

# BUSINESS INTELLIGENCE

Strategies and Trends for the Successful Business

## REPORT

June 2010

### IDEAwatch

Tips for Growing Your Business

■ **Most marketing copy is full of generalizations** that do nothing to differentiate a company from the competition. For example, instead of saying “we have great customer service,” offer quantifiable data, like short hold times or the amount of training given to employees. Rather than saying “our clients love us,” offer testimonials or give specifics about why they stick around. Saying “we are the low-price leader” is just asking to be one-upped by the competition. Instead, explain why your prices are so low.

Source: [www.fuelnet.com](http://www.fuelnet.com)

■ **Define your company's purpose in a sentence.** Great companies have a single purpose that drives them toward success. For example, Google's is “We organize the world's information and make it universally accessible and useful,” and ING Direct's is “We lead Americans back to savings.” This is not a tag line but a single idea that defines the company's reason for existing. Discover what your company is best at and put it into a sentence. Then, make sure that everyone in your company knows that sentence and uses it to drive success.

Source: [www.hbr.com](http://www.hbr.com)

■ **Small changes can make a big difference in sales.** Take, for example, the greeting. Marketing guru Bill Glazer got tired of his retail salespeople saying, “Can I help you?” and getting, “No, thanks, I'm just looking,” as a response. He asked his salespeople to start saying, “Hello. What brings you into the store today?” This little change dramatically affected the customer/salesperson dynamic, elicited much lengthier responses and led to more productive interactions. What changes can you make to your in-person or telephone greetings to engage and draw out the prospect?

Source: [www.sellingpower.com](http://www.sellingpower.com)

### STRATEGY

## Are You an On-base Hitter or a Slugger?

by John Warrillow

THE LEAD-OFF BATTER is arguably the most important offensive weapon on a baseball team. His job is to get on base — it doesn't have to be pretty. He could get walked, bunt his way on base or make a mad dash for first after the catcher drops the third strike. His success is measured not by his number of home runs or even his batting average but by his “on-base percentage.”

The more powerful hitters follow the lead-off batter in the lineup. The slugger, slotted in the fourth spot, has the task of swinging for the fences and driving home the players who got on base in front of him.

Knowing one's role is essential to success. Sluggers shouldn't try to bunt their way on base, and the greatest sin of a lead-off hitter is to go down swinging for the fences. As with baseball, business owners can be divided into “on-base hitters” and “sluggers.” Knowing which you are is critical to happiness and success.

“On-base hitters” are the business owners who have a series of successful business start-ups. Like the on-base hitter, they would prefer small, regular successes over less frequent but larger wins.

Rene Lacerte is an on-base hitter. His latest business, bill.com, is a software platform he created after exiting PayCycle, an online payroll business he co-founded. Once PayCycle got going, he recruited a proven, professional manager to run it. Rene knows that he's an on-base guy and has no illusions of being able to swing for the fences by running a larger business. He'd rather get on base with a number of start-ups than run one business for his entire career.

Fred Smith, the founder of FedEx, is a home run hitter. He's owned one business in his professional life and has had the patience, stick-to-itiveness and talent to grow it into a Fortune 500 company.

Both Lacerte and Smith are successful entrepreneurs who have built valuable

companies, but one is an on-base hitter and the other a slugger. Interestingly, I don't think Lacerte would be happy running FedEx. He'd probably be bored and get bogged down in the complexity. Likewise, I'm not sure Smith could cope with the uncertainty and ambiguity of

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**Determining and understanding what type of business owner you are is critical to happiness and success.**

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Lacerte's life as a perpetual starter-upper.

I think one of the most important determinations a business owner can make is whether he or she is a slugger or an on-base hitter. The on-base hitter can focus on starting and exiting lots of smaller businesses in a career and not harbor second thoughts when heading for the exit. In contrast, the slugger would be best served by making a single business his or her life's work.

The trick is to understand your personality. For the past nine years, I have attended a quarterly workshop offered by the Strategic Coach. “The Coach,” as it is known to the initiated, specializes in working with entrepreneurs to help them achieve both business and personal success. Prior to my first Strategic Coach workshop, each attendee was asked to complete a personality test known as the Kolbe test. The Kolbe test measures people on a score of 1–10 on each of four personality attributes:

“**Fact Finders**” are people who seek details before making decisions. Just as picking at a single yarn in an old sweater unravels it, each answer to a fact finder's question triggers a new set of questions. The fact finder seeks out the answers to those questions before making decisions.

“**Follow Through**” people love systems. They think in a linear fashion, where step 1 leads to step 2 and so on. They love process and create systems when they are confronted with chaos.

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■ **Do you qualify for tax credits of up to 35% of employee health care insurance premiums?** Under a program created by the health overhaul law, businesses that pay, up front, at least half of employees' insurance premiums and have less than 25 full-time employees making an average salary of less than \$50,000 will be eligible. A tax credit reduces liability for federal tax. The reimbursement program begins this year and increases to 50% starting in 2014. Dental and vision care, on top of standard health insurance, are included.

Source: [www.businessweek.com](http://www.businessweek.com)

■ **If you run a company full of smart people, they will find faults and mistakes everywhere, and they'll complain.** That's fine. It can become destructive, though, if it evolves into a culture of complaint. One way to keep the whining under control is to require that all complaints be accompanied by at least one proposed solution. This will force people to take a closer look at the problem, and often they'll realize it's not that big of an issue after all. Or they may have a legitimate complaint and now they are focused on solutions instead of just problems — the outcome may be some great ideas. Finally, this approach will make employees feel and act like owners in the company because they took responsibility of a problem instead of just whining about it.

Source: [blogs.bnet.com](http://blogs.bnet.com)

■ **Are you posting Facebook status updates, but feel that no one is noticing them?** That's probably because no one is seeing them. Facebook uses an algorithm called EdgeRank to decide which of your updates will appear in a user's News Feed. This algorithm is influenced by how often profiles interact with each other, the type of engagement (comment vs. "like") and the freshness of the content. That means if you want to make sure your audience is seeing your updates, you need to constantly be creating new content designed to get a reaction. To do this, consider asking questions, creating polls, holding contests or asking people to "like" something they agree with. Facebook will also let you target updates to specific groups of fans based on selected criteria.

Source: [www.smallbiztrends.com](http://www.smallbiztrends.com)

## The limitation of mobile marketing

While everyone is buzzing about the effectiveness of mobile marketing, new research indicates that it has a severe limitation: the small screen size makes it difficult to see people's faces clearly.

Why is this such a problem? Previous research shows that the brain is strongly attracted to images of human faces. We rely on being able to see faces clearly, in order to be able to figure out what someone's intentions are.

"But if I can't see someone's face very well on a mobile device, I'm not likely to become emotionally engaged," explains Andrew Pohlmann, a managing partner at NeuroFocus, the neuromarketing

research firm that conducted the most recent study. "If I'm not emotionally engaged, neuroscience teaches that I'm less likely to remember your message."

Pohlmann says the takeaway for marketers is that "mobile devices are well-suited for fact and figure-based marketing messages. TV is best suited for emotionally based marketing messages."

Evidence for this idea was discovered during a neuromarketing study measuring the effectiveness of different media in which subjects watched a commercial in multiple forms while having their brain activity and eye movement measured.

Source: *Target Marketing*, April 28, 2010

## On-base Hitter... continued from page 1

"**Quick Starts**" enjoy initiating new things. They are creative problem solvers and think laterally. Easily bored, Quick Starts tend to begin lots of projects but need help finishing any of them.

"**Implementers**" live in the physical world and enjoy building and fixing things. They thrive in environments that allow them to work with their hands.

If you score high on Quick Start, chances are you'll be happiest starting lots of smaller businesses in your career (on-base hitter) rather than one larger one (slugger). As a business grows in complexity, the need for higher Follow Through scores increase and your high Quick Start score goes from an asset in the start-up days to a liability as your business will need more structure to support its size.

Most growth-oriented entrepreneurs are wired for starting, not running, a business. People with a high Quick Start score thrive in the chaos of a start-up, where every day brings new challenges and the need to think peripherally.

One of the reasons Quick Starts rarely grow large businesses is because all of that creativity makes them bad managers. If you've ever watched a 230-pound slugger try to lumber his way to first base, you know it's not a pretty sight. Neither is watching a Quick Start entrepreneur try to manage a large team of employees.

When the boss is a high Quick Start, employees get frustrated trying to keep up with all of the new ideas. Employees have trouble determining which idea was just a passing thought and which needs urgent attention. People with high Fact Finder scores may see their high Quick Start boss as an impetuous, superficial risk taker.

That's why most growth-oriented entre-

preneurs are happiest, and most successful, in the start-up phase. In a start-up, new ideas are valued at a premium, and there are only a few employees to manage.

Here's an informal quiz to identify whether you're best suited to be an on-base hitter or a home run slugger. Answer each statement with "agree" or "disagree."

- I get bored easily.
- I feel overwhelmed by complexity.
- I have higher employee turnover than is normal for my industry.
- I like proposing new ideas that some people think are "off the wall."
- I started lots of little businesses prior to the one I'm running today.
- I'm a big-picture person.
- I started a little business when I was in high school or university.
- I burn out when my business gets too complex.

If you answered "agree" to more than four of the statements above, you're probably a person who thrives on the variety of the start-up and would flounder running a larger business. Focus on just getting on base by launching the business and creating revenue and a positive cash flow; then either sell it or install a manager.

You won't earn as much from the sale of one small business than you would if you hung on and built it up, but by getting out quickly, you'll retain the energy and creativity to devote to a new business. Collectively, a portfolio of successful start-up businesses in a career could easily surpass the financial success of one home run, and you'll be infinitely happier along the way.

**John Warrillow** is the author of *Built to Sell: Turn Your Business Into One You Can Sell*. He has started and exited four companies. In 2008, he was recognized by *BtoB Magazine's* "Who's Who" list as one of America's most influential business-to-business marketers.

■ **Are there big bucks in government contracts?** Maybe, but winning a government contract can require massive amounts of research, long wait times and capital. On average, businesses have found that winning a contract takes nearly two years of trying, according to a recent American Express survey of about 1,500 businesses either engaged or interested in federal procurement opportunities. And for many, those big contracts turn out to be not big enough to be worth the hassle.

Source: [www.wsj.com](http://www.wsj.com)

■ **Hiring the best job candidate begins with writing a clear job description.** Cookie-cutter job descriptions lack the specific details needed to attract the right person, and you'll end up wasting time on unqualified applicants. Include these ingredients to find fabulous candidates: 1) Specify the goals the candidate will work on, e.g., "increase sales by 3%." Goals are what get people fired up about their work, so instead of waiting until the first day on the job, put them right in the job description. 2) Describe critical skills needed and how they are used on the job. 3) Describe the typical day for the candidate — get specific on core level of daily or weekly work output. 4) Describe the culture of the team — including your management style.

Source: [www.cuberules.com](http://www.cuberules.com)

■ **Improve your local ranking in Google maps** by increasing the number of citations you have from third-party sites. Citations are mentions of your company name in association with the location-specific phone number and address. Google puts more weight on citations from trusted resources like Yelp, Citysearch, YellowPages.com and Local.com, but citation authority is industry-specific in many cases. Encourage your customers to review your company on those same trusted resources. The number of reviews your business receives also impacts your map rankings.

Source: [www.emarketingandcommerce.com](http://www.emarketingandcommerce.com)

## BUSINESS INTELLIGENCE REPORT

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## Consumers' definition of status is changing

The need for status and recognition is at the heart of every consumer trend. Traditionally, consumption has been the leading indicator of success — consumption of the biggest, rarest or most expensive offerings. However, as more consumers are starting to recognize and respect others who stray off the beaten consuming-more-than-thou path, what constitutes status is changing. Following are four ways consumers are increasingly getting their status fix today.

**Generosity.** Growing consumer disgust of greed is coinciding with the ongoing emergence of an online-fueled culture of individuals who share, give, engage, create and collaborate in large numbers, leading to new ways for individuals to feel part of the greater good. Tap into this trend by giving customers opportunities to be altruistic and providing ways to show and tell others about it.

**Green credentials.** As millions of consumers are now trying to greenify their lives, green credentials are an endless source of status. Eco-friendly goods and services sporting bold, iconic markers and

design will help consumers show off their eco-credentials to peers. Provide your customers with opportunities to share their "green stories."

**"In the know" and skills.** Growing pockets of consumers find pleasure and status in mastering skills and acquiring knowledge. To be knowledgeable, but also, to be able to lead the way to the unique, the cool, the cutting-edge — this is now an established source of status, from consumers-turned-experts, to younger audiences obsessed with "cool-hunting" via iPhone apps.

**Connectivity.** When it comes to online status, it's all about who you connect to, and who connects to you, tribal style (e.g., friends on Facebook, Twitter followers and Retweets or a YouTube video). These are all symbols and numbers that are associated with one's social status and that can be shared instantly and on a potentially large scale. Make sure you help your customers collect, communicate and display online badges of honor in every way possible.

Source: [Trendwatching.com](http://Trendwatching.com), May 2010

## Radio is doing just fine, thank you

No, you are not the only person still listening to the radio. Radio is finding new listeners and new ways to sell ads with online media.

Although the share of Americans listening to the radio has eroded in the past decade, in any given week, 92% to 95% still tune in. About a sixth of them do so online, streaming live radio through their computers, mobile phones and so on.

"Radio is coming back... (as) an impor-

tant advertising vehicle, particularly in local media markets," says Mark R. Fratrick, Ph.D., Vice President of BIA/Kelsey. The media research company predicts that radio industry revenues will increase 1.5% this year, and that will represent the start of a 2% to 4% annual growth rate over the next few years, including Web and other online revenues.

Sources: *The Kiplinger Letter*, May 7, 2010; [MediaPost.com](http://MediaPost.com), April 2, 2010

## Retailers cut choices to increase sales

After years of tempting customers with ever-expanding arrays of brands, hues, sizes and flavors, retailers are now reducing the amount of choice on their shelves. Storekeepers are culling their product lines to trim costs, reduce consumer confusion and ultimately boost sales.

Reducing the number of products can help companies increase sales by as much as 40% while cutting costs by 10% to 35%, according to a 2007 study by consultant

Bain & Co. However, it's important to be careful when cutting products and react quickly to customer feedback.

When Procter & Gamble Co. recently reduced the number of its soap and other skin care offerings by about one-third at one retailer, sales grew. Shoppers reported they felt that they had more choices because the selection on the shelf was clearer.

Source: *The Globe and Mail*, May 18, 2010