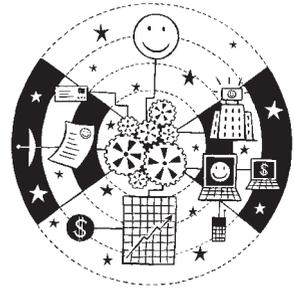


“Success is not about having more. It is about what you are willing to give up in order to have what you really want.”

Chin-Ning Chu, author



## Marketing systems

When asked why businesses advertise where they do, the most common responses are:

1. We have always advertised here so we keep doing it
2. We heard some of our competitors were doing it, so we thought we'd better not miss out
3. In the end we did it to get the sales rep off our back.

These responses usually result from the lack of a detailed marketing strategy. When you have an understanding of who your target market is, what their path to purchase is, and what your budget is, you are in a good

position to make sound and objective marketing decisions. Having this level of understanding means decisions are based on fact and strategy and not emotion or fear of missing out. It will also enable you to ask the right questions to ensure value for money in advertising expenditure.

For example, if a trade publication called to entice your business to advertise in a wall calendar they were producing, offering exclusive rights to a nominated category, you might ask: who buys the publication? Who will see the calendar? How many will be displayed? What was the average return on investment for the previous advertisers? How many other advertisers will be on the calendar? If the publication is unable to answer these questions then why should you be willing to outlay your precious advertising dollars?

Marketing systems allow you to remain focussed on where your business is heading and stop you being drawn into opportunistic tangents that waste precious time and money.

A must read for anyone wanting to learn more about improving and developing successful business systems is John Love's *Behind the Arches*. This book is about building the McDonald's empire and explains in intricate detail the systems that enabled McDonald's to become a multi-billion dollar powerhouse. It shows how to think like a big business even when you are small. One illustration of the importance McDonald's places on business systems goes back to the early 1960s. McDonald's invested more than US\$2 million in systemising the production of the perfect French Fry - this was an enormous sum of money back then. They then began customising their own appliances – things like milkshake machines, chip scoops and straw dispensers. Demonstrating the value good systems can add to a business, consider that McDonald's is a multi-billion dollar enterprise run by teenagers! Could you leave your business to a team of high school kids?

Systems exist all around us – but most of us are not aware of them. One way to explain systems is to think of a vehicle. Any vehicle is a complex arrangement of many systems. There is the engine, the fuel system, the air-conditioner/heating system and the brake system. These are not independent; rather, all rely on each other for the successful operation of

the vehicle overall. Despite the vehicle being such a complex arrangement of systems, as long as the driver knows the basics of how to drive, they can operate the vehicle. They don't need to know how the actual mechanics work.

The same concept generally applies to a business. A business is a complex arrangement of systems depending upon each other for the business to operate successfully as a whole. The better the systems, the less business knowledge and labour required to operate it successfully. An architect for example, might put in place a series of systems providing his/her staff a framework to work within. This will ensure consistent application and delivery of service to clients and will allow the individuals to focus on application of their specialist skills within the framework. The clients know what level of service they can expect, the staff know how to meet client expectations and the business is likely to be managed consistently and successfully. You are likely to sell the business for more than if you did not have systems because you will have developed the business into a true saleable asset.

Many business owners believe the harder they work, the more money they should make. Generally business owners who think like this, believe they should also be the first to work, nobody else can do it better than them, and they need to be in full control and oversee everything. They are the system. However, because this type of business owner is spending all their time and effort working in the business, they have no time to work on the business. Time working on the business, as opposed to working in the business, is what ultimately achieves the results we are all looking for.

In many cases you, the owner, may love working in your business. But wouldn't it be great if you had the option: to work or not to work? Remember the main reason for developing a business is to serve your needs, including giving you more freedom, not the other way around. This is more likely to happen when you are working on your business rather than in it. Part of doing so should involve developing and documenting systems. The systems you create within your business could be your link to creating a money-making machine that can operate without you.

Developing systems can increase the effectiveness and efficiency of a business by making you stop and think about what you are doing. It is worthwhile asking the question: “How can I do this better?” And remember, even if you have systems, they can always be improved. For any business to grow, individuals within the organisation must be accountable for each of the systems. It is ultimately the responsibility of the managing director, or the equivalent role in your particular business structure, to ensure all the systems operate at their highest capacity.

If you look at larger businesses, they are not reliant on any one person. Generally, they have systems in place to allow the business to function without the owner’s involvement. Some larger businesses can survive without good systems, but they are unlikely to be operating as efficiently or as effectively as they could.

Business can be risky. Good systems can help minimise the risk, help stabilise a business, and allow you to identify problems more quickly. Systems can allow staff to follow documented methods and ways of doing and saying things that produce a proven, consistent result. Businesses that don’t have simple, proven systems in place rely on the owner and staff to have higher levels of business skill, yet one of the biggest complaints made by business owners is how hard it is to find good people. Systems generally take away this dependency on highly skilled people and enable the development of your team. Provided your staff are open to learning the systems and are willing to use them, you can employ people with lower skill levels at a reduced cost to your business. It should also take less time to train new people to follow the documented systems (which produce proven successful results), than to spend time trying to pass on what you know. Most business owners don’t have the time to teach new staff what they need to know. Staff members are often left alone to work out what is expected of them, and how to complete the required activities, which takes time and can cause inefficiencies. Systems make staff training easier for everyone, as well as delivering more certain results.

In order to develop successful business systems, it is necessary to define what a system is. A successful business system is a series of actions, ideas or information put together in a specific step-by-step order that, when

followed, delivers a certain specific result. This result is measurable and has a direct impact on your business. Importantly, each system you develop will generally not be independent from other systems in your business. Rather they will be interdependent so your business operates successfully as a whole. You should build systems that cater for all eventualities and cope with the routine tasks as well as the unusual.

Perth business Majestic Plumbing recognised the need to improve their systems. While they had undertaken various marketing activities, they had not applied any consistent strategy to their activities or measured the various results being achieved. Majestic Plumbing decided it was time for some outside assistance and called in a marketing coach.

“One simple, but vital step we introduced was a procedure to measure all incoming enquiries including print and online directory advertising, referrals, passing trade, and so on. This was recorded daily by the sales administration staff using a special template.

“This simple measurement system has allowed us to refine our marketing expenditure and make marketing decisions based on facts rather than anecdotal evidence or ‘gut feel.’ This in turn has provided Majestic Plumbing a better return on investment and, importantly, more time to focus on growing the business.”

**Gino Dichiera, director, Majestic Plumbing**

## Sample marketing systems

Following are some suggested categories where systems might help drive turnover for your business by finding and retaining more of the right customers:

Purpose	System
Lead generation	<ul style="list-style-type: none"> <li>» How to up-sell and cross-sell</li> <li>» How to track and measure leads</li> <li>» How to determine and manage the cost of a lead</li> </ul>
Advertising and promotion	<ul style="list-style-type: none"> <li>» Advertising policy manual</li> <li>» How to place an ad, e.g. Yellow™, newspapers, periodicals, trade journals, radio, television, billboards, press releases, inserts, catalogues, brochures, web sites</li> <li>» Brand guidelines</li> <li>» A list of indicative costs and contacts</li> <li>» How to measure return on investment for advertising</li> <li>» How to develop a direct marketing campaign, e.g. scripts for door-to-door sales, telemarketing, mail-outs, fax-outs, email, surveys</li> </ul>
Customer referrals	<ul style="list-style-type: none"> <li>» How to capture testimonials</li> <li>» Tools to help identify direct referrals, e.g. surveys, networking</li> </ul>
Minimise perceived customer risk	<ul style="list-style-type: none"> <li>» Identify areas of customer risk and methods to remove risk for customer, e.g. offer guarantee</li> <li>» How to design, use and track guarantee</li> <li>» How to determine and manage cost of guarantee</li> <li>» Manuals on relevant industry legislation and regulation</li> </ul>
Website	<ul style="list-style-type: none"> <li>» How to design a banner ad</li> <li>» How to maintain information on the company website</li> <li>» Company policies relating to use of website, e.g. no porn</li> </ul>
Sales	<ul style="list-style-type: none"> <li>» Sales procedure manual</li> <li>» List of contacts responsible for certain regions/products</li> <li>» How to track and measure sales</li> </ul>
Customer satisfaction	<ul style="list-style-type: none"> <li>» How to capture why customers did/did not purchase</li> <li>» Complaints management processes</li> <li>» Refund and exchange policy</li> <li>» Customer service policy and guidelines.</li> </ul>