



Southern Building Material Association's Management Newsletter

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"MEMBERSHIP PAYS"

3 Rules for Niche Marketing

Follow these maxims to grow your business's audience.

BY KIM T. GORDON

Q: What should we know before our company goes after a niche market?

A: Most companies, whether big or small, direct their marketing to select niche audiences. Even the country's largest manufacturers target carefully pinpointed market segments to maximize the effectiveness of their programs and often tackle different niches for each product group. Hewlett-Packard, for example, markets all-in-one machines that print, fax and scan to segments of the home office market, while targeting larger businesses for higher-priced, single-function units.

Niche marketing can be extremely cost-effective. For instance, imagine you offer a product or service that's just right for a select demographic or ethnic group in your area, such as Hispanics or Asians. You could advertise on ethnic radio stations, which have considerably lower rates than stations that program for broader audiences. So your marketing budget would go a lot further, allowing you to advertise with greater frequency or to use a more comprehensive media mix.

Taking on a new niche can be a low-risk way to grow your business, as long as you keep in mind several important rules:

1. Meet their unique needs. The benefits you promise must have special appeal to the market niche. What can you provide that's new and compelling? Identify the unique needs of your potential audience, and look for ways to tailor your product or service to meet them.

Start by considering all the product or service variations you might offer. When it comes to marketing soap, for example, not much has changed over the years. But suppose you were a soap maker and you invented a new brand to gently remove chlorine from swimmers' hair. You'd have something uniquely compelling to offer a niche market--from members of your neighborhood pool to the Olympic swim team.

2. Say the right thing. When approaching a new market niche, it's imperative to speak their language. In other words, you should understand the market's "hot buttons" and be prepared to communicate with the target group as an understanding member--not an outsider. In addition to launching a unique campaign for the new niche, you may need to alter other, more basic elements, such as your company slogan if it translates poorly to another language, for example.

In instances where taking on a new niche market is not impacted by a change in language or customs, it's still vital to understand its members' key issues and how they prefer to communicate with companies like yours. For example, suppose a business that markets leather goods primarily to men through a Web site decides to target working women. Like men, working women appreciate the convenience of shopping on the Web, but they expect more content so that they can comprehensively evaluate the products and the company behind them. To successfully increase sales from the new niche, the Web marketer would need to change the way it communicates with them by expanding its site along with revising its marketing message.

3. Always test-market. Before moving ahead, assess the direct competitors you'll find in the new market niche and determine how you will position against them. For an overview, it's best to conduct a competitive analysis by reviewing competitors' ads, brochures and Web sites, looking for their key selling points, along with pricing, delivery and other service characteristics.

But what if there is no existing competition? Believe it or not, this isn't always a good sign. True, it may mean that other companies haven't found the key to providing a product or service this niche will want to buy. However, it's also possible that many companies have tried and failed to penetrate this group. Always test-market carefully to gauge the market's receptiveness to your product or service and message. And move cautiously to keep your risks manageable.

How to Train Salespeople

Sales Training from Beginner to Expert by Wendy Connick, About.com Guide

There are two types of training that fall under the umbrella of “sales training.” The first is teaching the mechanics of sales: how to go about selling in the general sense, with an emphasis perhaps on the sales techniques that work best for your industry. The second is company-specific training: details about your products and services, the sales process that your team is expected to use, tools and resources, etc.

Every salesperson, no matter how experienced, can benefit from both types of sales training. Learning how to sell is an ongoing process. There are always new strategies and new technologies that your team must learn in order to sell effectively.

When you bring a new salesperson on board, the priority will be in company-specific training. Unless your new employee is a rank beginner they'll have at least a basic grasp of the mechanics of selling, but it's likely they won't know much about your own products or how your particular sales process works.

The easiest way to get started is often to sit the new salesperson down with your customer service team. The customer service folks are intimately familiar with your products, and will know what existing customers like most (and least) about them. Let the new salesperson listen in on a few customer service calls, and give them access to documentation about the products (user guides, brochures, websites, etc.).

Once your new employee is familiar with your product line, pair them up with an experienced salesperson. Listening to phone calls and riding along on appointments gives your new employees an idea of the process. Ideally, they'll get to see at least one sale go through the entire process.

Finally, switch roles and have the new salesperson make calls and take appointments with a senior salesperson (or sales manager) observing. Not only will you find out how well they absorbed your company information, you'll also get a look at their general sales knowledge. Now you'll know how much “mechanical” sales training your new employee needs.

If your new salesperson demonstrates weaknesses in particular areas (for example, they're great at getting appointments but choke at the close) then it might be time for some basic training. You can either train internally (do it yourself or assign a senior salesperson) or externally (signing your new employee up for a sales training class, for example).

Internal training is cheaper and you can customize it perfectly to your employees needs, but it is time consuming – and can end up costing you more in the long run, if your best salesperson is spending hours training instead of making sales! An alternative is to combine both approaches: sign the new salespersons up for an external class, then arrange for them to practice by setting up role-playing or sending them out on appointments.

New team members are not the only ones who will need sales training. Anytime you add a new product or service, your salespeople need to know about it. If you change the sales process (for example, adding an ecommerce component to your website) your sales team needs to know about that, too. And if you have the resources it's a great idea to periodically set up training for your salespeople, so they can learn new sales skills and hone existing skills.

(Another discussion at SBMA's recent dealer roundtables has been; “How do we improve employee morale during this economic downturn?”)

10 Tips for Boosting Employee Morale

By Jacqueline M. Hames

During this long running economic downturn, your employee morale may be hurting.. As a result, employee morale may dip drastically from the highs of the holidays. So how do you keep the good feelings going for your employees? To help counter the winter blues, we have compiled tips from the experts and suggestions from Ask Inc. users to help keep spirits buoyant.

1. Recognize special events in the lives of your employees.

Birthdays, weddings, births, the accomplishments of employee children—if you have a reason to celebrate, do it! Whether it is

buying a round of coffee for the morning shift, or finding a nice greeting card for everyone to sign, celebrate the little things in your workplace. Have a monthly birthday party complete with cake. Gather all employees and have all the birthday people from the current month stand up and the rest of the office sing to them. It's corny, and maybe a little embarrassing, but it helps put smiles on faces and cake in tummies. And really, who doesn't want cake?

2. Keep the conversation going.

Encourage idea sharing, and make that sharing road a two-way street. Listening to the ideas of your employees is great, but it can only go so far if the employee doesn't know enough about business operations to present a viable idea. Try open-book management strategies. Supply employees with critical information and financial data and teach them what that information means so they can influence the company's collective success. Keep your employees informed and ensure they understand you are willing to listen to their input and continue that discussion.

3. Recognize and reward your employees for doing good work.

"People want to feel valued," Paul Spiegelman, founder and CEO of Beryl, a call-center company based in Texas, explained. Tell your employees they are doing a good job verbally, or write a little note. Have pizza parties for meeting your monthly goals as a company. Do what you think is appropriate for your business environment, but be sure your employees understand that you value their work, and they are fabulous people.

There is one caveat. Singling people out for good behavior can sometimes work as a disincentive on a larger scale. Instead of giving all your praise to the superstars, try rewarding everyone for the achievements of the few and reinforce teamwork.

4. Make the workplace comfortable.

"Designing a comfortable environment is about more than aesthetics; careful attention to design can give a boost to employee happiness," says Lois Goodell, principal and the director of interior design at CBT Architects. You'll need more than just cushy chairs and ergonomic desks, for this (though those would be great, too. Comfy chairs soothe the soul.) Make small adjustments to your lighting scheme and bring in fun desk lamps if you can't banish the overhead fluorescent glare, or open curtains to allow for natural light if you have windows. Keep the office temperature at a comfortable level, and make sure all the technology needed to do the job is available.

5. Smile more.

The social environment at work is a big contributor to burnout, says Elizabeth Scott, a wellness coach at About.com. The CEO's demeanor can directly affect the staff, as workers read the mood of the boss for clues about performance and job security. So, smile more often, talk about fun things like hobbies with employees, or crack a joke—just make sure it's done in good taste. These steps will help to boost morale, encourage team building and even stave off job burnout.

6. Build a culture of trust.

Trust is everything in a relationship, be it romantic, friendly, or business-oriented. It is essential to build and cultivate trusting business relationships for success and survival. Try this three-tiered approach to building trust with your employees:

- Capability trust: allow people to make decisions, involve them in discussions, and trust in their opinions and input.
- Contractual trust: keep agreements and manage employee expectations.
- Communication trust: share information, provide constructive feedback and speak with good purpose about others.

7. Encourage work breaks.

Smokers seem to get the better end of this stick, ducking out for a quick cigarette every couple of hours—which they are completely entitled to have. Remind your non-smoking personnel, and everyone else, to take breaks. Walk around the block. Go for some coffee. Work goes much faster when you are refreshed and ready to take on the assignment after a break, and it keeps employees from getting stir crazy.

Have stubborn workaholics in your office? Make your breaks "mandatory." Put out some treats in the office kitchen and call

everyone over for a snack. It'll get people interacting with their coworkers, and give everyone a much-deserved break.

8. Employee people "engines."

Kevin Plank, founder of Under Armour, suggests strategically placing innately passionate and inspired individuals around your organization to help keep other employees focused, motivated, and happy. "When you find people with these characteristics, use them wisely. They'll certainly make your job easier, especially when it comes to keeping the rest of the team motivated," he says.

9. Build a culture of employee appreciation.

Cash incentives and public recognition, while nice; don't always make your employees feel totally appreciated. Take some of your short-term morale boosters, like recognizing good work with handshake and a smile, or idea sharing, and turn it into a business lifestyle. Thanking employees face-to-face on a regular basis may also help improve their ability to accept constructive criticism, says Rick Maurer, a consultant based in Arlington, Va. "If you make it clear that you are trying to make employees better at what they do, positive and negative feedback become a regular part of the conversation," he says.

10. Have fun.

Spiegelman also encourages wacky team building exercises, which could range from weeks-long murder mysteries to an all day off-site activity, like laser tag. Pick a Friday and make your "place of duty" be a laser tag venue. Have different games and mix the teams for every game so everyone has a chance to bond with everyone else. Nothing builds morale faster than shooting opposing teams with little lasers in a rousing game of capture the flag.

Smith Phillips Building Supply Hires Harry Morris as Account Manager at Winston-Salem Location

Winston-Salem, NC – Smith Phillips Building Supply welcomes Harry Morris as an Account Manager at their Winston-Salem location. Morris brings with him over 30 years of experience in the building industry, as well as extensive knowledge in sales and working with professional home builders.

"I am excited for the opportunity to work with Smith Phillips Building Supply," said Morris. Having worked for many years in Winston-Salem's housing industry; Morris has the experience and capability to provide customers with the excellent service and product selection for which Smith Phillips is known.

"It is a great opportunity for our company to have such a well-respected and experienced individual as Harry Morris join our team of sales professionals," said Rob Powell, Senior Vice President of Sales for Smith Phillips. "Harry brings a wealth of knowledge and the same customer service mindset that Smith Phillips Building Supply aims to provide."

Management Quote

"If you pick the right people and give them the opportunity to spread their wings—and put compensation as a carrier behind it—you almost don't have to manage them."

— Jack Welch



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