

MARKET WARFARE

Leadership & Domination
Over Competitors



**EDMOND
"HAWKEYE" HENNESSY**

With commentary from Gary K. Wolf, Marketing Pro and creative genius that authored the book that spawned the blockbuster Disney movie "Who Framed Roger Rabbit."

Preface

This work is not a reference textbook at the Harvard Business School. It does not define the next big thing in business management practices or lay out a conceptual framework that will rock the industry. It is not designed to do any of those things. It is a practical guide that can be applied to business to achieve results and impact performance. What it will provide, particularly to small and medium-sized businesses and to the tough-minded warriors who run these firms, is the means of translating the basics and fundamentals into hard-hitting campaigns any firm can implement to develop new sources of business, improve the effectiveness of a sales/distribution channel, and wreak havoc on the competition.

The material outlined in this guide has been developed and applied over the past three decades to result in the generation of \$500 million to \$750 million of new business revenue for client companies.

The approaches and techniques outlined here were originally spawned in large companies (the think tank); however, they have found their way into small companies (the proving ground) since 1981. Over time, they have been adapted to fit the needs of small to medium-sized companies with an emphasis on results.

I will not bore you with meaningless case studies that have little or no relevance to your core business. Instead, targeted and relevant examples illustrate the techniques in use.

The cost of this guide will be paid back in spades if you take it seriously and apply it to your business; otherwise, it will only make interesting reading and be another book that collects dust on your shelf.

I am not a professional writer. However, I have had an itch to extend the value of these practices to those who need them the most—those daring street fighters who have the guts and courage to drive small and medium-sized businesses to success in spite of the odds. So I have taken the time to make the priceless information in this guide available to the industry.

This guide is only a start.

Chapter 5

Product Opportunity Program

In its simplest form, Product Opportunity Program (POP) is a launch methodology that spawns campaigns for a company's product (and service) offerings. POP can be directed at a new-product introduction or it can be used to revitalize existing products. It can be directed toward an existing market and a set of known prospects and customers or it can tackle new targets. It can be directed to a captive sales force or it can stimulate a third-party distribution network. POP can support collaborations with strategic alliance partners or third-party leveraged sources that work together with your firm to introduce new capabilities to the market. This represents bringing a solution to the market that is beyond what either party could provide independently. (This class of product launch requires that each party "detach" itself from its own home-grown-product mentality and focus on the makeup of the newly created product or service. This can be challenging and must be handled carefully with the target buying audience.)

Would you believe that one company spent less than \$25K on its total campaign to regain the attention and loyalty of its dealer network and annihilated the competition in the process? In fact, the client spent more on commissions to its dealer network for increased sales than it did to fuel the entire campaign. And the vehicle that was leveraged to realize this was a product rollout.

I spent a lot of my early career "learning and doing" by working with large companies. This was quite a luxury—at least, that's the way I view it today. But it was interesting how regimented and inflexible these companies were in terms of marketing. Their marketing teams knew only a few ways of doing things, and they dug their heels in.

In the old days, print advertising was king. There were a few other techniques, but there was little or no innovation. A campaign was measured by how much it cost, not by what it achieved and contributed.

Back then (and this is still true today), when a company rolled out a new product or service, it would repeat the same formula: press kits, interviews with the same old media contacts, attendance at the same old trade shows, and a big-bang road show. There are variations on the theme, but you get the picture.

There would also be a company powwow and kickoff to get the thing rolling.

Typically, once the dust settled, these activities had little impact on reaching the right audience or developing real business, and everybody was too worn out after all of this front-end activity to be able to pony up and do the real work.

Even the sales force shudders when the company asks it to provide a hit list of early-stage prospects that could fuel these activities.

These days, I just chuckle and hope that my clients' competitors are adhering to the old ways.

With POP, we throw away the old formula and turn to innovative new approaches and techniques that are simple, affordable, and easy for most companies to grasp and implement.

The best part is that they work.

Let's take a look at POP in action.

A HIGH-POWERED □TRY AND BUY□ PROGRAM was launched to support a major product rollout for a software company that specialized in the database management and business-graphics market. The program used an innovative merchandising package that provided qualified prospects with everything needed to evaluate the product and initiate the order with minimal support from the direct sales/support team. The approach accelerated the decision cycle and generated \$1.2 million in new sales

A SERVICES COMPANY was losing the attention of its captive dealer network, so it developed a dealer support package that leveraged a Target Opportunity Program and a Competitive Replacement Program as primary elements. This was introduced in cooperation with a major product introduction. The combination was unbeatable. Dealers were given a hard-hitting campaign package of pre-qualified leads to attack the installed competitive base. The package included account strategies, competitive analysis tools, and effective sales aids. A Competitive Positioning Workshop was also provided to the target dealer network to impart new approaches and techniques for the sales process. The campaign generated \$1.6 million of initial new product sales and caught the competition off guard. This added-value program revitalized the dealer network's confidence in the company and distinguished it from the competition. As expressed by the vice president of marketing, "The dealer network is back and here to stay."

This is an excellent example of tackling an opportunistic and problematic situation, concurrently, with an integrated program response.

The makeup of an effective launch campaign includes the following phases:

1. Front-end research and analysis. This supports the "market-in" process and consists of gaining insight and collecting data that will shape and mold the key aspects of the launch campaign. The key here is interpretation and translation, not simply collecting information. This includes perspectives on the target market segment, key application areas, buying influences and attitudes (especially if they are changing), competitive influences and changing landscape (real stuff, not fluff), market readiness and demand, timing of launch, price targets, key product capabilities and feature set (from the customer's vantage point, not yours), the service/support component, packaging considerations, initial opportunity sizing, risks and dependencies (both internal and external), assumptions about external factors out of your control but critical to your business (such as the state of the economy and the cross-regional market impact), anticipated technological change, impact of changing governmental regulations, and so on.

These data must be validated and legitimized continuously.

The output of this phase is a comprehensive document that clearly defines and justifies all of the elements that will come into play in the actual product launch campaign.

2. *Concept development.* This phase is not a license to be creative. Creativity is encouraged, but it is balanced with a sobering realization that this phase is critical to structuring the overall campaign, which is designed to generate tangible results and impact business success.

The baseline for Phase 2 is the research/analysis and translations captured in Phase 1. You can add a dose of great ideas and raw intellect to the process, but these must correspond to the findings derived in Phase 1. If not, your clever campaign may backfire.

The output of this phase includes a detailed definition and overview of the makeup, structure, and various elements (the mix) that support the campaign. *Mix* means the launch vehicles: PR/media, direct response, catalogs, e-mail communiqué, Web site promotions, affiliate marketing, industry guides, problem-solving workshops, electronic advertising, content sessions, targeted industry events, e-casts and live-audience events, telemarketing promotions, and so on. Choose a mix that is reflective of what works with your target audience and specific business.

3. *Positioning/messaging.* This is broken out because it is the aura and essence of the campaign. It is designed to capture attention, clearly communicate and distinguish the product (or service), create action, and perpetuate the theme for the intended life of the campaign.

This must be expressed in the attitude, tone, and language of the target audience. The communications package should be put to the test. Apply the “logo test”—if the campaign positioning/messaging make sense with your competitor’s logo, scrap it and go back to the drawing board.

The output for this phase includes the following:

- **Mock-ups that show the positioning/messaging considerations.** The rule of thumb - have three alternatives and no “wire jobs”; all must be suitable and be serious considerations.
- **Equal footing.** Attempt to elevate the game by defining a campaign theme, as opposed to simply promoting product features and benefits. Emphasize problems solved versus product use. Show real-world applications. Illustrate how key industry challenges are met.
- **Implementation.** It will take time and effort to develop the full campaign material, but during that period, ready and ramp up the company and the field troops for the formal launch. Conduct pre-launch activities with the target market audience, third-party partners, media sources, investors, and so on to “grease the skids.” This phase requires a written action plan that describes all phases of the campaign, key tasks, milestones, target dates for completion, resource requirements, output/deliverables, projected costs, expected results, and so on. A designated “owner” needs to be assigned to drive and manage the effort. That includes defining the responsible parties (RPs) that will be leveraged to support the campaign. This also gives the owner clout and a degree of control.

- A **pilot test** with a selected sample audience that consists of familiar and unfamiliar prospects. This pilot test should be conducted prior to the full campaign roll-out. It will put the overall campaign to the test in a real-world situation. Document the results of the pilot test and factor them into the formal launch. Repeat this process consistently during other phases of the campaign, as well.

At the time of the formal launch, pay particular attention to feedback on program effectiveness from all external sources—field sales and support, distribution partners, target prospects, and so on. The first sixty to ninety days of most campaigns is the “make or break” period.

Quickly factor in key adjustments to the program and keep your ear to the rail during the full campaign period. Subtleties that are ignored can torpedo a campaign. Lose the audience’s interest early and it is nearly impossible to get it back. Promote and publish early stage successes frequently.

4. Metrics. The campaign needs to be supported by hard and soft performance targets such as the following:

- Increase opportunity traffic by 25 percent over baseline during the first ninety days of launch.
- Build a \$3 million incremental opportunity base due to new product introduction for the balance of the fiscal year.
- Increase forecast potential (dollar-wise) over baseline by 40 percent during the next fiscal year as a result of the new-product launch.
- Secure two contracts in excess of \$500K each, with new products, by the close of the fourth quarter of the calendar year.
- Gain audience with three new executive-level contacts, within assigned target accounts, for new products by January 1 of next year.

Metrics can be defined to support various aspects of the overall launch campaign. They must be incorporated into the effective management of the program, convey a sense of seriousness, and breed ownership with the participants.

Metrics may have to be varied during phases of the program, based on what is learned and captured during the life of the launch campaign.

5. Tracking and monitoring. Have the assigned owner factor this into the action plan. Make it simple, without heavy burden to the participants. Make it interactive and collaborative. Sending in a report is one thing, but have the owner do a “sweep” regularly with the program participants and engage them. The reporting is needed to keep a thumb on the pulse of the campaign and make mid-course corrections.

Bi-weekly reporting is typical for the kickoff of a campaign. The reporting cycle will depend on the buying cycle, complexity of the product, competitive influences, acquisition process, and other factors, including your management style and preferences.

6. Campaign and product life cycle. A weather report and scorecard are required for each phase in the cycle, but this is particularly important as the product moves through various life-cycle phases. What is done at the time of product introduction to launch and promote

the product family differs, say, by the time the product reaches maturity. At that stage, there may be a need to innovate new uses for the product, re-package it, add value, find a different distribution mechanism, provide incentives, and so on to assure that the product continues generating revenue. This, in effect, allows you to re-launch, extend, or give new life to the product.

The same steps that are employed to launch a new product are repeated during the various phases in the life cycle.

Do not skip steps.

Have the product management team do some noodling in advance and determine a game plan for the product family as it approaches and enters various phases—introduction, growth, maturity, saturation, and decline.

Customers are the lifeblood of the business, but a company's products and services keep it alive. A product introduction is a milestone that gives a company the chance to turn a new page in its corporate history.

Take advantage of this and make your product introductions distinctive and performance based. Most companies have no margin for error. You need to get it right, straight out of the gate.

Remember: Anything goes—and it's warfare.

Edmond M. Hennessy
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