



# CAVENDISH

## **Business Performance Improvement Specialists Create Success**

*Integrating Sales, Marketing, Business Strategies and Financial Performance to Maximize Corporate Revenue Growth*

**What are `Business Solutions Specialists`.** They focus on helping companies increase corporate revenue capture. They work with business owners, CEO's and executive teams to integrate financial management, marketing methodology, sales process and corporate strategy and operations into one outbound revenue capture program to help companies grow.

**`Business Solutions Specialists` are a Management Team** and made up of former CEOs, VPs of Sales, VPs of Strategy, VPs of Marketing and VPs who are Serial Entrepreneurs.

**Excellent `Business Solutions Specialists`** use a hybrid advisement model to help drive company's success. They are **CEO Coaches, Executive Consultants** and a **Training Firm** all at the same time. They advise CEOs and business owners on action steps to take to grow revenues, consultant with management staff on best practices and train sales and marketing teams on tactics and strategies that work.

**They believe revenue capture is a company responsibility**



**`Business Solutions Specialists` specializes in...**

- **Strategic Planning & Financial Analysis**
- **CEO, Executive and Entrepreneur Coaching**
- **Marketing Methodology & Planning**
- **Business Growth Strategies**
- **Sales Marketing"**
- Balanced Scorecards**

**They Can Help You.....**

- \* Reduce sales cycle time per sale
- \* Increase sales team closing ratio
- \* Increase inbound lead generation
- \* Improve marketing return on investment
- \* Teach your team how to communicate your value to prospects

- \* Reduce sales and marketing costs
- \* Increase prospect penetration
- \* Improve top line sales revenue
- \* Improve financial management and business valuation

### **Instead, Put Your Business Value In Front of You**

Today most product and service firms pull their value behind them and force their company into a commodity position with their competitors. When executives say, "We have great service," "we are customer centric," or "our offerings are the best," - they just sound like their competition.

When you market and sell like your competitors - you become identical to your competitors... and you have to price your product or service equal to or less than your competitors.

To grow your firm in this market, you need to integrate your sales, marketing, and strategy programs into one outbound revenue capture approach focused on communicating your business value up front so prospects see you differently than your competition.

### **Marketing, Sales, Corporate Strategy, And Business Alliances Cannot Operate As Stand-alone Silos.**

To help firms succeed, ` **Business Solutions Specialists** ` use a **360° business value assessment and implementation approach** to understand how your firm can create business value that can be marketed and sold to help achieve the goal of corporate revenue enlargement.

Through Business Growth Programs, they analyze your sales, marketing, financial performance, corporate strategy and operations approaches as a new prospect would and then develop specific action steps to increase your business success, improve profit margins and drive new business growth using our integrated company capture approach.



#### **Pricing - Accurate Business Calculations . . . or Just A Guess?**

How does your firm calculate its product or service price?

Often salespeople feel that pricing is a key impediment keeping them from hitting their quota.

This is misnomer for many who believe that lower pricing means always-greater sales. In fact, this hypothesis is not supported by business studies.

Pricing, as a selection criteria, falls below technical competence, service and support, vendor's understanding of a company's need, and past experience with vendor based on research by Getronics, IDG Research, and CIO Magazine.

Let's take a look at how some firms determine their pricing structure.

#### **11 ways firms calculate their product or service pricing:**

1. Use a competitor's price as a benchmark to set their price.
2. Use price points (drop the price) to increase market share penetration.
3. Use price as a marketing tool to break into a new account to a "create a relationship" that will generate additional revenue after the first sale.
4. Use cost of labour as a benchmark and then mark up gross margin based on some mathematical projected profit model that includes corporate G&A costs.

5. Write off all of the development or cost of labour costs, calculate all revenue as gross margin, and set price with no costs of goods.
6. Price the product on an inventory spin model to generate more gross revenue by "turning" your inventory faster (i.e., selling more product faster).
7. Use a bundling model by tying multiple product options with service options to hide actual segmented pricing.
8. Create value pricing where price is based on the business value and how it affects the buyer's ability to increase income or decrease expenses when the product or service is deployed.
9. Create price based on Return On Investment (ROI) calculation for the buyer.
10. Use a profit-driven price model where each deal is individually reviewed to determine its overall profitable contribution.
11. Last, but certainly not least . . . just guess. (I don't recommend this but it seems to be pretty popular.)

**Let's look at three of these methods:**

- Pricing based on competitor's price benchmark;
- Dropping price to get market share; and
- Dropping price to "start" a relationship and generate more revenue on the back-end of the first sale with a prospect.

When we look at these three methods, we observe they are short-term action steps that never truly help a firm become more profitable.

Why?

**Pricing based on your competitor's sales price** never works because it ignores your firm's operational costs and assumes that your business costs are the same as your competitor's costs.

**Market share pricing** only helps firms who already have a monopoly and restricts company profitability.

**Discounting pricing to launch a key account relationship** is a common practice but recent studies conflict with this sales pricing approach. Of particular note with regard to this method, past studies by Walker Information show that **1 out of every 2 buyers do not plan to buy from the same vendor again** and are unhappy with their business relationship.

So, all of the prospect negotiation techniques of cutting your price to start a relationship are just that . . . negotiation tactics.

**What is the right pricing method for profitability?**

For most firms, it is going to be a combination of the first 10 methods.

The key to the correct pricing model is focusing on how you bring value to your prospects' purchase while balancing your firm's cost of business. The incorrect pricing model is, of course, number 11.

**"You win customers by quality rather than price."**



**Win Business -- Grow Revenue that`s how `Business Solutions Specialists` can help you to be more successful.**

**What are your plans to build your business?**

**Open your mind to the `Challenges` you face in a global environment to be successful.**

email: [info@cavendish-mr.org.uk](mailto:info@cavendish-mr.org.uk)

- ✓ **Success is a journey, not a destination**
- ✓ **Our goal is simple...to help you reach yours**

"Two little words that can make the difference: START NOW."

Now go and be successful.

**Fresh thinking requires a vision to see beyond the conventional. When you combine excellent quality with outstanding value for money you will begin to realise the full potential of creative and well presented business solutions. Together, the sky`s the limit. Have passion to learn and let the knowledge help you to be successful in life.**

Please visit [www.cavendish-mr.org.uk](http://www.cavendish-mr.org.uk) for powerful publications, guides and business models that provide the solutions for you to be successful.

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**About the author Colin Thompson**

**Colin is a former successful Managing Director of Transactional/Print Manufacturing Plants, Print Management/Workflow Solutions companies and other organisations, former Group Chairman of the Academy for Chief Executives and Non-Executive Director, helping companies raise their `bottom-line` and `increase cash flow`. Author of several publications, research reports, guides, business models on CD-ROM's/Software and over 400 articles published on business and educational subjects worldwide. Plus, International Speaker and Visiting University Professor on the International circuit.**

**Visit the knowledge Pool at the new formatted website [www.cavendish-mr.org.uk](http://www.cavendish-mr.org.uk) for over 95 solutions to help you in your success to raise the `bottom-line`.**



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