

ARTICLE FOR AUCKLAND TODAY

SALES & MARKETING BETTER FORECASTERS THAN ECONOMISTS

As we prepare for the end of our financial year, the preparation of marketing & business plans, budgets, we will always examine what various economic forecasters and media commentators advise and recommend in their studies.

But Stop! - These economists are basing their knowledge on economic theory that was designed nearly 100 years ago in the early 1900's. The question you must ask yourself is, "Would you run your company using the same theory models in 2006 that were dreamt up in 1904"?

The problem with many economic forecasters is that they examine what is called the macro-economy effects and forget about the concept that the business economy is actually driven by micro-activity.

An example of micro-activity is – Do you have enough orders in your order book to keep your factory going, are your sales team out calling on customers to remind them of the relationships that you have?

Sales & Marketing are linked together and they really form the best forecast technique and planning for your business.

If you plan your budget result from the customer base up and ask yourself 3 key questions in setting an expected revenue budget for the customer and these are:

- 1 Will this customer improve their business and why?
- 2 Will this customers business stay the same as last year and why?
- 3 Will this customers business decrease and why?

By going through your customer base and identifying these 3 decision strategies you will get a very good picture of exactly where you are now, where you are likely to head, and the size of any gap that you have to fill by either getting more business out of existing customers from new products, new services, and different ideas and channels of distribution or perhaps go and find some new customers.

Your marketing strategy plan should be designed to deliver revenue to your sales force, whether they are sales reps, customer service, tele sales or even web-marketing by getting people to make enquiries around knowledge that you have provided them in a format that the target market you are aiming at understands.

When it comes to measuring your effectiveness of your marketing, have a look at what it is costing you to acquire new customers from your marketing efforts and

also what is it costing you to build business within existing customers, then look at the efficiency of your strategies.

Your selling function is very easily measured when it comes to setting your plans, the description "face-to-face" is a very effective measure, how many "face-to-face" meetings did your sales team have in relation to the number of hours they worked, how many "face-to-face" telephone calls did your tele-sales team have, and how many "face-to-face" discussions did you have through your other forms of media contact or web and emarketing.

While we can all learn from history, to run business management on 100 year old economic theory is plainly suspect, the world of 2006 has changed, change is not our destiny it is our journey, refocus on what will deliver to your business, that is what your sales & marketing is telling you about how you can be more successful and more efficient within your customer base and target market.

This article contributed by Richard P Gee, and he invites email feedback to richard@geewic.co.nz and further information and free downloads of sales & marketing business information can be found on www.geewiz.co.nz.