

The Real Reason Most Businesses Fail

Easy Questions, Tough Answers and Winning More Sales

Why do businesses fail?

Because they run out of cash.

Why does that happen?

They can't bring in enough sales revenue.

Why not?

Because the key DNA of their businesses Sales Ecosystem is broken. This DNA is critical to the overall health of the Sales Ecosystem and the business as a whole.

What is the Sales Ecosystem DNA and how do you know if yours is broken? Read on.

One of the seemingly simplest questions that we ask our clients is what do you sell and who do you sell *it* to?

Most people, even if it takes a moment or two of reflection, answer this question fairly quickly.

The answer can often be the difference between a business with a Sales Ecosystem under severe distress and slowly dying and a business that is powering ahead and growing profitably and rapidly.

How so?

Let's start with an example.

For this example we will look at a company that manufacture a range of natural and botanical cosmetic products with properties that help a range of ailments: skin conditions, inflammation based pain, auto-

immune based conditions and many other ailments. In fact, the number of ailments that they claim their products can help alleviate is 24.

We posed this question to the CEO: “What do you sell and who do you sell it to?”

The answer was “We sell our range of (27) products to anyone with any of the (long list of 24 conditions).”

Our next question to the CEO was, “What is different between you and your competitors?”

The answer we received from the CEO is one of the most common responses we hear: “Our products are better. Higher quality and they work better and we provide a higher level of customer service.”

Blah, blah blah.

Have you heard this stuff before? Of course you have since so many businesses rely upon it! Do you realize that most if not all of your competitors are telling prospects and customers the same message? Is everyone telling the truth? Of course not.

The problem of course is can anyone in any line of business really believe that their competitors are not saying exactly the same things: high quality, great products, great customer service – whether true or not.

So our client in the cosmetics industry is one of countless other businesses out there with a poorly defined target market and no compelling competitive differentiator. Are you surprised that they were stagnating and starting to die?

We then posed the following questions to the CEO. It took an entire day to uncover the real answers under a ton of vague ideas, misconceptions, assumptions and other mental debris. It was like business archaeology. When we finished we had a business on the fast track to DOUBLING THEIR REVENUE.

No that is not a misprint nor is it hyperbole. They quite literally doubled their revenue overnight by answering these questions, identifying next actions and executing them.



Do you want to know the questions?

The questions build what we call a Positioning Statement. A Positioning Statement explains what a company is, what it does, and most importantly, how it's different from competitors. *It's always externally focused.*

Geoffrey Moore, author of *Crossing The Chasm*, developed the Positioning Statement that we use in the Sales Ecosystem.

It goes like this:

For (target customers)

Who (have the following problem)

Our product is a (describe the product or solution)

That provides (cite the breakthrough capability)

Unlike (reference the competition)

Our product/solution (describe the key point of competitive differentiation)

This may look simple, but crafting a Positioning Statement is challenging:

- (1) the Statement must place a company within context of the external marketplace framework it already occupies;
- (2) competition must be the reference point;
- (3) the Statement has to be brief; and
- (4) every part must be realistic and defensible.

When a company has a well-crafted Positioning Statement it demonstrates clarity of purpose. A Positioning Statement ensures every written and verbal communication about your company is aligned without mixed messages to clients, prospects and other stakeholders.

The toughest part of developing a great Positioning Statement is the last step that requires clearly identifying your competitive differentiation.

For the company in our example, here is their new Positioning Statement.

For members of the public in Australia

Who with chronic Condition A

Our product is a proven therapy

That provides immediate relief from the suffering and symptoms associated with Condition A

And Unlike every other product for this chronic condition

Our product/solution is approved by the Therapeutic Goods Administration of Australia for its ability to help with chronic Condition A

This discovery process resulted in this company's message to the market changing radically:

Old message: *"we can solve any one of 24 ailments"*

New message: *"we solve this one specific ailment."*

This new laser beam sales and marketing focus is directed at people with the condition and therefore likely to purchase the product.

Almost instantly our client's revenue doubled and the CEO now has a supportive and admiring Board of Directors and employees who are excited to be part of a growing business.

Are you ready to give it a try? Having a crystal clear Positioning Statement and having the whole business act on it is the DNA of the Sales Ecosystem. Without having healthy DNA you can throw buckets of money and a squillion resources at all parts of the Sales Ecosystem without improving sales outcomes.

Take some time to answer these questions for your company. You will gain valuable insights that can lead to enormous growth if you are prepared to take action.

We are here to help whether you have a question about this process or would like us to help.

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