It's Time for Sharing



I don't claim to be a marketing expert. My knowledge has trickled in over a period of four decades, some of which has stuck. The title of this article has been stated many different ways but I like this one. I have always dreamed that it could be reality if everything worked perfectly; it sets the bar high.

We all saw 2009-2011 as a very scary period for business failures. Now is a great time to look back to determine why some failed and some did not.

The spectacular observation related to business failure is how long it can take. The toll on our industry has been without precedent. Close to 200 nursery operations in Oregon alone have failed or will fail. East coast operations have failed with less frequency. When all the bankruptcies, retirements, and liquidations are factored in, the loss of capacity is staggering, or possibly a blessing.

It is important to understand that businesses fail every day, even in the best of times. It is also important to recognize that weak businesses can look successful in the good times but are really just one missed payroll away from collapse. These are the ones who drop first when the economy collapses. The next group of failures may have been pretty good, but not stellar at what they did. These are often commodity product lines, and experience a slower death. The final group probably has been at it a long time, endured some hugely successful periods, and simply 'took their eye off the donut'. Or they may have seen the economic run up as endless, overinvested/extended themselves and simply collapsed under the weight of too much debt or general overhead. Do you remember the books titled 'Dow 36,000' and 'Dow 40,000'? Some folks wanted to believe. Amazingly the authors of the first book are now trying to tell us how to fix the economy.

The only way a business succeeds in creating positive cash flow and profits for future investment and cash reserves is through great marketing resulting in sales. Enterprises that engage great marketing make it through the toughest of times.

Some believe marketing is all about advertising. Advertising is only a small piece of the marketing plan. Good marketing is a business culture, always from the top down. What I have seen during the recent lean years is that businesses are sustained during apocalyptic periods by their marketing culture, not advertising. Advertising serves to generate sales. When demand is low or non-existent, advertising dollars can be wasted. I don't believe we should ever stop advertising. However, during lean times, dollars must be allocated with great precision for maximum return, or considered awareness advertising, so your name is not forgotten.

Those businesses that have failed in recent years probably had a weak awareness for good marketing. One might conclude that they were the victims of the economy. Yet there are still plenty of businesses in the same line of work that survived. How does this happen? The survivors either consciously practice great marketing all the time or just come by it intuitively.

The survivors had something on their side to help them through. It may have been adequate cash reserves, borrowing power, great products, low or no debt, good

marketing skills, or a balanced

reach

e

asigned tarde

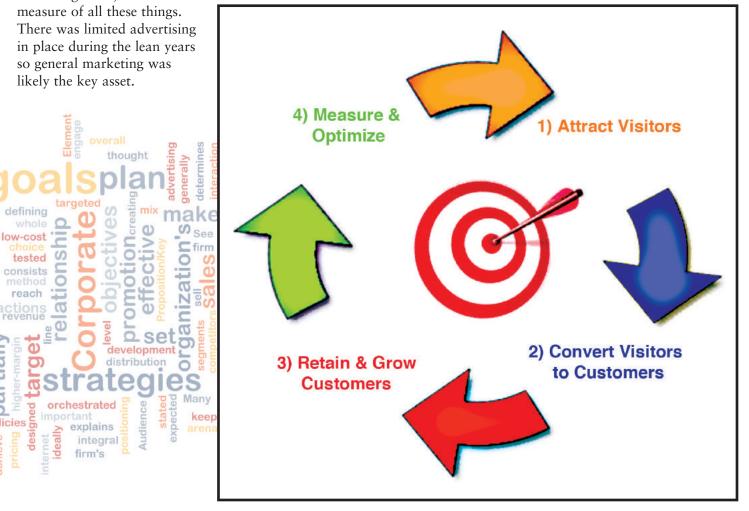
achieve

What is marketing and how does it work to create success, or not work, resulting in failure?

The American Marketing Association has thought long and hard about what marketing is and as an organization has adopted the following definition:

Marketing is, "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."

(continued on page 36)



The only way a business

succeeds in creating positive

cash flow and profits for future investment and cash reserves is through great marketing resulting in sales.

(continued from page 35)

They go on to say:

For business to consumer marketing, it is "the process by which companies create value for customers and build strong customer relationships, in order to capture value from customers in return".

For business to business marketing it is creating value, solutions, and relationships either short term or long term with a company or brand. It generates the strategy that underlies sales techniques, business communication, and business developments. It is an integrated process through which companies build strong customer relationships and create value for their customers and for themselves.

Marketing is used to identify the customer, satisfy the customer, and keep the customer. With the customer as the focus of its activities, marketing management is one of the major components of business management. Marketing evolved to meet the stasis in developing new markets caused by mature markets and overcapacities in the last 2-3 centuries. The adoption of marketing strategies requires businesses to shift their focus from production to the perceived needs and wants of their customers as the means of staying profitable.

There you have it; the word advertising is not used. Advertising or advertizing is a form of communication used to encourage or persuade an audience (viewers, readers or listeners; sometimes a specific group of people) to continue or take some new action. Most commonly, the desired result is to drive consumer behavior with respect to a commercial offering, although political and ideological advertising is also common. The purpose of advertising may also be to reassure employees or shareholders that a company is viable or successful... (Wikipedia).

Right out of college I worked for Summit Hall Turf Farm, which was based in Gaithersburg, Maryland. The owner pointed a finger at me and one of his sons and said "you guys are going to take the lead in advertising". Although I had no clue as to what to do, I happily engaged the matter because I had a dream of business ownership and wanted to understand advertising. I signed up for an adult education class on the topic and was told to read a book by Clyde Bedell called, How to Write Advertising that Sells written in 1952. (It was actually 1970 then, but the book was a Bible for many). The fact that I still remember the book and author is a testament to the profound affect it had on me...forever. I fell in love with the challenge to sell something, anything, through good advertising. When I started in business, I placed an advertisement in the Washington Post and the phone rang; that moment was a turning point in my business life. No one had ever heard of the company but based on the advertisement, real potential customers were motivated to call. It was amazing!

Years later I came to understand advertising is just a piece of the puzzle called marketing.

For me, marketing encompasses everything we do that is visible to the public. It also includes all those things we do when no one is looking. It might be clean trucks, a good web site, how the phone gets answered, response time, respectful customer treatment, professional presentations, an appealing company name, a product of substance that buyers can feel good about, clean and attractive uniforms (if used), community involvement, unique product offerings and much, much more.

For really great insight into marketing, read <u>Steve</u> <u>Jobs</u> by Walter Isaacson. Steve Jobs was a genius at knowing what customers wanted. He didn't believe in focus groups used extensively by manufacturers to 'test drive' new products. Apple almost collapsed when the engineers took over the company. Upon his return, Jobs put the design and marketing people back in charge to build the most valuable company in the history of business. This book was intended to be a biography but I see it as a study in marketing.

Three Strong Legs on the Stool.

The first leg. A company strong in the market place results from a top down effort. Owners and managers must provide leadership, vision, genuine care and concern for staff, vendors and customers, enthusiasm, a nurturing character and much more. This can be a tough job when it seems the sky is falling, as was the case a couple years ago. For most successful business people, this comes pretty naturally. However, for many it requires a conscious effort with no lapses; a consistent long term effort allows for a bad day now and then. The art of communicating ideas is more about the delivery than the message. Careful attention to enthusiasm and 'punch' make the difference.

Happy, contented staff who accomplish rewarding work in an atmosphere of trust and confidence is the **second leg** on the stool. Grumpy people must be nurtured to a better state or let go. In the small business relationship, most customers buy from an individual, not a brand. Therefore, low staff turnover due to their satisfaction with the company is crucial.

The **third leg** is to provide a product or service that is really needed and admired in a manner which delivers value for the customer at a price that allows the company to always be in an offensive decision making mode. Pricing strategies that result in 'trading dollars' for payroll, equipment, and supplies do not work. And it is never a happy place to work. When the stool is solid, good marketing happens. However, current success can not predict future success. All the great actions to make a business work must be in a constant state of re-evaluation, research, and reinvention. Times change.

> Jerry Faulring Waverly Farm

