

BRIDGES OF MORRIS COUNTY...

MORRIS COUNTY
BUSINESS Life



So How Much Are You Leaving on the Table?

By John L. Picard

Relationships = Results. Getting those extra dollars left on the business table can make all the difference in these times. Instead of accepting table scraps, you need to drive all the results you can from your customers. Two keys to success are: focus on the relationship itself (instead of the product) and analyze your marketing's effectiveness so you can optimize your programs around these relationships.

A real bottom line. Your company's most valuable asset is its investment in prospect and client relationships. All things start from here — revenue streams, new opportunities, long-term stability and growth. These relationships are organic and living. They must be fed and nurtured. When given the right environment and sustenance, they prosper . . . and so will you.

Like your children. Relationships have their own demands on you. You must devote the energy needed to build and maintain momentum. All this costs money, staff resources and time. Suddenly it becomes clear; your entire organization is defined by these relationships.

Marketing is key. Think about it. Your materials, your sales efforts, your communications, all work together to surround and form these critical connections and customer touch-points. What is the ideal touch-point strategy to maximize the value of these relationships, and where do you put your money and time?

One answer lies in stepping back, while this is all happening, and actually measure and analyze your results. Compare your alternatives. By looking at your numbers, you can take more control to improve the overall return on your marketing and relationship investment.

Making it real. I thought I should go to the source. I asked Jim Lenskold, head of the Lenskold Group and author of the book *Marketing ROI*, for a few suggestions about how to keep your marketing working hard for you. Here are some of his answers:

JP: How can I use Marketing ROI and analysis to grow my business?

JL: Marketing ROI is a business analysis process that serves as a bridge between your financial investment in marketing and the subsequent return generated from customers and prospects. The short answer to your questions is that ROI analysis can keep you on top of your sales and marketing and guide each incremental marketing dollar toward maximum profits and relationship value.

JP: Tell me three critical ways to use ROI to increase my marketing's productivity.

JL: First, using ROI analysis in the planning stage can hone your marketing and make it more productive from the start. Second, by using powerful measurement techniques, you can strategically improve your marketing process. Third, you can maximize long-term profitability and capture relationship value through better customer profitability management.

JP: Isn't an emphasis on maximizing profits counter to an emphasis on maximizing relationship value?

JL: Actually, the two are perfectly aligned. Profits provide the fuel to drive programs that grow business relationships. We all have to perform. Whether you are thinking project payback or the long-term value of a stream of client revenues, why not have proactive tools to make your job more effective? The more companies focus their marketing investments, the better they can realize their own strategic success.

But teacher . . . Do you remember when you were in math class in school and you wondered where you were going to use all this stuff . . . and who cared about a train leaving Chicago and New York at the same time? Well, now you have your answer. You need the numbers to make "dollars and sense" of your marketing. Trust me. When it comes to using math in business, the focus on relationships and marketing effectiveness does "add up" to real impact.

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