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Mark Robotham's Business Owners Guide to Clarity and Focus

BLOG REPRINTS

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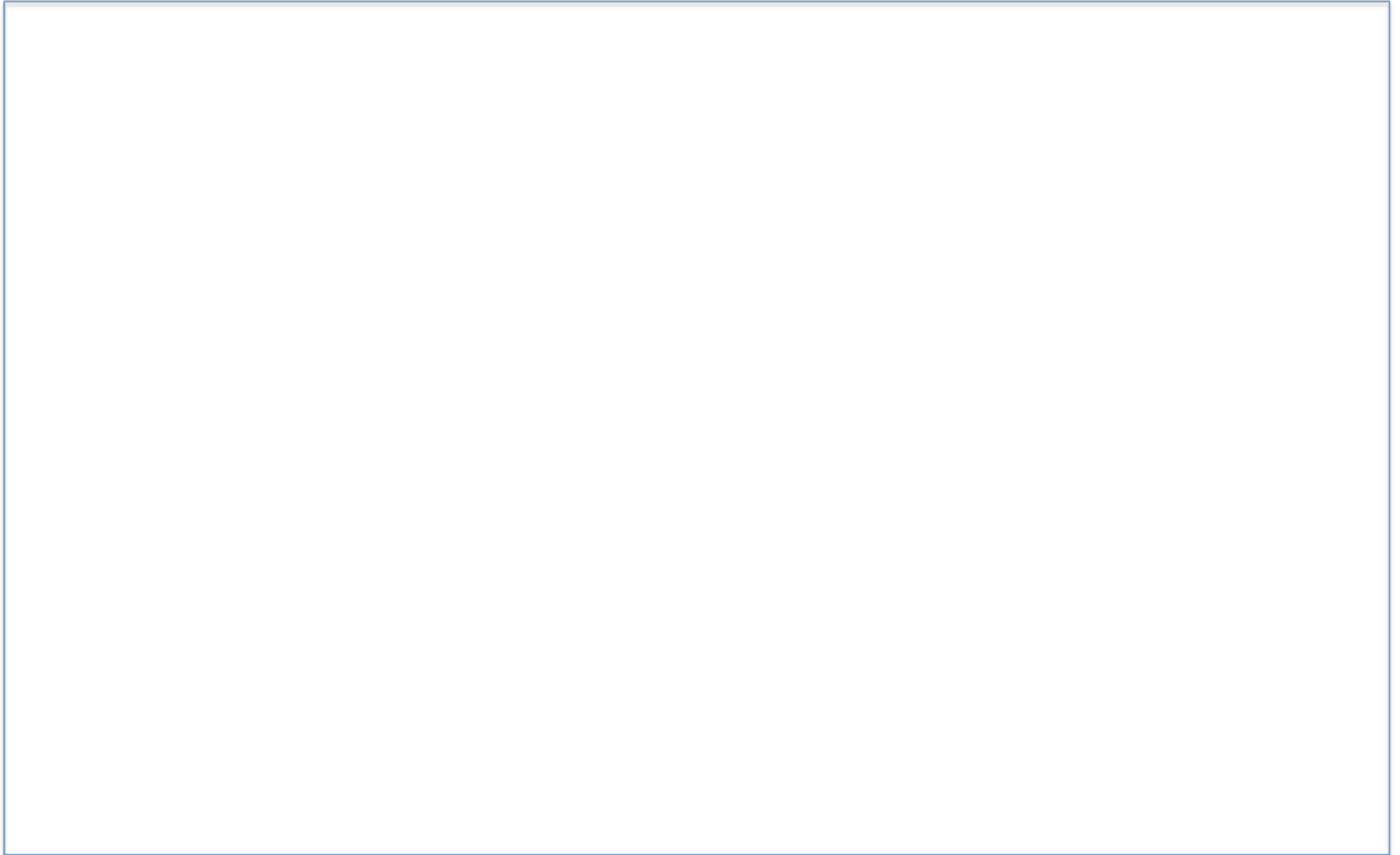


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1. MARK ROBOTHAM

Mark Robotham has built a reputation as an inspirational public speaker – facilitator, sharing his pragmatic approach to leading businesses to success.



Mark has a great talent of taking complex businesses and helping them find clarity in their business strategy, messages and execution - enabling powerful results. Giving business the benefit of clarity to better engage staff, customers and investors.

Originally trained as an electronics design engineer, he spent the later part of his corporate career in international marketing, working both in NZ and in Silicon Valley.

After a successful career in high growth technology companies, he has spent the past 6 years inspiring and guiding NZ's emerging businesses as well as helping them raise capital.

He operates as an independent business consultant his services include: business planning, advisory boards, pitch coaching, facilitating, public speaking and business training.

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Sharing knowledge and respecting authors and collaborators:

This publication is a collation of reprints of Mark Robotham's popular blog posts from his blog www.succinct.co.nz. We hope you enjoy this taste of Mark's Blog.

This material has been collated for sharing amongst business owners who have a desire to make smart business decisions and grow their business.

A url is shown in each section, so those who are reading this via an electronic form can click through to the original post, and then you can leave a comment.

Mark welcomes you to share and republish small sections of this document on the provision that you acknowledge Mark Robotham, Growth Management Consulting LTD and SUCCINCT.CO.NZ as the source AND that you notify him via email at mark@growthmanagement.co.nz

Please log on to WWW.SUCCINCT.CO.NZ and subscribe to the email data feed so you can get Mark's latest thoughts. If you like his style of business tips there are plenty more stored on the blog itself.

2. 10 STEPS TO BUSINESS SUCCESS

1. Have clarity in how you add value to your clients – focus on that. Leverage your point of difference
2. Identify your target beachhead market – the people who you can make the most money from, in the easiest possible way (a list of list than 100 clients)
3. Ensure your business model is robust and sustainable – i.e you make money. Own your own finances , delegate to your accountant do not abdicate - its your money!
4. Create a Short form page business plan. Including a one page milestone map (see MILESTONE MAP-PLAN page 11)
5. Employee the smartest people you can afford, ideally smarter than you, always hire based on values and personality first – skills second. If in doubt do not hire.
6. Define your culture and brand identity and stick to it – NO this is not a logo!
7. Adapt fast and act on failure – including firing non performing staff, killing projects that will not deliver a return to the business.
8. Set up an independent advisory group that will challenge the thinking from day one
9. Engage your clients and have fun
10. Have a goal and exit plan from day one.



3. CREATING POWERFUL MESSAGES THAT SELL

<http://succinctstories.wordpress.com/2012/01/30/mile-stone-map-plan/>

Succinct communication wins every time in this instant time poor world – whether the end game is selling a business, an idea, a product or service or just communicating a plan of action.

“It’s not what you say, it’s what they remember and can be bothered to pass on”

The best material delivered in the wrong manner will go nowhere. Most people make their pitches too vague, too long and too boring. Hence they never get passed onto target audiences and never go viral.

Below are my top 5 communication tips for sales and investment pitches – whether it’s an elevator pitch, full blown sales proposal or coffee with a potential investor.

1: Earn your audience’s attention (be engaging)

Open with something that gets their attention. Remember that only 7% of a message’s impact comes from the words, the rest comes from body language 55%, and tone of voice at 38%. Passion and confidence cannot be faked, equally so the format of the written word matters.

Don’t forget to excite the sensors – Props (physical things) are great memory hooks. Smell and taste are often forgotten.

2: Be Succinct

Use sound bites (10-30 second statements) and headline concepts.

Think like a journalist – what would be your grabbing headline and how can you compact the main message into the first minute of your presentation?

Use the inverted pyramid of information – a basic journalistic tool. The power of a message is inversely proportional to its length (less is more).

In creating effective messages you need to decide what not to say.

Changing the order of your sound bites is the easiest way to improve its impact and effectiveness.

3: Contrast is the best conversion tool (life before and after)

Illustrate your value proposition by contrasting what the customer’s life will be like before and after they have purchased, or with and without your product/service.

Make it simple black and white, not a million shades of grey.

4: Always quantify gain (be specific)

Be specific in what you say, if it’s faster – how much faster? Use this with contrast. Likewise do not use vague descriptions e.g. “a customer...” , name them, be specific it has greater impact.

5: Customer stories win minds and get results

Short relevant and concise, quantified customer stories using contrast provide the most efficient way to give others a message they will empathise with, process and pass on.

Research by the “sales brain team” showed the following results to the effectiveness (probability of closing a sale) of 4 different proofs of value:

- Customer Case (80%)
- Demonstration (60 – 100%)
- Data (20 – 60%)
- Vision (10-40%)

Read the Book “Neuro Marketing” – “Selling to the old brain” Best book I have ever read on Sales. <http://www.salesbrain.com/>

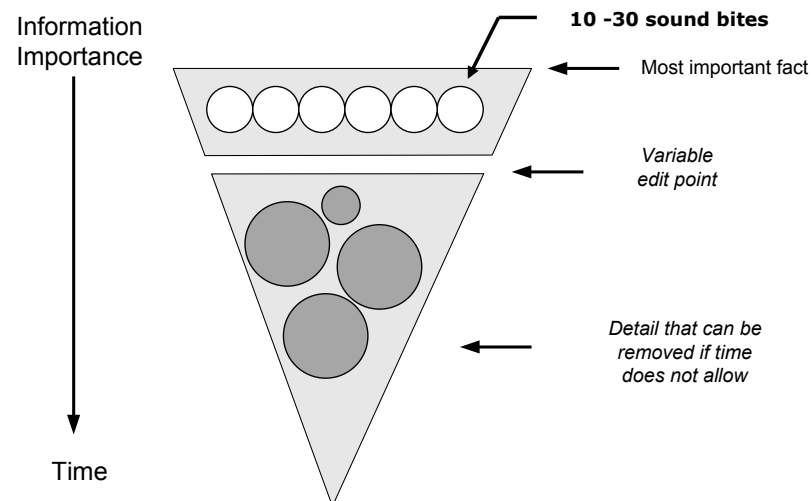
“WIFM – What’s in it for me”

The golden rule for all communication is: “always use your audience’s language of success”, not yours. Work out what is the highest gain for your target audience (financial, strategic or personal gain)

Your first goal is always to excite interest in the outcome (the WHAT). When the audience get the relevance of the outcome they will ask the HOW questions. At this point you have them baited. The How (the technology or process) is your domain, not your customers, they just want a result.

Too often business people attempt to sell their business by talking about their product or craft rather than the “true value/outcome” the client is seeking. This is your language not theirs.

INVERTED PYRAMID OF INFORMATION



4. IS YOUR BUSINESS STANDING OUT FROM THE CROWD?

If your business is not firing on all cylinders then fix your pitch!

Most businesses suffer from the “curse of knowledge”, deluded in their own belief that their marketing messages work – hell they understand them, why shouldn’t their potential customers?

“I didn’t have time to write a short letter, so I wrote a long one instead.” Mark Twain

Are your sales not what they should be? Are you failing to get interest in your investment pitch or perhaps your business is just not firing on all cylinders? Then there is a high chance your elevator pitch is not working.

The trouble is you as the author, the one who has been working with this for years, is the worst person to craft an effective message to describe your business. You are leaving your audiences wondering “*what the hell do you do, and why should I give a damn*”

Clarity of purpose – creates better results No employee comes to work with sabotage in mind, yet most business leaders are not providing their staff clarity around what the focus of their business is.

Ask your business colleagues “what do we do?”- your elevator pitch. Ask your receptionist, bookkeeper, technical guy and CEO. Are the messages all the same? Are they all about an outcome that your customer will pay for?

Most businesses fail to reach their potential due to of lack of clarity around what their purpose for being is, and more importantly not focusing on activities that add high value to their customers.

Take the Williams Formula one team mantra – “*We make the car go faster*”.
Do I put part-a in the car or part-b?
What makes the car go faster?
Consider that with a smart elevator pitch everyone in your business is focused on the same outcome. Everyone is empowered to make smart decisions towards a common goal.

For too long elevator pitches have been the domain of sales and marketing departments as sales tools rather than core driving statements for the business and how it operates. Do all of your business (staff and customers alike) have a common view on what your business is all about? Smart pitches are the reason you get customers,

investors, the best staff and your business achieves its goals.

Take the time out to focus on your core message and elevator pitch: it takes time, focus and the power of the outsider viewpoint to craft an effective business pitch. Invest in getting some outside help in this important area of your business.

Check that your pitch doesn’t work equally as well for your competitor?

Tips for Powerful Pitches

- **Open with your “lead story”** and WOW statement that gets people’s attention
- Build your pitch with sound bites - thoughts or points 10–30 seconds each
- Use the language of your target end customer
- Focus on WHAT rather than HOW
- Quantify customer value – using a customer’s measure of success. If the outcome result is a change of greater than 30%, you have a true compelling need that a customer will pay for
- Articulate what makes you different
- - Keep it Short (60 sec – 3min max) and succinct



- **Use memory hooks:**
- **Contrast** - life before and after purchase.
- **Stories** – relevant customer stories and endorsements are proven to close deals 80-100%
- **Props** – Physical things to illustrate the point
- Once you have your message, play with the order of the sound bites to increase impact
- Remember to stand out from the crowd you must entertain and stimulate action
- If your product is technical, use a 10 – 30 sec “context” statement as an introduction, so anyone can understand relevance of your product or service

5. 90 SEC NETWORKING ELEVATOR PITCH TEMPLATE

TIPS

- Succinct statements (10 – 20 sec)
- Customer stories – WOW!
- Quantify pain & gain and payback time
- Contrast – (with-without or before-after)
- Define your target audience – what price point
- 5 statements x 15secs = 75 secs
... 15 sec free



1 *Hi, I am (name)....
I am from (company name) ...*

Opening WOW Statement
... make a stand and use your LEAD story

Value Proposition

2 *The problem we solve for our customers is.....
Quantify the customer pain and gain,
ROI – payback*

Unique Selling Proposition

3 *What makes us different is
Include comparisons substitute products and
doing nothing*

Target Market

4 *My ideal referral-customer is...
Size: employee or revenue,
geography, demographic ...*

Case Study

Proof, credibility, understanding and WOW!

5 *One of our customers....
Be specific: Names, quantify impact you had
What makes this case interesting and relevant*

6. 9 TRAITS TO EXCITE AN INVESTOR AND PROSPER

<http://succinctstories.wordpress.com/2012/03/15/9-traits-to-excite-an-investor-and-prosper/>

Will your company get investor interest and, more importantly, will it prosper?

Too many companies I see pitching for investment pitch a product or a technology, not a company. Fixing the product pitch is a relatively easy task in comparison to fixing the business pitch, mainly because most businesses don't have a strategy or even a plan. Sorry, "[build it and they will come](#)" doesn't count.

Test your company against this list to see if you are investment ready:

1. **A product that we understand – the problem and the solution** – no matter how complex the science is behind your company, it must have a [simple explanation](#) of the problem you solve for customers and the value you give your customers and end users.
2. **Validated market demand for the product** – if it's a new venture what third party proof do you have (eg. [market research](#), etc) that people will buy your product at a price, you can make money from it. If it's in the market already, excite us about your sales growth story.

3. **A trend driving increased demand – creating the "perfect storm"** – what is going on in your target market that says this demand will continue and ideally increase?
4. **A sustainable competitive advantage** – how are you going to defend yourself against the competition when it wakes up?
5. **Clear, quantified metrics as to how the business makes money** – how well defined is your business – finance model? Can you model your sales process (eg. x dollars spent on Google ad words = y dollars sales)? At least understand the financial model and your capacity constraints.
6. **A clear and easily communicated business plan/strategy – including go-to market** – a [clear and concise](#) strategy and plan is a long way towards achieving greatness. Give us confidence you have a tangible way to reach customers and meet demand.
7. **An experienced team** – Nothing happens without a committed and well-equipped team. What relevant experience does your team have? Remember always employ people smarter than you.
8. **Clear return for investor** – is your valuation set at a point where the investor can actually make a return? Remember no exit plan = no investment.
9. **Fun people working on cool stuff** – fun and cool mean different things to different people – but like

pornography it is obvious when it is, or isn't.

I consistently see in the New Zealand market place, time and time again, businesses get caught up with the product, technology or science and are wasting their efforts because they failed to stop and look at the bigger picture of a full go-to market plan and strategy.



7. 10 TIPS FOR CREATING INTEREST IN TECH COMPANIES

Most deals are completed by not who we talk to, but who our audiences talk to...

“Its not what you say, it’s what they pass on that counts”

The acid test of your pitch is did it get passed on and ultimately did it go viral.

Talking in the language of our target audience not ours takes practice. If you are a scientist and/or technologist seeking endorsement and funding from investors, start talking their language.



Here are 10 tips to creating effective pitches:

1. **Get attention be different –**
Opening WOW.
Stand out from the crowd, wake people up. Just because you have their physical presence you do not have their mind. Don't be boring.
2. **Be succinct** – Talk in simple 10-30 sec sound bites, create a 3 min version first.
Long messages are hard to process and seldom get passed on. The power of your message is inversely proportional to the number of words used.
3. **Build simple context for relevance**
The more complex the technology, the greater the need to add a 10-30 sec statement that simply explains why we should care about this topic and why is it relevant to other people.
4. **Customer Stories engage audiences**
The most powerful way to explain a technology is to give us an example client, their problem and what difference your solution makes for them. Customer cases are proven to be 80% efficient in closing sales. Ignore the temptation to explain how your technology works – its secondary, almost irrelevant, wait to be asked.
5. **Contrast & quantify outcomes**
not technology– (with & without)
6. **Explain your business model** – including how you make money and go to market.
Use the [business model canvas](#) or a variant of it to illustrate your business model in a page.
7. **How you say it is more relevant than what you say**
Research showed that message impact is determined 7% by content, the rest is by body language and voice (vocal variety). Don't make your pitch boring by the way you deliver it.
8. **Investors invest in people first** – technology second
Tell us something about your team and why with them on board this project/venture will succeed.
9. **Be clear about both where you are today and what your BHAG is** inspire use with your vision, but show us how you will get from where you are to the end goal
10. **Be true yourself and your brand** Authenticity and personality counts- have a character and a way and be proud of it

Build on your customer story by quantifying the difference your product made comparing life before and after your product. Audiences like black and white, not complicated shades of grey.

Do not forget to listen ... pitching is all about baiting an audience to begin an intelligent two way conversation...

[more on this topic including an elevator pitch template >](#)

8. MILESTONE MAP-PLAN

<http://succinctstories.wordpress.com/2012/01/30/milestone-map-plan/>

Need to communicate your business plan to attention deficit stakeholders?

... Or perhaps just get smart feedback on your plan.

Creating a one-page milestone map-plan on a chart is a great way to keep you, your team and advisors focused. With a small list of tactics and key measures you have a far greater chance of achieving your desired end result.

Many business growth strategies fall apart at the transition point between creating key strategic themes and establishing a set of measurable tactical tasks and goals. Too many businesses end up with huge lists of tactics, most of which will only get token attention, with the end result being the plan never being executed.

This technique will force you up front, to prioritise and rationalise your tactical list of things to do. The milestone map-plan is a great way to succinctly communicate your business plan: the past, present and future to all stakeholders of your business.

Particularly when you are seeking intelligent feedback and buy-in from potential investors and staff whose attention spans are limited.

A fictitious example of a web company is shown to illustrate the technique.

Tips on using the milestone map-plan:

- Limit yourself to max of 10 milestones per year – prioritise the top 10 that will influence or measure success
- Split your milestones across different functional areas. Add rows to suit your business but make sure you include at least finance, market, process and people.
- List the last 1-2 years to help provide flow
- Include additional boxes on key risks and your competitor's response, both historic and forecast.
- Do not fill the chart with activities that will naturally happen unless they help with the understanding of the plan
- This is not a product roadmap – list only major product releases/events
- Put it up on the wall by your desk for daily review

The milestone map-plan is great for helping all staff members focus on tasks that will help you achieve your goals, as well as showing the dependencies of tasks.

If you find yourself or your staff overtime not executing tasks on the plan then its time to challenge the map-plan and test out whether "the plan is still relevant". If not change the map-plan **otherwise re prioritise your work.**

Put your plan up for continual challenge with advisors and staff.

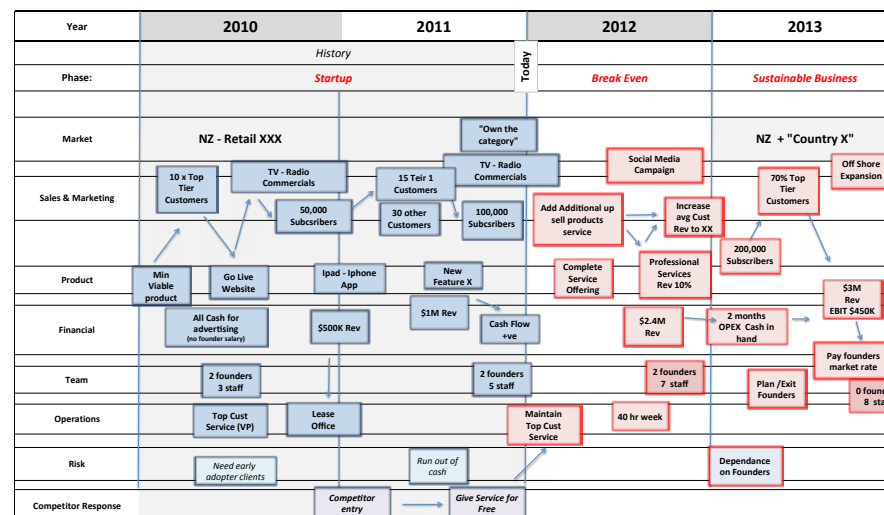
Do not be afraid to throw it out when the environment changes. Do not fall into the trap of "the law of committees"

"If a committee is allowed to discuss something long enough, it will inevitably vote to implement their idea, simply because so much work has already been done on it."

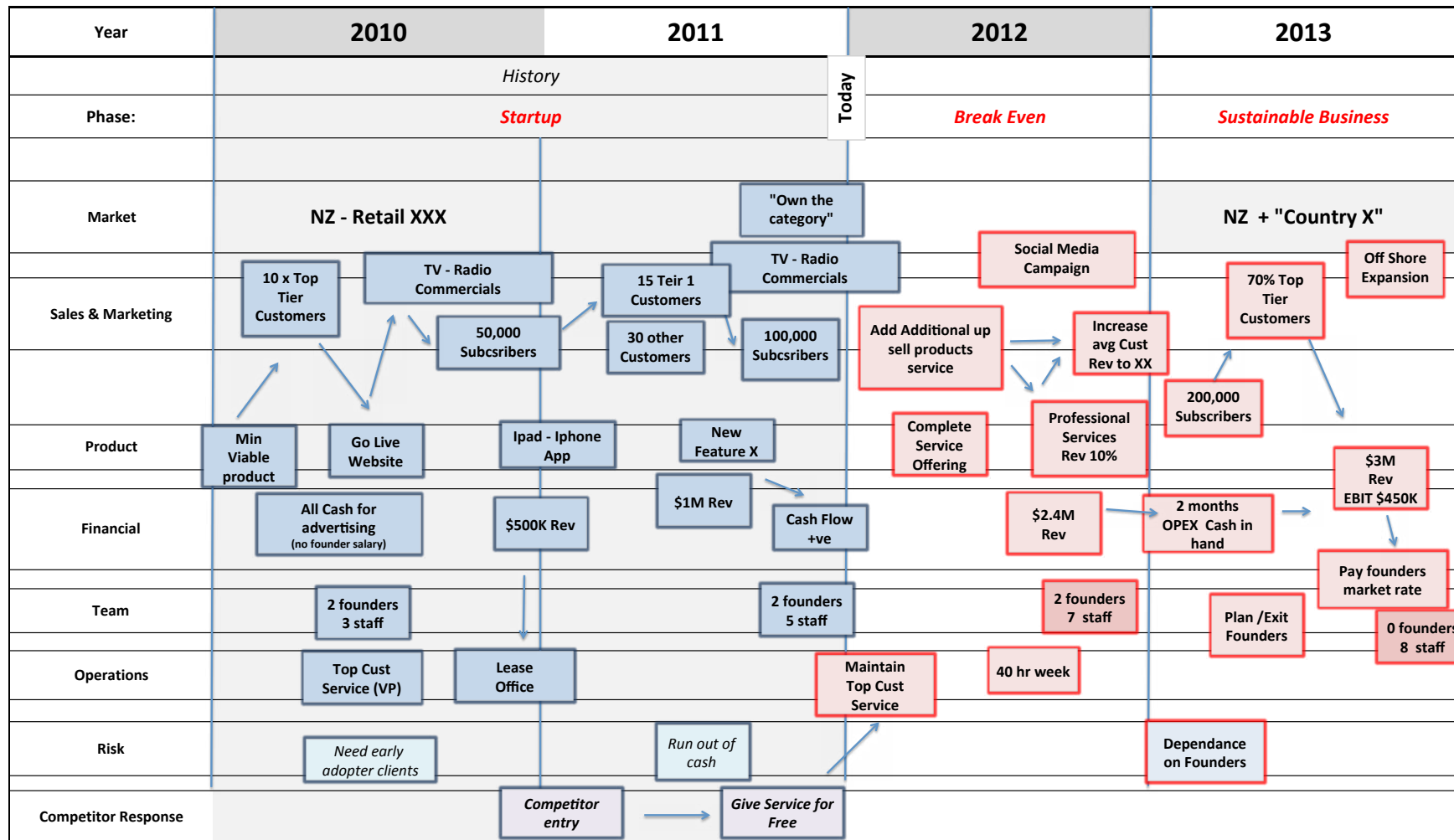
If the plan is no good say so and do something about it.

Succinct visual tools like this and the [business model canvas](#), create powerful discussions very quickly and maximise interaction time. **More importantly they increase the probability of success.**

Coy XYZ - Milestone Map-Plan



Coy XYZ - Milestone Map-Plan



9. TEST YOUR BHAG

<http://succinctstories.wordpress.com/2012/01/30/mile-stone-map-plan/>

What is the uniting force in your business? Running and working in high growth companies is hard work and we are often losing sight of what we are all about.

Daniel Pink in his [book Drive](#) outlined **three core drivers for people: Autonomy, Mastery, and Purpose.** (Note: For those who have not read this great book [watch the 10 minute animated summary](#))

Nothing binds a business like a clear and succinct BHAG (Big Hairy Audacious Goal) and a clear purpose. I am not talking about the traditional boring mission statements that lime the walls of corporate offices, full of: Corporate blah blah... typically lots of words taken from a corporate speak bingo competition.

What I am talking about is a mantra or Big Hairy Audacious Goal (BHAG) that is worth waking up in the morning and going the extra mile.

Have a look at some of the founding BHAGs for some of industries great companies noting this is what they started with...

- **Microsoft:** "A computer on every desk and in every home"
- **Amazon:** "Every book, ever printed, in any language, all available in less than 60 seconds. Also: Earth's most customer centric company"
- **Ford:** "Democratize the automobile" (1900's)
- **Twitter:** "To become "the pulse" of the planet"
- **Giro Sport Design:** "Become the Nike of the cycling industry"
- **Nike:** "Crush Adidas" (1960's)

Brian Gaynor spoke at Springboard this month citing *"New Zealand business owners, in comparison to Australian counterparts, lacked ambition"*.

Check your BHAG against the list in the takeout panel. Do not fall into the trap of being another conservative Kiwi company without big ambition.

Here are a few ideas from local examples (note: not their actual BHAG)

- **Biomatters:** "Tools on every biologist's desktop"
- **E-spatial :** "THE location intelligence behind all major New Zealand enterprise solutions"
- **Sale finder:** "New Zealand's ultimate consumer research tool"

When it comes to purpose statements - these are just clear concise versions of your value proposition in the language of your clients. More on this later - a topic for another blog post. In the meantime, you can read [value propositions revisited](#), [creating succinct messages](#), [No value proposition = No business](#) from old posts.

Example Purpose: [Spike mail](#): "Creating qualified and engaged buyers versus creating lists" - note no reference to their core craft of email marketing.



Ingredients of BHAGs that work are:

- **Compelling and gripping:** people understand straight away
- **Action orientated**
- **Bold:** bordering on arrogant and unattainable
- **Clear:** who, what, where, by when
- **Types:** Target, common foe, role model, internal transformation
- **SUCCINCT:** The power of message is inversely

10. TECHNICIAN, MANAGER OR ENTREPRENEUR – E-MYTH REVISITED

<http://succinctstories.wordpress.com/2012/02/29/technician-manager-or-entrepreneur-e-myth-revisited/>

Do you experience Exhilaration or Exhaustion daily?

What are you? Technician, Manager or Entrepreneur?

Too often people start businesses with great enthusiasm, then before you know it, the passion is gone and its just hard work.

Michael Gerber's "[The E-Myth Revisited](#)" book makes the point that to be successful in business we need to be master juggler of three functions Technician, Manager and Entrepreneur.

Technicians – live in the present: Experts in doing stuff, craftsman at their trade. Their ethos is captured by the statement "you want it done right, do it yourself".

Managers – live in the past: Pragmatic in nature, planning order, creating predictability

Entrepreneurs – live in the future: They turn a trivial condition into exceptional opportunity, true visionaries and catalysts for change. They are focused on the bigger picture continually questioning the business and its place as opposed to operating it.

The E-myth refers to the Entrepreneurial Myth that businesses are started and lead

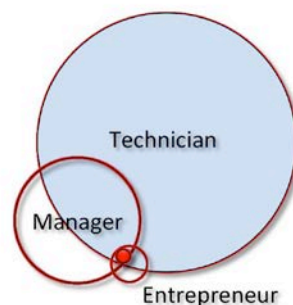
by entrepreneurs, rather than the truth, most businesses fail because the founders are technicians. Their entrepreneurial traits only appearing for a small moment in time at inception, only to be quickly replaced by the dominant behaviour of a technician.

with a lousy job a few years later, working their butts off for little or no reward."

The e-Myth Revisited is a great read and is available on Kindle well worth an afternoon on your deck chair.

More wisdom from Gerber ... "A mature

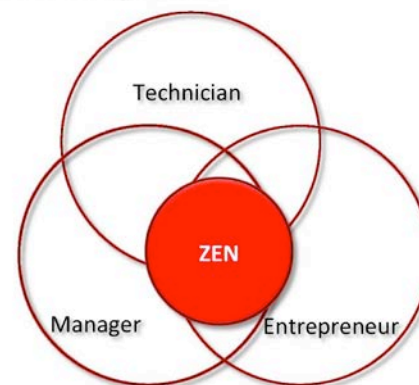
Reality Vs Zen – Balancing Roles



The acts of a technician lead businesses, inevitably lead to what Gerber describes as "entrepreneurial seizure, that point when the business has enslaved the owner".

The classic sign or precursor to this "seizure" being when the technicians abdicate tasks they dislike or do not have skills in, rather than delegating. Typically this plays out as employing someone for a while to do all the stuff they dislike. Slowly they become disconnected from the business they started and after a while the new manager they employed gets pissed off and leaves them in the poo (poo being my technical word not Gerber's).

"Too many entrepreneurs start out with passion and drive, to only find themselves



business knows how it got to be where it is and what it must do to get where it wants to go". Shifting from adolescence to maturity as a business usually coincides with a crisis or getting outside help, you choose.

The fact that these technicians (craftsman) are not strategists or skilled in some basic business skills, is very evident in the NZ landscape.

How do you balance the technician, manager and entrepreneur hats?

Coincidentally, or not, I have recently just re-enthused a couple of businesses owners, who had lost their way, just as Gerber describes in his book.

Fixing this type of dilemma takes two steps best done with outside help:

1. **The Awakening** – some form of strategic review and tool kit, where you can see your business from the outside looking in.
2. **Getting Clarity** around how to best take advantage of this new strategic viewpoint with a new simple strategy and mode of operation that recaptures motivation, clear direction and business opportunity. Rather than doing lots of more technical stuff.

So for pragmatists – some tips:

- **Work on obsoleting yourself from your business** – "if your business depends on you, you don't own a business you own a job"
- **Be conscious of your natural tendencies or biases towards being a technician, manager or entrepreneur.** Challenge yourself to perform the two roles you do not have a natural affinity for. When was the last time you revisited your strategy? Who are you being today?
- **Delegate, don't abdicate:** Do not abdicate tasks that you should have accountability for e.g. finance just because you don't like it or don't understand it. Can you lay your hands on an up to date (end of last month) P&L and balance sheet within the next 10 mins? If not you have abdicated.
- **Learn some more business skills to complement your skills** so you can delegate with full knowledge and respect for specific technical skills specialists provide. E.g. basic finance is not hard to learn.

11. GMC BUSINESS MODEL CANVAS

([Click image to download pdf template](#))

Clarity and definition of your business model is one way to give your business an instant steroid shot. From a planning perspective it is also worthwhile exploring a range of "what if" scenario's around applying different business models to your business. Prepare your Business as usual (BAU) canvas, then challenge yourself to look at new canvas mixes: different business models and make/buy combinations.

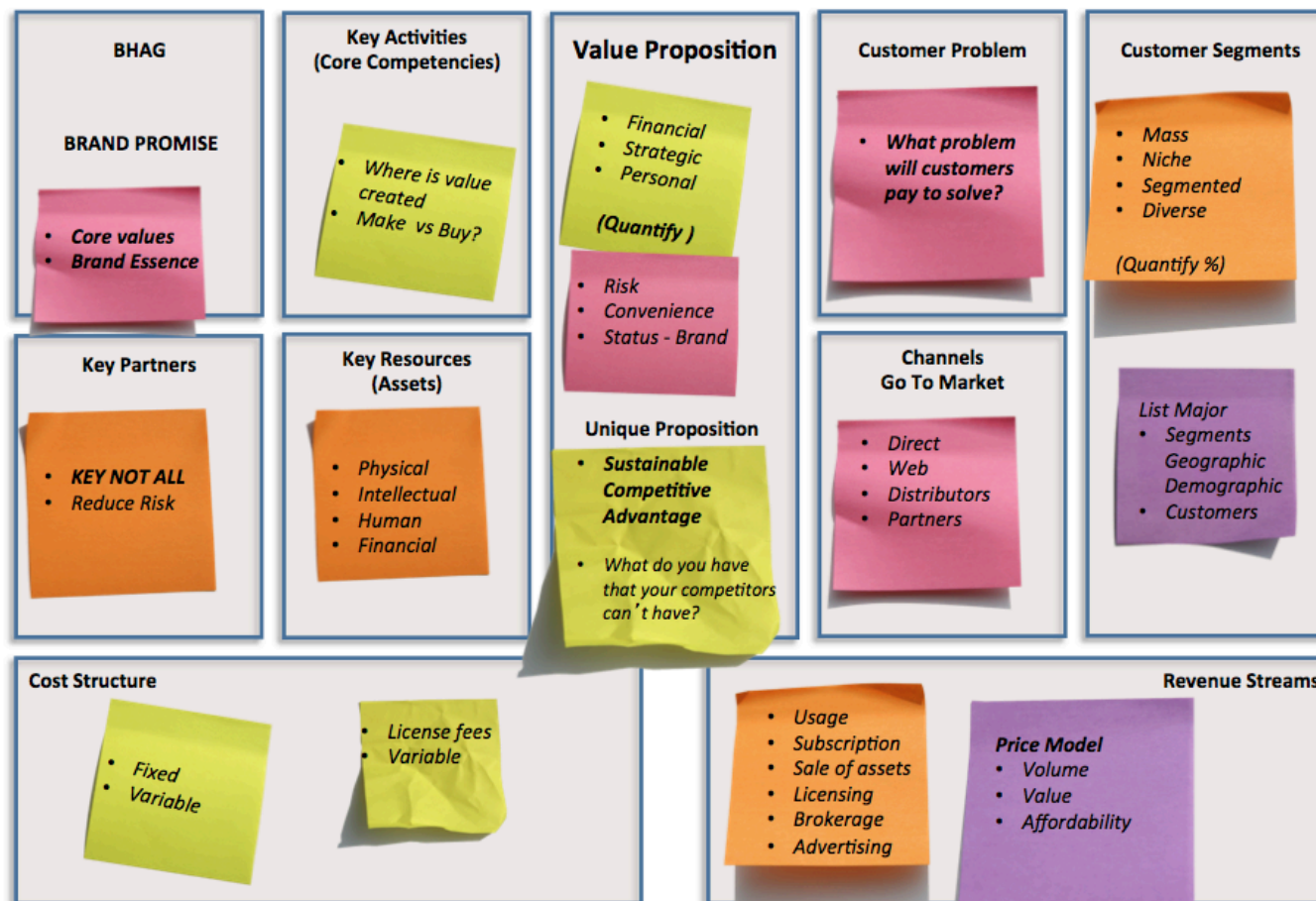
The business model canvas is a great way to brief new stakeholders who work with you including new staff, bankers, advisors and potential investors.

Once developed it can be used with the [GMC Guide to Saying No](#).

The original book "[Business Model Generation](#)" by Alexander Osterwalder & Yves Pigneur provides great examples of how to document business models, along with methods to brainstorm innovative changes in business models for existing businesses.



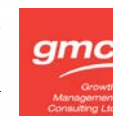
Its great to see the Business Model Canvas is gaining wider use, many of the universities are picking up on it, using it as tool in their entrepreneurial programmes. In this post I thought I share, the updated GMC Canvas variant that I use.



Adapted From
Business Model Generation - Alexander Osterwalder & Yves Pigneur



www.growthmanagement.co.nz



The GMC Canvas Components:

Value Proposition (VP):

The [value proposition](#) (VP) must be at the absolute core of any business. When defining your VP it is worth while to also clarify your “**Customers Problem**” that they will pay to solve and make sure that your VP definition include your **Unique Selling Proposition** (USP).

- *Is your value proposition unique to you, or would it work for any one else in your space?*
- *Do you need to separate out the value proposition for the customer (the person paying the bill) from the end user of your product/ service?*

Market Segment (MS):

Define your market segment as tightly as you can. Often it pays to focus on your beachhead market - i.e the market where you can make the most money the quickest.

If you have a planned phase approach to your go to market strategy list the markets separately. Do not forget to include a psychographic (decision making priorities - traits) and behavioural definition if relevant.

- *Challenge yourself to narrow your definition so you can easily qualify out C grade customers (the ones you do not make much or any profit off)*
- *Do these customers have budget to spend on solving your the problem you have identified?*

Core Competencies:

What key skills and knowledge do you have? These will come from the strengths you have listed in your SWOT.

- *Have you listed the ones that enable you:*
- *Create value for your customers*
- *Acquire customers*
- *Differentiate you*
- *Generate profit*
- *Sustain your competitive advantage*

Assets:

Remember to include intellectual property, customer relationships, key contracts and brand if they are assets for you.

Don't include items that can easily be replaced or that are low value

Key Partners:

List only KEY partners that help you build your product or service or reduce risk in your business.

- *If a partner competency is too crucial to your business highlight it perhaps and an arrow to internal competency list (You may need to plan to bring in house or get a good contractual arrangement)*
- *The make or buy decision will be represented by whether you list something in the key partners or competency box*

Channel to Market:

In this section include key pathways to acquiring customers and leads.

Cost Structure:

Split overheads and variables. Explicitly list any major costs or contractual arrangements. List items from your P&L

that equate for more than 20% of your overhead cost. Show a reference metric eg % of cost. Show raw cost (or margin) of and manufactured items that account for majority of your revenue. Don't forget to list any major debt.

Revenue:

Split revenue into major revenue streams – product lines/channels.

BHAG (Big Hairy Audacious Goal)

What is the [BHAG](#) that motivates people to join the cause. [Refer BHAG post](#)

- *Your BHAG needs to be more than a revenue target.*

Brand Essence / Values

What are the top 5 – descriptors of your brand essence and culture values.

- *Most HR issues stem from failure to adhere to core values. Makes sure they are explicit and all staff understand how they apply to them.*

What's Missing:

If something is missing in your current canvas that should be there – eg your brand should be an asset but it isn't add it to the canvas and highlight it in some way.

Create Multiple Canvases

Take the time to explore multiple canvases and then do a cost/benefit scenario analysis using a simple comparative matrix

12. THE ENTREPRENEURS GUIDE TO NO – TEST YOUR LAST DECISION

<http://succinctstories.wordpress.com/2011/06/07/the-entrepreneurs-guide-to-no-test-your-last-decision/>

Being in business is addictive and just like alcoholics, business owner's loose objectivity – wasting too much time on the wrong idea or activity.

It's my ambition to accelerate the growth and failure of NZ companies by removing clutter and simplifying business growth. For most business people I speak with, it's not a lack of ideas or things to do, it's about deciding what NOT TO DO.

Do not end up being a great jockey, riding a lame donkey. Success is just as much about keeping an objective eye out for distracting activities or ideas, as it is about finding opportunities. Don't overdose on the "go hard or go home" attitude; make sure you are applying some rational thought to your venture.

After reviewing thousands of NZ business ideas, by far the biggest success factor is focusing on stuff that generates revenue and its beautiful cousin profit. Without profit you at best have a great hobby, something you are passionate about and good at.

So before you leap into your next venture or addition to your existing business, test your idea against my

"GMC 6 reasons to say NO":

- 1: Does it solve a problem or desire big enough for some one to pay money for it?
- *your value proposition*
- 2: Can you differentiate your product or service from the competition?
- *your sustainable competitive advantage*
- 3: Can you make money from this venture?

- *your business model*

- 4: Do you have a team with enough skills to make this idea – venture work?

- *your talent*

- 5: Is it fun?

- *Your culture – motivation*

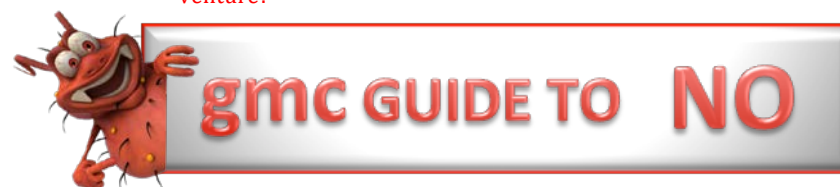
- 6: Will it stack up against some non-emotive challenge

- *Governance*

This rule set works whether you are starting a new business, or simply trying to improve your current business.

Use it to test your ideas so you can grow or fail fast. It's amazing how many great craftsman we have in NZ creating solutions for problems that don't exist or are not big enough to warrant someone outside your mother and mates to open their cheque book and purchase.

Test you last three decisions against the 6 rules....



www.growthmanagement.co.nz

CHALLENGE	DISCIPLINE	PHILOSOPHY
1: Does it add value to customers & differentiate us?	Proposition	We exist because of customers Does this drive us?
2: Does it make money?	Cost structure	Investment decisions Our money and false economies
3: Does it fit our business model? Can we outsource it?	Business Model	Are we working smart?
4: Are we having fun? Does it fit our culture?	Working in the Zone Culture	Living and managing by brand & culture
5: Does it fit our master plan?	Strategy	Are we focused on one goal Is it a diversion?
6: Challenge me: Is it time to rethink the plan? Does it make good business sense?	Governance	Do we have a reference point and high performance coaches?

IS IT SUCCINCT & WILL IT PASS THE NO BULL-SHIT TEST?

13. PIGS AND CHICKENS – BUSINESS MODEL

<http://succinctstories.wordpress.com/2011/09/11/pigs-and-chickens-business-model/>

Is your business a pig or a chicken?

Harold Star's book "Chicken and Pigs – Business Models and Competitive Strategies" puts businesses into 4 categories.

These models are referenced by transaction frequency and revenue contribution from each transaction.

My takeaways from this book are:

Business models are about customers not end users, often people get these stakeholders mixed up. Customers are the ones writing the cheques.

- Few companies know why their customers came to them and why they stay
- It takes different skills to attract customers and retaining them
- Once established a business model is very difficult to change. This comes from the customer behaviours and required skills associated around maximizing operational efficiencies working each model.
- Business models are predicated around decisions made by management around three model elements (strategic DNA) : Customer,

Resources and Capabilities and Value Proposition.

- Many companies operate multiple models, as such they need to be conscious that each model requires different skills and behaviours

Through his book it he never actually mentions why he calls them such, perhaps obvious, but my take is:

Chickens: Lay eggs – lots of regular contributions

Pigs: good for bacon and ham at the end, lots of reward once

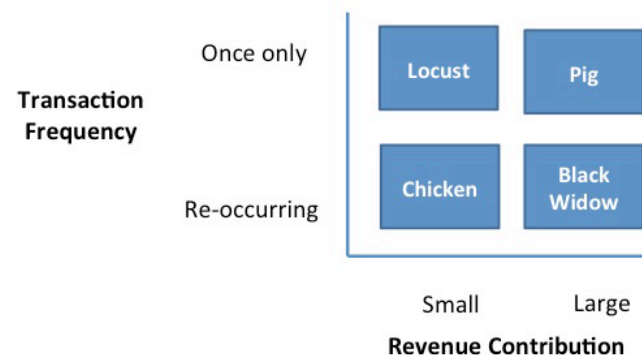
Black Widows: Mate and kill their prey, like big customers who consume your business leaving you **at risk** with a small number of large customers

Locusts: lots of them and they move in packs, short life expectancy

Check out both Harold's [Web Site](#) and his [book](#) for more detail on this pragmatic approach to classifying and developing strategies to manage your customer pools and business model.

The [web site](#) has plenty of great information. Click on each model to get more information.

CHICKENS & PIGS



Chicken and Pigs Business Models & Strategies
Harold Star
www.master-your-business-model.com/types-of-business-models

If your business...	Then it is ...	Your customer offer ...	Your resource issue is...
Sells directly to the public	Locust	Satisfaction	Efficiency
Is a project business	Pig	Problem Resolution	Availability
Enjoys subscription revenues	Chicken	Problem Management	Consistency
Has 1 or 2 dominant accounts	Black Widow	Partnership	Learning

14. WINNING CULTURE'S: DON'T BLAME THE STAFF – WHO'S RUNNING THE SHOW

<http://succinctstories.wordpress.com/2010/06/26/winning-culture%E2%80%99s-don%E2%80%99t-blame-the-staff%E2%80%93-whos-running-the-show/>

I listen with interest to many CEO's complain about the performance, accountability and attitude of their staff.

In most cases these CEO's are so focused on being busy and doing it all themselves, that they are missing out on some basics.

Here are 4 quick tips to fix general performance issues:

Get **clarity** around what success looks like for you and your customers, eg "we make the car go faster".

- **Define and manage to a culture set.** Call it values or call it a manifesto but define it, lead by example and act when it's not lived up to. Hire and fire based on this culture set. Otherwise your good staff will run away.
- **Lead rather than manage:** Start with hiring smarter people than your self and then delegate.
- **Set up an advisory group** to help challenge and keep you on course and be accountable to your own plans. Too many people get hung up with titles and labels Governance, Boards, advisory groups, compliance just get started.

Two companies that have experienced explosive growth: Trademe and Atlassian

have clear culture sets (shown below).

How would you describe the culture of your team?

If you do not define it and live it – it will evolve to the lowest common form.

The Trade Me Manifesto -Follow the links to [Rowan Simpson's blog](#) for more detail

- [#1: Create great websites and people will tell their friends](#)
- [#2: Be like electricity](#)
- [#3: Let the server run the business](#)
- [#4: Empathise](#)
- [#5: Make people feel safe](#)
- [#6: Talk straight](#)
- [#7: Hire people smarter than you](#)
- [#8: Be informal but serious](#)
- [#9: Measure everything](#)
- [#10: Just try stuff](#)

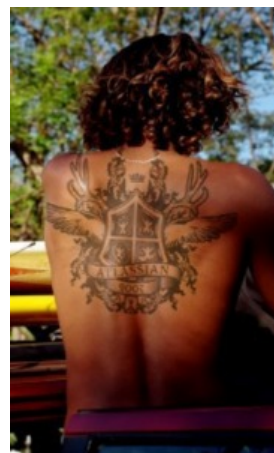
Atlassian's Values - [more on Atlassian](#)

Purpose:

Create useful products people lust after

Values:

- #1 Open company, no bullshit
- #2 Build with heart and balance
- #3 Don't fuck the customer
- #4 Play as a team
- #5 Be the change you seek



15. VALUE PROPOSITIONS – REVISITED

<http://succinctstories.wordpress.com/2011/02/24/value-propositions-revisited/>

Lack of clarity in business around what value they offer their clients or what's important to clients can be fatal. It has been so refreshing to recently read the 37Signals [Rework book](#). Here is a company that has been a raging success by focusing on keeping their applications simple – under doing their competitors on functionality.

To often we lose sight of our most important stakeholders our customers are we focusing on what is important to them.

Yes yet another post on value proposition from me – the last one was [No Value Proposition = No Business](#), this simple concept is still not understood. I still come across too many business people who are confused between technology, features and Value Propositions (VP).

Value: quantified worth or success factor, equivalent worth in money

Proposition: the act of offering or suggesting something

Technologists in particular, get fooled by their early adopters purchasing on technology and new.

You need to remember this is a small group of people and will not make you rich. (read "Crossing the Chasm" – by Geoffrey Moore)

The buying decision by your customer is complex – but there is always a mix of emotion and logic. In tough times clear value propositions dominate over emotion. My take is if you have a clear value proposition your business does not need to be sexy to win sales.



To illustrate the point here are the value propositions and thoughts I went through on some recent purchasing decisions for my business:

Product: [Learning Source Training Logistics](#) -Booking System VP: \$129 per month [is cheaper than hiring support staff](#) to manage venues, registrations and last-minute course communications. The per registration [fee is directly related to my success](#).

Product: [Xero Accounting](#): \$50 per month is [cheaper than wasting my time](#) with bank reconciliation and checking bank balances via my banks proprietary web site. Automated processing is quicker than that on MYOB. [Saving me 4 hours every month](#).

Note: the reason I shifted GMC from MYOB (which BTW I think is a better technical product) is because they wanted to charge me for a software upgrade for new GST rate (a feature I just expected to work). The business values were miss aligned with mine.

Interesting my guess is many business owners are still paying for bookkeeper's that could easily be replaced with Xero plus business owner devoting 30 mins a day to staying in touch with their business finances.

Product: Apple mac air: value proposition: its starts instantly – but most importantly [it's sexy](#).

Product: 50 G [Drop Box](#): \$100 per year – [fear of loss of data](#) was the final VP that tipped me. My server lives my house – a break in forced me to consider what if I lost all my data. It was the only thing not replaceable in my house. \$100 appeared as an insignificant cost. The convenience is great – but note it was fear that closed the deal.

16. DON'T SPEND ALL YOUR MONEY ON DEVELOPMENT

<http://succinctstories.wordpress.com/2012/05/10/dont-spend-all-your-money-on-development/>

The process of selling costs and it takes time...

A company without sales and a go-to market plan is a science project, not a business.

It blows me away every time I come across yet another business that has a product all finished, patents applied for, accounts done, but no go-to market strategy or any sales to speak of – **AND NO CASH LEFT.**

Worst still, licensing deals that have not taken into consideration cash flow and go-to market issues – **AND STILL NO CASH LEFT.**

It disgusts me that all the lawyers and accounts that the business spent money with never encouraged the business to save some money for sales and market.

Whether it's science, technology, or products, too many businesses are running at Death's door, because they have failed to budget for and spend appropriately on marketing of their products.

Rule of 10's

One of the most basic rules any new product based venture should take into consideration is the Rule of 10's. **If it takes \$1 to create a business concept, it will take \$10 to build a product, \$100 to market it, \$1000 to build a brand, and \$10,000 for an international brand.**

Please make sure you have some time, energy, and money left for taking your product to market.

As an ex-engineer I get it guys, you want it finished and perfect before you go sell it –

but get over yourselves, go sell vapourware. Trust me, the sales cycle will take 10 times as long as you think and cost you 10 times as much.

STOP spending on technology and products. START spending on marketing and sales NOW. It appears that most professionals out there, patent attorneys, accountants and the like have no knowledge of product commercialisation – otherwise they would be advising businesses to save some cash for this crucial activity.

At very least, consider how you are going to sell and market your product and **budget for it now.**



17. PRODUCT MARKETING – THE MISSING DISCIPLINE

An effective Product Marketing team is most probably the best insurance policy for any new venture. For a trading company the Sales team and CEO's all have tunnel vision on next quarter's revenue. *The role of product marketing is to build next year's revenue and ensure that any investment in product development produces a measurable return.*

The finite definition of product marketing's function is variable, but it unanimously does include the full range of marketing activities, rather than just promotion activities. Noting that for too many business people, marketing is just a promotion activity.

Key activities of pure product marketing that are often absent in businesses include:

- Assessment and **validation of markets**. Will someone actually buy this product once it is created?
- Access to **channels to market** – smart go-to market strategies and distribution agreements that are workable and will not conflict with potential company exit strategies.
- **Return on Investment** – working out if this is the best use of the company's capital and when and how will it get a return.
- **Development of effective sales collateral and messaging** - that communicates what is relevant to customers, rather than a feature or technology list.

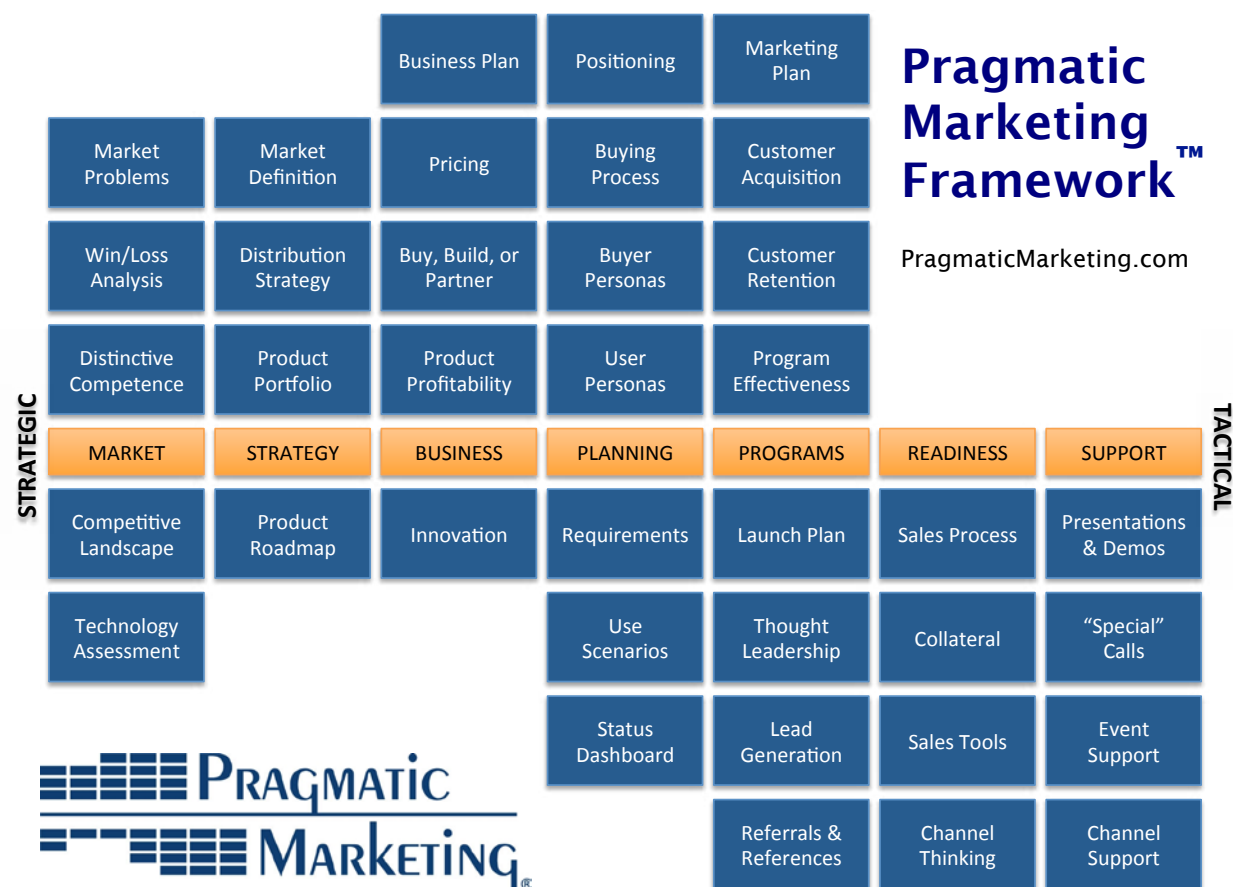
Check your company's marketing activities against this great list from www.pragmaticmarketing.com

This is one area we have a lot to learn from American technology companies. New Zealand technology companies often make the first move of appointing product managers, to manage product road maps, product requirements definitions, and act

as the referee between sales and development teams.

My suggestion following on from my recent [Rule of 10's post](#) is, at the very least, budget an equivalent amount of money in the complete list of marketing activities as you do in product development. Likewise, balance your marketing spend between strategic and tactical activities.

I would encourage CEO's of companies, Crown Research Institutes and universities to explore this missing discipline. I would also welcome the Ministry of Science and Innovation to begin to invest in this crucial area of commercialisation, rather than just the science part.



18. PERSONAS & ZERO-BASED STRATEGIC THINKING

<http://succinctstories.wordpress.com/2012/06/01/personas-zero-based-strategic-thinking/>

Incremental change is dangerous, particularly come planning time for your business. Left unchallenged you can suffer a slow death, or be taken out by a gorilla in your market. Here are two ways to break your normal incremental thinking.

Personas at the Boardroom Table:

What would Steve Jobs, Richard Branson, or John Key be saying in your strategy day if they were on the board of your company? This is the power of personas.

Edward de Bono first popularised this method with his ["Six Thinking Hats"](#). User experience design people adopt a similar approach to ensuring real users can utilise modern software applications. There is a great article on ["The Power of Personas"](#) for user design in the [MSDN Magazine](#).

Create some imaginary board members to your company, they come cheap, and give them a seat at your boardroom table. Then listen to what they would be saying if they were in the room. To balance the big thinking of a Jobs or Branson, you may want someone else at your board table to balance out their big budget thinking.

If you are known to dream big, perhaps you need the conservative 'black hat' thinker at your table to question the reality

of your plans. This is a great way to break with conservative limited thinking, beliefs that exist in many boardrooms, whether your problem is not dreaming big enough or you need a hand break. Do not invite too many imaginary friends too frequently or your friends and family may think you are going nuts!



Zero-Based Thinking:

Accountants often refer to zero-based budgeting. This is the method of creating your budget from a clean sheet of paper, rather than simply modifying last year's budget by X%.

The same goes for business planning: take the stance if you were starting your business over again, but with the resources and capabilities that you have now – what would you do? Invite your new board members (personas) to the table as well to help you with this exercise.

19. STRATEGY OR A GOAL

A strategy is not a financial goal or a motivational slogan, it is a plan that has been developed to surmount a challenge, based on a considered choice, created from a **thorough** understanding of the environment you exist in.

What is the “rationale that says your business will be successful in the long term” and “how will you exploit your competitive advantage”?

Your understanding of the environment that you exist in, to the point where you can attempt to predict the future, so you can see long term positions of strength will enable you to create effective strategy. Without undertaking this exercise you are operating without a key piece of “intel” you will stumble from one short term opportunity to another, missing out on long term profitable markets.

Wikipedia defines Strategy as:

A **strategy** is a plan of action designed to achieve a specific goal. Strategy is all about gaining (or being prepared to gain) a position of advantage over adversaries or best exploiting emerging possibilities. As there is always an element of uncertainty about the future, **strategy is more about a set of options (“strategic choices”) than a fixed plan.**

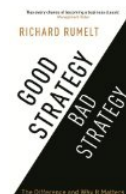
The problem with most entrepreneurs is their unwillingness to stop and analyse the market or the eco-system they exist in long

enough to create multiple options to create an informed strategy. **A crucial step in creating good strategy is that you present multiple options and that you are forced to debate and create stronger arguments to support them.** To often we either go with the first option or just operate in committee mode and merge the options together. Powerful strategy often involves hurt – some one not getting their way and stopping pet projects.

Our impatience and desire to “just do it” – makes us jump directly to creating a plan, missing out on the great power of “true strategy”

There are two orders of power when looking at strategic planning.

1. **Business Planning:- Operational Excellence:** Gaining clarity in what you do and are good , deciding what to do and not. BHAG (Big hairy audacious goals), purpose, defining immediate goals and tactics to achieve those goals., basic competitor analysis. *This business planning by itself does produce improved performance, but will not de risk the business in the long term.*
2. **Strategic Market Analysis:** This higher order activity involves deeper understanding of what is going on in the market, where long term opportunities lie, maximising gains over industry trends and predicting trends. Although this activity requires in depth market research and [evaluation of multiple paths](#) it will result in a simple statement.



In Richard Rumlet’s book [“Good Strategy Bad Strategy – the difference and why it matters”](#) he makes a strong case for taking the time to do what I refer to as Strategic Market Analysis before business planning. He make brutal comments about what he calls bad strategy. *He has brought a new clarity to me around business strategy or more importantly non strategy that will help me in my work.* Below are few excerpts – learning’s from his book (available on kindle) ...

- **Good strategy almost always looks this simple and obvious and does not take a thick deck of PowerPoint slides to explain.** It does not pop out of some “strategic management” tool, matrix, chart, triangle, or fill-in-the-blanks scheme.
- **Unlike a stand-alone decision or a goal, a strategy is a coherent set of analyses, concepts, policies, arguments, and actions that respond to a high-stakes challenge.**
- The core of strategy work is always the same: discovering the critical factors in a situation and designing a way of coordinating and focusing actions to deal with those factors
- **If you fail to identify and analyze the obstacles and opportunities, you don’t have a strategy. Instead, you have a stretched goal, a budget, or a list of things you wish would happen.**
- The kernel of a strategy contains three elements: a diagnosis, a guiding policy, and coherent action that respond to a high-stake challenge.

1. Diagnosing the specific structure of the challenge or change rather than simply naming performance goals.
 2. Choosing an overall guiding policy for dealing with the situation that builds on or creates some type of leverage or advantage.
 3. The design of a configuration of actions and resource allocations that implement the chosen guiding policy.
- Good strategy is not just “what” you are trying to do. It is also “why” and “how” you are doing it. Combining all three elements mentioned above.

Even after working out what needs to be done “Good Strategy” is explicit in how you will do it. *Steve Jobs’s guiding policy is legendary: (1) imagine a product that is “insanely great,” (2) assemble a small team of the very best engineers and designers in the world, (3) make the product visually stunning and easy to use, pouring innovation into the user interface, (4) tell the world how cool and trendy the product is with innovative advertising.*

My observation is that we are all jumping over step one in Richard’s process or simply restricting it to a basic SWOT and competitor analysis.

At very least challenge your strategy: is it a slogan or a goal or does it have some decent [market intelligence](#) behind it? And more importantly have you had it challenged?

20. FINDING NEW STRATEGIC OPPORTUNITIES

<http://succinctstories.wordpress.com/2012/10/08/finding-new-strategic-opportunities/>

Take yourself out of your business and explore the industry view

We all suffer tunnel vision when it comes to running our businesses. Even worse, when it comes to finding time to do some true "blue oceans" strategic thinking.

Too often our thinking is constrained by looking at our world from our own perspective rather than that of the customers and the industry eco-system we exist in.

We all got a great reminder of this when Kodak got into major financial trouble in Jan 2012. How could such a giant with 1000+ patents in digital photography screw it up so bad. My take, they failed to adapt the culture (attitude) of the business to the new value chain and eco-system that



emerged into the new digital age.

Real Strategy

Strategy is most probably the most miss used word in business. Strategy is about understanding the lie of the land, understanding the geography you are about to do battle in, assessing the enemies strengths and weaknesses looking for gaps and opportunities to capture a market. Its not about what to do every day operating your business – alah business planning and execution.

Mine your external value chain for opportunities

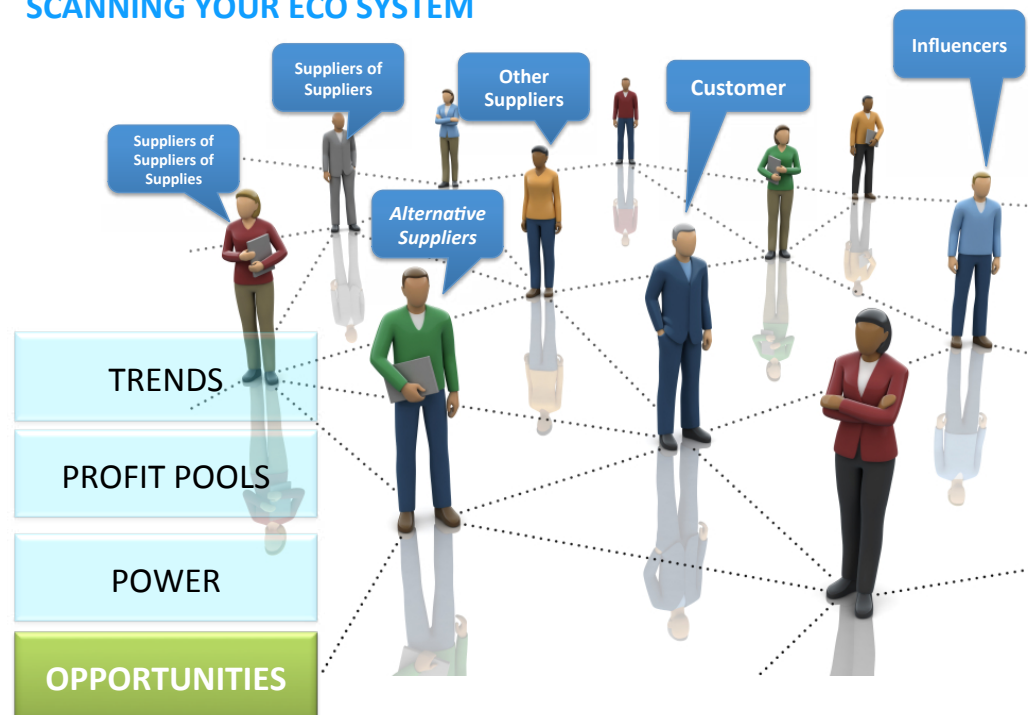
If you are looking for investment, market or channel partners the best place to start is looking at your customers and end users. Then map all of their suppliers, customers and their influencers out on a huge mind mapped value chain. Documenting suppliers, to suppliers, to customers and so on. By reviewing all the players on this map e.g. who holds the power of influence, who owns critical scarce resources and who is making the profit etc. you will uncover a raft of possibilities.

Include in your thinking competitors as well, most NZ business shy away from conversations with their competitors let alone doing deals with them to collaborate in the global marketplace.

Look for market trends that will uncover future change in your industry

Take the time to look for current trends across your complete value chain so you can spot hot spots or market opportunities to take advantage of.

SCANNING YOUR ECO SYSTEM



21. STRATEGIES FOR GROWTH

To get market traction – we need to choose ONE strategy and do it well...

Growth in a business comes from either selling more to our existing customers or getting more customers. Either way we need to gain a position of strength and differentiation to grow our business.

In the jungle economy, if we are not growing and taking some one else's customers, they will take ours. Equally so we have finite resources, so must choose a small list of things to do and do them well.

How do you get to "own your customers" i.e be the supplier of choice?

Too many businesses attempt plans that are incompatible with their balance sheet, their personal circumstance or even reality or worst still a potpourri of every possible strategy. My recommendation is choose one.

Strategy Primer Questions

Strategic planning is about exploring and debating options in an iterative loop. Before working out how to win customer mindshare you need to define **what is your target market**. A key step in this iterative cycle is to decide where long-term opportunities exist.

- **What is your long-term market opportunity?** Have you explored what's going on in [your industry ecosystem](#)? What facts do you have that support your market will exist in 2 or 5 years time?
- **What is your competitive advantage or point of difference?** Is it a truly sustainable competitive

advantage? [Do you have the skills to deliver this?](#)

- **What is your strategy to maximise your competitive advantage?**

Next you need to work out how you will get to "own your customers mind", i.e begin your growth – to create a change in the market place.

Unfortunately in the real world, we do not have unlimited resources – so despite ambitious intentions, we do need to make some choices of what do we do first and what takes priority. Most SME's can only afford to invest (people & money) in one strategy at a time.

Strategic Priorities & Restraints:

- **What is your key strength?** Product, operational excellence (process) or customer intimacy
- **What is your no.1 priority? - Market Share or Profit or Revenue** (Prioritise these options)
- **What market segments are you going to take on and in what order?** (geography, demographic, etc)
- **Have you got the make / buy split correct?** Where do you add most value to your clients & yourself (who will you partner with). Are some of your business activities a major distraction and not make you any money?

WIN THE RACE to OWN YOUR CUSTOMER'S MIND: – Choose one

Strategy guru Michael Porter was of the belief that you only have two options to gain strength in a market **Cost leadership** or **Differentiation**.

Winning market reach & share quick

- **Freemium** (give your product or a cut down product away for free)– do a land grab then start charging or kick in alternative revenue streams later eg trademe
- **Partner** with large organization – preferably corporate challengers rather than the giant that already has the customer, as they can up sell something "additional" to them (your product or service). Note Giants are typically too arrogant and do not need you
- **Merge** – with other small players to increase efficiency and customer reach

Win the technology/product innovation race

- Create products that others do not have and your customers will lust after – that have amazing customer pull eg killer apps
- You may need to use a strong IP strategy that can not be worked around (trade secret) and patents or simply just obsolete your own products with new ones so people can not copy (eg Apple, Microsoft)
- In the services space this race is often influenced with "thought leadership"

Create / Find a new market

- Legislation change
- Disruptive technology – new product paradigm eg MP3 players – ipod
- Use existing technologies in a new way

Win the cost race

- Make your product cheaper than all others. Organisational and cost efficiencies.
- Warning – making products cheaper does not mean start a price war. Price wars in most cases become a race on who can hold their breath the longest.

Win the heart – BRAND

- Build a brand experience people fall in love with – this may include service paradigm

What is your strategy to capture the mind of your customers? – Is it one of the ones listed above or do you have another?

22. FOOLPROOF: DE-RISKING NEW VENTURES

<http://succinctstories.wordpress.com/2012/05/29/foolproof-de-risking-new-ventures/>

Whether it's a start-up or a product line extension, next to having the right team on board, **validating your market prior to developing your product is the best way to increase the probability of your success.**

Often I hear the cry *"oh, this doesn't apply to us".... "We do disruptive technology like Steve Jobs... "our customers don't know what they need till we show them".*

Truly successful disruptive technologists use research to back up and tune their visionary thoughts. They study their target audience's behaviour to the point where they can create powerful product insights based on a combination of research and creativity to de-risk their investments. Without this behavioural research you are simply guessing.

It's no wonder we have such a high failure rate with companies in this country when you hear facts like – *"only 20% of companies approaching MOVAC for investment have completed market validation, which is a perquisite for us to invest"* - Dion Mortensen

85% of those completing market validation will fundamentally change the functionality of their product, ultimately creating a product that will be more profitable and actually sell!

Jenny Douché has just released her latest book **"Fool Proof – How to find and test great business opportunities"**.



"This easy to read book is full of great tips and guides, it should be compulsory reading for all new ventures and product managers".

Jenny has included some insights from New Zealand entrepreneurs (Rode Drury's Xero, Campbell Gower, Phil & Teds buggies, etc) and a few local investors who have experienced the fruitful outcome of performing market validation.

Foolproof is an easy light read, designed for entrepreneurs - 2 aeroplane trips should have it read with no bullshit or big

theories. It will be one of those books that you will refer back to.

Unlike other books on this topic, Jenny actually gives you plenty of actionable content, rather than just theory, including lists of questions for all participants of market validation including: target end users, distributors, market influences and enablers. She covers both desk research and engaging with stakeholder groups, including how to talk when interviewing and surveying.

Too many entrepreneurs fail to look at the wider macroeconomic factors that will influence their business both now and in the future. It's amazing what insights you can gain from mapping and studying your market place's value and supply chains along with current trends. (Note: value chain mapping is one of the key activities we do in [Business Dominoes](#) – strategy programme). By performing this type of research, you can save yourself the embarrassment of being blind sided down the track, or worst still investing in the world's best mouse trap that no one will ever buy.

Just because what we have created is faster or better than the existing market alternative, it is not a right of passage to easy sales. As creators of new products, we easily forget the life of a consumer; where we are faced with better and newer products and services, yet we choose to ignore them and use what we consider easy, safe and predictable.

Clearly getting there is a balance between "no market validation" and "doing so much research you never do anything". Either extreme is going to be a recipe for failure.

TIPS on Market Validation:

1. Undertake market validation before undertaking any major investment is an essential risk mitigation tactic
2. If you are seeking investment, doing market research will put you ahead of the pack
3. Do both desk and personal research – yes, talk to potential customers
4. Map out your market place (value chain and trends), make sure you are not missing any opportunity or trend merging – a lot of this can be done by desk research and validated by contacting key industry commentators
5. Engaging key stakeholders in the industry in market validation often builds loyal evangelists for you and your new business
6. A quick prototype or sketch can help discussions
7. Market validation is not a one-off exercise, it is a crucial part of improving your business and product over its life
8. If you are developing disruptive technology then you need to be doubly sure of your target audience's "pain" and more importantly motivation to change behaviour to adopt your new product. Do some behavioural research.
9. Be warned if you have been in the industry or are a target user – you do not know enough.
10. Doing market validation will often open your eyes to a better product than the one you have conceived by yourself.
11. [Buy Jenny's book](#)

23. DON'T CONFUSE NETWORKING WITH CARD SWAPPING

Networking Tips

Effective networking is one of the best ways to build your business yet so many people do it so wrong.

The number one failing by business people is the delusion that – card swapping equals networking. Card swapping benefits two parties – the printing industry and the cleaners.

At your next networking event spot these people:

Homer Simpsons: Hanging out with their mates and eating and drinking. – *Just go to a bar*

Stalkers: Hounding the most famous person in the room – *they will not remember who you are in the morning*

Date Hunters: chatting up the pretty people – *this works (this is how I found my beautiful wife) but not good for building business*

Card Sharks: thrusting cards into everyone's hand – *measuring success by the number of cards they bring back to the office – too many people operate like this*

So how should you approach a networking event?

Aim to meet 1- 3 new people: The goal of attending any networking event should be to commence establishment of 1 to 3 new relationships. There are plenty of networking opportunities; you will not build an entire network in one event. A relationship is based on knowing people well enough so that when you call them in six months' time, they will remember who you are. This is never done with simply swapping cards and giving them your elevator pitch. Take your time and get to know them and their business. *My goal when I attend a conference is to make one new real connection.*



Prepare your Elevator pitch: Make sure the first 60 secs that comes out of your mouth describes something about how you solve problems for your customers – not a speech about you and your technology or craft. Get outside help on testing your elevator pitch – look at attending an GMC [Power Pitching](#) workshop

Qualify your audience: Make an assessment on people, if they are not for you and they thrust a card in your hand – put their card into a different pocket and dump their card ASAP. If there is something of interest, dig deeper and remember to ask about them.

Talk to competitors: NZ SME's do not work well with competitors. Learn to talk about your business without giving away the 'secret sauce'. Explore opportunities for mergers and acquisitions or just plain collaboration.

Post Event: Follow up with an email or call in the next day or so – *not from the other side of the room or in the car park as it appears desperate!*

Linkedin: Linkedin.com is a powerful free networking tool. As well as providing an up to date database of your network, it more importantly gives you access to your network's network. Start with a basic profile

today if you do not already have one. The best uses of linkedin are: (i) reference checking new employees from your network, rather than those listed on the cv (ii) Getting introductions into businesses (iii) accessing potential employees, and (iv) participating in online interest group discussions. An interesting fact is in USA 80% of job placements are initiated via LinkedIn.

Groom and qualify your network: Take the time to groom and nurture your best contacts – use a contact schedule to make sure you stay on their radar – pass on links to relevant information to them.

Give and you shall receive: Relationships do not happen overnight, earn the trust and respect before asking favours.

24. CONTACT US

SUCCINCT.CO.NZ

TIPS BLOG



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