

North American Management Briefs

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You Should Know...

Population Bomb?

Is overpopulation a threat to mankind? Maybe not. Surprisingly Europe, Russia, China, and Brazil all have declining populations. Their average couple has less than two children. Also, birth rates are falling rapidly in Africa, the Middle East, and Asia.

The Point: Don't "straight line" statistical trends.

Sweet Numbers

The New York Times reports that candy makers are having a record year. Cadbury and Nestlé both posted double-digit profit gains in 2008 and again in Q1 2009 on increased candy sales.

The Point: Candy is dandy?

Maybe Not

One in five military-aged Americans is too fat to join the armed services, reports *ABC News*. The military has rejected 48,000 overweight applicants in the last four years, more than the total number of U.S. troops fighting in Afghanistan.

The Point: Well...maybe skip the candy.

The Devil Made Me Do It

A 62-year-old woman accused of stealing \$73,000 from her church told police "Satan had a big part in the theft," reports *The Week Magazine*.

The Point: It sounds about right.

May's Quote

"Management is doing things right; leadership is doing the right things."

Peter Drucker, Consultant/Financial Writer

Capturing Market Share

When demand is negative, capturing market share is critical to a company's survival. This means either:

- Increasing the share of your current markets or
- Moving into new, adjacent markets

Capturing share means acquiring customers from your competitors. Doing this profitably (without cutting prices) usually requires substantially modifying your "go to market" process. This is because customer acquisition strategies and the tactics required to support them are quite different from customer retention strategies.

The pharmaceutical industry pioneered customer acquisition channel strategies. Manufacturers of consumer packaged goods soon followed. Most industrial marketers, however, are still unfamiliar with customer acquisition strategies and their channel implications.

What's different? Almost everything. Sales commissions, channel compensation, your relationship with the distributors/ resellers you employ, marcom/lead generation programs, even who sells your products (you may need to take large accounts that belong to your competitors directly).

First, you need to identify the market segments and key accounts that buy from your competitors. Also, identify those channel vehicles that have been most successful for them and what services and compatible products they offer. You will need to know:

- Your competitors' best customers
- The channels they prefer to patronize
- The prices they pay

- What they require in addition to a good product (aftermarket service, technical assistance, warranty, systems integration, etc.)

The goal is to focus your resources on those accounts and/or those market segments where your competitors have been most successful.

In the next edition of *North American Management Briefs* we will discuss the tactics to support customer acquisition strategies. Specifically:

- The internal structure to manage an acquisition program
- The role of distributors/channel partners in the customer acquisition process
- Channel compensation
- Marcom support
- The psychographic profile of the salespeople/account managers

The Point: Customer acquisition is different from customer retention. The activities, their costs, and the sales processes are all different. Your recognition of this is the first step in developing and executing a successful customer acquisition program.

Ten Best Places for Business and Careers in the U.S.

City	Rank
Raleigh, NC	1
Fort Collins, CO	2
Durham, NC	3
Fayetteville, AR	4
Lincoln, NE	5
Asheville, NC	6
Des Moines, IA	7
Austin, TX	8
Boise, ID	9
Colorado Springs, CO	10

Source: Forbes April 13, 2009