

## The Elusive Customer

After an exciting first year of business in 2004, 2005 was a year of consolidation for Sarah Richardson Consulting. Thank you to all the clients who provided interesting and challenging projects for the consultancy last year.

The backbone of any business is the all-important customer. This elusive customer is the subject of many seminars, senior managers' ruminations and journal articles. However many companies do not invest in or manage well their customer relationships.

Much of the consultancy's work in the recent year revolved around the thorny issue of customer relationships. Most of us understand the importance of customers but do not make the financial, time or people investments to build strong customer relationships. Worthwhile relationships are based on understanding so it is critical to thoughtfully research current and future customers to identify their demographic

and psychographic makeup, attitudes and purchasing behaviour. Truly understanding the customer will have an effect on organisation structure, people and processes — not only relating to the sales and marketing functions, but also to procurement, financial and distribution functions. What is sold, how it is sold, who sells it, how the customer interacts with the organisation, the marketing messages and media employed, and the senior managers' and owners' involvement with the customer should all be determined based on deep customer insights.

Clearly not all customers are the same and gone are the days of traditional mass marketing. Business is now much more about identifying and developing profitable one-on-one relationships beneficial to both the organisation and the customer.



Make a new year's resolution that this is the year to really focus on the customer to reinforce the foundations of the business and foster the organisation's future success.

Sincerely,

Sarah Richardson  
Director

## Reforecast or Perish

The annual planning process is an important discipline. Many organisations place great emphasis on and allocate significant resources to this project. However the process should be somewhat fluid to take account of unplanned or changing market, customer and company conditions. It is soul-destroying for an owner not to be able to

realise the company's potential — and, in the worst case, fail — due to poor or insufficient forecasting.

The company's owners or financiers often set the planning deadlines and, once budgets and plans are agreed, little further thought is placed on the targets. No plans are perfect and circumstances usually change during a financial year, so it is critical to regularly monitor performance and, where necessary, adjust forecasts and plans.

Whether a small family business or a large stable multinational, an annual planning process with regular performance reviews and reforecasting

will be a key factor for long-term business health and survival.

Reports and review meetings should be set up to formally assess all key performance indicators, usually on a monthly basis. Some factors need weekly, daily or even more frequent monitoring. Some companies even conduct formal quarterly reviews. The processes do not need to become unwieldy and halt the operations or progress of the company — but without formal review steps, fire-fighting will become a modus operandi and important decisions will either not be made or be made without the right information or inputs.



# Tenders, the New Way of Doing Business

For suppliers the tender practice can provide inclusion in the bidding process, an open forum, clear customer expectations and the ability to plan and manage the submission.

In the past business was often conducted over a fancy lunch or at the golf course. While there is still a place for this kind of discussion and relationship building, many business negotiations and decisions now require a formal tender process. This can be a good opportunity for customers to identify their business needs, expectations and criteria for selection. For suppliers the tender practice can provide inclusion in the bidding process, an open forum, clear customer expectations and the ability to plan and manage the submission.

Some companies elect not to submit tenders, often due to lack of time, resources or tender experience. It is worthwhile making the time for key tenders because winning a tender can provide a lucrative income stream for a company. It is also valuable to participate in the

process to be considered one of the important industry suppliers in the future. In addition, writing a tender is a useful discipline that can help crystallise aspects of the business planning process or contribute to key customer presentations.

Another advantage of tenders is that involvement and teamwork from several functions is

need to provide input to spread out the large workload and also to respond to the broad scope of information requested. While a key manager is still required to coordinate the tender submission, involvement with the client process and responsibility for the customer are no longer riskily in the hands of just one or two key managers.



Tenders have become the new way of doing business. Make sure the organisation and employees develop in line with the progress in the business world.

typically required due to the scope indicated in the Request for Tender. Negotiating contracts was historically handled by the CEO or Sales Director. With tenders, a number of functional managers

## National Conference

The sales team plays a crucial role in any organisation — whether merely taking customer orders and responding to queries or if the team is responsible for building deep customer relationships. Senior managers including the Managing Director and owner have a fundamental responsibility to motivate and set the right direction for this key team.

Many companies do not have an annual formal communication forum with the sales team such as a national conference. Occasionally it is fiscally responsible to postpone this annual forum but unfortunately

often a national conference is not planned, in spite of good intentions, because the day-to-day running of the business gets in the way. However typically it is a critical event and one that can be managed to a reasonable budget and with a clear agenda and outcomes.

The annual conference is usually looked forward to by the sales team. For the team it is an opportunity to discuss key issues face-to-face, receive formal appreciation, get an update on the company direction, meet new employees and have exposure to the management team.

For the senior managers it is an occasion to review the year's performance, learn about current market and competitor conditions, set performance targets for the new year and inspire and channel the sales team in the agreed company direction.

Whatever the daily operational crises or seemingly endless list of urgent tasks, take the time now to review the budget and activity schedule and plan this critical event.

# Printing in the New Millennium

## By Dave Morris, Director/Owner of Graphitype

*Dave Morris is founder and Managing Director of Graphitype Printing Services, a medium sized printing company supplying a wide range of colour commercial printing to the pharmaceutical industry, councils and the food industry, as well as packaging and point of sale printed products. The company has been established for 20 years and incorporates an in-house design studio, pre-press department and a complete range of printing and finishing equipment. Graphitype is in the midst of a major expansion project to satisfy the demands of their pharmaceutical clients which will double the size of the company over the next few years.*



Printing has changed dramatically in the last decade, particularly over the recent five years. Digital printing has revolutionised the industry with small runs of personalised brochures or individual tailor-made forms. The printing quality from desktop machines is very good, and the quality from commercial digital printing production is excellent.

Conventional offset printing was predicted to disappear and at DRUPA 2000, the largest printing exhibition in the world, held every four years in Dusseldorf, Germany, one could be forgiven for thinking we would never see an offset press produced again! However the leading manufacturers of offset presses responded with an amazing array of new machines. Though offset printing has always been at the front line in technology, the manufacturers really shifted up a gear to combat the "Digital Menace".

Gone are the expensive film and plates, now replaced by a direct Computer to Plate process (CTP). With Computer to Plate, the image is imaged directly onto the printing plate in a very quick, high quality and cost-effective process.

The offset presses being produced now are extremely quick, highly automated and tend to be much larger with more printing units per press. For this reason at DRUPA 2004 the first question asked by the digital printer suppliers was about run length of the new offset presses. Currently digital printing is ideal for shorter easier runs and offset printing preferred for long runs, higher quality and more versatility. It is common to have eight or 10 printing units and for the machine to be a Perfecting Press which allows the sheet of paper to be printed both sides, with high quality and at speeds of between 15-18,000 sheets per hour.

All of these changes have produced major benefits for the typical printing customer.

Printing in either format is now produced with very high quality, extremely quickly and is competitively priced. The average printing price has dropped significantly, particularly over the last five years, and generally represents excellent value for money, especially considering the investment required by the manufacturer.

Having undertaken a major investment in new equipment over the last 12 months, I can certainly confirm the outstanding quality and capability of the new equipment available in the world today.

## The Marketing Toolbox

Usually a range of activities is required in order to reach the target audience at all points in the decision process.

Some managers stick tirelessly to their favourite marketing programs and neglect other key program types. Usually a range of activities is required in order to reach the target audience at all points in the decision process.

In any organisation it is important to provide at least the basic marketing tools such as brochures, website, and vehicle and building signage. These tools can be relatively low cost and will reach many existing and potential stakeholders. With some additional resources, a

suite of effective marketing materials can be created to communicate the company's marketing messages. While different programs have different objectives, it is important to make sure the messages and tonality are consistent and reinforcing.

This marketing toolbox is a critical resource for the sales team and other key managers who have involvement with stakeholders,



whether the stakeholders are financiers or shareholders, customers, suppliers or even employees.

The brand is often a company's greatest asset. Continued investment in the brand is essential to keep it alive and communicate to stakeholders.

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Sarah Richardson Consulting was established in early 2004 to provide sales, marketing and management consulting for small to medium sized firms based in Western Australia. The consultancy offers business advice to Managing Directors/owners who may not have a full-time senior marketer or who are looking for an objective outside review.

The company provides consulting on:

- Sales & Marketing
- Organisation Structure
- Forecasts & Budgets
- Purchasing
- Acquisitions Integration
- New Business
- Supplier Management
- Profit Optimisation

Sarah Richardson, the sole Director, has held senior sales, marketing, strategic planning and general management positions over 18 years in the following business-to-business and consumer branded companies:

- Kellogg's (Australia)
- CCH (Australia)
- Johnson & Johnson (Australia)
- Yoplait (France)
- NutraSweet (USA)
- British Petroleum (New Zealand)

Prior to Sarah Richardson Consulting, she managed for three years the national sales, marketing and customer service functions for a small family owned importer and producer of craft products distributing to many small retailers and large chain stores across Australia.

Qualifications include:

- MBA (Honours), Marketing/Finance, University of Chicago Graduate School of Business, USA
- BCA, Business/Accounting, Victoria University of Wellington, New Zealand
- BA, English Literature, Victoria University of Wellington, New Zealand
- CPA and CMA Exams, Society of Chartered Accountants, New Zealand
- Teacher's Drama Diploma, Trinity College, United Kingdom

Sarah Richardson is an active member of:

- Chamber of Commerce & Industry
- Rotary
- Australian Marketing Institute (CPM)



## Management Meetings

Many managers dread meetings, having experienced ones that take significant time, discuss unnecessary issues in a broad forum, create an opportunity for the company soapbox or highlight rivalries between departments. However well-led management meetings provide communication critical for business survival and prosperity.

Regular management meetings should not aim to make decisions; the objective instead is to communicate to the key functional heads. However this is a formal structured meeting and

preparation is essential which includes identifying participants, their meeting role, specific agenda items and responsibilities, advance reading, and timings for every management meeting.

The meeting chairman does not need to be the owner or Managing Director but the chairman's role in managing the agenda is critical. It is also important to have a designated coordinator who makes sure the agenda is finalised and communicated in advance and, if required, notes are distributed prior to the meeting.

Someone should be nominated to take the minutes, preferably not the meeting chairman, and distribute them within a short time following the meeting.

Although there are other opportunities for the senior management team to collaborate, the management meetings help build understanding of different functional areas and offer a forum for development of the team dynamic. Most importantly, these vital meetings provide information and communication essential for business success.