

Where Do You Stand?

Once you've developed a clear vision of what you want your enterprise to become, the next step is to determine how to best position yourself on an effective path toward it. To do this you must assess the environment by which your path exists, so you can create an effective plan to navigate it.

There is no clear path to success as an entrepreneur because your industry and your audience's expectations are always changing. Many of these changes will be completely out of your control.

The most successful businesses not only understand the importance of knowing their own strengths and weaknesses, but also the possible external threats that could affect your industry. Taking a thorough look at the internal and external factors allows you to forecast and prepare for unavoidable events that change the environment you plan to thrive in Understanding market expectations and trends allows you to embrace



changes instead of limiting yourself with fear of the unknown.

The SWOT analysis (Strength, Weaknesses, Opportunities, and Threats) is a common marketing exercise used to determine and assess the pros and cons of internal and external forces that may affect how well your business thrives in the marketplace. (Below is a SWOT example for BizVisionary a freelance brand development & graphic design company.)

The Strengths and Weaknesses portion of exercise assesses the internal aspects with in your company. This could include the pricing, product, personell or promotion, all of which are in the control of the business itself.



The Opportunities and Threats portion of the exercise covers external forces that can affect the condition of the environment you operate in. The environment relates to the physical location you sell goods or services, as well as the consumer perception of your industry.

Public perception of your industry and product is nearly impossible to control. The Goliath brands of the world spend millions of dollars trying to control what the public thinks about their products and industry. You may not have a million dollar marketing budget, but as an entrepreneur you should always be paying attention to trends with in your industry as well as industries closely related to yours.

Sources of Industry Data

North American Industry Classification System is the standard system federal agencies use to classify businesses. For industry descriptions go to www.census.gov/eos/www/naics/

To research industries associated with yours go to www.associationexecs.com

Research benchmark financial ratios for businesses in over 370 industries www.rmahq.org

Let's pretend you own a beer company and a study came out saying that the consumption of beer contributes to body hair growth. What would this information do to the public perception of beer?

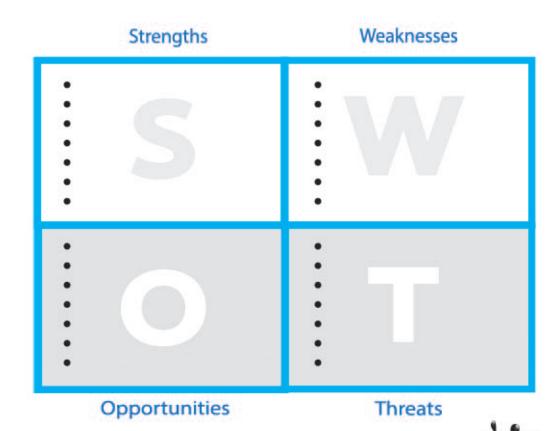
How would sales to women be affected? How would you change your marketing campaigns? Would you ignore and down play the study? Would leaders in the beer industry come out with conflicting studies of their own, or would they embrace it by shifting their marketing campaigns to target men who want to feel more masculine?



Questions like these arise when you perform a SWOT analysis. The answers to these questions are up to you and your trusted advisors and partners to decide.

How often a SWOT analysis should be performed depends on the volume of production and the shifts with in your industry. Any time your business is going through a transformation or transition you should assess where you stand in the environment you are operating in.

Write down the strengths and weaknesses with in your company as well as the known opportunities and threats that can affect the climate you plan to do business in.



People who choose to climb the mountain of entrepreneurship start out by wearing a lot of different hats. Many times, they are the accountant, book keeper, sales force, marketing department, production and distribution manager all at once.

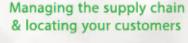
Every budding CEO has different skill sets. Many future bosses go to school to learn a skill or trade only to enter the world without knowing how to actually sell it. There are five knobs and dials CEOs get to tweak and play with to create more value in their offering.

"The Five P's" of marketing or a company's marketing mix is defined as a controllable set of activities that a firm uses to respond to the wants of it's target markets.











Capturing value by setting as high as possible while increasing revenue or market share



Developing the people that represent your business & build relationships with your customers



Many business owners enjoy the feeling of independence and control that comes with getting to adjust these five areas in order to maximize the value their customers see in their product / service and brand.

When you are able to maximize the value (or perceived value) of your offering you can either raise your prices (increase revenue) or exceed the expectations of your customers and create raving fans of your brand which will eventually draw more business (increase revenue).



The rest of this section is meant to raise some questions you can ask your business partners or management for each of the five P's to bring some ideas for improvement to the surface.





The places you choose to make products available and where you place your messaging is very important. It's better to sell hotdogs outside of a ballpark than it is to sell them in a residential neighborhood.

Examining the "Place" portion of your marketing mix will allow you to better understand where they hang out, who they hang out with and how they like to get their information. Knowing where your customers are will help you decide the best way to spend your marketing dollars when you're deciding how to best reach more people with your message.

What kinds of places are frequen	tly vis	ited by your ideal customer?

A common strategy is to not only set up shop where the demand is high, but to store products bought in bulk closer to where the demand is. This allows you to cut costs on supplying your warehouses and avoid having to constantly ship smaller volumes.

There are many ways to better manage your supply chain. Your first

brainstorm will help you explore the possible solutions to improving the "Place" portion of your marketing mix.

Brainstorming is an exercise best performed with at least one other person. The more business partners, trusted advisors, and members of your management participate in these brainstorming sessions the more effective they will be.





How	ould you avoid	
	smaller volum	nes?
	-	
How coul	d you allow yo	
		cts online?



For each product produced or service rendered you must know how many you need to sell to cover all costs. It's ok to not be profitable on every line but only intentionally and if the non-profitable lines draw business to other profitable ones

The brainstorming session on the next page will help you cut costs or add value to the "product" portion of your marketing mix.





the attributes of your e it more value?
our manufacturing pro- your ideal customer?



For some industries, the people – customer service – is the product sold. The people who work for your company are crucial to growing a quality brand because consumers do business with people they like.

Well trained and dedicated employees have the potential to create memorable experiences that form life-long relationships with customers. However, underappreciated employees who don't take pride in their job or workers who are poorly trained will eventually hurt your reputation.

Many times, consumers abandon brands because they felt personally mistreated, underappreciated or were made uncomfortable by the company, not because the product was bad. Your employees have a direct connection to those you serve and wish to serve, so it's important to keep them happy, appreciated and well trained.

When equipped with support and the tools needed to do their job, our break even analysisemployees can be a mechanism for increasing the number of newly converted customers and retaining existing ones.

"Train people well enough so they can leave, treat them well enough so they don't want to."

- Richard Branson

There are many things that motivate employees to take pride in their job. Money is only one of them. One method for improving relations with your employees is to give them surveys.



Employees who are asked how they feel about the business and how it could be improved feel like you value their opinions. They feel appreciated for being more than just a worker and that goes a long way. You could also give surveys asking what reasonable perks your employees would want to show you care about making them happy.

Maybe some of your employees are motivated by having a flexible schedule that allows them to be more involved with their kids. Others may want public acknowledgment that they do a great job. Maybe some of your employees want to have more control over their work environment. Knowing each employee's preferred way to be rewarded will help you keep your employees feeling appreciated and motivated.

On the next page, you'll explore some ways to improve the "Personnel" portion of your marketing mix.



How	could you provide new incentives (not necessarily monetary) to motivate your employees?
	How could you provide prizes
	for top performers?



Change	the	way	you	train	your	employees?	

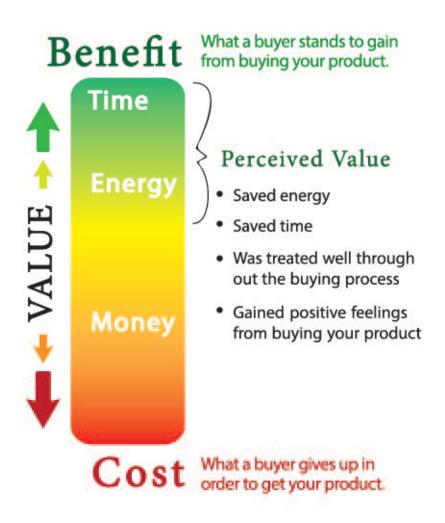


Price is the portion of your marketing mix that many consumers look at first to gauge the value of your product, but pricing your products isn't as simple as charging as little as possible to make a profit.

In business, no matter the product being sold, there are always two competing wheels. The seller wants to give as little of their product as possible to get the most money while the consumer wants to get the most product for the least amount of money. Your job is to create situations where everyone wins.

When pricing your products, the goal is to charge as much as possible while still making your customer feel like they got a good deal. The last thing you want is to show your dream customer your price and see their eyes light up as they scramble to sign the dotted line.





Ideally, you want them to start out skeptical about why your product is priced so high and after their purchase end up feeling like the value they received was worth what they paid.

Achieving excellence in your business through pricing will draw the type of customers who really appreciate your offering while weeding out the ones that may haggle with you about your price. If your brand is known for being the cheapest in town, what kind of customers do you think you will draw?



When you raise your prices, you may lose a few of your long-time supporters, however, for some consumers, seeing a higher price means higher quality. Some consumers will buy the most expensive item even if it isn't the best product because they don't want to risk having a bad experience.

If you're worried about losing some of your customers when you raise your prices, you could exclusively offer them the old pricing to show you value their business. This little gesture can mean a lot to loyal customers.

One pricing method: start high and put special offers in place to bring the price down for those who still have doubts about the value of your product. Instead of pricing your product at \$100.00, price it at \$200.00 and offer bundling opportunities and rebates to bring the price down to \$100.00 so that when they get the product for \$100.00 they feel like they're getting a \$200.00 value.

What is your "Anchor Item"?

Anchor items are products that are priced very high in comparison to your other prices. When consumers see your anchor items, the other products seem much more affordable in comparison. This pricing technique adds value to the lesser priced items just by being next to them.

Fine dining restaurants use anchor items in their pricing when they present the "specials" or "seasonal features" to their guests.. The prices of the specials presented are 30% higher than the most expensive regular menu items. After the waiter presents the specials (anchor items) the regular menu's most expensive meals now seem like middle priced ones.

About 20% of consumers go for the cheapest product in any given buying situation. On the other end of the scale about 10% of consumers will always be interested in the most expensive product because they only buy the best. The rest of the buyers will naturally gravitate toward the mid-priced option. Cater to all three!!

To layout your three-tiered pricing structure, start by making a list of all the value you could possibly offer. This will become your top tier offering. Think about bonus add ons and VIP reward programs and exclusive treatment. This offering should blow your other offerings out of the water.

Next, create a list of the minimum you could offer in order to get them to try your service out. This list will become your entry level offering. For this list, think of some of your cheapest customers and what stops them from buying from you. You want this offering to be a low risk choice and easy for anyone to opt in.

For the mid-level option give them the best value. You're not giving everything like the top tier offering, rather you're offering the things that most of your customers care about. This offering will be your best seller. Your mid-level option will look overwhelmingly valuable compared to your entry level option and affordable compared to your top tiered option.





- All value you can offer
- Includes things most people won't care about
- Very high profit margin
- Makes up 10% of your sales
- Includes exclusive benefits



- Highest value for customers
- Contains what they really want
- Your business's best seller
- Medium profit margin



- Some value
- · Little to no risk to customers
- Catered to cheap customers
- · Easy to opt in
- Low profit margin



BENEFITS: FEATURES:

PRICE:

PRICE:

TOP TIER OFFER MID LEVEL OFFER

INTRO LEVEL OFFER

PRICE:



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Your company's promotional activities are centered around communicating your value and getting your message across in the most effective way.

Achieving promotional excellence in your company is all about creating a message that captivates the viewer, gets them to see the value in your product, and eventually gets them to buy. With well thought out promotional campaigns and messaging you can influence the demand for your product.

Does your marketing material impress and inform? If you could get your message in front of your ideal customer, would they find it interesting? How can you even get your message in front of your audience in the first place?

These are all important questions to answer if you're going to develop a successful promotional front for your business.

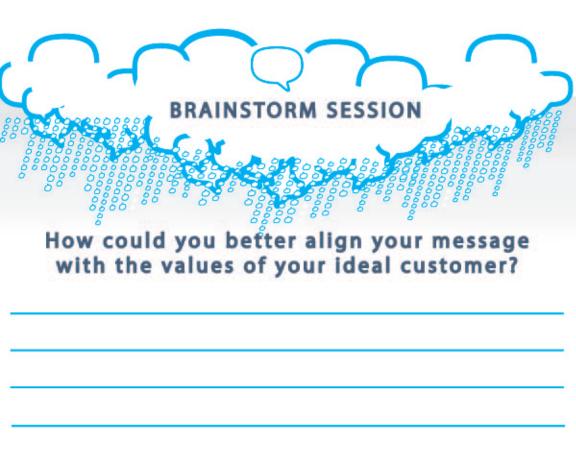
Public relations is a subcategory of the "Promotion" portion of your marketing mix. Having effective public relations is all about associating yourself with organizations who already have a following of people who could potentially be your customer.



Examples of public relations would be sponsoring a charitable event or volunteering your services to a good cause. You get to put your brand all over the event and in turn you donate your services or money to the good cause.

Volunteering for a good cause is a great way to associate your business with a positive message while exposing yourself to those who also support that cause.

Here is another brainstorming session to get you to start thinking about how you can improve the "Promotion" aspect of your marketing mix.

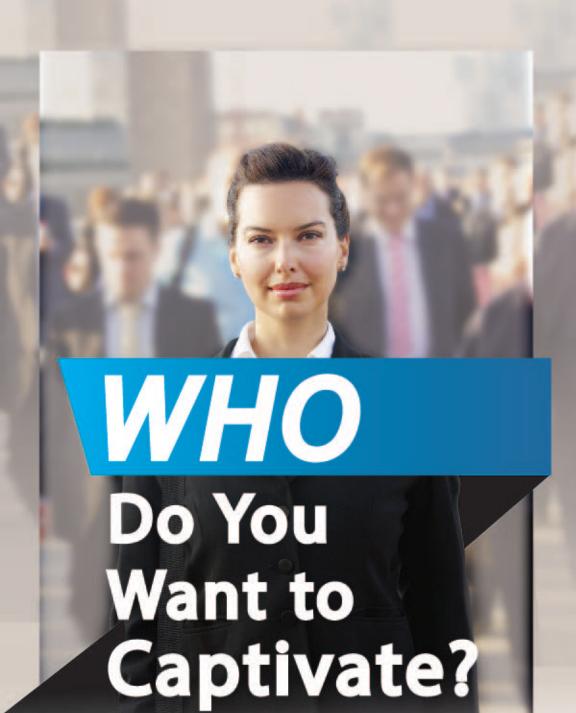




more	effectively	and accurate	ely?
How cou	uld you refi	ne your mess	sages
to crea	te a higher	perceived v	alue
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	common caus	e?
	e your production	





To evaluate potential customers let's start by taking a look at common traits of specific groups. The profiles shown below represent six basic descriptions of common consumers. They will help you indicate level of resources, including income, education, health, energy level, and behavior of your ideal customer, enabling your company to identify target segments and their underlying motivations.

Primary motivations are how consumers see themselves in the world and how that image governs their activity. The three primary motivations of American consumers are achievement self-expression, and ideals.

For each category of primary motivations, there are innovators (consumers with high resources), and survivors (consumers with low resources). Innovators tend to invest their money into assets that eventually bring them more time or money. Survivors tend to buy products that satisfy immediate wants or needs.

PRIMARY MOTIVATIONS





Innovator Survivor Innovator Survivor Innovator Survivor



SELF-EXPRESSION

Consumers who are motivated by self-expression desire social or physical activity, variety and risk. Segments of this group who have high resources are "experiencers."

They are drawn to products that help them experience life to the fullest at any cost. These are the people who only buy the best. They believe that if something costs more, it's probably because it's better. Even if the cheaper product is higher in quality, they still may go for the pricier one to avoid the risk of having a bad experience.

l enjoy the finer things.
Life is short!

er.
et is y go risk

Experiencer

The other category within this group made up of those with low resources is known as "makers." They still want to live life to the fullest and experience as much as they can. However, with fewer resources they may not purchase the most expensive goods. Makers desire to be able to live active lives and appreciate options.



Consumers who are motivated by ideals are guided by knowledge and principles. They will do their research and don't bite on "fluff" or gimmicks. Consumers motivated by ideals are either "thinkers" (high resources) or "believers" (low resources).

A person's knowledge comes from in part their level of education, and principles come from their belief system. A thinker weighs the pros and cons of buying based off of reason and logic. He will assess the measurable attributes of a product to determine if the cost is worth the benefit.

While believers still use knowledge and principles to influence their decision, they are more likely to act on their beliefs and world views. Believers would be more likely to boycott or support something based off of political or social allegiances.



ACHIEVEMENT

Consumers who are motivated by achievement seek products or services that demonstrate success to their peers. Achievers, consumers with higher resources, look for products that actually help them achieve their goals.



My rent's late, but check out my nails!

Strivers - consumers with low resources - will buy shortcuts that make them feel, or at least seem to others, like they are successful.

Striver

Someone motivated by achievement, who is unable to afford the lifestyle he desires, will buy things to make him appear as though he can. Can you think of anyone you know who buys things to make himself seem like he is something he isn't?



Which is the primary motivation for your ideal consumer Self-expression, ideals, or achievement?
What supports your assessment?
Is your ideal customer an innovator or a survivor?
What risks do your ideal customers attach to your product and industry?
Now that you have some understanding of consumers in gen

Now that you have some understanding of consumers in general, the next step is to find the subgroup you want to market toward. Marketers call the process of narrowing a company's focus to a specific group "segmentation." Segmenting your audience also helps develop descriptions of the individual groups which can help you better understand customer profiles of each segment.

Segmenting is one part of a three-step exercise called STP or segmentation, targeting, and positioning that allows companies to narrow their product and message to the most attractive subgroup(s) of their audience. This section covers the segmentation and targeting steps of this process. Later on, you'll learn how to position yourself in the market.



Geographic segmentation organizes customers into groups on the basis of where they live. People who live in the same region have many things in common even if they are of different cultures, genders or belief systems.

How does tomers?	the geogr	aphic locat	tion you o	perate in	affect you	r cus-



What are some opportunities within your geographic location?
What are some obstacles within your geographic location?
egs nemec pock
Demographic segmentation groups consumers according to easily measured, objective characteristics such as age, gender, ethnicity, income and education.

Because of obviously distinguishable characteristics that are easy to identify, this method is the most widely used means to define segments. Once identified, demographically segmented groups are relatively easy to reach.

For instance, there are very obvious differences between commercials targeting men and commercials targeting women. Knowing the income level of your ideal customer may change the way you price your products, and the opting in methods that you offer.



Is your product be more appealing to men or to women?
What supports your assessment?
What is the education level of your ideal customer?
What is the age range of your ideal customer?
Psychographic segmentation deals with how consumers would

Psychographic segmentation deals with how consumers would describe themselves. This method separates your audience into groups on the basis of their self-values, self-concepts, and lifestyles.

Self-values are life-long goals like the need for self-respect, self-fulfillment or a specific sense of belonging. Knowing the self-values that are important to your target audience allows you to determine what benefits they may desire.



What specific self-values, or life-long goals, will your ideal client be working toward?
A nevern's salf see sent is the ideal image of how he should be seen
A person's self-concept is the ideal image of how he chooses to see himself. For instance, someone who desires to be well liked and accepted amongst peers may buy things that support an image of being fun loving and approachable.
When people buy products to fill psychological needs, the products become extensions of who they are. Those who buy to fulfill psychographic needs want to feel like individuals, so make them feel you understand their needs and that your offering is customized for them.
The lifestyle component of psychographics goes into how consumers lead their lives, which activities they spend their time doing, and how they go about achieving their life-long goals.
Describe the ideal lifestyle toward which your ideal client aspires.

How can your product help your client live an ideal lifestyle?			

Marketing specialists sit down with business owners to help them illustrate profiles of their ideal customers. They create very specific avatars or imaginary characters who will represent the types of people they want to cater their products and messages toward. They even encourage firms to give their avatars names and tell them to have actual pictures of what they look like.

When you have a very detailed and specific avatar, you can create your messages and ask yourself, "Would our avatar find this interesting?" or "Would our avatar understand this?"



Because of all the different ways to segment an audience, most marketing strategies include at least a few different profiles of people who would find great value in their service.

Having different avatars allows you to cater your messaging and pricing to multiple possible prospects. Your messaging could be made to be appealing to all of your avatars, or you could have different messaging to appeal to different avatars.

Write a script your customers will want to star in.

Have you ever noticed sports themed commercials playing while a sporting event is on television? These same brands will have completely different ads when different programming is being broadcast.

These companies are selling the same thing, but they are approaching the sale from different angles with different messages depending on the audience.





To get started on creating your avatar, think about some of your favorite customers from the past. It could be a customer that was very easy to process and make money off of quickly, or it could be a customer that spent a lot of money over time. Maybe your favorite customer was someone who was extremely appreciative and grateful for your product and service and wrote a great review online.

Define your ideal customers into two types of customers. These profiles could be someone who you would enjoy serving who are also in great need of your product or service.

Avatar Name	Gender	Age
Income	Blue or White collar	
College educated?	Single or married _	
Number of kids Ethnicity	Rent or o	own
Republican, Democrat or Does	n't care?	
Care free or Organized		
Goals		
Interests		
Values		

Avatar Name	Gender	Age
Income	Blue or White collar _	
College educated?	Single or married	V. V.
Number of kids Ethnicity	Rent o	rown
Republican, Democrat or Does	n't care?	
Care free or Organized		
Goals		
Interests		
Values		

There is a process consumers go through before buying something. First, they must be captivated before they will listen to you. The next step is to build or keep their interest long enough to cause them to decide they want what you're offering, but that's not the last step. The final step in a consumer's buying process is to actually buy it.





A consumer may go through this process very quickly at the grocery store when they grab a flashy new type of chocolate bar from their favorite candy company as they wait in line to check out. However, this buying process may take months or years for many customers to get through, depending on the level of commitment it takes for them to take action.

Some business owners prefer to be an active part of their sales strategy. For instance; networking and personally getting involved with their community in order to spread their message and bringing prospects into their circle of influence.

Others prefer to focus on improving the product, developing employees or other internal affairs not related to sales. No matter your preference, having a sales strategy in your tool box is a great way for you to visualize and track the different avenues and stages of converting leads into sales.

Just because they aren't ready to buy today doesn't mean they won't buy someday.



ATTENTION

At this stage the consumer is not ready to buy. They may not understand the value of your product/service or even know that it exists. The goal at this level in your sales funnel is not to sell, but to make an impression. Captivate them and make them want to learn more about your business.

INTEREST

When they are ready to listen, make sure you have consistent and credible messaging with useful information ready for them. Have systems in place that show that you are well liked, passionate about your work, and organized. This is your chance to articulate your value and frame yourself in the best light possible with automated processes and marketing material that sells for you.

DECISION

When your prospects are at this stage they have already decided that they want what you offer and are actively looking for the best way to go about buying it. Your objective is to be the one they come to first when they are deciding how to buy. Entice them with free offers and true value added services without obligations to buy.

ACTION

This is where you close the deal. By this point you should be asserted in their mind as a credible and well liked expert who loves and lives what you do. All objections should be answered but to push them over the edge find ways to lower the risk for them. Have systems in place that offer bundling options, payment plans, and un-deniable guarantees.

PROSPECTS



NETWORK & PROMOTE

nterest BUILD CREDIBILITY

INFORM

ADD REAL VALUE

> LOWER THE FLIMINATE



A sales funnel is a strategic process for acquiring leads and converting them into sales over time. It helps to address which avenues should be used to make contact with your audience and how to cater to them as they go through their buying processes at their own unique pace.

Having a well thought out and properly implemented sales funnel means having an automated system that keeps you on the top of your potential customers' minds with consistent and helpful interactions until they are ready to take action and sign the dotted line.

The key word here being "automated". It's a repeatable process that maintains your credibility and trust while promotional material sells for you so you can focus on what you love to do most with in your operation.

The method discussed in this section involves nurturing leads into sales with consistent messaging that educates and adds value while building brand credibility and trust over time. No spam or hard sells.

This method is supported by the idea that you shouldn't waste time and resources selling to people who aren't ready to buy. We've all found ourselves in the terrible situation of being agressively sold something that we're just not interested in. It's very frustrating as a consumer and makes us feel like we aren't being listened to.

Selling to prospects who are just not in a position to buy doesn't frame you as someone who lives and loves what you do. It frames you as a hussling salesman trying to make a buck.

Not only does this method save you from having to cold call and conduct hard sells, it baits the people who are ready to buy with free offers and value adding services, so that your prospects come to you (the trusted credible expert) when they are ready to be sold.

Here are some examples of marketing materials, procedures, & automated systems for catering to your prospects through out all the stages of their buying process.

ATTENTION

NETWORK PROMOTE

Trade Shows **Business Cards**

Signs & Displays **Business Mixers** **Public Speaking Networking Groups**

Strategic Partnerships Chamber of Commerce

INTEREST BUILD CREDIBILITY

INFORM

Hand Outs Web Sites

News Letters Social Media

Expert Advice

Online Reviews **Email Marketing**

Systemized Follow Ups

DECISION ADD REAL

VALUE

Free Estimates Free Assessments Industry Information

Free Consultations

ACTION

LOWER THE RISK ELIMINATE DOUBT Un-Deniable Offer Credible Guarantee Easy Ways to Opt-In

Presentation Material Clear Terms & Conditions



For a sales funnel to work you must constantly be loading it with prospects. After your message is clear and you know who your audience is, the next step is to tell everyone about how excited you are to solve problems and add value in your own special way.

Many of the people who hear your message will not be interested and won't make it into your funnel, but sometimes people who seem not to care about your offering end up coming back to you many months later when they are finally in position to buy.

Some prospects will be "hot leads" and some will be "cold leads".

Hot leads are closer to taking action in the buying process than the cold leads. They already understand the need for your product or service. They've already done some research into what the industry norms are and what the best way to buy would be.

A cold lead may not even know that they need your offering. Cold leads are still valuable but they require more information and do not know if they can trust you yet. They may be in your sales funnel for a long time before deciding they want what you offer.

It is very important that as you win these potential customers over and convert them into actual customers that your messaging is consistent and authentic. When your messages are not consistent customers will get uncomfortable, start to doubt your ability, lose trust, and search elsewhere. Imagine a scenario where someone enters your sales funnel by receiving your business card (ATTENTION) from a friend which leads them to your website. The business card looked professional and well-designed but when they visited the website for more information (INTEREST) it looked outdated, ammeter, poorly layed out, and different from your business cards.

You can see how they would start to doubt your ability and credibility (DECISION). They left your sales funnel before they were able to take action because the message their brain heard was 'This business is un-organized in the way they communicate and probably will be un-organized in the way they serve me.

Keeping someone in your sales funnel means that you are "on their radar". As they turn from cold leads to hot leads over time you need to have systems in place that allow you to stay in the back of their mind as a trusted, credible, expert.

What's next?

The next step in your journey is to add credibility to your company and increase your value in the marketplace. With the tools and knowledge you developed from this workbook, you can start to create a marketing strategy to promote your message efficiently and effectively.

There is a way to reach more people in more meaningful ways. You've always had something special that solves people's problems and adds meaning to their lives. Now that you've articulated that value, it can be leveraged. Your message can be repeated to show consistency



and organization whenever you inform, remind or persuade those you want to serve.

You've defined what you want from your business and your life. So, what's stopping you?

Start finding ways to tell the world why you're great at what you do and how passionate you are to do it! Share your message with as many people as you can. Don't hold on to it any longer. It's time to start pursuing the lifestyle you truly want while improving the world around you using your unique gifts.

The more people you reach with your message, the more likely one of them will put you in position to grow your business and live out your dreams. The only person who can stop you at this point is you.





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TURN YOUR VISION



STRATEGY

DEFINE YOUR VISION • STUDY THE COMPETITION

DISCOVER YOUR NICHE

ARTICULATE YOUR VALUE

COMPELL THEM TO ACT