

7 Myths About Growing Your Business

Many businesses are having a hard time growing the way they have always grown. Some have depended on the economy and simply provided excellent service to get market share. But demand has shrunk drastically in many industries that are more dependent on business investment versus consumer spending and that strategy doesn't work as well any more.



Author Neil Gillespie's New Book "Discover Your Core, Then Go For More" will be available in April 2010.

So what do businesses do? Get their companies lean and productive, yes, but also develop a broader perspective of growth opportunities, including "horizontal" (across vertical industries) vs growth strategies that stay confined in a vertical industry. First, we have to get some things **out** of our minds before we can get other things into the mind. Here are the 7 myths about growth from which we need to free ourselves.

- Myth #1** You can't grow when **markets don't**
- Myth #2** The only real way to grow is to make **more sales calls**
- Myth #3** The only way to grow in a recession is to **take share** from competitors
- Myth #4** You can't **create demand**
- Myth #5** **Marketing** doesn't really work in this industry, only **Sales** does
- Myth #6** Strategy is how you **do** things
- Myth #7** To grow, you have to capitalize on what you **KNOW**

Myth #1 You Can't Grow When Markets Don't

If you're hanging on to this one, you are partially right. But that means you are partially wrong, too.

If you believe that you are dependent on the economy and the demand conditions in your particular industry or market, you are missing out on a broader range of growth options. Most people think vertically, in their industry, and narrowly within that as well. Instead of thinking out of their box, they offer market conditions as an excuse for not growing.

But this is entirely too limiting. In fact, I know of at least **12 types of growth** opportunities, most of which I will talk about in this edition of Emerald Insights. Assuming you can't grow when



markets don't also assumes that you can't create demand, take share from competitors, retain more current customers, get customers to buy a broader mix of product from you, awaken demand in the customer's mind or get into "adjacent" markets... my favorite.

The point is this: those that rely on only a couple of ways to grow sales never make up for the drop in demand during a recession. You have to place more bets in more places. Where? Read on.

Myth #2 The Only Way To Grow Is To Make More Sales Calls

When you are a hammer, you want everything to look like a nail. So you rush to do the things you know how to do, staying in your comfort zone and shunning methods about which you know little or nothing.

Making more sales calls means more work. This will typically only last for a short time unless sales people start getting results for their effort. Oh, yes, then there's the usual: "work smarter" cliché. How does that work when market demand in your "box" is down?

If you just go out and make more sales calls and change neither your sales technique or your value package, sales people will end up resorting to their number one tactic: price capitulation. When you cut your price, you need a lot more volume to make up for it on the bottom line. Here we go again on the vicious cycle.

The more you sell this way, the deeper you dig yourself into a hole. Now try to raise your price after you have lowered it. Margin deflation has little resilience customer by customer. What goes down does not bounce back easily. You generally have to wait for the next price increase in raw materials and products from your suppliers to justify it.

Myth #3 The Only Way To Grow In A Recession Is To Take Share From Competitors

This one is a close cousin of Myth #2. Making more sales calls on customers graduates to making calls on the competitor's customers. This too is more work. Unless you really know what you are doing wedging into other people's customers, you are going to have a tough time here. Most people don't even know how to approach a new prospect, no less develop them into a customer.

You have to find the "angle" to get in to see them. You have to study the company from the outside before you approach them. Make a bad initial call with no information about the company and no approach that will open them up to talk to you and you'll be dead in the water scratching your head wondering how you're going to get a second visit.

Myth #4: You Can't Create Demand

OK... everybody go home, business is over. Nobody out there needs you any more. Or do they? If you think somebody else has to create demand, you are wrong. YOU CAN CREATE DEMAND, TOO. How did customers end up wanting to buy the products or services you sell anyway? They had a need and they heard about a solution. How? Somebody told them about it, they read an ad, got an email, saw a billboard, saw a commercial, read a newspaper, read a brochure, read a



piece of direct mail, hit a landing page from a link on their favorite magazine site, watched a movie on YouTube....should I go on?

**Ah, but sending messages is not the whole answer.
It's the messages you send that make or break you here.**

There are customers and prospects that don't know they have a problem (or an opportunity) or don't know about a solution. Or they have unanswered questions about the problems and they are afraid to ask you. By putting the top problems out there... you overcome this and the market starts coming to you for the solutions when you talk about the solutions after talking about the problems. Train your people to be open and ready when your marketing attracts the prospects.

How do you do this? Segment your business into relevant customer groups and investigate the top seven application or business process issues in each market segment. Talk about your customer's problems first, then your "stuff" (your solutions, products and services). If you are a kitchen remodeler talk about the seven biggest kitchen design mistakes... and show your solutions to each. If you're a lighting showroom do the same.

If you sell high-end men's clothes, talk about the seven biggest dressing mistakes men make and how to correct them. Same thing with women. Get it? Talk about the problems, and then talk about your stuff. Stuff is secondary. Talking about problems creates awareness, interest and desire to fix it. After you awaken the desire, reveal the solution!

I don't know if you noticed, but that is exactly the technique I am using in this newsletter. So the cat is out of the bag now. Read on anyway... this is good stuff. I didn't just lick it off the ground. I learned it from some pretty smart people.

Myth #5: Marketing Doesn't Really Work In This Industry, Only Sales

Oh, my goodness. Wish I had a dollar for every time I heard that one. A president of a very large wholesale distributor once told me that he believed the majority of his customers could recite the top 5 brands they carried within 20 seconds. He was not a prospect for me.

Why? His mind wasn't open and I didn't have a chance to create some social proof for him without getting him in a room with a bunch of other people. And I'm pretty sure that wouldn't have worked, either.

Speaking of a room full of people, I once had a group of distributors... about 150 of them, in a room at a marketing group meeting. I asked every one of them if they thought they knew their top competitor's brands in each of 5 top product categories. Most raised their hands. Then I gave them 20 seconds to list them. Three people out of 150 were able to do it.

The point is this: customers are aware of a lot less about you than you think when it comes to your strengths. They are acutely aware of the weaknesses that they have experienced, however. It's up to you to shift the balance in your favor. Are you going to leave this up to the limited positioning capabilities of salespeople and the limited number of impressions that salespeople can make? Or are you going to craft your message and makes certain they get to all of your customers and prospects?

You decide. It is all very doable. Your marketing can attract prospects for conversion. If you have salespeople, this means you need to have a system that attracts prospects, then hands off and



tracks progress of prospects that is foolproof. Design your marketing process to accomplish this. It doesn't matter what business you are in. THIS IS THE JOB.

Myth #6: Strategy Is How You Do Things

It is now time to resign your membership from the International order of narcissists. Contrary to what you think, this game is not about YOU. Continuing to extol the features and benefits of your "stuff" will meet with increasingly disillusioned and disinterested customer reception, especially in a recessionary period.

Strategy is not about what you do or how you do it. Customers don't really care about that much until you address what they will be able to accomplish with your stuff. "WHAT" is your strategy and that is not a question.

I'll give you an example. Southwest Airlines' strategy was to offer consistently low fares and high convenience to discount fare seekers. They wanted to attract discount fare seekers from other airlines and attract train and bus travelers as well. Propositions like this and Miller Lite's famous "Tastes Great, Less Filling" are marketing oxymorons: doing two things that are perceived as impossible to do together. It is VERY powerful when you can do this.

So, Southwest's "WHAT" was consistently low fares and high convenience. Making money on that was up to Southwest. They chose point to point mid sized city routes to minimize congestion, take off on time, land on time and keep planes in the air earning revenue. They chose one type of airplane to minimize maintenance costs through uniformity. They got rid of the slow preferred seating routines to speed boarding. They were the first to go 100% online ticketing. They boosted performance on high convenience by creating happy employees that were part of an ESOP (Employee stock ownership program).

Another example. The Family Business Institute of East Tennessee thought their strategy was Forums, Workshops and Peer Advisory Groups. After studying family business issues, I recommended that their "WHAT" was to teach family businesses how to connect generations along four connection points: Developing a set of guiding family and family business values, Development of future leaders, defining and handing down the business strategy, and passing on enough capital by minimizing estate taxes. The forums, workshops and peer advisory groups were tactics. If you focus on tactics, you can miss what you need to deliver for your customers. Don't get too in love with what you DO. Love the results you're supposed to deliver for customers.

WHAT is your strategy. That is not a question.

Myth #7: To Grow, You Have To Capitalize On What You KNOW

Ah, my favorite one of all. How many people in your organization love to learn and apply new knowledge? How many love to learn about the way customers run their businesses and the markets in which they compete? How many like to learn about customers' customers, their position in the industry, their value propositions, their operations, how they make money?

If you have even one of these people, they are a future or present MVP of your team. Why? They have no fear of the unknown. And growth is about making the unknown known. When you



don't know something critical to know, but know the QUESTION to ask, you are on the verge of breakthrough growth.

What you DON'T KNOW is your friend. It signals that you are the verge of growth. Listen to the things you tell yourself and what your people tell you when it is suggested that you pursue a different line of business, a different line of products, a new group of services or a new type of customer.

You will get all kinds of excuses from people when they are challenged to go after a new market. But underneath them all is the real issue: "We don't know how to do that."

That's a sure sign that you are on the verge of growing again. If you find out how to do what you don't know how to do today, that is.

**I invite you to read my new book
"Discover Your Core, Then Go for More"
to learn how to grow your business again
in multiple ways.**

And with Breakthrough Productivity, too.

Go to www.8stepstogrowth.com

To get a FREE copy of the first two chapters of my book.

Growth Strategy and enhanced productivity are the twin tools of making a profit and accumulating wealth!

You need to explore an expanded set of growth options and move a number of them forward simultaneously: grow on more than one front at a time. You need to do this on a scalable business model.

The more bets you place, the more diversified your portfolio. As we all know from investment theory, diversification is critical to spread out risk and make sure SOMETHING grows. Get out on more than one growth front.

What are those bets?

1. **Maximize Core Customer Retention:** Keep the growth you already got!
2. **Get more Business from Core Customers:** Privileges matter.
3. **Take Share from Competitors Customers:** Wedge into the relationship
4. **Create Demand:** Awaken the need, reveal the solution.
5. **Get High Early Share of The Fastest Growing Segments**
6. **Expand into Adjacent Markets**
 - a. New Customer Types
 - b. New Product Lines
 - c. New Store Formats
 - d. New Channels of distribution



- e. New Services
- f. New Marketing Techniques (Internet, iPod, etc.)
- g. Different Value Chain positions (manufacturers become distributors, distributors become manufacturers, distributors become installers, etc.)
- h. Geographic Expansion

There is a science to each one of these. To discover them, get a hold of my new book when it's available in April of 2010.

I see growth for you in the future!

Neil Gillespie

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