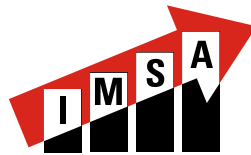
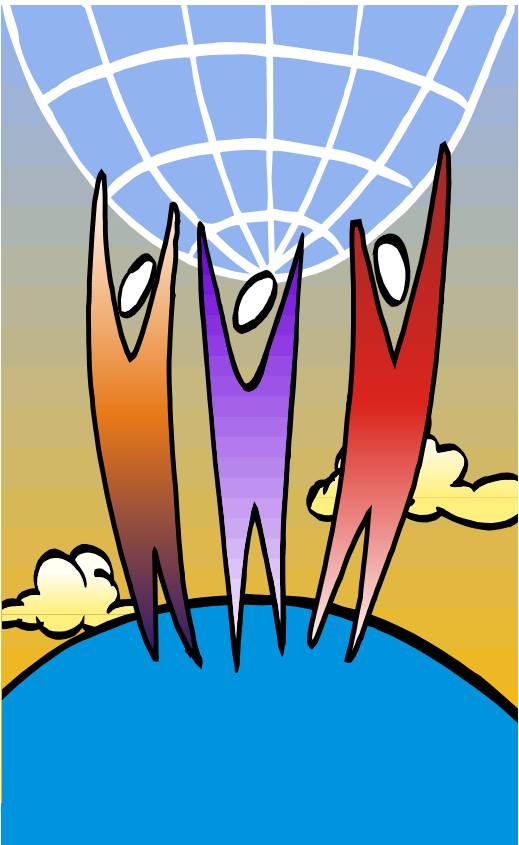


# Marketing & Sales Review

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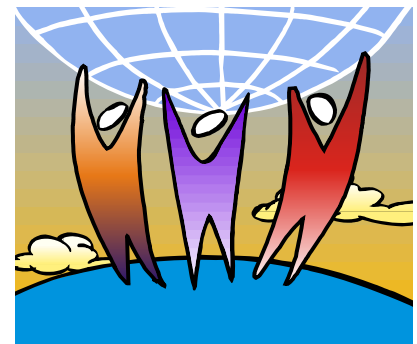
G.W. Buddy Saupe

# Sales & Marketing Review

## Features

### Volume I

- 2 **Focus** Successful people have it and know “all the ingredients to keep and maintain focus.” Critical elements to gaining and maintaining this focus are shared in this highly educational article.
- 4 **Nearsourcing** defines the benefits associated with bringing in competent professionals to assist firms in achieving optimum results in their go-to-market efforts. Nearsourcing makes the case for utilizing consulting and service providers’ skills to augment or completely assume the responsibility for firms’ market penetration and revenue generation without the issues that hiring permanent employees can bring.
- 7 **2004 Success Stories** Most sales and marketing executives will tell you that a customer reference is worth its weight in gold. It, however, can be very burdensome for those referencable customers to repeat their story over and over for inquisitive prospects. A convincing, clear, concise “success story” becomes a staple for the marketing and sales team for everything from website content to sales and distribution channel partners’ presentations. This article provides insights and “how to”s on getting the most from your customer references’ perceived value of your product and service offerings.
- 9 **EEERO** is a process that puts maximum balance in your distribution strategy and implementation. This balance provides the best possible ability to generate revenue from partnering and alliance relationships.
- 12 **Michael Dell at the Churchill Club** This article provides excerpts and insights from Michael Dell, Chairman and Former CEO of Dell Computer, during a clear, concise question and answer session at the annual Churchill Club members only meeting. His biggest surprise is that “no one seems to be able to copy his model,” although he feels it is a “very simple model.” Find out more.
- 14 **10 Year Anniversary** IMSA delivers 10 years of successfully assisting clients in improving their revenue generation. In 2004, IMSA and the IMSA “Associate” team members are focusing all their talents on the marketing and sales continuum. With their combined experience in consulting and providing a broad range of services, they deliver on and exceed our clients top line objectives.



Courtesy of Dell, Inc.

# The Power of Focus

By Carole Kanchier, PhD

People who focus on what they want, prosper. Those who don't, struggle.

Take charge of your business and personal life. Learn from the masters. Pablo Picasso focused on his passion and natural talent, painting. Barbara McClintock, who won the Nobel Prize in

Physiology at 82, focused on her mission and talent, science. Tiger Woods practices golf several hours each day.

These champions pursued their missions and developed natural talents. They concentrated on activities they could perform brilliantly, and from which they

could produce extraordinary results. They wasted little time on unproductive activities.

*Focus on your strengths?* Here are tips:

— **Identify your natural talents and passion.** Note what you do that others find difficult. Identify activities you enjoy, do effortlessly, derive energy from, and produce great results.

Also clarify your mission or purpose. This should be compatible with your talents. To identify your mission, look for themes that emerge when you consider the following: How you'd occupy time if you were a billionaire; absorbing childhood activities; a recurring dream; people you admire; a prize you'd like to win for being the world's best; when you're energized; and whose job you'd want.

Next, brainstorm career options that will enable you to express your mission and talents. Investigate opportunities in your company and the marketplace that will pay you for your unique strengths.

— **Clarify your goals.** Your goals must be in harmony with your talents and mission. Indicate why you want these goals and how others will benefit. State your goals in the present. Make them specific, measurable.

Plan to achieve your goals. Outline goals, strategies and time-line. Know resources that can help you attain goals, such as people, associations and the Internet. Break



goals into small steps, working backward from your desired outcomes and achievement dates.

*Make focus a habit. Start today. You'll have less stress and greater meaning and direction. You'll be healthier, happier, and more energetic, productive and financially successful.*

— **Focus on goals daily.** Practice talents that will enable you to attain your goals. Concentrate, with thoughts and actions, solely on the activity.

- Imagine yourself living your goals today. Each morning upon arising, review your goals. See, smell and touch aspects of completed goals. Before retiring at night repeat the process.
- Replace negative self-talk with positive talk. Regularly reappraise your goals. Modify these as circumstances change.

— **Maximize time and productivity**

- Reassess daily activities. Create a time log. Record every work and non-work activity (Include meetings, paperwork.) at one-hour intervals for five days to demonstrate how you use or waste time.

- Note the time you spend performing activities that use your natural talents in a typical week. Describe how you could increase the time you spend using these

natural talents so that you can continuously refine them.

- Get help. List all work activities you dislike. Select two you particularly dislike, find draining or time-consuming, aren't good at, or drain energy. Consider delegating these to subordinates, hiring help or exchanging tasks with

*Focus on goals daily. Practice talents that will enable you to attain your goals. Concentrate, with thoughts and actions, solely on the activity.*

colleagues. Describe resulting benefits. For example, if you dislike paper work, hire someone to file so you'll have time to focus on activities that use your talents.

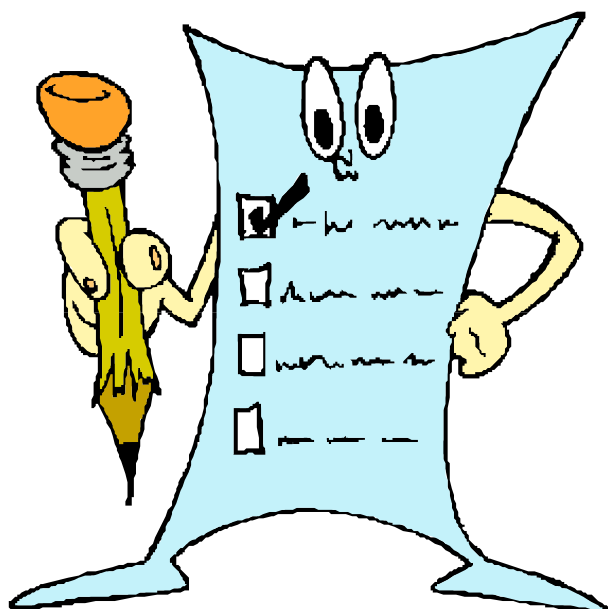
- Give yourself pep talks. Focus on the rewards and benefits of sticking to priorities. Remind yourself of the negative consequences if you don't. Meet regularly with a support group, counselor or coach.

- Identify and deal with distractions that destroy focus. For example, close your office door for part of the day. Don't automatically reach for the phone. Schedule time to answer needed email or telephone messages.

- Communicate. Advise significant people of your new work and home boundaries to help them understand your motivations and solicit their assistance.

— **Believe and practice.** Belief in your ability plus daily practice to maximize strengths will pay off.

Make focus a habit. Start today. You'll have less stress and greater meaning and direction. You'll be healthier, happier, and more energetic, productive and financially successful.



**Prioritize Tasks!**

- Also identify time-wasting domestic chores. Explore ways to eliminate or minimize these.
- Prioritize tasks. Complete important projects first. Don't make excuses. Reward yourself for completing them. Schedule times later to complete important but not immediate projects. Say, "no" to disliked tasks.
- Be disciplined. Stay focused, motivated. Every day at regular intervals, ask yourself whether your activities are helping you achieve goals.

Carole Kanchier is a psychologist, executive coach, newspaper columnist and author of the book "Dare to Change Your Job And Your Life." Her skill set widens the scope of what an IMSA Associate's value can be for a client that needs to build team goals and commitments, as well as assist individuals to optimize their contribution to the firm.

# Nearsourcing Call in the Professionals

By Phil Quartararo

**I**nsource, Outsource or Nearsourcing, the utilization of domestic talent from outside the enterprise, ... that is the question.

The determination to employ external talent in concert with internal teams to accomplish specified goals quickly, effectively and economically requires executive resolve. Done correctly, this effort will ultimately make the enterprise more successful while delivering value to all.

As competition becomes acute, along with the recent focus on managing human and capital resources, highly skilled team members have become more critical to the enterprise.

Offshore outsourcing, while practical in some areas, cannot be utilized in marketing and sales efforts. One truth remains constant in these efforts; utilization of highly skilled consultants and service providers is as good a business practice as it always has been.

In order to achieve milestone goals having rapid robust results at an affordable cost, particularly in the sales and marketing functions of a company,

*For increased speed, optimized results and reduced costs, ... “nearsourcing” is a better answer.*

one should consider utilizing internal teams in conjunction with “nearsourced” consulting and service company professionals to create strategy approaches, and implementation of programs and specific functions to drive revenue.

## *Classic Situations and Approaches*

“B” or “C” round funded startups preparing to 'go to market' will have an executive team and several support members in place. Most likely a high level plan would have been crafted with a summary budget target and general time lines. Often only this high level thinking occurs with good reason due to changes in product specifications during development, market shifts, or lack of marketing/sales depth of experience. More general thinking may be discussed regarding marketing events, concepts are being postulated on how to reach target markets and PR efforts are anticipated. Typically, these startup firms will have logos and image materials in place along with a website. Sales presentation fundamentals and value proposition dialogues may be in place but may lack compelling verbiage and

imagery. There also may be preliminary thinking about an early adopter focus for Beta testers and new accounts. All of these items, and more, will need to be flushed out to the point they are sufficiently designed to succeed, are actionable, and budgets are understood in detail



At the detail level the complex nature of the “marketing-sales continuum” may be underestimated or difficult to grasp in its entirety.

The critical time, energy and executive resources required to implement the hiring process for marketing, sales and go to market teams can be overwhelming. To be considered are agency selection and fees, preparation for qualification of candidates, employee benefits, interview tactics, establishing the physical infrastructure, communications systems and equipment, workplace ergonomics, and coordination of the team interview process. Concurrently, the “in place” executive team is under pressure to perform it's duties. Due to the requirement to “ramp up” operationally, the desire to hire the “best and brightest” personnel may have to become



secondary. Hiring continues to be a difficult process relying on many intangibles, sensibilities and time constraints.

The human process of organizational behavior begins to take effect as new personnel are added in each group. The new hires as well as the “on board” team must interact with and go through a “forming,” “storming,” “norming,” then “performing” sequence.

Unfortunately, this 4-step sequence tends to repeat itself with each addition of new personnel. There is an unmeasured cost to the firm’s time-to-market, due to elongated forming and planning efforts.

**Forming:** *realignment or “forming” by introduction of new employees*

**Storming:** *establishing a pecking order within a group*

**Norming:** *everyone focused on the objectives*

**Performing:** *finally getting productivity from the team.*

This can mean disconnected, and subsequently wasted, use of human and financial resources. These are critical, costly factors in today’s fast paced, highly competitive and quickly shifting markets.

For increased speed, optimized results and reduced costs, ... “nearsourcing” is a better answer.

#### **IMSA Options**

Just as individuals, when faced with a critical issue such as health or complex financial matters, seek professionals to optimize results and help them through those critical matters, an executive team can do the same for a company.

International Marketing and Sales Associates (IMSA) can provide all the professional help you need immediately, with no front-end costs in systems, benefits, signing bonuses, head hunter fees, or additional office space. There will be no “forming,” “storming,” “norming”

issues because you will have experienced teams of the best and brightest on board to take you immediately to ‘performing’.

For a decade, IMSA has provided top-notch consulting and services to many firms in the midst of change. Some of our “Associate” team member firms and consultants have provided their services for over 20 years. We are proven innovators and performers, creating results, delivering ideas and action plans. IMSA has earned its reputation by meeting tight delivery schedules, and exceeding customer expectations. The credentials of these IMSA professionals are easily verifiable. They will not waste valuable resources on programs or

approaches that are not appropriate to the objectives at hand.

“Nearsourcing” provides a strategic advantage in capital efficiency and revenue production.

All of the earlier discussion creates a drain on executive time and energy. Creating *the detailed plan*, building the infrastructure, guiding the hiring, firing and human process issues cost valuable resources. Critical things like time to market, missed opportunities, inexperience that leads to costly mistakes and the possibility of your highest paid personnel stuck managing more mundane issues become concerns.

Engaging IMSA assures these scenarios do not occur. With IMSA, it is possible to hire the operational personnel (usually less expensive than the innovator, go getter types), then “nearsourcing” the professionals who understand and can deliver those successful, innovative, results-oriented approaches now.

Subsequently, the right “nearsourced” skill set can be introduced when it is time to move to the next level. This mix of highly skilled, experienced professionals, working with your operational executive and management team, would not only reduce the total overall cost of employees, it would add a level of flexibility, affording your company the ability to adapt to rapid market changes and customer needs while accelerating the process to achieve optimum top line results.

“Nearsourcing” these critical functions can provide the key elements which investors and prudent management agree are the key elements and metrics which measure a startup’s viability.

- Increased speed in time-to-market
- Rapid revenue generation
- Capital efficiency
- Deeper market penetration

Why not sit down and talk to the team that can deliver on these promises? Give us a half-day of dialogue with your key personnel. IMSA will prepare a snapshot presentation depicting how we can assist in achieving the goals you and your investors expect. Contact International Marketing & Sales Associates (IMSA). Our team has the professional skill sets to deliver top line results across all of the elements of the Marketing and Sales Continuum.

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*Phil Quartararo is the Senior VP of Business Development at IMSA, a diversified marketing & sales consultancy serving the global high technology community for the past ten years. Please see more information about Phil and some of the “Associate” team members at [www.IMandSA.com](http://www.IMandSA.com). You can contact Phil by email at [PhilQ@IMandSA.com](mailto:PhilQ@IMandSA.com), by phone 623 556 4499, or toll free 877 878 4774.*

# Where Can You Accelerate Your Success?

Utilizing this list can optimize the use of economic and personnel resources and can make a dramatic difference in time to market and total revenues.

Check one or more area where your firm can use professional assistance

## CXO Assistance

- ☐ Temporary or full-time outsourced CXOs that have held Chairman, CEO, President, COO, CFO,
- ☐ VP Sales, VP Marketing, VP Business Development, VP Channels/Business Alliances
- ☐ CXO coaching on specific issues, problems or strategies
- ☐ CXO day to day coaching on retainer for strategic & tactical assistance

## Strategic Planning

- ☐ Finalized detailed go-to-market plan with budgets
- ☐ Portions of the plan
  - ☐ Product / Service market match
  - ☐ Market segmentation and value propositions
  - ☐ Competitive analysis and positioning
  - ☐ Target market attack plan
    - ☐ Organizational design
      - Internal and external components of the design
      - Alliance types and targets
      - OEMs
      - Alternate channels of distribution targets
      - International sales models
  - ☐ Global pricing and distribution models
  - ☐ Demand creation programs
  - ☐ Launch Plans
  - ☐ RR approaches and plans

- ☐ Advertising Approaches
- ☐ Event marketing plans
- ☐ Influencer and analyst development
- ☐ Product Life Cycle
- ☐ Web Strategy

## Tactical Implementation

Every Strategic Plan mentioned above has a tactical implementation side.

- ☐ Test to validate your strategy
- ☐ Tune for precise implementation of your strategy with detail and budgets
- ☐ Integrate your existing operational elements for Go-to-market or launch
  - ☐ Direct Sales Operations
- ☐ Framework and Personnel Profiles
- ☐ Compensation Plans
- ☐ Integration with Marketing
- ☐ Integration with Alternate Channels
- ☐ Profile and recruit your direct sales team
- ☐ Provide an immediate vertical outsourced sales team
- ☐ Recruit your OEM, Alliance reseller, and influencer partners
- ☐ Build and implement a customer “early adopter” program
- ☐ Lease a sales contingent for direct and or indirect revenue production
- ☐ Execute the launch plan

- ☐ Design and add all necessary elements to insure “revenue” and “customer” focused web approach
- ☐ Sales Tools
  - ☐ Sales presentations and scripts
  - ☐ Product and services - messages and materials
  - ☐ Demand creation and lead generation created and implemented
  - ☐ Sales Training for direct, leased and indirect forces
    - ☐ Product
    - ☐ Competitive knockoffs
    - ☐ Product benefits by segments
    - ☐ General selling techniques and methodology
    - ☐ Targeted to support a specific comp plan
    - ☐ Success Stories (Critical element of sales success)
- ☐ Demonstration development
- ☐ Target market lists and qualification processes
- ☐ Web ready marketing materials, sales systems and sales tools
- ☐ Telemarketing and telesales
- ☐ Marketing communication materials web ready and terrestrial mail second
- ☐ PR campaign executed
- ☐ Ad campaign initiated
- ☐ Product marketing materials
  - ☐ Product positioning
  - ☐ Pricing

# Success Stories for 2004

## It's All About ROI

By Jim Callan

The bursting of the dot-com bubble changed a lot of things. One of them is What Constitutes a Compelling Customer Success Story these days. In the past you might get away with a success story full of warm fuzzy quotes and soft benefits. In today's economic climate, people spend money only when they're confident of saving or making more than they spent. In a word, it's ROI that sells and only ROI. To be effective as a sales tool, your success story has to be about an ROI success.

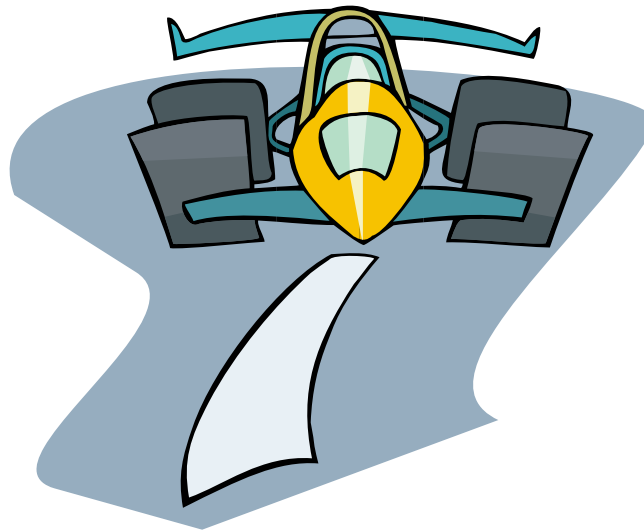
Easier said than done for a dozen reasons.

- Customers don't like to stick their necks out with hard figures that might be challenged.
- They don't want their competitors catching up with them by following their formula for success.
- They feel it's too early to go on record with specific returns.
- They have such a dynamic situation that benefits can't be attributed to any one decision or project.
- They simply don't know what their ROI is because they haven't measured it.

So, what's a success story writer to do? There's no magic silver bullet, but there are some ways to get customers to provide the specific ROI data that make a success story compelling and, just as important, to approve of the story when they see it in print. Here are a few tips.

**The customer interview is key.** Writing the story is the easy part, for some of us anyway. But you can't write compelling copy unless you have compelling material to write from. Establish rapport right away in the interview. Be sure you understand the customer's business, and the industry's issues, even if that means doing some research beforehand.

**Start by doing your homework internally.** Do what good lawyers do in court — don't ask a question unless you already know the answer. Your chances of getting the specifics you need in a customer interview are much better if you understand the project and its benefits beforehand. Start by interviewing your



sales rep or SE or Project Manager as if they were the customer. Get them to estimate the benefits for you quantitatively. Even a WAG is a lot better than nothing. Then compose an interview questionnaire that elicits the answers you already know.

**Tell the customer up front that he or she is going to be the hero of the story.** An effective success story isn't about how your products and services saved the day for a customer. Besides, that kind of story will get hammered during the review process or may never see the light of day. An effective story is about how the person you interviewed saved the day for his or her company, with your products and services as the enabler. Tell the customer right away that's how you plan to frame the story, and reinforce it in the way you ask questions throughout the interview. Make him or her want to push the story

through the approval chain. They'll want visibility for their heroism.

**Be prepared to put words in their mouths.** When you get to the all-important results and benefits part of the interview, get the interviewee to confirm or refine what you already learned. Don't ask "How much did you save?" Say "I understand you're saving at least \$100K a month. Is that about right?" And err on the high side. They'll correct you if it's too high, but not if it's too low. Say "I heard you couldn't have done it without our XXX product. Is that true?" Even if all you get are grunts and yups, you have the material for a great quote. They'll be amazed at their command of the English language when they read your draft.

**Quantification of benefits is the key.** It's great if you can get the customer to agree that their investment was repaid in so many months and sometimes you can.

However, for all the reasons stated above, sometimes you can't. Instead, get the customer to state the areas of benefit and quantify them.

- If you report specific cost savings or profit increases, readers can do the ROI calculations based on their knowledge of your product's price.
- If accuracy improvement is one of the benefits, say how much and leave it to readers to put a value on accuracy in their own situations.
- Don't say inventory control is tighter. State inventory turns before and after.
- If increase in customer satisfaction is a benefit, get a number. Companies do measure "customer sat," especially when that was one of the challenges that drove the project.



- If their customers are happier and more loyal, ask about the expected impact on revenues.
- If time-to-market is a benefit, get the improvement quantified. The reader will have no trouble translating it to his or her own case.
- Don't easily succumb when a benefit is said to be unquantifiable. Think about it and be creative. Take people's safety for example. If safety improved, ask about accident rates before and after, changes in insurance costs, reductions in OSHA requirement monitoring staffs, and so forth. You'll find there are ways to quantify almost any benefit.

**Productivity/efficiency improvement is a hard benefit.** Too often, productivity improvement is presented as a side benefit, something that doesn't matter much, or something soft and unquantifiable. Wrong. It's real money and maybe the biggest benefit. If productivity goes up, you need fewer people to do a job. Payroll and benefits are often a company's biggest expenses. Sure, nobody wants to talk about layoffs, so report that people were redeployed to areas where they can contribute more to the business. Readers will get the message.

**Don't settle for "I Don't Know."** Often when you ask for quantification of a benefit, you hear "It's too soon to say," or "We haven't measured that yet." So follow up by asking for estimates, ranges, projections, best guesses, minimums — anything you can put a number to. Let them know how important quantification is to this story about their accomplishments.

**Be quick.** If your draft shows up in the customer's email a month or two after the interview, they are going to conclude that it isn't that important. They'll take their time too, and not give it a priority. That could kill the internal review process, because there are people in the review loop who aren't going to make time for it unless your inside advocate — the person you interviewed — is pushing for it. Let the customer understand the urgency by treating it with urgency yourself. Write the story right away after the interview, when everything is freshest in your mind. Don't let it get caught up in your internal

review process. Be the advocate internally, just as you want the interviewee to be the advocate externally. And when you send your draft to the customer for review, call the next day and ask what they thought of it.

***Always start the story with a summary.***

Put yourself in the shoes of the busy businessperson who's your target reader. Having to read through two pages of text to get to the point is a big investment of time and mind share they might not make. But sometimes it takes two pages to tell the story right. The solution? An executive summary short enough that people will read it, get hooked, and then read the full story. Make it clear that it is a summary by putting it in a box or bold text or a highlight color. And be sure to make it good, so that the "hook" works.

***Write tight, compelling copy.*** A good story is easy to read. It has short, simple sentences like this. A bad story has long, complex, convoluted phrasing that, in your zeal to show off what a writer you are, you force the reader to read twice to understand and, even then, perhaps give up and move on without grasping the intricate points you're trying to weave together — like this. Leave the poetry to the poets and the novels to the novelists.

***A success story is a success story, so tell it well.*** Make it an engaging read. A good success story is about a project that had a distinct beginning and end. Usually it's best told chronologically. Set the stage with the problems, challenges, opportunities, goals and justifications that drove the project. Say why the customer chose the solution, and how they chose your products and services. Explain how the solution was deployed. Then report the results and quantified benefits you worked so hard to capture. Map the benefits against the goals. Use quotes judiciously throughout the story — especially the Why Our Product part and the Benefits of Our Product part — and be sure to close with a strong quote.

***Customer successes are the most powerful selling points you have.*** Give them the priority they deserve. Writing success stories is too often one of the many things on marcomm's plate, and one of the easiest tasks to put off. Trade shows have deadlines. Brochures and data

sheets have to be ready when products launch. Since success stories are often regarded as "the sooner, the better" projects, they're usually later and worse. Allocate budgets and goals specifically for customer success stories, and treat them with the same urgency as your other marketing projects. It's too late when you need them to close a sale. Remember, when customers read your brochures, fluffy web content and such, they don't believe you. Spend your time on what they will believe — the testimonials of happy customers.

***Cover your customer base.*** A telecommunications company isn't impressed by a story about a pharmaceutical firm. A story about Product X doesn't do much good with a prospect for Product Y. Publish enough stories to provide your sales force with ammunition in all your industries, for all your products, with all your partners, against all your competitors. That costs too much, you say? No, what's costly is to lose sales because you haven't got the right success stories.

***Keep your stories current.*** You hope your customer is with you for the long haul, but things change. They start with one product, upgrade to another, and replace it with yet another. If your story still talks about the first product, long since retired from the market, it won't do you much good any more. Update the story whenever there is a significant change.

***If you can't do it yourself, get professional help.*** Compelling success stories require a particular set of skills that even good marketing people often don't possess. The good news is that there are professionals like us who have done them for a living for a decade or more. If you need help just contact us.

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*Jim Callan is the principal of Callan & Associates, an IMSA "Associates" partner. Jim has been successfully crafting compelling success stories (over 1000) and doing in-depth survey work for high tech clients like Sun Microsystems, Cadence Design Systems, Dell and many more firms for over 10 years.*

# Extended Enterprise Relationship Optimization (EERO)

The Balanced Distribution Strategy Process

By Jim McKenna



**E**xtended Enterprise Relationship Optimization (EERO) utilizes Business Process Management (BPM) techniques, competitive evaluations, and customer feedback, as well as established “best practices” to dynamically evaluate corporations' existing relationships and create a uniquely balanced distribution strategy and implementation plan that will maximize the corporation's revenue while minimizing resource/cost requirements.

EERO conducts “dynamic” evaluations of a corporation's existing relationships, and /or establishes and implements new relationships (i.e., channels, alliances, mergers, acquisitions, licensing, etc) as required, and/or “balances” the entire

distribution strategy of an organization to maximize revenue and minimize resources (i.e., replace multiple VARs and VAR managers with a Strategic OEM relationships, etc.). The BPM component is a closed loop template that can be applied to existing and planned relationships to analyze the overall “balance” of the corporation's relationships.

The underlying EERO concept is based on increased shareholder value, sustained competitive advantage and Relationships of Interest. We have proven that we can minimize a corporation's expense while increasing its revenue. The process begins with an Environmental Analysis that:

- Evaluates the corporation's present positioning
- Evaluates the competitive landscape
- Identifies initial market segments
- Defines “straw horse” market segments
- Identifies Product Category Life Cycles for each “straw horse” market segment
- Identifies appropriate Market Entry Strategies
- Identifies Market entry Approaches and Implementations

The Environmental Analysis establishes a stake in the ground and an understanding of where and why the corporation is where it is today. In addition, the Evaluation Analysis examines where the corporation best fits and the gaps that exist. The analysis reinforces the rationale for the choices made and determines their applicability in the present marketplace by reviewing a set of minimal criteria and assumptions. The appropriate product category life cycle is identified as a means of identifying appropriate market entry strategies, approaches and implementations. The evaluation typically raises a number of red flags in terms of existing applications, which when addressed point to more optimal approaches.

The process then undertakes a “Whole Product” Analysis of each of the corporation’s “offerings” in order to identify gaps in the product/service offering and to establish the best types of relationships required to eliminate each of them, within the individual “targeted” market segments and life cycles.

The “Whole Product” Analysis begins by conducting customer, partner and sales surveys/interviews to determine the totality of the elements (i.e., financial stability) and attributes (i.e., brand recognition) considered in the end customer purchasing process in order to identify all of what the customer actually perceives he “buys.” In this manner, a “Whole Product” definition is created for each of the “targeted” market segments against which the physical product offering can be compared. From this comparison, gaps are identified and the means of eliminating them is determined through the use of cost/benefit analyses. A resulting actual “Whole Product” picture for each “targeted” market segment is derived, which clearly defines the missing elements and attributes as well as provides indications of the types of relationships that can best be utilized in the elimination process. (i.e., an OEM relationship that provides reputation, financial stability and 24/7 service for a start-up corporation with an innovative subset of the OEM’s solution.)

This analysis facilitates the identification of the specific types of relationships necessary to meet the actual “Whole Product” requirements by defining the skill sets necessary to fill the ‘gaps’ identified, by the comparison of the product life cycle in each of the “target” market segments as well as considerations found by the application of the coverage, capability, branding, stability, and availability business filters. In this manner the initial population for each of the required relationship types required is identified.

We are now able to evaluate each of the relationships’ “Whole Product” contributions within: type of relationship, “targeted” market segment, and product life cycle in order to prioritize them in terms of objective and goal value propositions, as well as determine the necessary actions required for closing remaining gaps. Each of the resulting prioritized relationships is then validated utilizing business, economic, technical, and competitive filters as well as customer reaction.

*The process begins with an Environmental Analysis that:*

- *Evaluates the corporation’s present positioning*
- *Evaluates the competitive landscape*
- *Identifies initial market segments*
- *Defines “straw horse” market segments*
- *Identifies Product Category Life Cycles for each “straw horse” market segment*
- *Identifies appropriate Market Entry Strategies*
- *Identifies Market entry Approaches and Implementations*

In this way we are able to define the “ideal partner” for each relationship type, and “targeted” market segment, which includes a specific value proposition and a compelling reason to partner.

We are now able to identify target partners. However, it should be noted that the process attempts to ensure that the resulting partnerships are in fact “Relationships of Interest.” After all, by reason of this approach, these partnerships are vital to the success of your business, aware of secure non-public information, proprietary in nature, and must be aligned with your specific business processes. They are certainly not the companies traditionally defined as partners (i.e., VARs, ISVs, System Integrators, etc.). Not outsourced, because, when you outsource something, you tend to make it more generic. You tend to lose control over it. You tend to pass on a lot of technology particularly on the manufacturing or service delivery side to your suppliers. That creates strategic vulnerabilities and also tends to commoditize your product.

Their success depends inextricably on your success. They must share the risks and rewards of the relationship. Your business processes must be integrated and in alignment. Your business models must be compatible. Your cultures must be complementary. Your infrastructures must be in alignment. Your IT technologies must be integrated. Your extra-structures must be compliant. Your relationships must be mutual Relationships of Interest (ROI).

The “Whole Relationship” program necessary for each set of ideal partners is then defined. It addresses the needs of the partners in terms of: sales, support, programs, pricing, training, service, availability, cost, compatibility, strategic direction, etc..

Targeted partner selection for each relationship type, “targeted” market segment and product life cycle is initiated and recruitment is begun. Metrics for performance and success are established, and the journey is begun.

In this way the total relationship efforts of a corporation achieve a “balanced” distribution strategy, which ensures that the right type of relationship and partner for each market segment, for each “Whole Product”, and for each product life cycle is optimized to maximize revenue and minimize resource/cost.

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*Jim McKenna works with vendors to enhance the productivity of their partnering programs through opportunity analysis, market research, business planning, program development, performance auditing and educational workshops. He has created and implemented programs with companies such as IBM, HP, NCR, Convergent Technologies and SCO. He is also responsible for orchestrating strategic partnerships with IBM, Microsoft, Intel, and Corollary.*

*McKenna's industry experience spans private and public sectors for computer software, hardware, networking, and telecommunications with emphasis on start-ups, turnarounds, and partnering environments. McKenna possesses broad knowledge of marketing and sales distribution and positioning strategies for domestic and international markets. He brings a broad level of experience and understanding to the IMSA Associates team.*





# Michael Dell Speaks At the Churchill Club

By Larry Wilson

**M**ichael Dell, Chairman and Former CEO of Dell Computer, Inc., spoke to over 500 attendees at the annual Churchill Club of Silicon Valley. The moderator of the program was Bill Gurley, a partner at Benchmark Capital.

In a wide-ranging interview before a packed house of Silicon Valley entrepreneurs and high technology executives, Michael Dell shared keen insights into the success of Dell Computer's corporate culture, business model, product strategy and vision for the future. While some in the audience may view Dell's presence as a Silicon Valley outsider, Michael Dell appeared remarkably at home, at ease with both the audience and his message.

Michael Dell is the embodiment of his own company's culture. Dell was started during his freshman year at the University of Texas in the mid-1980s. Integrity, humility and an unwavering focus on the customer are all key ingredients to the Dell formula. Moreover, when asked about his foremost competitors, namely Hewlett Packard, IBM and Sun Microsystems, Mr. Dell demonstrated an uncommon degree of deference, a noticeable departure from the typical brazened and egotistical demeanor of his CEO counterparts.

Let us take a brief tour of the salient points from this interview.

Dell Computer's strategy of direct sales to end-users combined with its high volume, low cost approach is a business model that has truly evolved over time. Today, Dell achieves gross margins of 18%, operating expenses in the range of 9.6% and supply chain management practices that are the envy of other manufacturers inside and outside of the high technology

industry. Approximately 60% of Dell's purchase orders are placed via the Internet-boosting reliability, containing costs and shipping over 130,000 computers daily.

Dell Computer is not known for product research and development nor being first to market. These elements of the Dell model place it at a relative disadvantage to established



Courtesy of Dell, Inc.



competitors and emerging vendors alike. By contrast, Dell's strategy of keeping R&D expenses low — roughly 1.6% of revenues — combined with time-to-volume on a global basis would seem to more than compensate.

Dell's cash cow businesses — desktops, notebooks, servers and services — represent that vast majority of the firm's \$39.7 billion annual revenues. Moreover, Dell is benefitting from three market trends that play directly into its hands: 1) Mass customer migration from Windows to Linux, 2) Transition from desktops to notebooks, and 3) Increased demand for managed services. Two additional trends that only serve to accelerate the adoption of notebook computers are the low cost of monitors and the proliferation of the 802.11 wireless standard.

Four adjacent markets that represent sustained growth potential during the next decade for Dell include storage, networking

(primarily Layer 2 and Layer 3 switching), printers and consumer electronics. Each technology brings with it new competitors and product integration challenges for Dell. Nonetheless, the company appears to have an insatiable appetite to scale its high volume-low cost supply chain and sales models.

*Can the Dell brand name comfortably run the gamut from large enterprises to consumer markets? Dell's competitors would surely answer that it cannot. Dell, however, remains undeterred.*

Can the Dell brand name comfortably run the gamut from large enterprises to consumer markets? Dell's competitors would surely answer that it cannot. Dell, however, remains undeterred.

Finally, a note regarding Dell's geographic expansion. To the surprise of many, Michael Dell indicated that Germany was perhaps the most challenging foreign market to enter while China was comparatively simple. It should be noted that most all of Dell's product sold in China are also produced in China.

Will Dell continue to outshine its more traditional East and West coast rivals in the years to come? What impact will the dramatic growth of Linux have on Dell's strategy partnership with Microsoft? While ever changing technology, market and competitive conditions will continue to challenge the Dell model, it is clear that the company has built momentum and confidence as it faces the future.

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*Lawrence Wilson, marketing MBA, has proven skills in product and channels marketing. As an Associate on the IMSA team he can bring deep, detailed insights when working on new market go to market and detailed competitive strategies.*





# 10 Year Anniversary and Our Clients

International Marketing & Sales Associates (IMSA) continues and enhances its focus on the marketing and sales continuum by formalizing the virtual team of IMSA "Associates." These Associates are a group of professional consultants and service providers with vast experience at delivering top line results in high tech and a variety of industries. In fact, add up the combined clientele served by our team, and we have assisted over 150 firms, including such high tech industry giants as IBM, HP, Sun, Oracle, Peoplesoft, and BEA along with many startups and mid-sized firms.

All of this deep, rich experience insures that our client firms capture optimum revenues while making efficient use of people and economic resources. The big winners are always our clients! Once the clients use any of our talented team members, they clearly understand the value of "Near sourcing" (See Near sourcing article) and the results it can deliver. (See the Phil Quartararo story).

These benefits add up to critical success factors such as deeper market penetration and revenue generation. These goals are achieved by providing a myriad of exemplary consulting personnel and services entities delivering on everything from strategy all the way to execution at the street level. The list of capabilities is long (see the back page and inset associated with Near sourcing article). From market positioning via competitive and market analysis, channels of distribution balanced plans and implementation, to success stories, a plethora of sales and marketing materials and tools, to CEO coaching, sales training and team focus and motivation, the IMSA team is ready. If, after

you review the lists, and you anticipate how our competencies can maximize your firm's success, contact us. Give us the opportunity to deliver top line results for your company as we have so successfully done for other firms similar to yours.



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# IMSA Team



The IMSA team is a group of seasoned professionals that have delivered **Top Line** results for their combined client base of over 300 companies worldwide. Their broad skill sets, diverse capabilities and proven competencies ensure that they can provide high value, build revenue and penetrate markets for new and existing clients alike.

They can fulfill **Any** or **All** of your Marketing & Sales Requirements

Whether you need results with a specific marketing and/or sales requirement or teams of Associates and Affiliates to cover a spectrum of needs they deliver on the objectives.

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For more information regarding how

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Consulting & Services can assist you to achieve enhanced **Top Line** results

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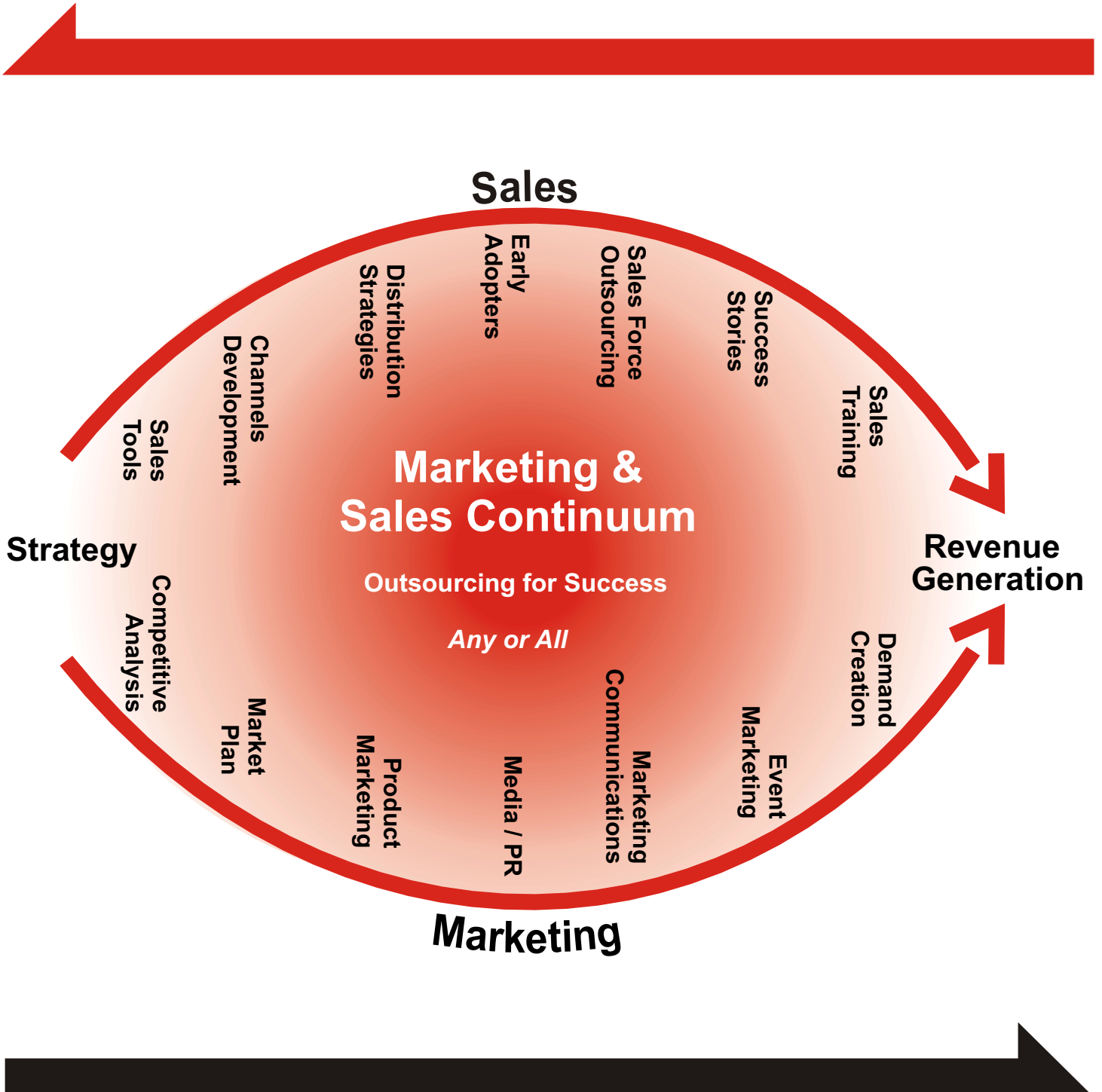
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