

Service Industry Association
Executive Summit for Service Leaders – 2008

Las Vegas, Nevada
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Principal Consultant



Executive Summit for Service Leaders

Welcome
SIA Members

2008 Conference Theme

Growth!

Growth – A Few Perspectives

“The only social responsibility of business is to increase profits” – Milton Friedman, Economist

“The most meaningful engine of change, may not be environmental quality, per se, but the economic development and growth associated with the effort to improve it!” – Barry Commoner, Scientist

“The strongest principle of growth lies in human choice!” – George Eliot, Author

An Economic & Social Imperative

Growth!

Industry Challenges to Growth

- *External*
 - *Market Maturity*
 - *Emerging Markets*
 - *Discerning Customers*
 - *The Competitive Landscape*
 - *Technology Evolution*
 - *Client Re-alignments*
 - *Changing Investment Priorities*

Business Initiatives Impacting IT Spending

- *Improved efficiencies at lower cost (19)*
- *Cost containment (10)*
- *Utilization of data through out the organization (10)*
- *IT governance (8)*
- *IT service outsourcing (8)*
- *Compliance related issues (7)*
- *Product innovation development (6)*
- *eBusiness (5)*
- *Best practices replication across the enterprise (4)*
- *BPO (4)*

Industry Challenges to Growth

- *Internal*

- *Alignment of the service strategy with the market's demand curve.*
- *Service expertise in relationship to expansion initiatives.*
- *Operational efficiencies in a dynamic client environment.*
- *Access to cash.*
- *An integrated sales & marketing process to generate revenue/gross profit growth.*

Conference Theme - Growth

- *“Growing the Business in a Demanding Market”*
 - *The Market*
 - *Profitability*
 - *Operational Initiatives*
 - *Mergers and Acquisitions*
 - *Revenue*

Revenue – “Top Line”

*Acquisition of New
Clients !*

My Firm

- *gtmAdvisors, LLC*
 - *Business Development Consulting Services Firm*
 - *Specializes in “go-to-market” Plans and Programs.*
 - *High Technology Companies.*
 - *Established 2001.*

“As a global market and sales channel consulting firm, our mission is to develop profitable go-to-market strategies and programs for our high technology clients.”

gtmAdvisors – Clients and Engagements

- [*ISS Solutions*](#) – a Health Care IT Service Provider
- [*HBCS*](#) – a Health Care Financial Services Firm
- [*Avnet*](#) – a Value Added Distributor
- [*InfoTech, FL*](#) – Construction Software for the Transportation Industry
- [*McLaren Software*](#) – an EDM software company
- [*Bentley Systems*](#) – an AEC design software company
- [*GeoConex*](#) – a 911 mapping and communications company
- [*Interdean/Interconnex*](#) – a global logistical company
- ... and many VARs, ISV's, and F500 IT Global Leaders.

Board of Directors - Advice

- *Be Relevant, but ... “keep it short!”*
- *Be Entertaining, but ... “keep it short!”*
- *Be Enthusiastic, but ... “keep it short!”*
- *Be Practical, but ... “keep it short!”*
- *Provide Value, and ... “keep it short!”*

“Therefore, in summary and conclusion, I would like to thank you for your kind attention.”

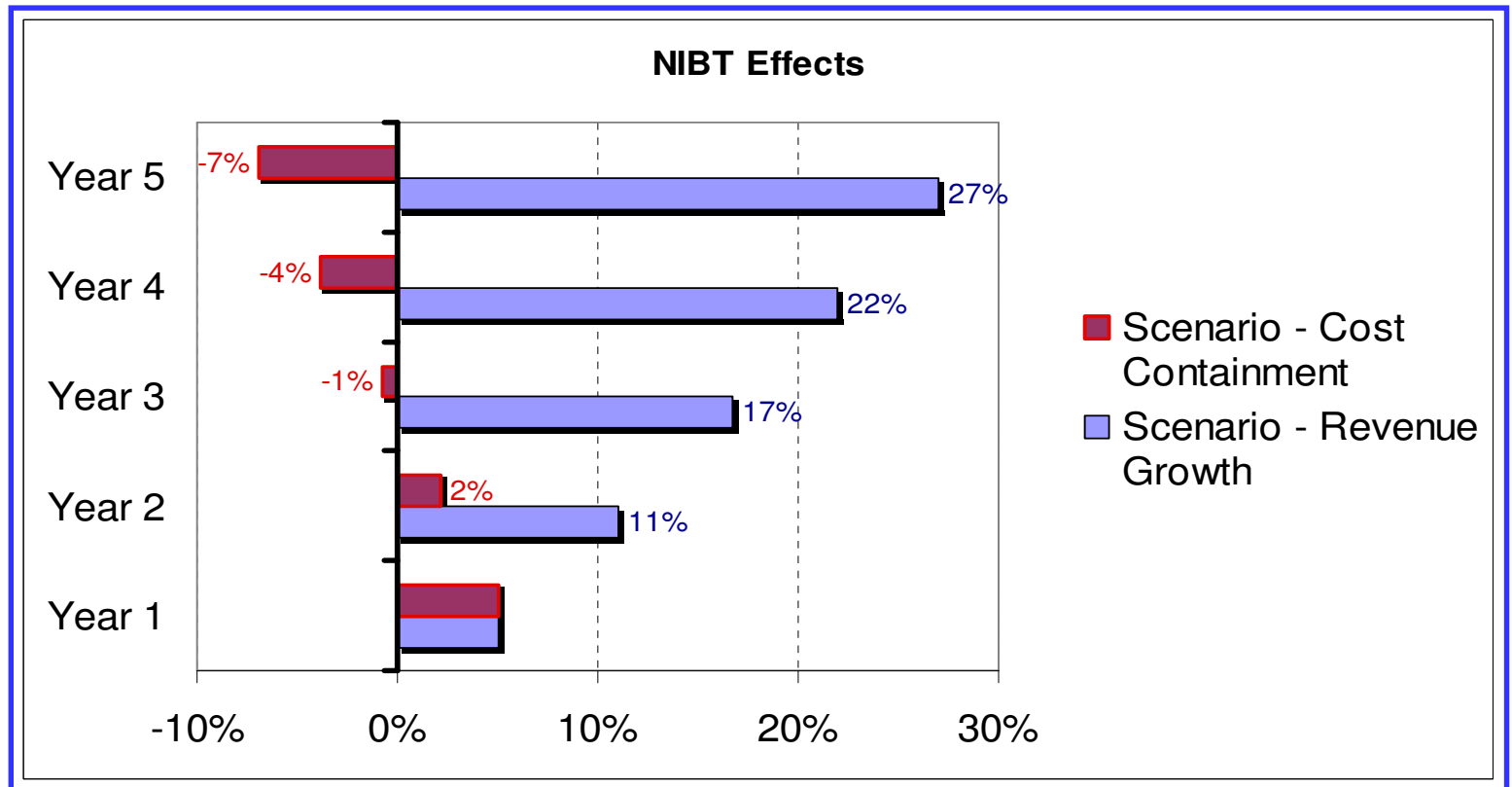
Scope of Today's Presentation

- **Acquisition of New Clients**
 - *Relevant* – Impact of acquisition on growth.
 - *Practical* – Suggestions for acquiring new clients.
 - *Value* – Recommended sources of additional information.

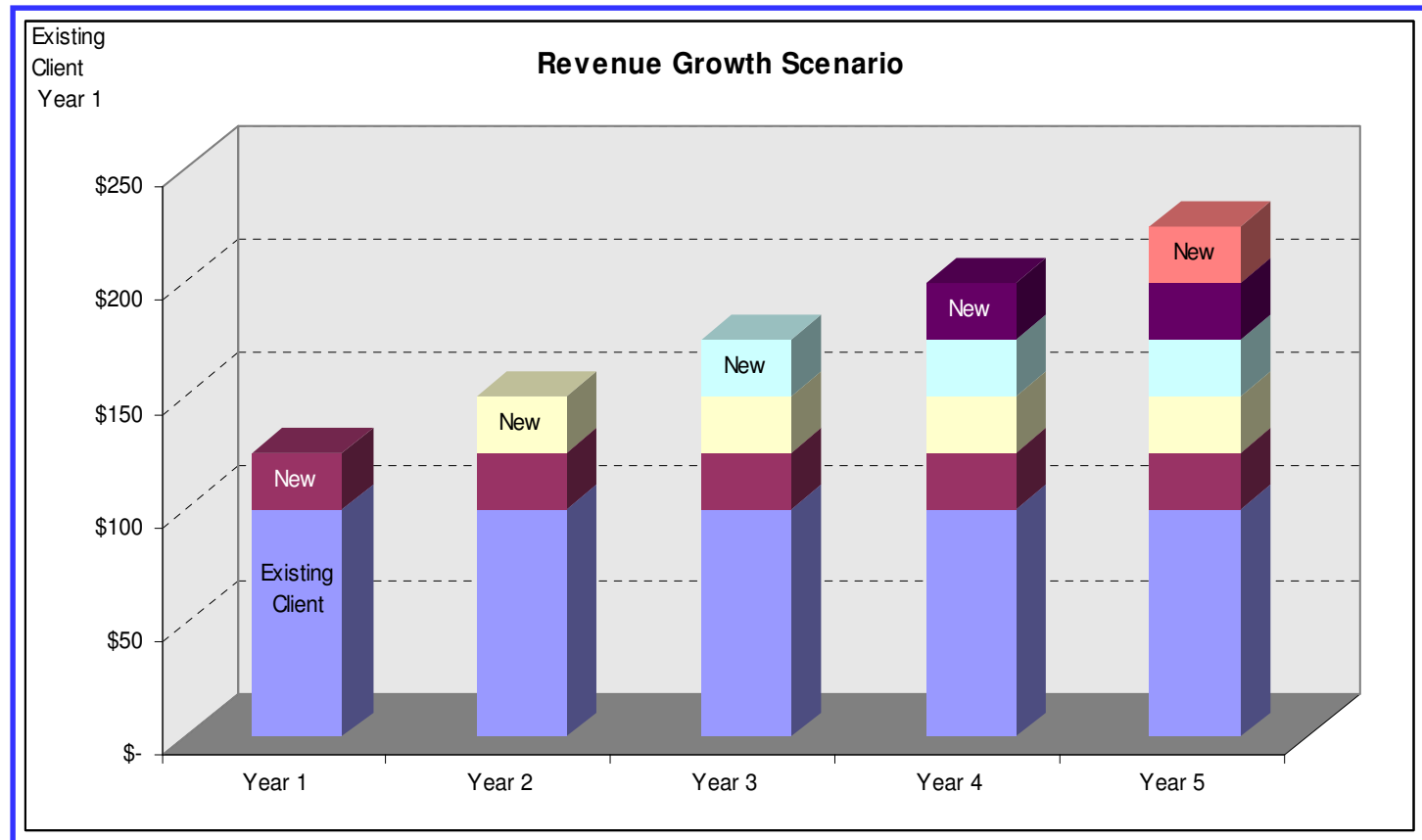
Value – Suggested Readings

Category	Title	Author	Publisher
General	<i>Where the Sidewalk Ends - The Poems and Drawings of Shel Silverstein</i>	Shel Silverstein	Harper & Row
Human Resources	<i>You're Not the Person I Hired! - A CEO's Survival Guide To Hiring Top Talent</i>	Janet Boydell, Barry Deutsch, Brad Remillard	Author House
Management	<i>Execution</i>	Larry Bossidy & Ram Charan	Crown Business
Management	<i>Leadership Lessons of the Navy Seals</i>	Jeff Cannon & Lt. CMDR. Jon Cannon	McGraw - Hill
Marketing	<i>21st Century Positioning</i>	Jack & Garry Kinder	Taylor Publishing Company
Marketing	<i>Lead Generation for the Complex Sale</i>	Brian J. Carroll	McGraw - Hill
Marketing	<i>Made to Stick - Why Some Ideas Survive and Others Die</i>	Chip Heath and Dan Heath	Random House
Marketing	<i>One To One B2B - Customer Development Strategies for the B2B World</i>	Don Peppers & Martha Rogers	Currency - Doubleday
Marketing	<i>Permission Marketing - Turning Strangers Into Friends, and Friends Into Customers</i>	Seth Godin	Simon & Schuster
Marketing	<i>Positioning: The Battle for Your Mind</i>	Al Ries & Jack Trout	Warner Business Books
Marketing	<i>The One to One Field Book</i>	Don Peppers & Martha Rogers	Currency - Doubleday
Marketing	<i>The Turning Point - How Little Things Can Make a Big Difference</i>	Malcolm Gladwell	Little, Brown & Company
Negotiation	<i>Red-Hot Sales Negotiation</i>	Paul S. Goldner & Peter Mckean	AMACOM
Negotiation	<i>Selling Through Negotiation</i>	Homer B. Smith	AMACOM
Negotiation	<i>The Art of Negotiation</i>	Gerard I. Nierenberg	Cornerstone Library
Sales	<i>Face to Face Selling</i>	Bart Breighner	Park Avenue
Sales	<i>Selling Machine</i>	Diane Sanchez, Stephen E. Heiman & Tad Tuleja	Times Business
Sales	<i>Selling To The Top</i>	David A. Peoples	John Wiley & Sons, Inc.
Sales	<i>Solution Selling - Creating Buyers in Difficult Selling Markets</i>	Michael T. Bosworth	McGraw - Hill
Strategy	<i>Blown to Bits - How the New Economics of Information Transforms Strategy</i>	Philip Evans & Thomas S. Wurster	Harvard Business School Press
Strategy	<i>FIRST, Break All The Rules</i>	Marcus Buckingham & Curt Coffman	Simon & Schuster
Strategy	<i>Go To Market Strategy</i>	Lawrence G. Friedman	Butterworth and Heinemann
Strategy	<i>How To Grow When Markets Don't</i>	Adrian Slywotsky & Richard Wise	Warner Business Books
Strategy	<i>Real Time - Preparing for the Age of the Never Satisfied Customer</i>	Regis McKenna	Harvard Business School Press
Strategy	<i>S- Business - Reinventing the Services Organization</i>	James A. Alexander & Mark W. Hordes	Greenleaf Publishing, Inc.
Strategy	<i>The Customer Revolution</i>	Patricia B. Seybold	Crown Business

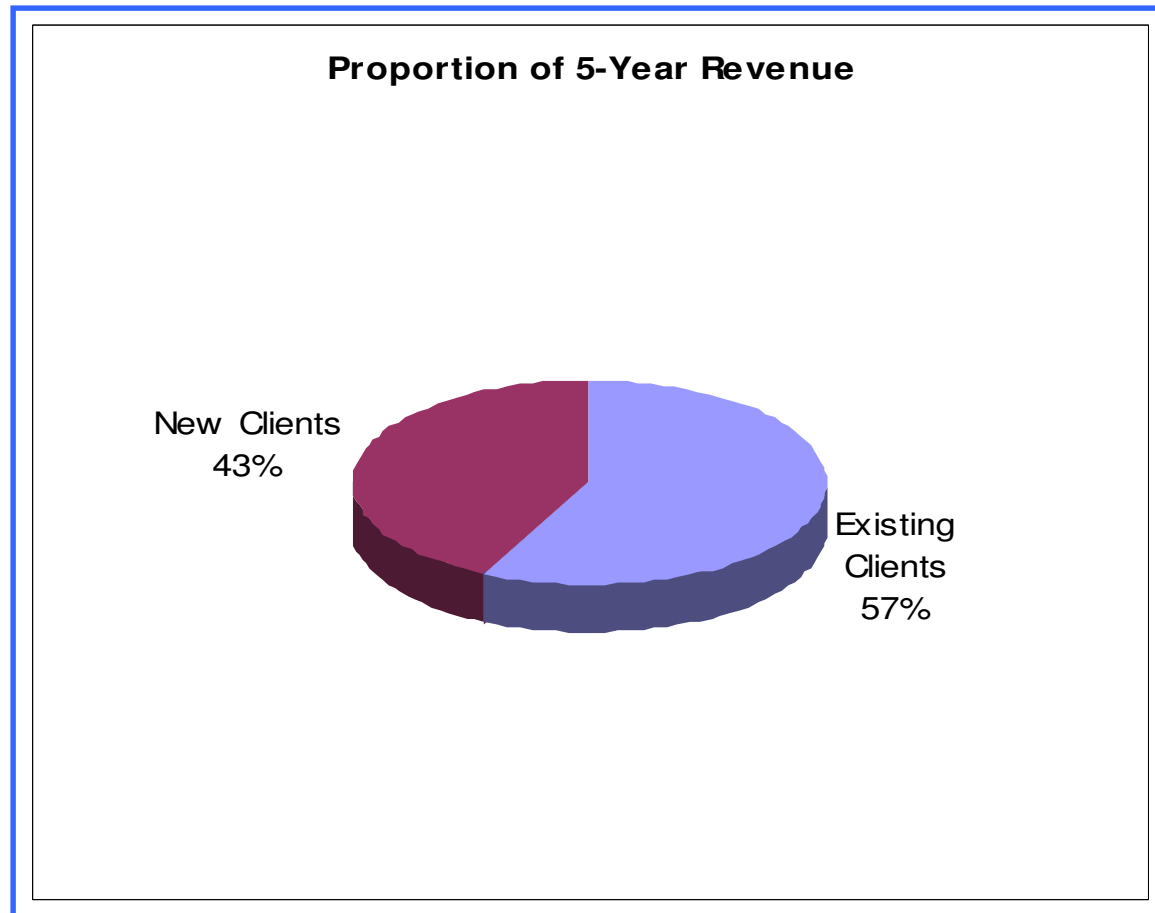
Impact - Revenue Growth vs. Cost Containment



Impact – One New Account Per Year



Impact - Revenue Contribution – One New Account Per Year – 5 Year Period



Growth - Challenging Enterprise

The Little Blue Engine – a Poem

“Where The Sidewalk Ends” – the poems and drawings of
Shel Silverstein



Acquiring New Clients

*He was almost there, when – CRASH! SMASH!
BASH!*

He slide down and mashed into engine hash

On the rocks below.... Which goes to show

If the track is tough and the hill is rough,

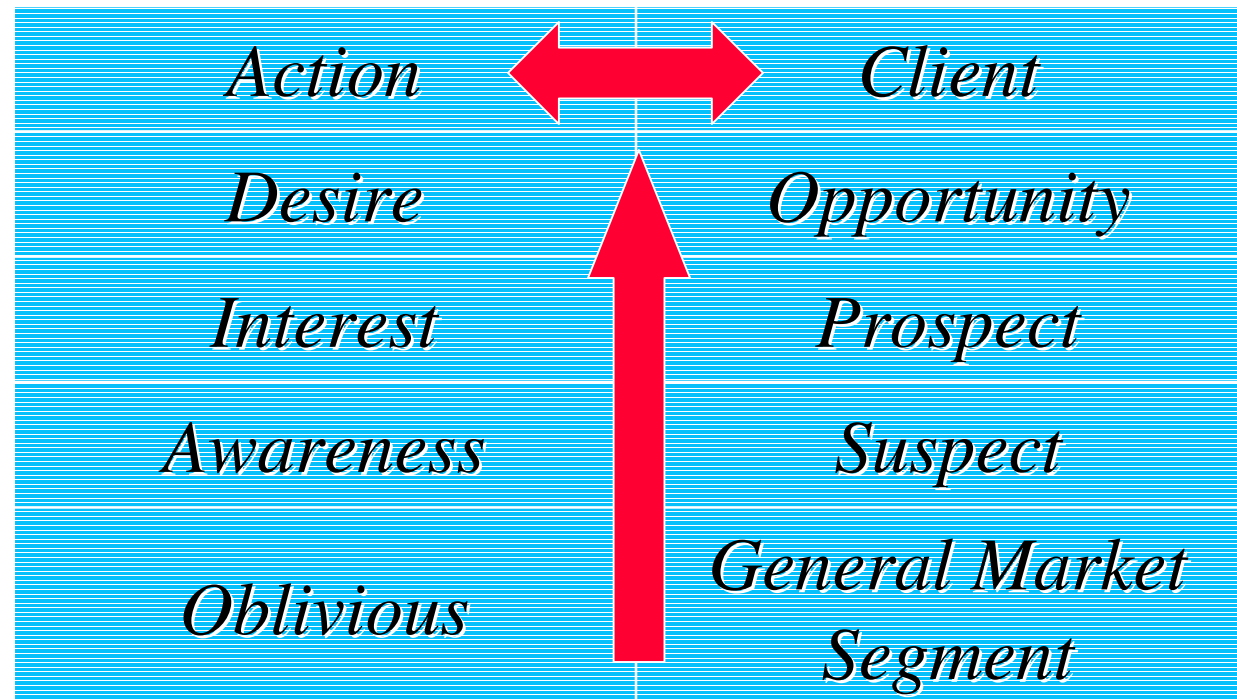
THINKING you can just ain't enough.

The Little Blue Engine - “Where The Sidewalk Ends” – the poems
and drawings of Shel Silverstein

The New Account Acquisition Process

Buyer's Process

Seller's Process



Challenge = Alignment

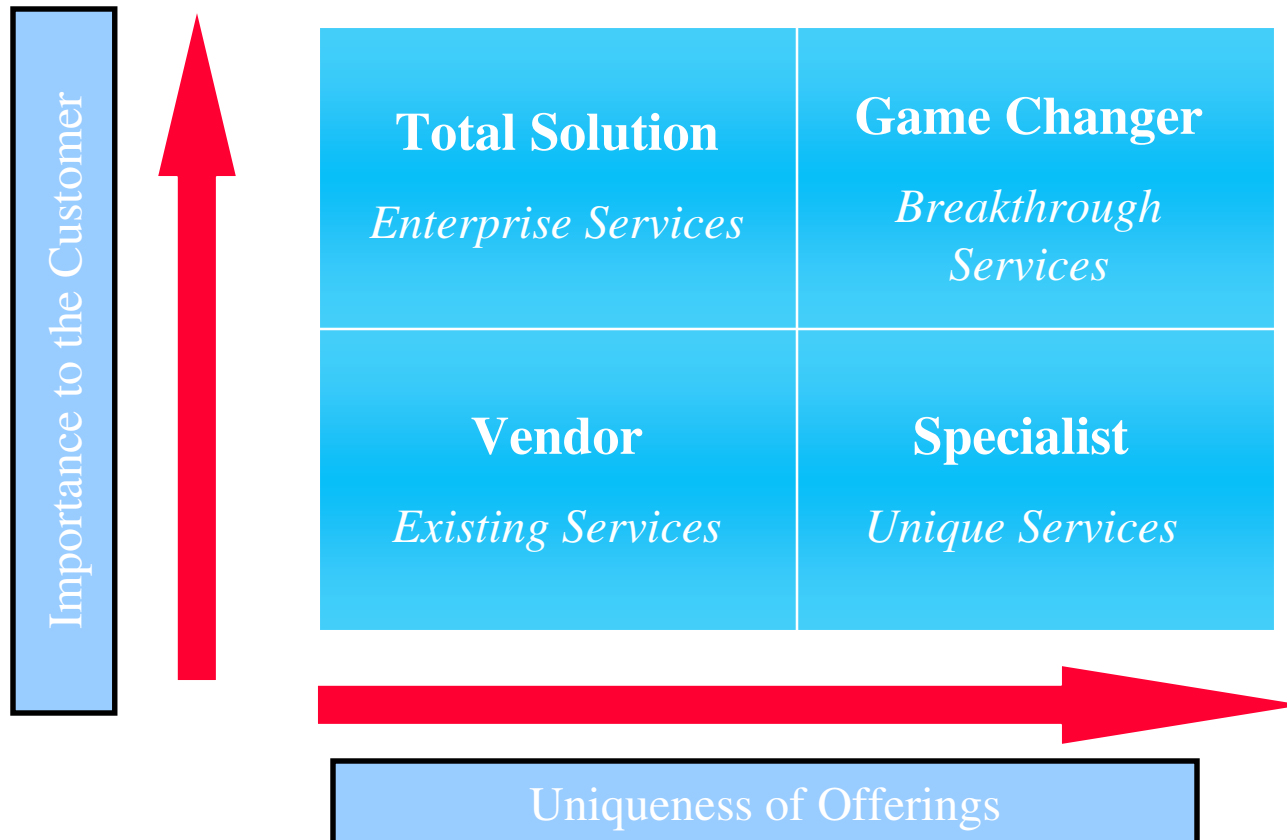
Acquisition of New Clients

- ***7 Fundamentals of a Successful Process***
 - *Executive Commitment*
 - *Specialized Resources*
 - *Negotiation Protocols*
 - *Value Proposition*
 - *Marketing Processes*
 - *Clients as Advocates*
 - *“go-to-market” Strategy*

Go-To-Market Strategy

- ***Objective –***
 - *Insure that corporate core competencies & resources are aligned with market demand.*
- ***Methods***
 - *Analysis*
 - *Planning*
 - *Execution*
 - *Re-engineering*

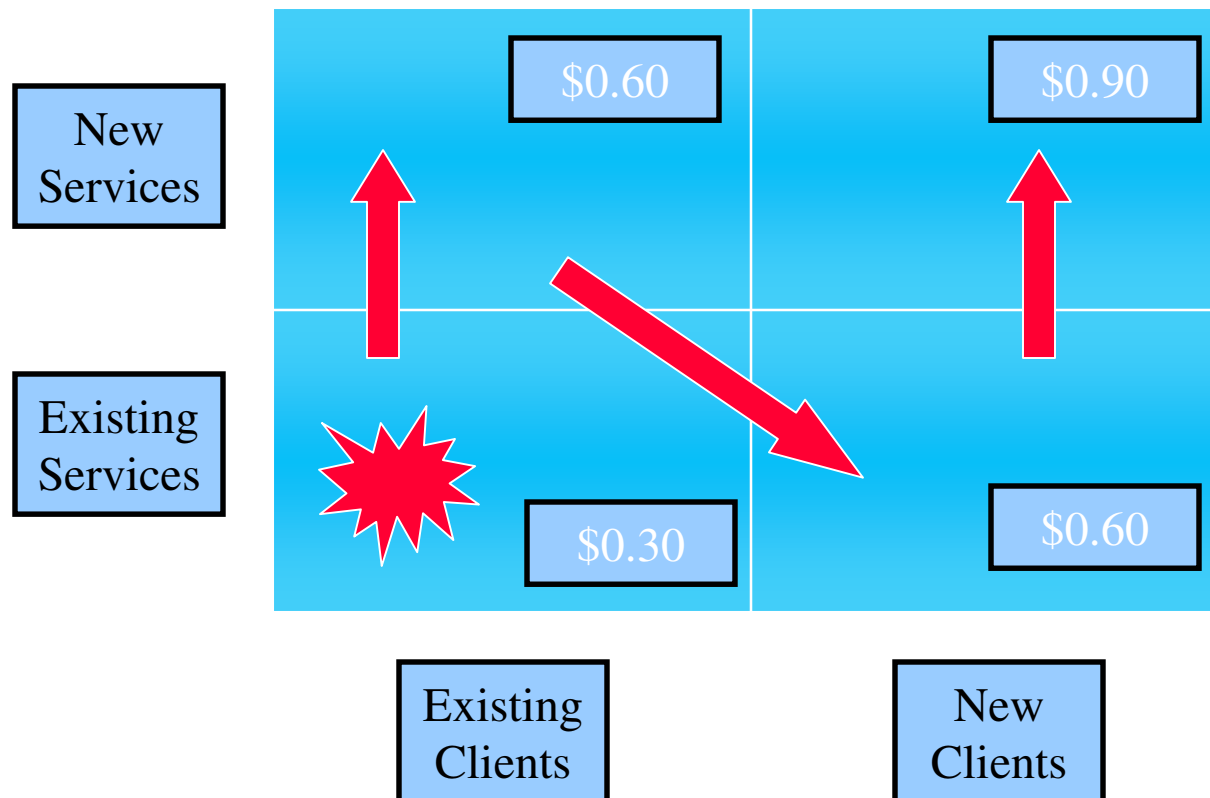
Focus & Core Competency



“S-Business: Reinventing the Services Organization”

Effectiveness & Efficiency

“Build on your strengths strategy”



“Go-To-Market Strategy” - Friedman

Fundamental- I

- *An effective (Results) and efficient (Profitable) go-to-market strategy is based on your core competencies in relationship to the requirements of the served market.*
- *References*
 - *“S-Business: Reinventing the Services Organization” - Alexander & Hordes*
 - *“Go To Market Strategy” - Friedman*

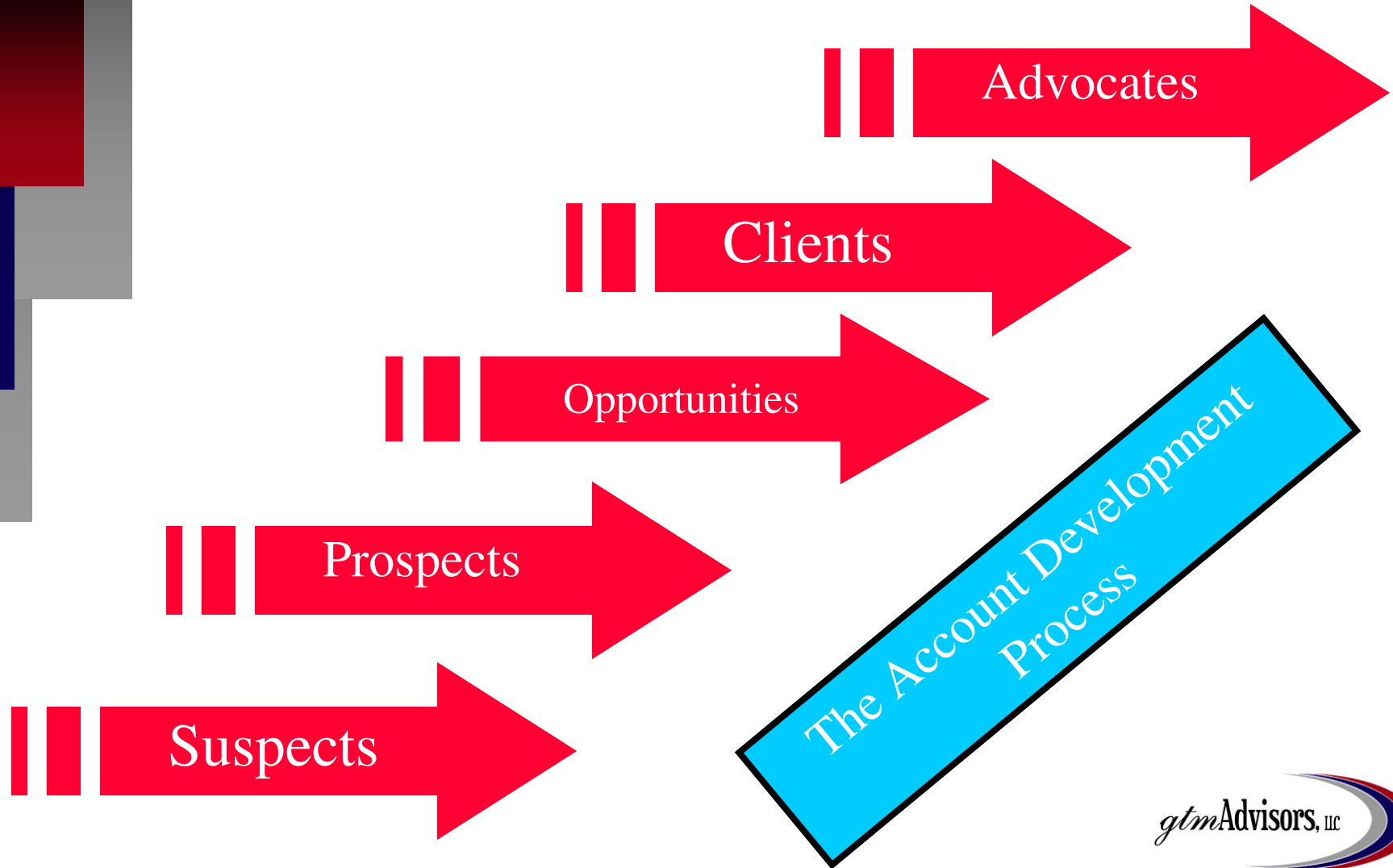
Clients as Advocates

- *Objective:*
 - *Establish a core group of clients who will evangelize your service offerings.*
- *Methods:*
 - *The Vendor - “quid”*
 - *Operational Excellence*
 - *Exceptional Relationships*
 - *The Client - “quo”*
 - *Commitment to Publish*
 - *White Papers*
 - *Case Studies*
 - *Professional References*

“All go-to-market strategies must start with the customer.” – Friedman



Client Advocates - The Corporate Mission



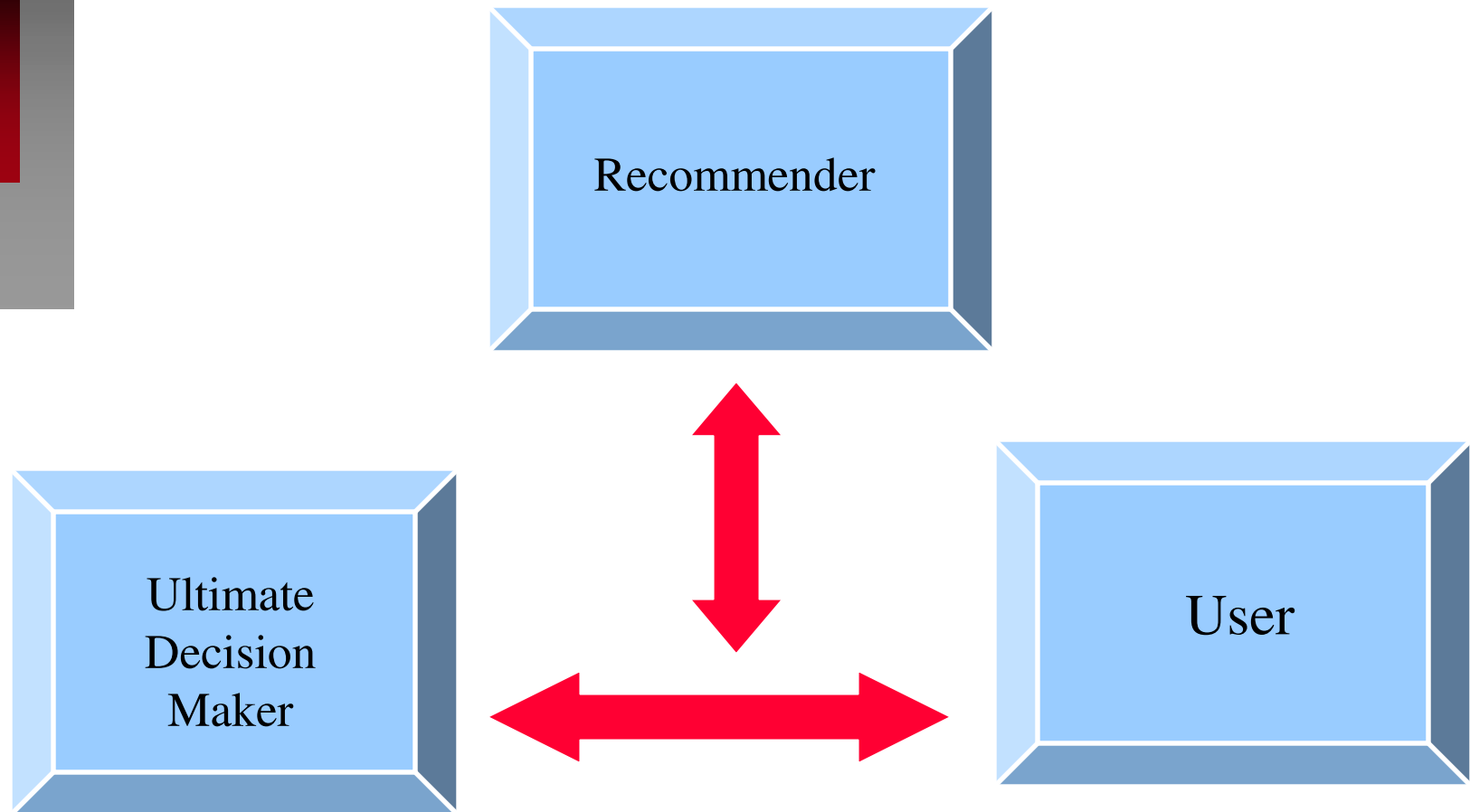
Fundamental - II

- *The most effective way to uniquely position your business and to acquire new clients is by cultivating “advocates” who will add credibility to your value proposition and will provide testimonies for publication*
- *References*
 - *“The Customer Revolution” – Seybold*
 - *“Real Time” - McKenna*

Marketing Processes

- ***Objective***
 - *Develop and validate a “hit list” of suspects and prospects that are most likely to need your service solutions.*
- ***Methods***
 - *Ideal Client/Prospect Profile*
 - *Market Identification & Segmentation*
 - *Contact Validation*
 - *Persistency*
 - *“Bracketing”*

Bracketing the Buyer



Fundamental - III

- *Successful marketing campaigns begin with a thorough understanding of the ideal prospect/client, are multi-level (Bracketed) in “touches” and are persistent (every 6 to 8 weeks).*
- *References:*
 - *“Permission Marketing”, Seth Godin – Simon and Shuster*
 - *“One to One – B2B”, Don Peppers and Martha Rogers, - Doubleday*

Value Proposition

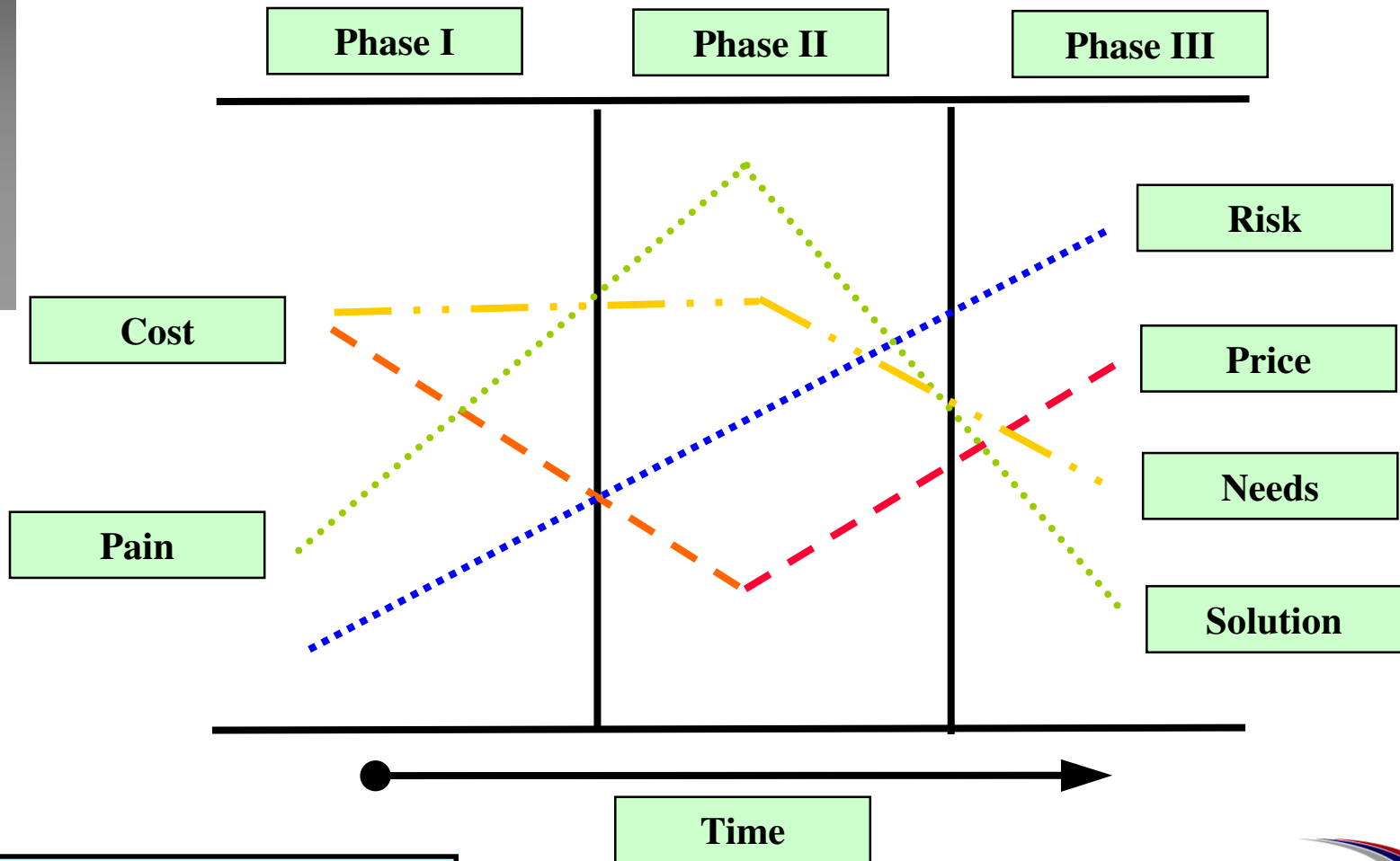
- *Objective:*
 - *Establish a perspective in the mind of the buyer that your services will exceed the requirements, be cost effective, and will mitigate risk.*
- *Methods:*
 - *Align client needs with your unique solutions*
 - *Develop hard and soft ROI's*
 - *Leverage Operational Procedures*
 - *Offer Client Testimonials*

Value Proposition – Key Elements

- *Relevant*
- *Economical Underpinnings*
- *Personable*
- *Unique*
- *Simple*
- *Defendable*
- *Mitigate Risk*

“Made to Stick” – Chip & Don Heath

Shifting Buyer Concerns



“Solution Selling” - Bosworth

Fundamental - IV

- *“The value proposition must be practical, pragmatic, supportable and demonstrate success.”*
- *References:*
 - *“The Tipping Point”, Malcolm Gladwell*
 - *“21st Century Positioning”, Jack and Gary Kinder*
 - *“Positioning: The Battle for Your Mind”, Al Ries & Jack Trout*

Negotiation Protocols

- *Objective –*
 - *Establish a long term business relationship through the exchange of mutually beneficial resources.*
- *Methods –*
 - *Be aware of the power*
 - *Understand the tools*
 - *Develop a model*
 - *Plan each engagement*
 - *Set limits of authority*
 - *Synthesize the deal*

Synthesizing the Deal

Parameters	Max Supportable Position	Really Asking	Least Acceptable Position	Deal Breaker
Price	5	4	3	3
Payment Terms	30	45	90	90+
<i>Contract Volume</i>				
<i>Contract Duration</i>				
<i>Delivery Schedule</i>				

Fundamental - V

- *Strategic negotiation policies and techniques are the keystone and cornerstone to a successful new account acquisition strategy.*
- *References:*
 - *“Selling Through Negotiations, The Handbook of Sales Negotiation”, Homer B. Smith, AMA*
 - *“Red-Hot Sales Negotiation: Everything You Need to Know to Close Deals, Build Relationships and Create Win-Win Outcomes”, Paul S. Goldner*
 - *The Art of Negotiation – Gerard I. Nierenberg*

Specialized Resources

- *Objective*
 - *Assign the “best” business development resources to manage the new account acquisition process.*
- *Methods*
 - *Hire “Hunters”!*
 - *Invest in a specialized infrastructure!*
 - *Establish a sales process to include a “closing sales plan”.*

7 Talents of a “Hunter”

- **Achiever** - A drive that is internal, constant, and self-imposed.
- **Competitive** - A need to gauge success comparatively.
- **Desire** - A need to claim significance through independence, excellence, risk, and recognition.
- **Focus** - An ability to set goals and to use them every day to guide actions.
- **Problem Solving** - An ability to think things through with incomplete data.
- **Multirelator** - An ability to build an extensive network of acquaintances.
- **Persuasion** - An ability to persuade others logically.

Fundamental - VI

- *Hire the best “Hunters” and invest in the infrastructure and sales processes to support their new account acquisition business development activities.*
- *Resources:*
 - *“First, Break All The Rules”, Marcus Buckingham & Curt Coffman*
 - *“You’re Not the Person I Hired!”, Boydell, Deutsch, Remillard*
 - *“Solution Selling”, Bosworth*

Executive Commitment

- *Objective –*
 - *Establish new account acquisitions as a corporate cultural imperative and make it an integral part of the strategic planning process.*
- *Method –*
 - *Participate and inspect the process!*

The New Account Acquisition P&L

Selling Cycle	Year 1	Year 2	Year 3
Client (s)	1		3
Negotiation - 3:1	3	6	9
Opportunity - 5:1	15	30	45
Prospect - 10:1	150	300	450
Suspect - 15:1	2250	450	6750

Inspect the 'Pipeline'

Fundamental - VII

- *As a corporate culture, a new account acquisition program requires executive participation; corporate funding; a clear statement of expectations; and a stringent measurement process.*
- *References:*
 - *“Execution”, Bossidy & Charan*
 - *“Leadership Lessons of the Navy Seals”, Jeff and Lt. CMDR. Jon Cannon*

Acquisition of New Accounts

Summary!

New Account Acquisition

- *Critical Success Factors*
 - *Executive Participation*
 - *Exceptional Resources*
 - *Disciplined Opportunity Management*
 - *Multi-level, Multi-frequency Marketing Programs*
 - *A Pragmatic Go-To-Market Strategy*

Executive Summit for Service Leaders

Thank You !

Innovate, Lead, & Perform

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