Introduction

Change is a constant and affects every aspect of our life. Over the past decade, the explosion of digital technology has dramatically changed our expectations – particularly in the way products and services are marketed and sold. The rate of change shows no signs of slowing down so businesses must adapt.

Thanks to the internet, mobile devices, and social media, over two thirds of a B2B buyer's research is conducted on line before they ever contact you. To respond to this rapid technological growth, many marketing and sales leaders focus on pursuing the latest shiny object – the newest CRM, Marketing Automation software, or mobile app. They write endless blog post and get active on social media.

The result? Marketing and sales leaders are getting lost trying to keep up. Their yearly goals are stuffed full of technology implementations. IT departments have grown to twice the size of the marketing department in nearly every mid-sized business I visit.

Technology is important, but to make a real impact the marketing and sales teams start with sound business principles, the "blocking and tackling." If they have failed to identify their best target end markets, uncovered and prioritized customer needs, or created compelling messaging, all the technology in the world isn't going to help them.

I am not an anti-technology marketing guy. I believe in having a solid CRM solution and marketing automation software that enables faster, more personal response to prospects. I believe in blogs and social media to help create thought leadership, I believe in using Artificial Intelligence algorithms for lead generation and nurturing. And, I believe marketers must keep up with the latest technology innovations, and leverage those that prove effective in lowering costs, speeding delivery, and, above all, delivering a more effective experience. That said, I will not be making any software recommendations since by the time you are reading this book they are likely already out of date. I'd simply be leading you down the wrong path.

Before any technology can be effective, you need a solid foundation on which to build your commercial engine. The MarketMD™ business health checkup and solutions are designed to help you build or improve that critical foundation.

MarketMD Business Health Checkup takes a step back and identifies the strengths and weakness of your commercial engine. The checkup will uncover the areas of your commercial engine that will provide the best ROI from your efforts. The checkup is a self-service tool that helps you identify your business' strengths and weaknesses. After all, no one knows your business like you do.

After you've identified the weaknesses bogging down your commercial engine, move to the corrective action part of the MarketMD system. It provides a playbook of proven solutions you can implement and it doesn't require massive investment in expensive new technology.

The solutions described in this book are proven techniques that are simple to execute. These *"How To"* recommendations can be carried out by marketing and sales staff in a near to mid-term timeframe. Although the concepts in this book can be adapted for any company, it is specifically addressed to manufacturing companies that sell high dollar items over $10,000 each, and generate $20MM to $200MM in revenue per year.

The bottom line? The MarketMD System identifies and provides simple, executable solutions designed to improve the weakest areas of your commercial engine - identified by you - and get you moving toward peak performance right away.

Learning from Mistakes

Years ago, I was the senior marketing person in a $150 million a year B2B capital equipment engineering and manufacturing company. My responsibilities included marketing, product management, and customer service.

From the marketing perspective, I thought I had things well organized. I developed a strategic plan that tied to the overall company growth goals. I put together a detailed budget with a full list of tactics that tied back to the strategic plan.

One of the key strategic initiatives included in my plan for the year was the creation of more detailed customer segmentation to modify our product and service offerings to match the needs of our best customer segment end markets. My analysis suggested that

this would be the best return for my budget dollars and staff resources. The company's leadership team accepted my plan – or so I thought - and I was ready to roll.

However, a couple of months later I discovered that my boss, the CEO, had secretly launched a special project with a few of the senior product development engineers to create a new line of products. He planned on pursuing the process of cutting thin sheet metal. Unfortunately, other technologies had made rapid advancements and were in the process of completely dominating the thin sheet metal arena.

My CEO - a talented and energetic entrepreneur - took a few shortcuts on his secret project. He did not conduct voice of the market research, so he wasn't aware that we were fast becoming non-competitive for processing thin sheet metal. In addition, he didn't consider resource drain. The resources used to develop and launch this product would consume my marketing team, completely obliterating my ability to carry out my marketing plan. Similarly, his pet project would pull engineering resources away from carefully researched and sanctioned projects.

Although I tried to halt it, the project (backed by a strong-willed CEO) proved unstoppable. Once the project left the prototyping stage, it was no longer a secret carried out by a small group. It had become an all-consuming company-wide program. The product development team as well as my product management, service, and marketing teams spent a year on the development and launch of the product. We never sold a single unit.

How did I let this happen? I was the one responsible for marketing and product management, yet was ineffective in avoiding a multi-million dollar catastrophe.

The answer is quite simple and too often common. I developed my annual marketing plan without sufficient buy-in from senior management or my peers so when a shiny new object appeared it was easy to dismiss my plan. Looking back objectively, I admit the delivery of my plan wasn't all that compelling, leaving the CEO uninspired and prompting him to feel that we could do more. In the end, a new strategy came out of nowhere to displace mine. If you've spent any time in marketing and sales management, you can likely tell a similar horror story.

It is effective, albeit painful, learning from mistakes. My preference is to learn from other people's errors - which is good sport - but unfortunately, as this story illustrates, more often than I care to admit the biggest lessons have come out of my own missteps.

Too often in today's companies, the top marketing and sales person is denied a seat at the table next to other top leaders where long term company strategy is developed. You can't

let that happen to you. Marketing must be contributing at the strategic level. This book is intended to arm you with the tools that will make your voice credible – and indispensable – and vault you into the inner circle. Then, and only then, can your company become customer focused, replacing conference room marketing and sales with facts and strategies born from the needs of customers within carefully selected target end markets.

This book is all about self-diagnosing your marketing and sales commercial engine, obtaining cross-department agreement on the issues, and then fixing them.

The first part of the MarketMD system is the business health checkup and the second part provides executable solutions and tools to improve weaknesses.

Brian Kent and I founded Fairmont Concepts and developed the MarketMD system to ensure you work on the issues that will deliver the highest return on investment, and you do so with full buy-in from leaders, peers and staff.

MarketMD is a unique system that addresses 10 key topics selected with three criteria in mind:
1. **Vital**: Each has proven to be critical to the performance of a marketing and sales commercial engine.
2. **Executable**: Each can be changed and improved as a direct result of the actions of the marketing and sales organization.
3. **Immediate**: Each can be executed in the near to mid-term.

Sidebar: **The business health checkup system's 10 key topics for business success:**
➢ *Finding your best end markets*
➢ *Uncovering the voice of the customer*
➢ *Creating great messaging*
➢ *Generating more leads*
➢ *Nurturing your existing leads*
➢ *Building a great sales team*
➢ *Creating customer loyalty*
➢ *Rightsizing the marketing budget*
➢ *Making your current offerings more attractive*
➢ *Hitting your profit goals*

Checkup results reveal your strengths and weaknesses in the 10 topics, enabling you to create a plan for addressing key issues.

The power of the business health checkup system:

- Deliver an ROI driven approach versus a reactive approach.
  So often companies address issues that gained attention due to a recent incident. "Fix this problem right away," is heard from the president's office. When you and your team take a step back and assess your entire commercial engine before jumping into solutions, you give your company the chance to work on the problems that will deliver the best ROI, rather than work on problems that became the most visible to senior management.
- Self-assessments are accurate
  Analyzing your commercial engine through self-diagnosis is more accurate than outside consultant assessments. No one knows your business like you do.
- Many sources of input produces greater accuracy:
  Including a cross section of peers and leaders in the business health assessment provides wisdom through multiple perspectives. All of us are smarter than one of us.
- An aligned company moves faster – together.
  Including a cross section of peers and leaders also builds alignment and energy.

The second part of the MarketMD system provides solutions and tools to strengthen your performance on the 10 key topics. The solutions are designed to let you handle issues internally with your own staff. And, if you don't have enough time or staff, it will provide enough insight into the solution that you can confidently bring in outside resources to help you execute.

The power of the 10 solutions:
- Proven best practices
  Provides best practices and tools to sharpen skills and tackle significant issues.
- Step by step playbook
  Breaks down complex problems into easy to execute solution steps.
- Invest in your team
  Trains your team on problem solving techniques and tools they can use repeatedly to address future issues.
- Proven solutions
  Drives your commercial engine toward peak performance to deliver a robust sales pipeline, high revenue, and loyal customers.

MarketMD solutions are developed from decades of marketing high-dollar, B2B products in small to mid-sized companies. My approach is especially applicable to manufacturing companies with annual revenue from $20 million to $200 million and where some of the products sell for $10,000 to over $1 million each. These solutions are not designed for commodity sales to consumers, though many of the principles apply.

Part One: The Checkup & Diagnosis
Keys to a Healthy Sales and Marketing Engine

An indication of a healthy marketing and sales commercial engine is a full sales pipeline containing quality leads, swift movement of projects through the funnel, closing business that consistently meets revenue and profit targets, and having an exceptionally loyal customer base. The MarketMD system focuses on ways to reach these goals. The self-diagnosis spans the commercial engine: Marketing, Sales Management, and Business Management.

Marketing

1. **End market selection** – Many companies target end markets based entirely on those that bring in the most sales, even though top revenue does not always equal most valuable. I'll show you how to conduct objective market evaluations and identify the end markets that deliver the most bottom-line profit. Focusing marketing and sales on the right end market is key to peak performance.
2. **Customer needs** – Every company has some idea of their customer needs, but I'll show you a proven, effective method for uncovering all the primary needs of the customers in their own words, and how to get your customers to prioritize those needs. The result is a clear picture of the marketplace, vital for creating messaging, generating leads, winning business and obtaining customer loyalty.
3. **Messaging** – Many companies don't have clearly defined messaging used throughout the company, making it difficult to build brand, establish credibility, convey benefits, generate leads, and win orders. I will help you create a simple hierarchy to organize your messaging, and give you a message creation tool that allows your team to consistently create persuasive messaging that resonates with the marketplace.
4. **Lead generation** – Consistently rated as a top problem facing sales and marketing organizations, lead generation fills your sales pipeline. I will provide you with an effective lead qualification and funnel system, along with a set of tools and methods to help you analyze your current lead generation sources, identify your top ROI activities, and get more leads.

Sales Management

5. **Lead nurturing** – Once you've invested resources and money to generate your leads, now what? Approximately one third of all leads are never followed up. I'll help you create a lead nurturing program that gets the potential customer the information they want at the right time, delivered the way they want it, to help them move along the buyer journey. Close more business from the leads you already have.

6. **Sales team efficiency** – Generating leads alone isn't sufficient. I'll help you maximize the win rate of your sales team through proven sales training techniques that include selling strategies, overview pitches, and sales training. Improve win-rate with an efficient and trained sales team.

7. **Customer loyalty** – Loyal customers generate greater profits and consume fewer resources, yet most companies don't focus enough on growing loyalty. I'll show you techniques for obtaining and tracking transactional satisfaction and overall customer loyalty. Improve revenue and profit while you also enhance employee morale and retention.

Business Management

8. **Increasing product attractiveness** – You aren't always able to develop new products to grow sales. I'll provide you tools and techniques to dig deeper and uncover the hidden advantages in your existing offerings to improve perceived value. Increase revenue by breathing new life into old products.

9. **Investing in marketing** – There is often heated debates about the amount of money being spent on marketing. Is the money being used efficiently? Would greater investment in marketing deliver more revenue and profit? I'll show you how you can use benchmarks to establish how much and where you should be spending, and how to justify a healthy and reasonable marketing budget. Right size your marketing budget to maximize company profit and reach growth potential.

10. **Company profitability** – The marketing and sales teams are responsible for delivering revenue and profit. I'll show you the levers your commercial team can pull to help you consistently hit your profitability targets.

The 10 topics covered in the MarketMD approach drive the performance of your commercial engine. Taking the marketing and sales health checkup will provide you with clear insight into how your commercial engine is performing and will identify opportunities for improvement.

The Checkup

The MarketMD journey starts here. The business health checkup is a free, simple online questionnaire and takes only three minutes to complete. You don't need to be an expert in every facet of your company's inner workings. In fact, you don't need any preparation at all. If you don't have enough information to answer a specific question, you can respond "I don't know." Typically, we see an individual respond to over 80 percent of the questions.

Though you may get insight from taking the checkup on your own, you will get much more comprehensive results by having three to 10 people from your company answer the questions (most common is four, but can be dozens). Data can be pooled if anonymity is important. For the best results, have knowledgeable staff from various customer facing departments take the checkup, such as sales, marketing, and service. If you have people from engineering, product management, project management, production, or finance who are familiar with your customers and markets, include them as well. Have at least one senior leader, preferably the top person (perhaps your CEO, or president), complete the checkup to help you get complete buy-in. The more informed respondents you get to participate, the more accurate the results.

All responses follow the Likert scale, where you choose one of six answers:
Strongly disagree
Disagree
Neutral
Agree
Strongly agree
I don't know

Your answers are will be subjective. Getting actual hard numbers to determine your performance on the 10 topics would be impossible- and frankly unnecessary. Your responses provide a relative rating of your commercial engine on the 10 key topics, and that is all you need to determine which ones present the best opportunity for improvement. The test results will highlight where to invest staff, time, and money to get the highest ROI. The results will enable you to avoid wasting resources on things you are already good at and focus your team on the right opportunities for improvement.

Fairmont Concepts will email you your results along with data from others who have taken the checkup. If you provide demographic data, we will send more targeted benchmark data. Although this data is interesting, the real value is the relative rating your team gives your company performance on the 10 areas. We will provide you with aggregated results If more than one person from your organization takes the checkup.

Sidebar: **Take the survey**
To take the 3-minute sales and marketing health checkup online, follow this URL:
www.fairmontconcepts.com

Test Results

The first thing listed on the results page we email to you is an aggregate of all 10 scores represented as a percentage – the Commercial Engine Rating. A 100 percent commercial engine rating means every person from your organization who took the health checkup selected "strongly agree" for every question. That's not going to happen. Most commercial engine scores fall between 50 and 70 percent, with the average coming in around 65 percent.

You will likely find, as most companies do, that you will rate at least three or four topics below "Neutral."

Hundreds of companies have taken our health checkup and based on the overall average, here is a listing of the issues beginning with the most frequent weakness listed first:

Average Results in Priority
All companies, all industries

Most Frequent Weakness	
	1. Generating more leads
	2. Creating great messaging
	3. Rightsizing the marketing budget
	4. Uncovering the voice of the customer
	5. Nurturing your existing leads
	6. Hitting your profit goals
	7. Building a great sales team
	8. Making your current offerings more attractive
	9. Creating customer loyalty
Least Frequent Weakness	10. Finding your best end market

The average results from all results shows the top four weaknesses as lead generation, consistent messaging, adequate budget, and knowing customer needs. Don't be concerned if your priority order is different. When we convert the answers to numerical values there is only a 25 percent difference between the average rating between the first (leads) and last (end markets) issue. Different companies score high and low on any given topic with no

single issue always coming out as the biggest weakness for all companies. What is important is your company's relative rating. You want your own weaknesses and strengths in priority so you can use that information to create an improvement plan that has the best ROI.

The 10 topics are related. A commercial engine is no different than any mechanical or biological engine – all the parts work as a system, each impacting the performance of the others. For example, if you don't clearly understand the needs of the market, you are not likely to create the right messaging that enables you to acquire enough leads to fill your pipeline. And if your sales team is not efficient, then the poor win rate will drive profits down and the need for leads up.

To help you interpret your results, here are two examples - one from a manufacturer and one from a service provider.

Manufacturer, Revenue of $180MM/yr.

A company who manufactures printing equipment predicts they will fall short of hitting their revenue and profit goals. The director of marketing asks a few people from his company to join him in taking the checkup to determine where they should focus their improvement efforts. The CEO, vice president of sales, service manager, a product manager, and an experienced sales professional join the director of marketing in taking the checkup.

Although there were a few topics that had disparate responses, there was enough consistency that when the team (including the CEO) reviewed the results, they felt the data was a fair representation of the group's consensus. This alignment is key to ensuring that the go-forward plan gets buy-in from everyone.

Here is an aggregate of all responses for the manufacturer:

Manufacturer Example
Health Checkup Prioritized Results

Nurturing your existing leads
Generating more leads
Uncovering the voice of the customer
Create Great Messaging
Creating customer loyalty
Hitting your profit goals
Making your current offerings more attractive
Rightsizing the marketing budget
Finding your best end market
Building a great sales team

The commercial engine rating of the manufacturer is 62 percent which is near our historical average. Their top two areas of weakness per their checkup results involve nurturing leads and generating leads. The next two are uncovering the voice of the customer and creating great messaging.

Although their initial inclination is to focus on their top two priorities of lead nurturing and lead generation, they really must address two other problem areas first; uncovering needs and creating messaging. As they discuss the results, they come to realize that they should not pursue new lead generation or create new lead nurturing programs while they show weakness in uncovering the voice of the customer and messaging. They see how they must conduct voice of the customer research to uncover customer needs, then use that information to create great messaging if they hope to be effective in generating and nurturing leads. The solutions in Part 2 of this book provide the tools and methods for executing such a plan.

Service Provider, Revenue of $22MM/yr.
A company that provides services is looking to improve their commercial engine. The Sales Manager and the Marketing Manager take the health checkup, and the results are not consistent.

Here are the two individual responses for the service provider company:

Service Provider Example
Health Checkup Prioritized Results

Sales Manager Results:	Marketing Manager Results:
Generating more leads	Building a great sales team
Uncovering the voice of the customer	Rightsizing the marketing budget
Finding your best end market	Hitting your profit goals
Creating great messaging	Creating customer loyalty
Nurturing your existing leads	Making your current offerings more attractive
Hitting your profile goals	Nurturing your existing leads
Making your current oferings more attractive	Creating great messaging
Creating customer loyalty	Finding your best end market
Rightsizing the marketing budget	Uncovering the voice of the customer
Building a great sales team	Generating more leads

The checkup results for the two managers are shown separately rather than averaged together because the ratings are so different. In fact, their opinions are nearly opposite.

When the results were sent back to the managers, the email included a concern that the Service Provider's results are inconclusive because of the wide disparity. It appears the managers each feel the problems lie outside their departments. In this case, the health checkup sparked a discussion between the two managers to better understand viewpoints, which leads to a deeper understanding of each team's struggles.

After talking through the issues, the managers retook the checkup and ended up with more consistent and usable results. If they had not resolved the disparity, they could choose to recruit additional knowledgeable people from the company to take the checkup, or bring in outside consultants to conduct an independent evaluation.

Moving on to the Next Step: Solutions

You have identified your areas of weakness, but that is only half the equation. Your results will help you determine which areas of your commercial engine to focus on first.

Part Two of the book provides solutions. For each of the 10 topics, I provide proven solutions and a variety of usable tools. You can read Part Two of the book straight through, looking for skills to learn in any of the solutions provided, or you can concentrate on just those sections where your results show you have gaps.

My goal in Part Two is to help your team learn new skills and execute effective solutions. The ideas are presented in simple-to-follow sequences that your staff can easily handle. The solutions are not the only way to tackle each of the 10 topics, but they are the best ways that I have found to get great results in the near to mid-term. The MarketMD approach is designed to be executable by your team, but if you lack internal resources, you can bring in outside help.[1]

Incorporating the ideas and tools in Part 2 will help you Improve your commercial engine quickly, raise the skill level of your team for the long term, and get the results you need.

References

1. To take the 3-minute MarketMD Business Health Checkup or contact us for assistance executing solutions go to www.fairmontconcepts.com

Part Two: The Solutions for your Commercial Engine
Improving your Commercial Engine

In the first part of this book you take the MarketMD Business Health Checkup to self-diagnose your company's performance regarding 10 key areas of commercial engine performance. Now, in Part Two, a solution chapter is provided for each of the ten areas.

The ten key areas vital to the performance of your commercial engine are:
1. *Finding your best end markets*
2. *Uncovering the voice of the customer*
3. *Creating great messaging*
4. *Generating more leads*
5. *Nurturing your existing leads*
6. *Building a great sales team*
7. *Creating customer loyalty*
8. *Rightsizing the marketing budget*
9. *Making your current offerings more attractive*
10. *Hitting your profit goals*

Solution 1: Finding your Best End Markets

Many companies employ the "Alice in Wonderland" method of marketing, as in the oft-quoted line, "if you don't know where you're going, any road will take you there."

In business, before you embark on your marketing journey, you'd better have a destination in mind. Reaching your business destination starts with finding your best end markets.

Doing that effectively means analyzing your existing customer base. You must determine your best customers – not just your largest revenue generators or those with the highest gross margin – but the ones who are driving the greatest bottom line profit.

Once you've identified these best customers, analyze the markets in which they reside. This is where you should focus your efforts - finding clones of your best customers. However, you might not be able to classify an end market as "best" just because it includes a customer who is driving high profit. There also needs to be a viable number of available prospects to justify mining that market.

In the end, that's the challenge: finding identifiable markets where not only best customer clones reside, but also those that are big enough to justify pursuit.

Many companies "sell to anyone interested." That's not a strategy, that's a reaction. Building a strong commercial engine requires starting at the beginning – identifying your best end markets.

Path to a Strong Commercial Engine
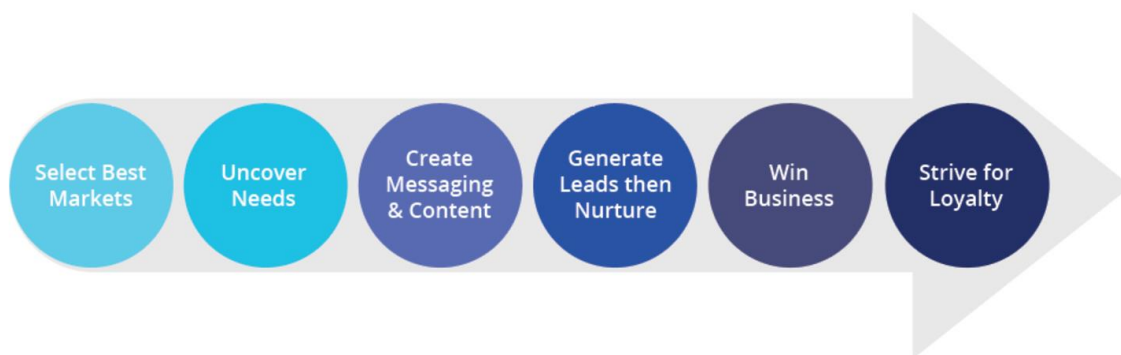
◎ Figure 1.1 A strong commercial engine builds from the selection of the best target end markets.

It takes a great deal of effort to uncover needs, create messaging, generate leads and win business. It makes sense to build your commercial engine around the end markets that provide the best return.

The Importance of Segmentation

Buyers today expect you to understand their business and their needs and are instantly turned off when you communicate in a way that suggests you don't. Segment your markets into buckets of similar type and treat the ones you wish to pursue in a personal and compelling way. You have limited resources, so focus on understanding and serving the markets that give you growth and profit.

That's not to say you can't decide to pursue a completely novel end market. A company's technology portfolio often includes long shot, potentially lucrative investments in R&D and engineering. The same is true in marketing. Pursuing new end markets with high return opportunities is acceptable as long as you limit your risks and maintain focus on your core target markets.

This solution explains how to maximize company performance in the markets you already address - where the sure-fire profits reside.

Selecting the Best Market Segments

Selecting your target end markets is a vital first step in creating an efficient commercial engine, a step that should not be taken lightly. Two main attributes define your best market segments:

1. Pocket income potential
   Your best market segments contain clones of your best customers. Your best customers are those who deliver your best bottom line income after cost-to-serve is taken into account. I call this "pocket income."
2. Market viability
   Your best market segments contain enough potential clones to provide your company a sufficient return on the marketing investment.

Pocket Income Potential

Pocket income is a term I use that compares a customer's specific bottom line profitability against the average customer after accounting for the cost-to-serve. Pocket income is different from the more commonly used pocket price and pocket margin.

A pocket income analysis compares specific customers against....

ETC...