

Crush the Competition and Boost Sales with Strategic Marketing

June 21, 2006

Wilson Zehr
Partner
Cube Management

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Strategic Marketing

Introduction

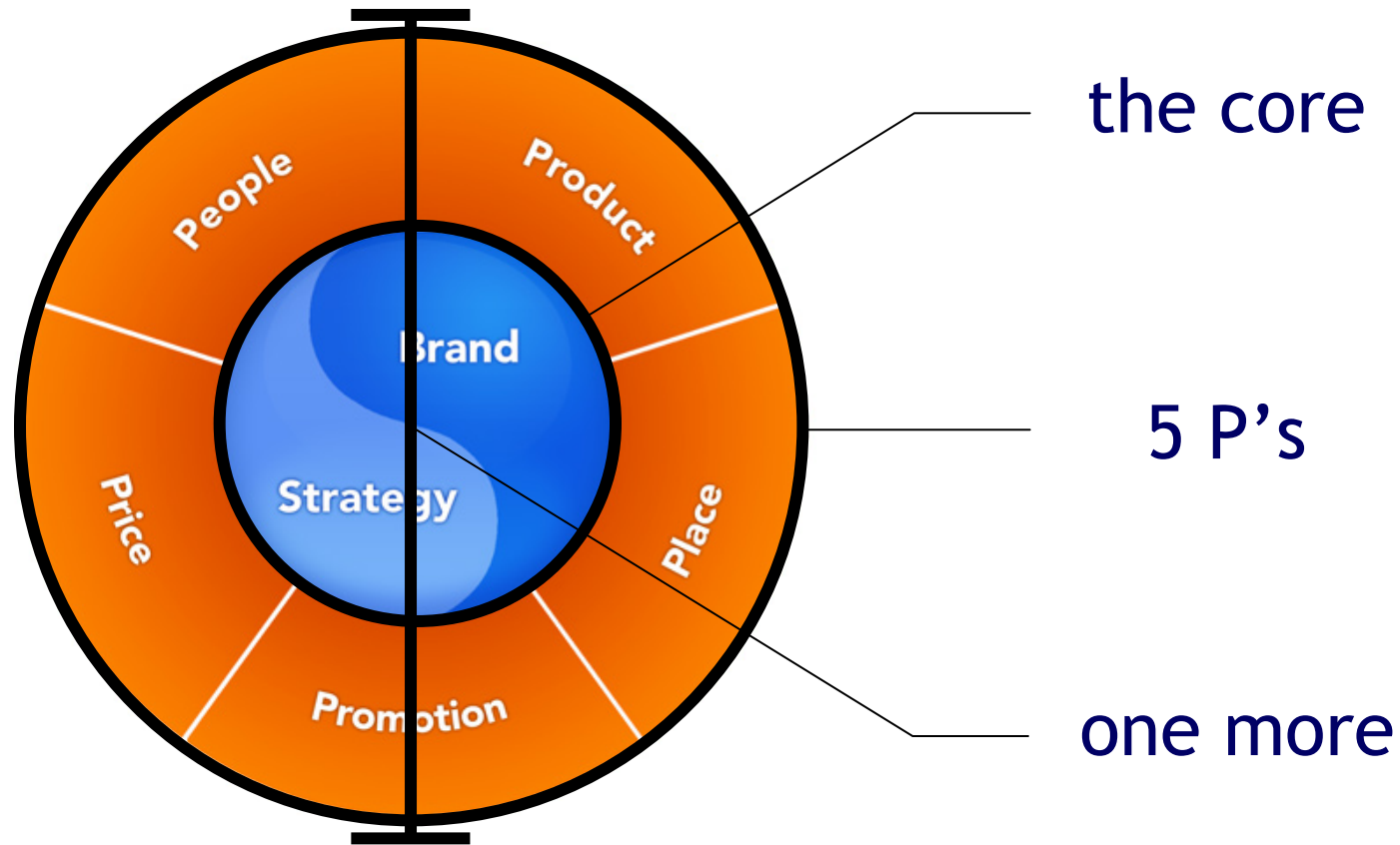
- Sales growing as rapidly as you want?
- On the “short list” for your best prospects?
- Perceived as a leader in your primary market?
- Growing slower than your competitors?
- Losing important deals to competitors?
- Recognized as the solution of choice?

Strategic Marketing can help you address all these issues and more. We'll show you how...



Strategic Marketing Model

Components & Relationship



Strategic Marketing Model

Strategic Marketing Defined



Brand & Strategy

The Foundation

- What is “strategy”?
- What is “brand”?



- How important is brand?
 - Market
 - Buying behavior
 - Choices/urgency

Brand & Strategy Alignment Essential

- Similar discovery process
- Elements to consider
 - Vision/mission
 - Elevator pitch
 - SWOT analysis
 - Values
 - Image
 - Market/Customer
 - Product/Benefit
 - Collateral
 - Pricing
 - Competition
 - Strategic wins/losses
 - Roadmap (6, 12, 24 m's)
 - Stage organization
 - Competitive distinction
 - Business plan/financials
 - Guiding function



Brand & Strategy

SWOT Analysis



<p>Strengths</p> <ul style="list-style-type: none"> - Nimble - Well financed - Growing sales - 100% customer satisfaction - ... 	<p>Weaknesses</p> <ul style="list-style-type: none"> - Limited barriers to entry - Short operating history - Small size - ...
<p>Opportunities</p> <ul style="list-style-type: none"> - New government regulations - Explosive new verticals - Client referrals - ... 	<p>Threats</p> <ul style="list-style-type: none"> - Sleeping giants - Rising interest rates - Dependent on venture funds - ...

People

Know Your Prospect

- Who is the customer?
 - Current customers
 - Target prospects
 - Demographics
 - Market size
- Where is the pain?
- What is the buying behavior?
- Who are the key influencers?
- Who is the decision maker?



Product Definition

- Product vs. device
- Device is foundation
- Product includes all deliverables
 - Device
 - Collateral
 - Purchase incentives
 - Installation & training
 - Service & support
 - Financing
 - ...



Product

Primary Elements

- Benefits
- Distinctive features
- Competitive differentiation
- Product requirements
- Market window
- Price point



Product Release Bundle

- Establish master feature list
 - Customer requests
 - Brainstorm internally
 - Observe competition/industry literature
- Determine ROI for each new feature
- Establish target market window
- Understand resources available
- Maximize return on resources
- Draw the cut line



Product

Enlightened Product Development

- Establish the product “core”
- Enhance systematically
- Publish realistic dates
- Hit dates promised
- Avoid “Big Bang”
- Quickly eliminate issues
- LISTEN to your customers!



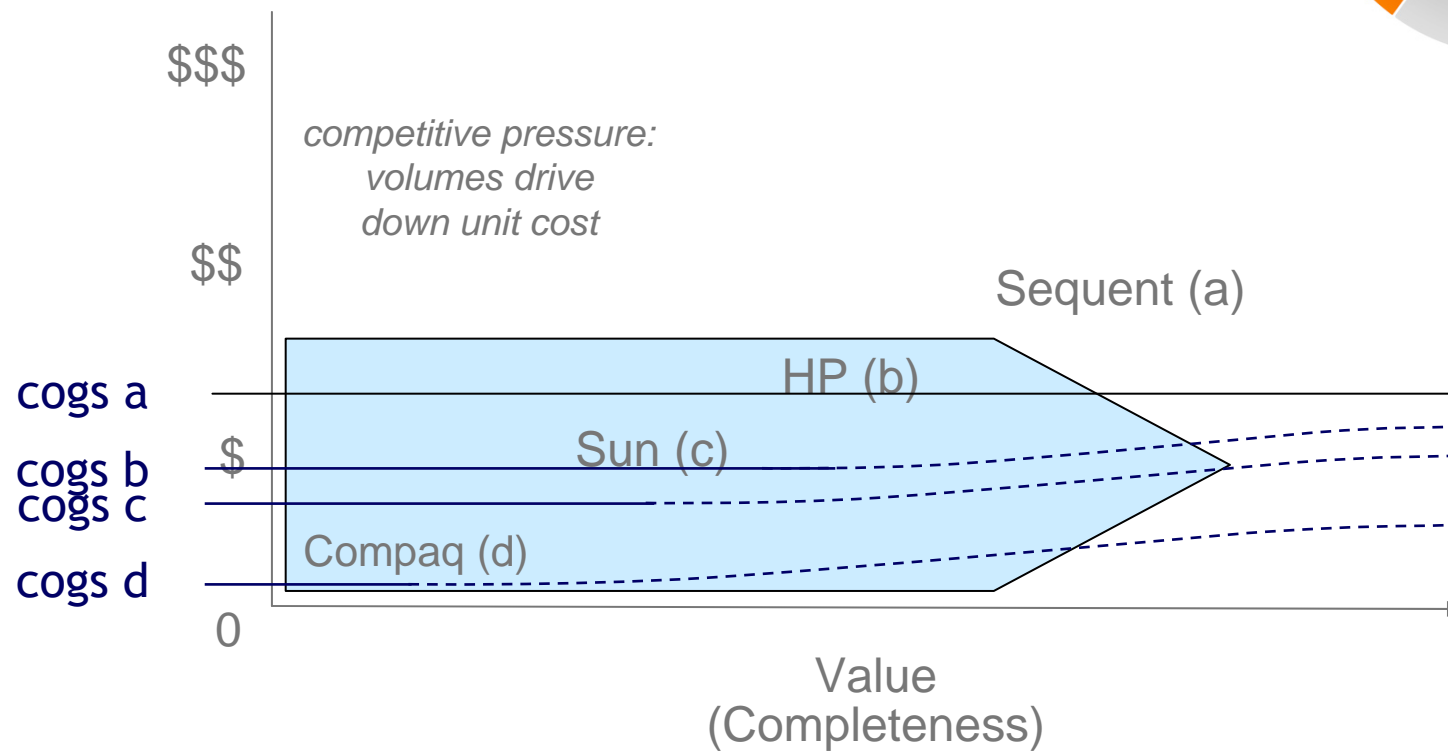
Price

Three Key Factors

- Cost of Goods
- Value
 - ROI (value produced - cost)/cost
 - *reduce expenses*
 - *grow revenue*
 - *save time*
 - Intangibles
- Competition
 - Comparative value
 - Other factors



Price Natural Selection Model



Price

Other Things to Consider

- Terms/financing
- Volume discounts
- Product bundling
- Price elasticity
- Annuity pricing
- Seasonality
- Promo's

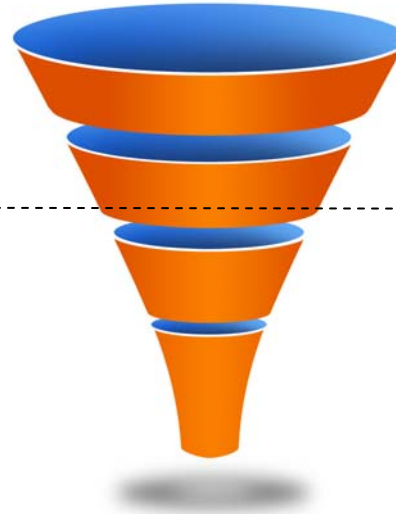


Place

“Process” of Selling



Marketing



Prospect

Qualified Lead

Sales

Opportunity

Sale

Place

Channel Selection

- Price point
- Completeness of solution
- Complexity of sale
- Channel choices
 - Direct response
 - Inside telesales
 - Outside sales
 - Channel partners
 - Plus many more...



Promotion

Build Momentum

- Understand buying behavior
- Define sales process
- Fill the funnel with “qualified” leads
 - A leads: Interest, budget, will act soon
 - B leads: Interest, budget
 - C leads: Interest
- Support each step in sales process
 - Collateral/Tools
 - Training
- Sell benefits not features



Promotion

Select Optimal “Mix”

- Advertising
 - Print
 - Online
 - Direct response
 - Plus, many more...
- Broadcast
- Outdoor
- Events
- Public relations
- Viral
 - “Word of mouth” on steroids
 - Online or offline



Promotion

Online: Internet Basics



Communication Substrate

AIM

Information Portal

Google

Sales Channel

Amazon

Match usage to products/markets

Promotion

Online: Factors to Consider

- Reach
- Active vs. Passive
- Objective
 - Build rapport
 - Generate leads
 - Close sales
- Choose tools
 - Web site
 - email
 - Webinars
 - Affiliates
 - Articles
 - SEO/PPC
 - Banners
 - Blog's/RSS
 - newsgroups
 - ...



Positioning

The Missing "P"

- Unique combination of P's
- Does not have to be balanced
 - Price leader
 - Performance leader
 - Fashion leader
 - ...
- Leverage competitive strengths
- Exploit weakness of others

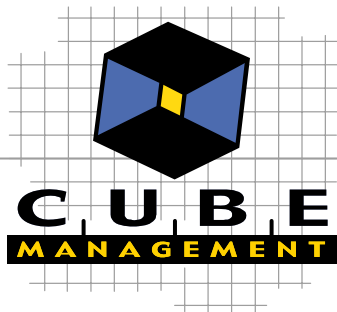


Strategic Marketing

Concept Summary

- Embrace strategic marketing model
- Align strategy with brand
- Optimize the “five” P’s
 - People
 - Product
 - Place
 - Price
 - Promotion
- Establish winning positioning
- Execute flawlessly





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Cube Management, LLC

5555 N. Channel Avenue
Building 10, Suite B
Portland, Oregon 97217 USA
503.247.1362 - Voice
503.247.1431 - Fax
www.cubemanagement.com

Wilson Zehr

Partner
wilson@cubemanagement.com

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Wilson Zehr

Cube Management, Inc.

Wilson Zehr has more than 20 years experience in high technology and telecom -- over 10 years experience working with Internet-related products and services. He has created numerous new products and brands and successfully brought them to market. In addition, he has crafted and managed strategic alliances with many of the largest technology and communications firms in the world, including: Oracle, Sun, HP, DEC, IBM, Microsoft, Intel, Cisco, Lucent, 3Com, Qwest, Verizon, Bell Canada, USPS, UPS, Xerox, Kinko's, and others. Mr. Zehr is also a serial entrepreneur who has raised over \$60 million from investors; returned over \$160 million; and bought/sold a number of enterprises. Currently, Mr. Zehr is a Partner in Cube Management, a Portland, Oregon based company that helps organizations accelerate their sales. Wilson manages the Strategic Marketing and Channel Development Practice for Cube Management. The focus of this practice is to build winning strategies, brands, and messaging that grow sales. In addition, he helps clients build high performance sales channels that leverage internal resources and channel partners. Mr. Zehr is also founder of Cendix; the leading provider of Internet applications that automate channel marketing programs (www.cendix.com).

Wilson also served as Chief Technical Officer for GetGordon (www.getgordon.com); a company that offers time-based multi-medium sales automation tools. From 1999 to 2004 Wilson was co-founder and CEO of Zairmail/Launchpoint (acquired by Best Strategy, LLC). Zairmail (www.zairmail.com) invented the concept of hybrid mail for short-run direct mail campaigns. Wilson guided the company from a seed stage enterprise to a mature organization with more than 12,000 registered users, 160,000 newsletter subscribers, and over 25 strategic partners including: the United States Postal Service, Microsoft, Office Depot, Xerox, Kinko's, IKON, Experian, InfoUSA, and others. The company was funded by Hewlett Packard, Tim Draper, and Timberline Venture Partners (Northwest affiliate of Draper Fisher Jurvetson).

From 1996 to 1999, Wilson led Business Development at eFusion (acquired by ITXC/Teleglobe NASDAQ: TLGB); a provider of VoIP gateways and advanced software applications; where he was responsible for network product definition, product positioning, developing marketing materials, evangelizing the technology, and he was also the leading salesperson for the company (80% of sales). eFusion was acquired by ITXC in a transaction valued at over \$150 million. The company was funded by Intel, Microsoft, AT&T, Lucent, France Telecom, and others. Mr. Zehr came to eFusion from Sequent Computer Systems (acquired by IBM NYSE: IBM); the leading provider of Unix-based enterprise database servers; where he was responsible for starting the Custom OLTP Business Group and managing Sequent's global relationship with Oracle Corporation. Custom OLTP leveraged sales represented over 65% of Sequent's revenue in 1995 (\$290 million). In addition, he grew leveraged sales attributable to Oracle from 46% of Sequent's business in 1993, to well over 60% of revenues in 1994 (~\$200 million). Mr. Zehr also managed strategic relationships and a line of software engineering automation products for Cadre Technologies (acquired by Computer Associates NYSE: CA).

In addition, Wilson started his career working as a Software Engineer for Verdex Corporation (acquired by Rational/IBM NYSE: IBM); the world's leading provider of Ada compiler technology. Wilson received a B.S. in Finance (Computer Science minor) and an M.B.A. from Portland State University. He completed all of the coursework required for his Ph.D. in Systems Science. He has served on the Boards of the Software Association of Oregon, The Oregon Advanced Computing Institute (OACIS), The American Advertising Museum, The Program Management Forum, and on the national Small Business Advisory Council of the American Electronics Association (AeA). He also teaches classes on venture finance at Portland State University and participates in the multi-University Lab2Market venture mentoring program.

