

How to reach decision-makers

By ANDI GRAY

How to reach our target market's technology decision-makers during their growth cycle? This question comes from Lena Wes, chief executive officer of xynoMedia Technology, located in Yonkers, N.Y., Web site: www.xynomedia.com. XynoMedia helps companies leverage technology for maximizing growth while minimizing risk.

This is first and foremost a research question, one that most small-business owners would be well advised to tackle before trying to enter a market. Unfortunately, most small-business owners focus first on what they are good at, then they go in search of a target market in need of that skill.

In the process, they miss the mark, trying to create a fit between internal skill and potential market needs. Large, marketing-based companies take the opposite approach: surveying the market for need, competitive opportunity and ability to pay a profitable margin. Once they define a niche, they proceed to develop their products or services to fill that gap.

Let's take the latter, big-company approach, and begin with surveying for market need. Lena explains research has shown that at \$10 million, companies start to rethink their technology strategy, and those are the services her company offers. Therefore, her company is focused on a target market of small-to-mid-sized companies as well as mature small businesses with revenues of \$10 million and up.

At this point, I'd like to know more about need and consequences. Why do companies at \$10 million in revenue rethink technology strategy? And how critical is it that they choose to act?

- + Do they outgrow existing hardware or software, and therefore risk shutting down or losing control?
- + Do their clients demand faster, better responses that technology can enable?
- + Do they risk losing clients if they don't respond, or can they keep going the same way for a while longer?
- + Are they looking for a leap forward in profitability, which they believe technology can deliver? How close to break even are they without profit enhancement?
- + Do they simply have money to spend that they didn't have at a smaller size?

It is essential to know why prospective clients are open to new solutions at specific points in time. Higher consequences tend to correlate with high motivation to act, which is where Lena wants to focus her marketing efforts.

How about competitive opportunity? How will Lena distinguish her company? It has been a technology buyer's market since Sept. 11, 2001. Daily billing rates have been cut in half, as too many technology folks fought for the attention of too few buyers, with poorly differentiated claims of technological ability. Ask prospective clients to clarify competitive opportunity, through the following questions.

- + What will prospects pay for, because it creates value for the future of their business?
- + What have prospects tried to do technologywise and failed at, but they'd be willing to try again if only they could find someone skilled enough to help?

+ What innovations or changes are hitting prospects' marketplaces and creating opportunity as they come up with new technology solutions?

Through these questions, Lena is likely to find a niche, a corner in the market that is unserved or underserved, into which she can fit her company's services. If she is lucky, she will find a whole class of companies with similar need, such that she can leverage solutions, reputation and marketability across multiple buyers.

Next on the list of big-company market research is the question of profit:

+ Will clients pay enough to justify the cost of entry?

+ What barriers will keep competitors out, keep margins up?

+ Is the market deep enough to at least meet Lena's company goals for two to three years?

Start with goals: How many clients does Lena need? If it's under 50 clients, define the offer narrowly. At 500 clients, a broader offer is likely to encounter a wider number of competitive angles. Build competitive barriers to entry by creating unique systems or approaches - or by getting a market-leading client. Show clients how solutions will significantly impact their income and profits for the long term. Good clients will pay for outcomes of profit and growth, so long as they are predictable and measurable.

Define the attributes of a profitable, successful client. Companies that value technology enhancements are probably strong in sales, have a long-term view, and are in profitable, growing markets, or have the potential to get into those markets. Lena, like all business owners, needs to think critically of the clients she seeks: they are not just today's cash flow, but also tomorrow's future, as they become representatives of the outcomes of her company's work. Work to get accounts that are going to be around for the long haul, able to value and promote you in the future.

Now it is time to format what Lena's company offers. By backing into product definition, she is likely to encounter higher receptivity from her target market. She is likely to find prospects recognize and gravitate to her company, because she is using their words, not hers, to define her offer. Competition falls away as she presents a unique offer, closely matched to the needs of specific customers or customer segments. Barriers to purchase go down and margins go up when she can hit a bull's-eye with payoffs that clients value. And, she increases margins as she replicates solutions in a market that has depth and durability.

Looking for a good book? Try Jim Collins' "Good to Great." It's a treasure trove of good advice on building long-haul successes by focusing on solving customer needs and wants.

<http://www.westchestercountybusinessjournal.com/archive/010305/010305ask01.html>