

# DRAWING HORSES:

## How To Set Your Business Up For Success

This ebook offers a strategy for new businesses to create high returns from restricted budgets and ensure a long-term culture of success.

Every decision you make has an impact on your potential for success. The habits we carry with us can either set us up for success or failure. Because we never went to school to be entrepreneurs, we may never have acquired the good habits that make us successful. Drawing Horses is a metaphor for the habits we learn at an early age which follow us, good or bad, into adulthood. [Continue](#)



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# 1 What Do Horses Have To Do With Business?

When I was a teenager I enrolled in an art class. My teacher was an extraordinary woman whose impact on my life extended much further than just my art. One of the first things she asked new comers to do was to draw a horse. Just a simple horse from memory. A simple task, you would think, but ask yourself, “when was the last time I drew a horse?” I’m betting you haven’t had to draw one since you were a child. Try picking up your pen or pencil and draw one now. For most of us that horse looks surprisingly similar to the horse you drew in kindergarten. There is a good reason for that.

Although we continue to grow and learn, many of our skills remain at the same level they were when we last used them. Since you were in school there hasn’t been too many reasons to continue to draw horses. The same is true of many of our other skills.

**Dealing with money, communicating with others and understanding ourselves are other examples of things that we internalize at an early age but then don’t exercise very often.**

When was the last time you received training or coaching for interpersonal communication techniques? Probably never. Why should you, you communicate with others every day, and that’s enough right? Wrong. Most of us are still using the communications styles we used when we left high school.

Even if you have an advanced degree in business there is very little focus on getting the basics right in university classes. We bring our habits in to the classroom with us and filter all the information we learn through the lenses of those habits. **Drawing Horses** is a collection of progressive and traditional ideas, interviews with business leaders, trial and error experiences and some techniques

from executive coaching professionals to help entrepreneurs break new ground and get closer to their dreams. There are workbook sections which I encourage you to review and participate in.

Drawing Horses also borrows heavily from my own experiences and hundreds of interviews which I have documented in my articles over the years. This ebook brings together those ideas in a format that should be easy to read and digest. Probably the most important part of most our businesses is our website. The book also includes tactics and techniques that will break your website's bad habits too and encourage good habits.

To understand the entrepreneur's mind is a fascinating and endless pursuit. The ebook begins with some anecdotal stories that will resonate with most entrepreneurs (whether you are a seasoned CEO or starting your first venture in your garage).

## 2 Are You An Entrepreneur?

Several years ago I found myself in a situation which would eventually end with me leaving the my own company. Sitting on the edge of my bed trying hard to stifle my tears I realized I would have to leave a thriving company that I had founded. I was making one of the toughest decisions of my life. As an entrepreneur I felt that giving up my business was like losing a child. My deepest fear was that if I left the business I would be letting down my colleagues, my partners and my investors. I turned to my friend and said, "If I turn away from this business these people will think I've failed them and that scares me". I was convinced that if I didn't turn this company into a multi-million dollar business then no one would have faith in me again.

Then my friend, an entrepreneur herself, gave the best advice an entrepreneur can ever get. She said, "You're wrong about that, those people will all be asking 'Gee, I wonder what exciting thing he'll be up to next'". She was reminding me that the most important attribute of being an entrepreneur is the ability to recover from your failures and start again. Guidance like that is invaluable.

Alone, an entrepreneur cannot fulfill their dreams. They need the help of others to give their ideas the energy they need to grow. Even if you are a sole proprietor you still have to deal with customers, vendors, suppliers, distributors or any number of professional service companies. Nobody works alone. It is a fundamental impossibility to build a business without connecting to others in a positive way.

## **An entrepreneur is someone who gives their passion a place to grow.**

So whom do entrepreneurs turn to when things go wrong or when they want to make their current success even greater? Most often entrepreneurs are isolated by their position as founder or leader of their organizations. There are few people that they can turn to or even talk to about the businesses ups and downs. Many business leaders have slipped into the belief that asking for help is a sign of weakness. That couldn't be further from the truth. Successful entrepreneurs surround themselves with credible and enthusiastic advisors. These teams of advisors include financial advisors, business leaders, legal advisors, mentors, and in some cases even executive and life coaches. The importance of support for any businessperson is very underrated. No person is an island and the more support a leader can arrange around him or her, the stronger that person will become.

In many cases being the best entrepreneur that you can be might ultimately involve handing over the business to people that can run it better than you. This is a tough decision to make and failure to do so is the number one reason why companies fail. The inability of the founders to curb their egos is the reason why so many businesses fail. Working with a coach helps entrepreneurs understand the issues of the business from an objective point of view.

If you are lucky, you will have mentors that have done well in their own businesses and can help you navigate the path to success. If you are really lucky, these people will be in your industry and will add more than just anecdotal support for your decisions. Then there are the extraordinarily lucky few who will have a mentor that will change the way they think about business forever. Several years ago I came across such a mentor. In a series of chance connections I came face-to-face with an extremely successful entrepreneur who was ready to share his wealth of experience. In less than 2 hours this person was able to influence almost everything I knew about business. Even the most fundamental ideas about how I thought businesses work would be set on their head. The interaction went something like this...

My partner and I had been working together in an online ad sales company that was over capitalized and growing mostly because of the hype surrounding the Internet. He was my boss and I was selling ad space. We quickly realized that we would be having more fun and making loads more cash if we were running our own business outside of the corporate clutches we were in. Once we made the decision to leave, our education began. In a frenzied period of deal making and late nights over our laptops we were able to attract the attention of a very wealthy entrepreneur and investor. He invited us to meet him and some of his lieutenants in his hotel suite with instructions to “leave behind any business plans and bring just your heads.”

## **A common bad habit of entrepreneurship is to believe you are in this alone or you can do everything yourself.**

Although the first meeting was no more than a couple of hours, it seemed like only a few minutes. The meeting was basically a series of well-prepared questions aimed at my partner and I. What was surprising was that these questions were very simple and quite basic in nature. We had been expecting some tough questions about corporate financing and international arbitrage; instead we were answering questions about who we were and what we thought we could do to help the company succeed. Over the next few months, the relationship became financial and we struck a deal with this investor. The deal was done but the questions kept coming.

The most interesting and benign question was posed almost once a week. Without fail I would get a call from our new investor that would start with the question “What do you do?” At first I thought this was a joke and played along by describing the company and what we did for our clients. As time drew on it occurred to me that the question was a loaded one and that my answers were not getting to the heart of the matter. Eventually I came around and asked our billionaire investor “You keep asking that question and I know you are not stupid so it can’t be that you don’t know the answer. What’s the point of asking the same question over and over again?” He chuckled as he explained, “I ask it all the time because it’s the best question to get a sense of how focused people in the business are.” My silence prompted him to continue, “You see, if someone can’t answer that question confidently and in fewer than ten words they probably don’t understand what’s the real value of their service or product.”

To test how true this might be, try asking yourself that question and giving the answer in ten words or less. Do you feel clear about your response? The next time you get the opportunity to ask the question of someone else, watch carefully how he or she answers the question. Do you need to sit down and take a break after their long-winded explanation or do you get it immediately? It's obvious to me now that if you need a whiteboard, a PowerPoint presentation and forty-five minutes to sell your product, you're in deep trouble.

Over the period that we were in contact with our mentor/investor there were many more questions. Each question had the ability to cut directly to the problem and clarify complex situations. Here is a list of those questions:

# 3

## Fifteen Questions To Ask Yourself Every Week

1. How well do you know your business and industry? (Are you an expert in your field? If not, what are you doing about it or do you really want to be in this industry?)
2. Have you hired the best people you can afford? (Second-rate people produce second-rate work. Employ people you know will be better at doing the work that you can.)
3. Do you have a plan? (Have you written a business plan incorporating your marketing and financial plans? Write it in several formats - one line, one paragraph, one page, one document.)
4. Can this business scale and grow without your hourly attention? (Can your idea grow to survive your absence? After all that's why we create businesses, so we don't have work all the time.)
5. Does everyone in the business have a specific role? (Are the roles and responsibilities for every person in the business clearly defined? This is most important for partners and senior managers.)
6. Is there more money in your account each month than the previous month? (This is what separates hobbies from businesses.)
7. Have you given careful thought to how you package your products and services? (Help clients to decide what they want and then get out of their way.)

8. What have you chosen as the company identity? (Create a culture based on the identity of the company - choose the identity carefully.)
9. What agreement do you have with your investors? (Investors are only interested in returns. Don't believe it if they tell you differently.)

**A good habit of entrepreneurship is to never stop asking tough questions about yourself and your business.**

10. How do you manage expenses and liabilities? (Cost conscious and value conscious are both important but not the same thing.)
11. What is your company and personal focus? (This is entrepreneur's biggest challenge, staying focused. Don't try too many things at once.)
12. Who is the competition and what are they doing? (There is no such thing as NO competition.)
13. How do you balance work with relaxation? (Burnout is a process not an event. It can sneak up on you.)
14. Do you really enjoy the business you are in? (To truly love what you do, you must do what you love.)
15. What self-improvement education are you undergoing to improve your skills and expertise? (Are you on a course? Are you working with a coach? How are you becoming a better leader or manager?)

## 4 Where Do You Start Building Your Company?

If you are starting a business, a project, or a business unit, then you are starting a **company of people**.. Attracting the company of other people is the quintessential human activity. Building connections and relationships is almost the most natural thing that biological organisms do. We do it every day when we work and play in the company of other people. We also know that some teams really work well together and some teams crash and burn.

What are the key elements that make the difference? Have you ever worked in a group of people where everything just seemed to work like clockwork? Each member of the group had a purpose and a goal? These types of rare unions do exist and it is apparent that with the right leadership these teams can be created. It's clear that whenever you start a business you have to start with the "who" questions.

**Good people can turn mediocre ideas into great ideas, but badly considered teams can make even the best idea sour.**

Trusting only your experience can be dangerous because each business is very different. There is no doubt that experience is invaluable and the experienced person will feel more confident about building a new team or managing an existing group. But experience does not guarantee success. Building a productive, healthy team of people is not a function of how much experience you have in creating harmonious teams but rather a function of the trust within the group. Trust is what binds our thriving relationships and the lack of it is what will lead to the unions collapse. Building trust is not something that can be done instantly but it is possible to remove doubt fairly quickly. The best way to initiate a pathway to trust is to remove doubt. The best way to remove doubt is never ever lie and keep your partner or team members up to date with relevant and useful information. Communication must remain clear, concise, consistent and honest to be effective.

# 5

## 10 Steps To Help You Build Your Team

**Managing Expectations:** If you have ever made a promise you can't keep then you will know that awful feeling of letting somebody down. In a way setting expectations that you cannot possibly meet is as bad as flat out lying. By under-promising, you not only save face but you retain the advantage of being able to exceed expectations. Executive coaches guide their partners to use the principle of under promising and over delivering. It is a powerful tool in managing expectations.

**Automatic vs. Time Tested:** A group of great individuals does not equate to a great team. There is nothing automatic about creating a team (that will ultimately lead to greater productivity.) It is more likely that the great people, and their great egos, will find it more productive to act for their own good. This is one of the serious problems with modern companies. It is assumed that by buying the best of the best and fencing them into teams will automatically lead to success.

**Be A Little Selfish:** Advice like this may seem counter intuitive at first. The first rule of lifesaving is that you cannot help others if you cannot help yourself. Be selfish and consider what you want from the group and make sure that the group understands this. Entrepreneurs have a bad habit of trying to do everything. Do only the things you are good at. It is another way of managing expectations. If every member of the company is aware of what the others want and are willing to then the work will flow a lot more smoothly. This means that you are ready to accept responsibility and the tasks that are set out for you.

**Start Up Management Is Different From Ongoing Management:** If you understand the difference between these two management skills then you are probably already a great manager. This is the hardest lesson that any leader will ever learn. Starting a revolution and rebuilding once the smoke has settled requires two very distinct characters. Don't be fooled by the likes of Bill Gates who was both the founder and then the senior leader of Microsoft. This combination of skills in one person is very rare. If you are good at attracting people to start something from scratch you will probably want to be starting something from scratch in a few years time. Think of it this way, if the fast growing plants don't take hold when the earth is ravaged by floods then the top soil will be blown away and the big trees will never get a chance to take hold. If you are a good starter, then you might need someone to take over from you once the business has momentum.

**Learn to Listen:** Can you remember what the person that was just in your office said to you? Probably not. Even though our ears outnumber our mouth we are not very good listeners. It is a skill but more importantly it is a sign of maturity. If you can stop yourself from interrupting or speaking during a meeting you will be astounded by the things you hear and learn. Both said and unsaid. When we stop to listen we open ourselves to hear the subtleties of what people are really saying. Is the manager who repeatedly shares her own experience with everyone really so experienced or is she asking for more recognition for her achievements?

**Judgment:** Apply loads of judgment to advice. It is a common fact that people prefer to dispense advice than to receive it. When you receive advice from your advisors it is excusable to initially ignore it and continue to ask for more input. Knowledge is a powerful motivator when making tough decisions.

**Intuition:** Intuition is the greatest advisor you can have in all aspects of your life. This is especially true when working in the company of other people. Listen to your gut even after you have gathered your advice. Learning to listen to your gut will be the greatest intellectual achievement of your life. The amazing biophysicist Candace Pert PhD in her work on the relationship between emotions and molecules, identified receptors on every major organ that respond to the same external stimuli that the brain responds to. Every cell in our bodies is studded with hundreds of thousands of these receptors. Because of their crucial role in guiding our bodies' responses to inner and outer cues they have been called informational substances. By being aware of what your body is telling you in a situation you can make better decisions that will not only benefit you but will ultimately benefit the team you work with.

**First Build the Company:** If you have any desires to build a business that will generate profits then you must create a company of people first. The great company leads to a great business. People are the core of all business but getting those people to work in harmony with each other is what is core to a successful business.

**The Mind of The Group:** Conversely, having served in the army I sometime think that there is nothing so mindless as a group of people. The individuals thinking and acting power far outweighs the power of the group. Group energy is the direct result of the ability of the individuals in that group to remain independent. Give your teams the power to think as individuals. If you remove the ability of the individual to think and be productive and be innovative you will never build a strong team. The team is just a support structure for the individuals in the group. The purpose of creating companies is to harness this power and unify this energy not to distribute it.

# 6 Developing Your Marketing Message

Can anyone honestly say they can describe their companies offering in less than 10 words? If you can, congratulations. You are now amongst the minority of business people who can clearly articulate what it is that they offer. So-called elevator speeches are unfortunately longer than they need to be, boring and hardly ever describe the benefits to the customer. Your marketing message needs to be focused on the customer not on how wonderful you are.

Here is an example of a poorly conceived message...

**“We develop superior software solutions for small to medium sized companies”**

So what! So do thousands of other companies throughout the world. What does the software do for the company? What is the reward of using this software? Which industries is it aimed at? Which department will it provide solutions to?

It is vital to pick an audience for your product message. “Small to medium sized companies” is not an audience; it’s a galaxy of unidentified possibilities. “Software solutions” are not a product category, it’s a lazy way to describe what only some of your employees are working on for your potential clients.

A better version of this might be...

**“HR software solutions that reduce staff turnover in local banks”**

Keep in mind that this is not a tagline. Taglines tend to be less descriptive and more figurative. I don’t advocate the use of taglines unless it’s really necessary. Use your energy to develop your marketing message rather than worrying about how you can get your tagline to rhyme with your name.

The guidelines for developing a clear marketing message are simple in themselves. Here are a few rules to follow:

- Your message should be 8 - 9 words max
- The message should be divided into 3 parts:
  - What are you offering as a product or service?
  - Who is it designed for?
  - What is the positive outcome from using the product?

The beauty of having such a simple message is that it can be transferred to any environment or used in any situation. The example above could be used on a website, in a conversation, or on a billboard. Once you have distilled your marketing phrase, make sure everybody in your organization knows it by heart. If you can achieve this you will create a salesperson out of every employer you have.

**Avoid costly mass media campaigns, large space ads, slick corporate brochures and other marketing communications that drain your budget without producing measurable results.**

Your business "identity," "reputation," or "image" is entirely within your control. By combining your unique services or products with your expertise you can create a very clear focused image of yourself. When you can honestly deliver such a message, potential customers and clients see you as the obvious answer to their problems and challenges, and the logical choice when they're deciding on whom to give their business.

## 7 Do You Know How To Evaluate Your Competition?

“This is a crowded market. Who then do you see as your biggest competition?” I asked, getting my notebook out. The CEO I was interviewing paused for a second and then triumphantly declared, “Well, I don’t think we have any competition really. We’re not that big to be competing with the big guys and we’re not small enough to worry about the lower end of the market. We are in a funny protected space in the middle.”

I looked up a little puzzled. “Regardless of your size though, aren’t you still competing for the same clients as the bigger and smaller companies in this sector?”

“Well I suppose so. I hadn’t really thought of it like that”.

**There is no such thing as ‘no competition’ in a market. Even if you think this for a second the insurgents will take advantage of your arrogance and steal a piece of your market share.**

Competition and the challenges it brings are the essence of the free enterprise economy. Fair trade on an open playing field is the ideal we strive for in a perfect economy. Regardless of your ideology of capitalism, if you are in business today you most definitely have competition. If you think you don’t you could be in trouble.

It is a counter intuitive position to think of a healthy company as one with good competitors. In any entrepreneurial dream there exists the desire to create something where no competition exists and thus offers limitless opportunity to dominate the demand. My challenge to this view is that without competition the business has little or no chance of survival. Any business leader who claims to own the entire demand for a product or service is either lying, misguided or doing something illegal. For we all know what happens when you build a monopoly in a free economy. In the many years that I have been interviewing CEO, entrepreneurs and executives, I have heard those words “we have no competition” far too often. It is an illusion of grandeur that no leader need boast about or believe.

No competition could very well mean there is a poor demand for the product or service in question.

The good news about others being in your space is that it provides some evidence that your ideas are solid ones. The more players that step forward the more confirmation there is that this space is a worthwhile place to make money. Bud Stoddard, CEO of Amerivault, a leader in the electronic backup market, says, "I love to compete with the 800 pound gorillas. If we are a world-class business then the competition will see us as an opportunity, its great validation that we are doing the right thing."

## **Arrogance is a bad habit we learn when we are young and proud. Make your confidence in your business an asset not a liability.**

With Bud Stoddard's words in mind, it's apparent that the opportunity he's alluding to is acquisition. By making his business a serious competitor he knows he will attract the attention of the big players and have created a perfect exit strategy for himself.

In my own experience the ideal competition offers the opportunity to gain more knowledge. Speaking with my competitors has been very instrumental in my understanding of the market challenges. I hear some of you say that what competitor would sit down and discuss their business with me? It's not as hard as you think. Writing articles for one is a clever way to get people to tell you about themselves and their businesses. It is rather surprising that many business leaders, even competitors will be open to a mutual exchange of ideas. True development through conversation is after all a reciprocal interaction.

All successful executives know that the only thing more expensive than a good education is ignorance. If you are in a position to educate your clients, partners, vendors, or even your competition, then do it, albeit with some thought as to the consequences. Educating your industry segment, which will no doubt include your competition, can be a very favorable strategy if you are in an industry that is new and is trying to gain credibility. By growing the industry you grow the market. The spin-off is that if you lead the way, you will become known as an innovator.

# 8

## You Can Turn Competition Into An Advantage For Your Company

Running workshops, training courses, publishing guides, and hosting web conferences are simple and inexpensive avenues to expand your knowledge to your constituent markets. Every year there are dozens of new services and products released to the market but very few people know how to use them to improve their businesses. The companies that succeed in getting their clients on-board are very often the companies hosting free workshops and training for potential clients. This of course means competitors can visit your workshops but in a bizarre way this can actually work in your favor.

Competition urges you to innovate. Living in a comfort zone can be a dangerous place. I used to work with an accomplished CEO who often paraphrased a common adage, "if you are feeling comfortable, you should be a little scared." Positive attitudes are good but there is nothing wrong with looking over your shoulder once in a while. "It's the responsibility of every good leader to be doing their homework on the competition" says Alyssa Dver, Vice President and Chief Marketing Officer of Sedona Corporation. "I interview up to forty people for a single article. Its important for me to stay in touch with what's going on". Dver, who also writes for Business Week, believes that the fundamental law of business is that you have to know what motivates people. "If you want to get people to do something you have to know what will motivate them to do that thing", says Dver. Understanding the competition and what motivates your customers is an essential part of that understanding.

**Competitive markets are the essential formula for success in any biological system whether they are human or otherwise.**

Taking the advice of these leaders and embracing your competitive environment is a vital step towards keeping your business in the forefront. Maybe the best way to look ahead is to constantly be looking left and right.

## 9 Making Your Website The Most Productive Salesperson In Your Business

Websites are clunky enough without pretentious Flash intros and cluttered user interfaces. Make things simple so your customers can get in and out of there in the shortest possible time. Here are some suggestions to make your website work harder with less effort.

Simple does not have to be boring. In terms of design and user interface, some of the simplest websites are also the most effective. Think of Google vs. Yahoo! By remaining focused and reducing the amount of content on the functional home page Google established itself as the master of the search domain. Your mantra should be, less content, more focus.

Find reasons to remove (not add) features. Most companies are obsessed with adding new functionality to the website without focusing on the core elements that keep people coming back. Adding more features for the sake of adding them is commonly referred to as scope creep. The scope of development extends development time, creates stress on the technical and marketing teams and forces you to delay launches.

**It's better to use the same page design than to try and be too creative and make each page a navigational mystery.**

Small changes make big differences. Making sure all the grammar and spelling is correct is a subtle but necessary way to show you can take care of the details. Details tell a customer a lot about the company. Remove unnecessary clutter. The less clutter on the page the more likely the customer will find what they need quickly and efficiently.

Don't be greedy with the space on the pages, give away some real estate to "white space". This will give your website a clean, uncluttered look and assists customers to find what they want quicker. The key is always to remove obstacles that hinder users path to checkout.

# 10 Making Your Website An Asset, Not A Cash And Time Drain

Don't be bullied into building a graphic heavy art piece by your web designer. Find a developer who understands that design is about providing answers, not creating pictures. How you design the site will determine how much support and help your customers need. More complexity means more people, more problems and slower output. Every time you add a feature ask yourself the following questions:

- Does this feature bring us closer to our mission?
- What is the financial cost of adding more time to the development process?
- Who will support this feature?
- Is there documentation to go with this?
- Are there other hidden costs?

**A bad habit of entrepreneurs is to think that more is better. Get into the habit of simplifying not expanding your offering.**

In cases where the customer needs to be guided through a process or transaction it is critical to incorporate contextual help wherever possible (but beware the clutter.) Assure visitors that things are going well e.g. "your file has been uploaded, thank you". Tell them when things are not e.g. "the zip code you entered must be a valid US zip code". Don't leave them hanging there wondering what to do next or wondering what they did to cause the error. Walk them through it. Reduce the risk of them abandoning their shopping cart. Recommended reading is "Defensive Design for the Web", by 37Signals.

# 11

## Who Is Involved In Building Your Site?

Who is involved in the websites construction and maintenance is a key component of businesses these days. Including the whole team in the design phase is critical to making sure all considerations have been addressed. If you have a small company this is easy. If you have a big company include the leaders and influences in each group or business unit. There is nothing more frustrating than having to stop development or roll-back a release because someone or some business unit was not consulted and now the site is dead in the water.

Even more important than including everyone during the design phase is making sure there is clear responsibility for one person to lead the project and manage all the feedback. Building a website is not a democracy. To make the project leaders job easier, allow for frequent small milestones, rather than a series of big milestones that are far apart. This allows you to follow progress daily not monthly and create little wins that keeps the team energized and motivated.

Wherever possible make sure developers can “see” what designers want. Draw pictures, create screenshots and detail navigation flows so that there is little room for interpretation and error.

Encourage manners and politeness amongst the group but don't let that get in the way of expressing ideas about the product. Avoid personal attacks by focusing on how the site will address customers issues not internal issues.

# 12

## How You Can Get Connected To The Right People

What do you do when you want to launch a new business, grow an existing one or make a giant leap into another career? You do what any good entrepreneur would do, you start building a network. This is a short guide to how you can start a new network or just grow the one you already have.

There are several ways to build your network. Let's talk about two categories. The first is building a network to grow within your current business. The second category is starting fresh in a new business or industry. Both of these categories share similarities and I'm sure in the right situation are entirely interchangeable. One of the greatest joys of being an entrepreneur is creating and maintaining your network. Some of the most successful and fulfilled people I know have a powerful network of family, friends, associates and contacts. It follows that the most successful businesses have the strongest networks. A family friend always proudly told me, that in fifteen years of business he had only lost one client. "But that was our choice not theirs," he added. When asked how he managed to keep his clients for so long he told me that he really cared about their businesses and made sure he spoke to them often about how he could help them improve. He understood the principles of networking very well. "Share your time, knowledge, and offer your help," he said. "Most importantly," he concluded, "be compassionate towards your clients."

**Always start the process of building a network with finding ways to give and never, ever begin a connection by taking without reciprocating.**

Become a master of your trade. Learning all there is to know about your industry or business may be impossible. However, most of us do have the ability to master the basics and keep current on the most relevant stuff. This is important if you are going to try to create a reciprocal network of people to work with. You need to understand how your business works, who your market is, and what the factors that influence success and failure are. What it doesn't mean is that you become a know-it-all who can't wait to interrupt others with your version of the day's news. Becoming a master of your trade allows you to make better decisions about who needs to be part of your network and what you need know in order to contribute to your network in a positive manner. Interesting people are often included in senior discussions, asked to deliver workshops, and invited to speak at seminars.

This is not a difficult as you might think it is. Initially it will take some time to gather the necessary knowledge to feel confident about speaking with others about your area of expertise. After essentially blundering into a similar position years ago, I found myself not knowing much about the industry I was working in. I realized that my good luck would run out quickly if I didn't demonstrate to the rest of the team that I actually knew what was going on in our segment of the market. For about 6 weeks I would go into the office about an hour early and read every newsletter, article and book I could find on the subject. Gathering this information soon paid off. After just two months with this company, I was delivering information workshops to our partners, vendors, journalists and even the company's board of directors. This put me in touch with hundreds of new people every month and my network grew from almost zero to a thousand in less than a year.

**Share your knowledge actively. Giving of yourself will always bring positive results. Sharing your knowledge or wisdom is one of the greatest ways we can give others something good.**

In one of my first jobs, I was fortunate enough to have a boss who lived by the principle "if you want to succeed make sure you help everyone around you succeed as well." As I was still new to the industry, she went out of her way to send me interesting articles or highlighted sections in books and magazines. I caught the bug and was soon forwarding great news pieces and sharing interesting articles with others. It was amazing how many good things happened from this simple way of sharing knowledge. In one particular case, I started a magazine exchange with a very bright senior consultant working for big broadcast company that shared our office building. This constant exchange brought us closer and years later he accepted my invitation for the position of CEO for a media company I had founded.

The important part of idea sharing is making it relevant. Nobody wants to receive more junk mail or spam. Be vigilant that the information you share is highly relevant to the recipient. It might be really interesting to you but might not hit the same buttons for the other person. Keep connecting on the basis of sharing knowledge.

# 13

## How To Start Your Network From Scratch

So what happens when you are so new to your industry that you don't know anyone or anything? Maybe you have decided to take a giant leap into a new area to follow your heart. A friend of mine recently gave up the responsibilities of running a large advertising agency to start a new career as a psychologist. She had no experience or education in psychology so it would mean starting at the very bottom and working hard to get back to the top. Maybe you have also just started a new career or are starting your first career and are wondering how you can accelerate the building process.

Ask for help. This is not only a good way to make new friends but it's the best way to increase your knowledge. The knowledge that you desire generally can be gathered from asking those who have it to share with you. This is generally a misunderstood concept. I often hear people's disbelief at the idea that someone would openly share their knowledge with you. After all, isn't intellectual capital the thing we prize the most? The truth is, most people love to talk about themselves. What's even more exciting is that successful people are the ones that are most willing to give advice or share some interesting information.

My favorite method of asking for help is to write 'advice letters' to successful people. I start the letters by acknowledging their achievements and my interest in imitating their rise to the top. I ask for their advice on how to achieve their kind of success. Once I've received a positive response, which never fails to arrive, I sometimes give them a very short introduction to my business and ask if they know of anybody else that they think I should meet with that might help me further. This last step is really important if you are serious about developing a significant network. It creates momentum for your network by taking your connections to levels you might not be able to reach directly. Using this method it is quite possible to reach even the highest levels of our corporate and sociopolitical organizations. I have heard of a case of a young boy who used the 'advice letter' to reach Nelson Mandela and received a personal response.

Return the favor by offering your help or expertise. We all have something to give, some talent or skill that is useful to others. At the soonest opportunity offer your help to the person you receive advice or help from. Think about it as a kind of barter exchange where you present your gifts in exchange for the gifts you have just received. A friend of mine is a creative director who works from home and enjoys the luxury of going to yoga a couple of times a week. He arranged to do some graphic design and marketing work for the yoga studio in return for free classes. Whether your new contact chooses your services or not doesn't really matter. It's more important to make yourself available to your contact as a sign of gratitude for their help. It shows people that you aren't just taking and are willing to give back.

My friend who started a new career as a psychologist volunteered to work on the telephone help lines for a support group. After enrolling in a short course in counseling, she was able to really help people. In return, she received first hand experience in therapy work.

## **Don't be covetous over your contacts. Find reasons for people in your network to get to know each other. It's just positive energy in a cycle.**

Some years ago I changed career paths and found myself requiring the services of an executive coach. I interviewed several candidates and was about to commit to one particularly brilliant coach when an opportunity for an exchange came up. The coach needed some marketing advice and asked if I would be willing to trade coaching hours for marketing expertise. The prospect of getting free coaching for a few hours of my time was too good to pass up so I accepted immediately.

Introduce your contacts to each other. This is the yeast in the network bread. By introducing your contacts to one another, they connect their networks and share information. This helps the network expand in quantum leaps, which is something that can't be achieved by one-on-one networking alone.

However, a word of caution when introducing your contacts or associates - think carefully about why you are introducing them to each other. Make sure you are not just setting up meetings for the sake of making connections. Successful people are generally smart and busy so don't waste their time by putting them in contact with each other without some clear reason for doing so. Also, don't feel it necessary to chaperone the meetings. Once you have identified the commonality and made the introduction, you should back off. Whether these people hit it off or not will be entirely up to them.

A few years ago I was dealing with two large clients who, upon reviewing their business strategies, appeared to have loads in common. I arranged a meeting between my clients but made the mistake of thinking I needed to be in the boardroom when they met. I honestly thought the meeting would go better if I hung out while they talked. The meeting went well but afterwards as we walked to the car park my client admitted to me that he felt uncomfortable having me in the room. He said he felt that he couldn't speak openly with the other party because he kept on wondering if I had some other agenda by eavesdropping on the conversation.

**The most important thing you can do to grow you network is the hardest. This is what makes relationships stick. Listen to your contacts carefully. It's the glue that keeps people talking and sharing time and time again**

The lesson is: *listen*. If you can, really listen, you'll be surprised how many people will want to connect with you again and again. When you ask people how they are, wait to hear what they answer and let them talk before you open your mouth to tell them your side of the story. In meetings, listen to what people say and to what they don't say. Try to develop your natural talents for listening and watching. Be aware of what people are asking you to do. If you listen to what they are really asking you, then you are more likely to be able to give it to them. That makes them happy and keeps the connection strong.

In his book, *Love is the Killer App*, Tim Sanders reminds us "Be prepared. Business offers us constant contact with other people, but how often do we have a chance to show some compassion during that contact?" Show some compassion during your interactions with your contacts. I guarantee you - something good will happen.

# 14 Growing From Nothing By Giving Away Value

Several years ago, I was managing a marketing consulting business that was gathering momentum despite its competition's failure to do so. Our management seemed optimistic and excited about the future of the company. In contrast, similar businesses were complaining about "down markets" and their clients' "lack of commitment to marketing." So what were we doing that gave us the edge? Several things, but most importantly our business strategy involved "giving away value." Whenever we signed a new client, we would brainstorm how we could add to the client's positive experience of the company. For example, we closed a deal to create a campaign for a large insurance corporation. We knew that they wanted to make a big noise about their campaign because it had a social responsibility component to it. With this in mind, we told the client that they could have complete access to our PR agency to assist them with the launch. We paid our PR agency a small fee for their time and the client ended up using them several times again. The client was very impressed with our willingness to go the extra mile and invest our money into their success. They referred us to other business units in the corporation, which led to more work and some great portfolio case studies. Try creating a result that will keep the momentum going when you give away value. Even if you have a small degree of control over the result, you can probably create a positive outcome.

**The value of what you choose to give away is important. Make sure that your primary, early-adopting audience is the focus of your give-away value.**

There are several ways for small businesses to give away value at little or no cost. In my business, I generate loads of written material for my clients. Most of it can be easily rewritten into an article or a 'how-to' guide. These elements can be emailed or included in newsletters without much effort. The key is when you make contact with your audience, demonstrate to them that you are frequently giving away value. It might take five or ten times before they buy from you, but they will notice you.

Educate your target audience. All successful executives know that the only thing more expensive than a good education is ignorance. If you are in a position to educate your clients, partners, vendors, or even your competition, then do it. Educating your competition can be a very favorable strategy if you are in an industry that is new and is trying to gain credibility and develop a market. By growing the industry, you grow the market, and the spin-off is that if you lead the way you will become known as an innovator.

## **Running workshops, training courses, publishing guides, and hosting web conferences are simple and cheap ways to extend your knowledge to your constituent markets**

In the early days of the Internet boom, there were dozens of new services but very few people knew how to use them to make their businesses run better. The companies that succeeded in getting their clients on-board were very often the companies hosting free workshops and training for potential clients.

Identify channels before you start creating new products. If you are growing a business, then there is a good chance you are adding new products, services, or value to your existing range. You may also be repackaging your existing products for newer markets. Many businesses often spend more time focusing on the product and forgetting about the distribution channels. Successful growth strategies are very often associated with distribution strategy. Think of Microsoft and Dell's strategy to use partnerships or the Internet to ensure easy accessibility to their products. Understand how your products will reach the ultimate consumers who pay the bills. Try to understand the sales channel and use critical thinking; although your understanding might be imperfect initially, you can quickly refine the distribution model and make it work.

# 15 Creating Long Term Momentum Out Of Your Early Sales

I would like to share a disturbing little secret with you. Almost seventy percent of the people you do face-to-face business with will never speak to you again. It's not that they didn't like you or get value from your services they just don't care. They've got other things on their mind. The kids need new clothes, the toilet needs repairing and the cars making that strange knocking sound again and of course there is big report due tomorrow. Why wouldn't they think about you? Didn't you do a good job? Were you not friendly and professional? They didn't seem upset with you. As the available research suggests, it's not that they don't like you, but rather, they have just forgotten you. They have other things on their minds and there wasn't any good reason to think about you. By the way, the research I read indicated that only about eight percent of customers would be dissatisfied with what they received.

The Lifetime Market Value of each customer is based on how much money they will spend with you during their relationship with your company. The only thing standing in the way of a high LMV is if the customer decides not to use your services again. The number one reason for customers not using a service again is because of no customer contact strategy (about 67% of customers). About 15% will not use a service again because they were dissatisfied with the service and another 9% will use a competitor's service. With this knowledge, it should be obvious to us that reaching out to positively connect with your customers is an excellent strategy to develop new business.

**Great marketing should make the selling unnecessary, at least in theory.  
The only way to achieve this is to ensure the message will reach  
pre-qualified people with a desire to use the product or service in question.**

For most companies, the immediate challenge is to find clients willing to use their products or services without an extended delay between contact and purchase (i.e., a long sales cycle). For most companies waiting 3-6 months to close a cycle may be too long.

Clearly most small businesses, or any other business these days, do not have the luxury of embarking on a marketing strategy that follows traditional conversion cycles. The suggestion is to employ a simpler, and (ironically) more effective marketing strategy based on referrals. This will entail sourcing, organizing, and contacting a customer list of clients who have used the product or service in the past.

This is not about asking our friends, "Do you know anyone who you can refer me to?" This is a sophisticated plan to create reciprocal interest in making referrals. By pursuing referrals in an organized and structured way, we can turn our existing networks into active referral networks. Referrals offer significant advantages over cold calling and direct marketing leads. For example, referrals are:

- Always more cost effective and...
- Referrals generally make decisions quicker about purchasing.
- They are likely to purchase more often (returning customers).
- Less negotiation or convincing is required.
- They will be more willing to make further referrals.

# 16

## How Do You Structure A Referral Campaign?

The formula for referral marketing is as follows:

- Identify the ideal referral candidates.
- Articulate the Unique Selling Proposition (USP) of the product or service and how it relates to their network.
- Create the ideal environments for referrals.
- Educate and enable referrers to communicate effectively.
- Actively trade referrals.
- Be present and available (commonly called top-of-mind awareness).
- Offer incentives when appropriate (commissions and intro fees).
- Make referrals a condition of doing business
- Thank the referrers for their help and participation.

By creating appointments to meet and educate others in our network, we can develop lots of "pots on the stove." Each educated referrer becomes an evangelist for our services. It is important to realize that it is not the referrer that offers the direct opportunity, but rather their network of potential clients. We can expect to see the number of referrals increase with the number of referrers we have "activated" in our networks.

Recently I observed how when two people sat down and systematically went through their rolodexes they were able to generate over 50 potential referrals. When these two were initially introduced they tried to find ways to work directly with each other but came up with very little. Finding that they could not directly work with each other, they decided to try linking each other's networks together to create opportunities.

Another example was when a client hosted a cocktail party to "enlighten" a group of carefully selected well-connected people in their network. The cocktail party aimed to educate these people so that they will be better informed about the company's services and therefore more likely to see potential referral opportunities. A short presentation that clearly articulates their USP gives the audience improved insight into a complex service offering. The event was attractive because of the good food, good company, and not-so-serious approach. Over 35 people attended the party. The host also intends on having one-on-one sessions with each of the guests in the weeks following the party to "work the rolodex" of each guest.

I recently worked with a company that has worked with over 3,000 clients in the past 3 years. In this same period they had never sent out a card, email or direct mail piece to these past customers. What is really interesting is that they get almost half of their new business from referrals. So why are they not reminding happy, satisfied customers that they are still around and looking to make happier, more satisfied customers? The answer is simply that they are too busy managing the day-to-day business that they don't have time to create clever correspondence to reach out to the customers. Instead they spend hundreds of thousands of dollars on expensive advertising to get the attention of potential customers. It's much easier to call up the Yellow Pages and place a year of ads than it is to create a meaningful relationship campaign. After reducing their mass media spending and focusing on a simple mail campaign they were able to generate so many referrals their revenues tripled in less than a year.

Further creative ideas for active referrals come to mind—seminars, educational workshops, letters of introduction, brain trust meetings, developing an advisory board of well-connected people, sporting events, and partnerships. Most of these have an online equivalent too. Less formal engagements are also a fun way of meeting new people and building a referral base. Consider hosting a party in a unique location, a business breakfast with an enlightened guest, or simply have a few friends over for coffee and a discussion about "how we can help each other."

# 17 Getting Your Company Into The Spotlight

Public relations is wonderfully underrated as a marketing tool. What gives it such potency is its relatively low cost, high impact, and longevity. PR can take many forms. An article, a press release, an event or announcements can all be public relations tools. What makes PR so attractive is that it is relatively cheap in comparison to traditional marketing.

Some consideration should be given to how you can immerse yourself in the community you wish to reach out to. Can you add value to this community by sharing your ideas, publications, products or services? More important than being involved in your industry community is being involved in the customer's community. Work with a PR partner with deep community roots so that you can build close ties to their connections. Where appropriate, you could support a good cause

**Today's consumers are more educated and skeptical than ever before. They don't want to get taken so make sure you can live up to the promises you make. Everything you publish can be scrutinized.**

As mentioned in an earlier section, the best PR you can do is to provide overwhelming opportunities to try your product for free. Think of fun ways to distribute your product or service in such a way to provide "trial" experiences. Targeting the right audience for these trials is the key element. Ideally you will be focused on the group that will be most likely to try your product or service. Marketers call these people "early adopters". If you can have a focused product or service that fulfills a very specific niche it will be much easier to create marketing opportunities. Occupying a niche means you won't be competing with a lot of similar businesses solely on price. Your products and services serve a market that can't easily find alternatives.

# 18 Do You Know How To Remain Focused?

There is a saying in the property business that only three things matter, location, location and location. Maybe a little simplified but nobody can deny the importance of a good location. In business I've been told that only three things count, focus, focus and focus. This too might be a little simplified but it is nevertheless very important. Focus means different things to different people. For some, focus means having a clear vision while for others, it's more about having a well-defined product or service. In my experience focus has meant different things at different times. Early on in the business-building phase, focus has meant having a clear goal of what you want to achieve. Further down the track, focus has meant more about keeping my eye on the ball and not being distracted by the overwhelming amount of choices.

In marketing, focus is about delivering the right message to the right audience at the right time. There is nothing less professional than a badly targeted campaign with a confusing marketing message. Much of the direct mail we received daily suffers from this lack of focus. How often do you receive a letter jam-packed with special offers and discounts that had no relevance to your lifestyle? How about sending me single offer in a simple to read letter with no mumbo-jumbo please.

**Remaining focused takes discipline and courage. Next to ego it's the next biggest challenge for most entrepreneurs. Learn habits that reinforce focus rather than distract you from your tasks.**

What is important about focus is that it allows you to channel your energy effectively. We've all had days when we didn't stop running around but had nothing to show for it. Those days can easily turn into months and even years of low productivity if we are not focused. Directing your limited time and energy will inevitably lead to good things. Trying to be all things to all people can only lead to disaster.

Creating focus need not be complicated. It is useful to use the following six questions to guide you to the best path to achieving your goal. These are broad questions that start the process.

- What is the current business challenge?
- Why is this challenging?
- What objectives are suggested for a successful solution?
- Which of these objectives is the most important?
- What are the ways that the challenges can be overcome?
- How can these be achieved?

# 19 Grassroots Marketing vs. Traditional Advertising

One of the dirty little secrets of marketing and sales is that cold calling; direct marketing and almost all advertising don't convince anybody to buy anything. The one percent of people who do buy from these types of efforts are generally doing so out of guilt, high-pressure sales techniques, or misunderstanding. Truly successful businesses know that building a relationship with a client takes time and energy. Time and energy are rare qualities in any busy person's life - so how do so many businesses manage to find the time to grow their businesses?

The answer to the question is unfortunately not a very popular one - it requires a firm commitment to building relationships with people. With all the constraints of today's modern lifestyles, this can be a daunting task. What successful people know that others don't is that building relationships is a lifelong process that never stops. Furthermore, it's so daunting for most people that they will almost always give up before they even make a dent. For the people that do take on the challenge, this is good news. It means that only a handful of businesses are really trying hard to build relationships with their customers. The rest are relying heavily on gimmicks, expensive advertising, and heaps of luck.

There are ways of making the relationship building process easier and more effective. These strategies and techniques are not going to work for every business and for every personality type. I suggest you read through the booklet and then make a summary of the things you found useful. Try some of them out and see how they work for you. Remember, Rome wasn't built in a day. No campaign produces immediate results but ongoing, clever campaigns do produce results.

Many entrepreneurs think that selling to the widest possible market is the likeliest path to success. They are afraid to pursue a market niche because they fear they'll lose business by turning away customers. But this 'take all comers' approach is not very effective. It's hard to stand out when you market your business without a distinctive set of prospects in mind.

## About the Author

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