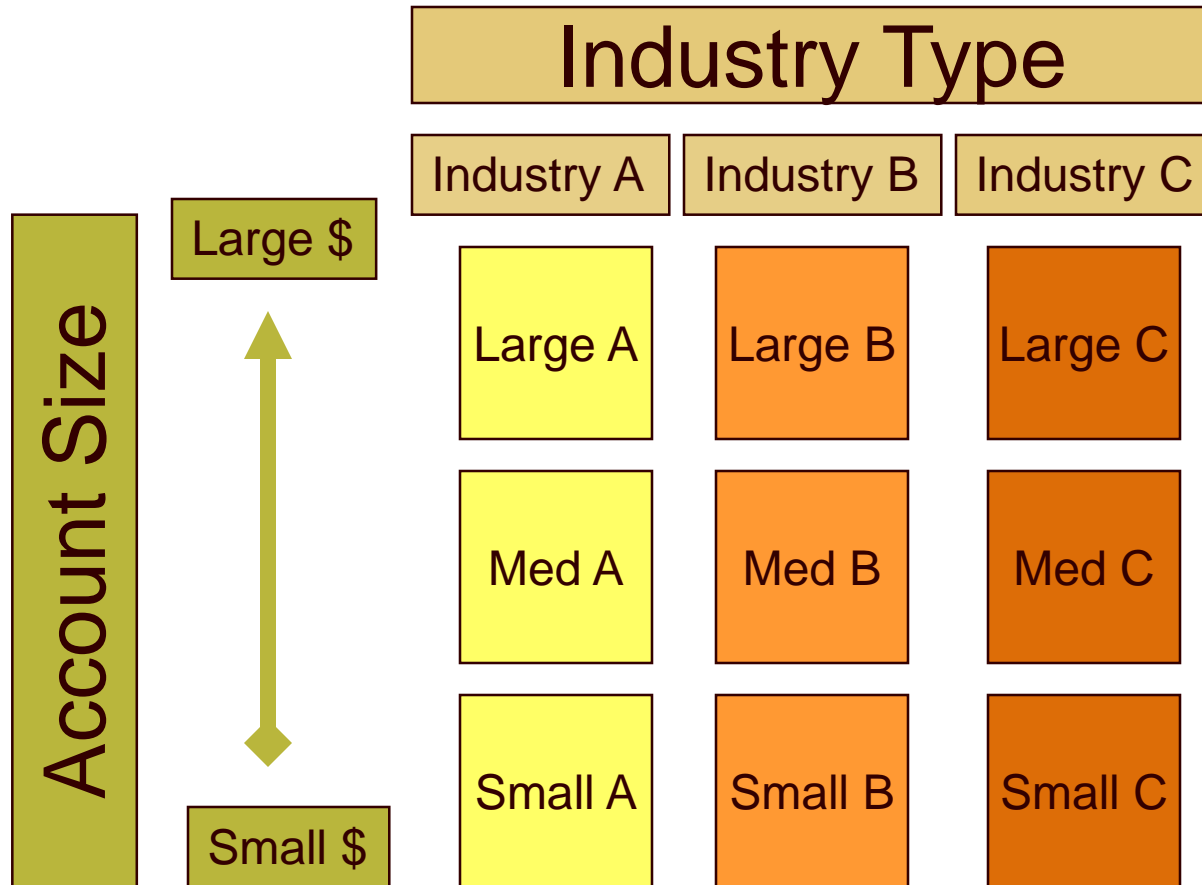
- How do they use your product – ask the question and observe for yourself
 - What industry are they in – learn about it
 - SIC and NAICS codes
 - Attend their trade shows, read their trade journals
 - What is their business model/What's their competitive advantage
 - Ask what you could do to strategically help them
 - Where do they see this market headed?
- 
- What are their pain points? What's the hardest part about their business?
 - Talk to their sales people, service personnel, buyers, management team (esp. engineers, R&D)

Segmenting Your Customers

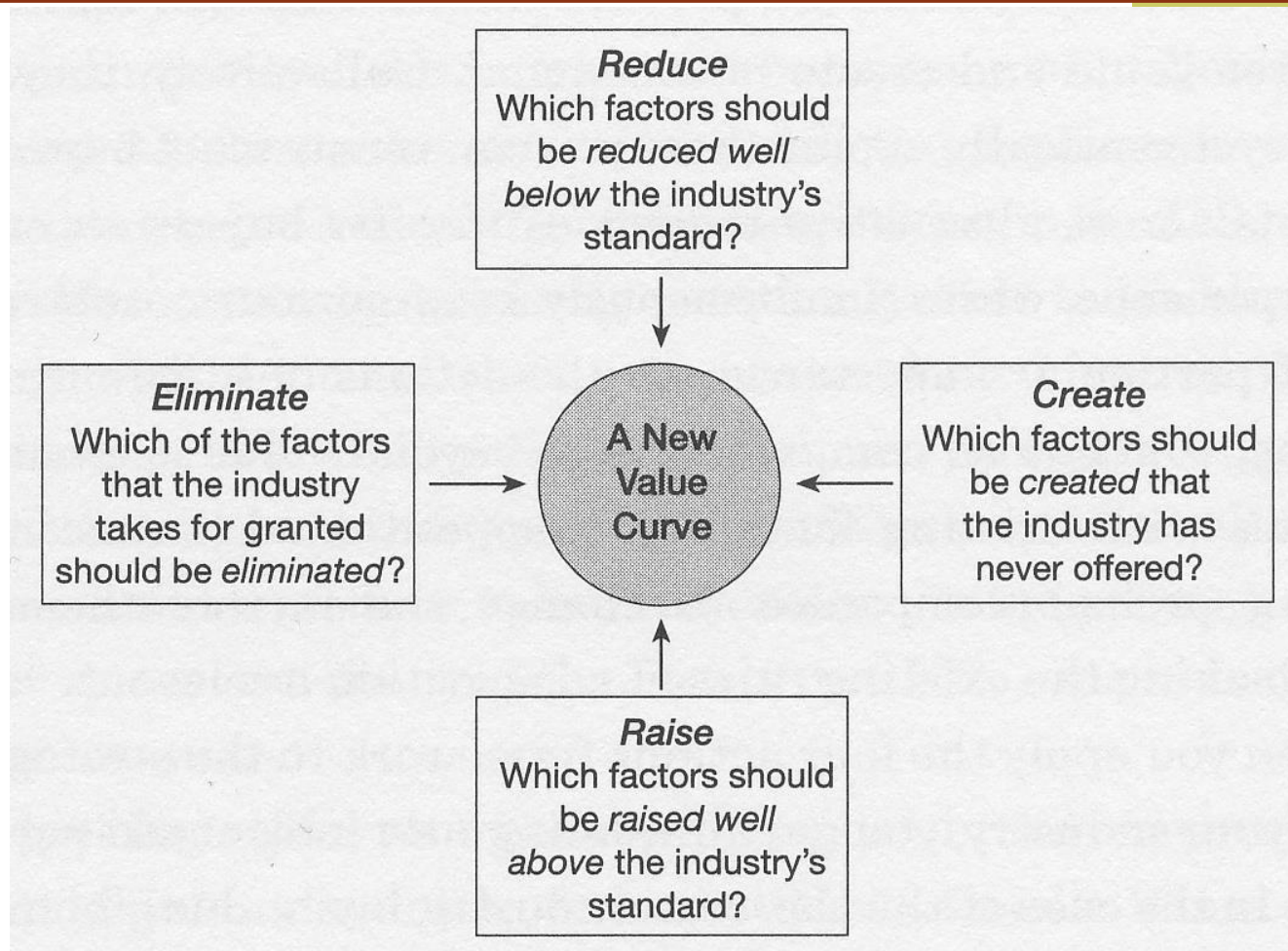
- When you have multiple customers, learn what makes them different
- Segment your customer base using key differentiators
- Some possible differentiators
 - The Customer's industry or market
 - The Sales channel
 - Size (or potential size) of the customer
- Segmentation can bring order out of volume of findings – 72 example



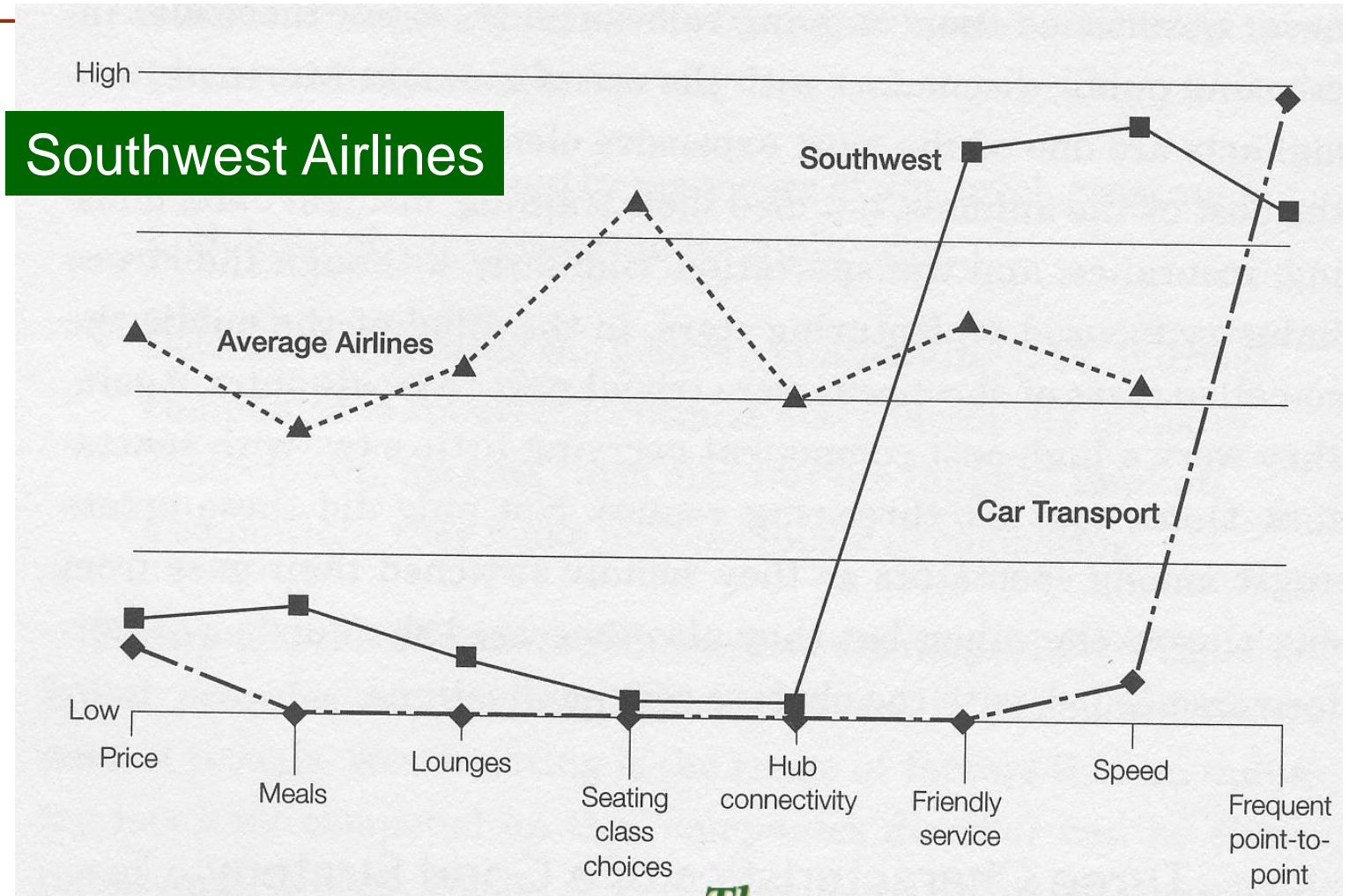
Sample Segmentation



Third Step: Blue Ocean 4 Actions

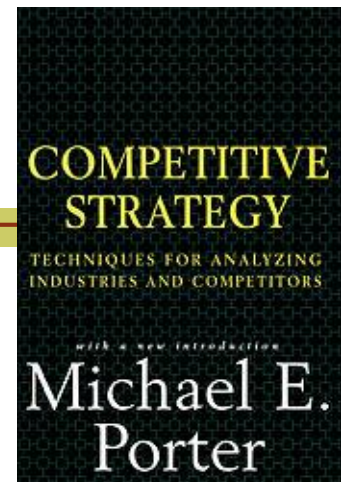


Third Step: Develop Your Strategy Canvas aka Blue Ocean



Some Additional Questions

- Where else do customers see products like this being used?
 - Similar components? Similar assemblies
 - Different industries? => Look across industries
- Backward and Forward Integration
 - What do customers purchase from other suppliers?
 - How do customers use your product?
 - What do you purchase as raw materials and how might you integrate? Look across chain of buyers.



More Additional Questions



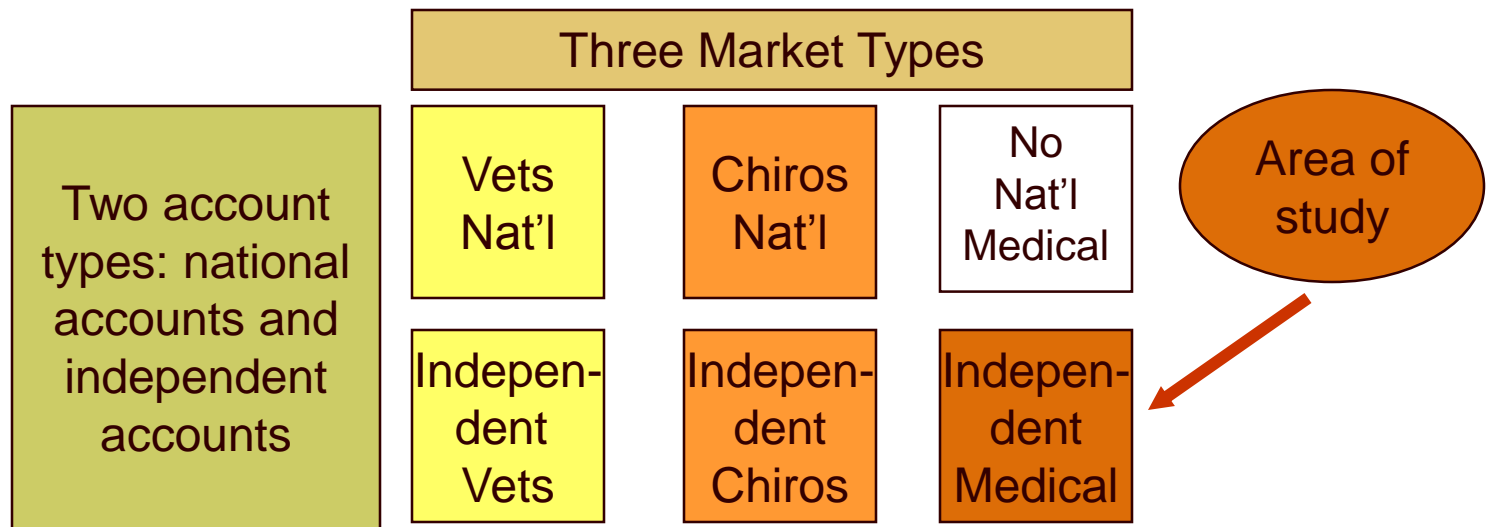
- Look across your complementary product and service offerings
- Look for substitutes
- Look across emotion or functional appeal for your customers
- Look across time – what trends to you see
- Look across non-customers
- Think about partnerships where you don't have competencies
 - R&D or manufacturing alliances
 - Distribution alliances

Fourth Step: Develop Business Cases for your top concepts

- Winnow down your best choices:
 - Perhaps rank by size of opportunity & ease of implementation OR by overlap with your strengths
- Then develop business cases for top choices
 - Consider revenue streams
 - Estimate costs and financing options
 - Consider risks and company inertia
 - Consider cultural changes and the amount of time required to impact change
 - Rough Financial analyses: NPV, Breakeven, ROI, IRR, etc
- Select your best concept, develop a full business plan, and execute the plan

Case Study: X-Ray Manufacturer

- 3 markets: Veterinarians, Chiropractors, and Medical
- Deep knowledge on Vets and Chiropractors, and had dominant market share in these niches.
- Little knowledge or sales in Medical segment



Findings: X-Ray Manufacturer

- New Product Opportunity – digital imaging was desired by customers, but perceived to be unaffordable.
- New Market Opportunity - orthopedists were identified as the most attractive niche within the medical segment. Company didn't sell to them.
 - The orthopedist market is growing 10%+/year.
 - The company's products were well-received by orthopedists.
- New Sales Channel Opportunity - an orthopedic distributor group was identified to handle sales of the company's product.

Results: X-Ray Manufacturer

- Company pursued parallel path to
 - Make new digital products AND
 - Penetrate orthopedist market
 - Company partnered with OEM digital firm for the software and focused on making the hardware, their strength
 - Company signed distributor group to pursue Orthopedic market.
- Results:
- Company sales increased 20% over previous year
 - Company introduced three new digital products within 12 months

Summary

- 1. Know Thyself – Internal Analysis
 - Sales Analysis
 - Company Strengths & Weaknesses
- 2. Know Your Customers
 - Internal and External Analysis
 - Segmentation
- 3. Blue Ocean
 - 4-Actions and Strategy Canvas
- 4. Develop Business Cases for your top concepts

About Kurtz Consulting

- We provide Sales & Marketing Solutions
 - Strategic Planning & New Business Development
 - New Product Development/Portfolio Management
 - Marketing Plans and Marketing Communications
 - Marketing Research, Segmentation & Data Mining
 - Sales Force Optimization
 - Customer Relationship Management



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