



Can vs. Should

By Robert Gelinias

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Features, functions, and technical capabilities may be the product of ingenious imagination, technical brilliance, and visionary insight – but have no tangible value at all, leaving top buyer decision-makers looking askance after an enthusiastic presentation, asking, “So what?”

The 23:50 Dilemma

Many years ago, I sat through a presentation by a Sales Rep from a Telecom company. At the time, I was a network architect with a multi-million dollar annual budget to spend. The Telecom Rep was giving a rousing pitch about their new high-speed digital line they wanted us to buy. Mind you, this was in the days before the Internet, when most enterprise data networks were connected via dedicated circuitry.

Amid the hundreds of data circuits we had circumnavigating the world, we had one particular dedicated data line that went from our Texas headquarters to a backup data center in Colorado. Our major database and file backups each night took between eight and ten hours to transmit over our “old and slow” existing data line.

The Telecom Rep boasted that his new high-speed digital line, a line that would cost about ten times that of our existing line, could transfer all of our data “IN ONLY TEN MINUTES!”

Wow. Everyone in the room was impressed. That was an order of magnitude faster. They could do in ten minutes what we currently took ten hours to do. That sure sounded like progress.

I raised my hand and asked, “So what, pray tell, do we do with this dedicated application data line the other *twenty-three hours and fifty minutes* of the day?”

Telecom Rep’s face went pale and he didn’t have an answer.

He could have said many things, such as our ability to use that line in conjunction with multiplexing and switch technology to eliminate many other circuits and potentially enjoy a net savings, or to add new applications such as video-conferencing, etc. But he didn’t. His pitch was simply “faster is better” and in his mind that’s all we apparently needed to know.

Yet, our “old and slow” eight to ten our file transfer each night worked just fine. There are twenty-four hours in each day, and the fact that the existing process used between a third and half of them wasn’t problematic. The job got done every day. And paying ten times the cost for it to get done in a fraction of the time didn’t yield any net new benefit. Nothing else would be accomplished. So what was the point?

Needless to say, Telecom Rep didn’t make a sale that day.

The Hybrid Disaster

With all the “green” hype about the urgent need for people to all run out and buy hybrid cars, industry statistics have shown them to be a business disaster. Toyota’s Prius is by far the best selling hybrid car thus far– it’s just a shame Toyota says that they lose money on every unit sold. There’s a killer business strategy for ‘ya! *“But don’t worry, Boss! We’ll make it up in volume!”*



I also read recently that if you went out and bought a new Prius, the money you'd save in gas would only take you something like over 100 years to break even for the purchase. Again, so what's the point? You honestly think you're saving the environment? If so, look up the study that showed that it takes more energy to build a Prius than it does to build a Hummer. And then there's those nasty batteries to consider, and their disposal, etc.

The point here is that some technologies don't really solve the problems they are alleged to solve, and other technologies simply don't solve any problems at all.

A Solution Looking for a Problem

Probably the most common business blunder made by many technology companies is to develop an idea purely based on the ability to do so, or to do something "new and different" with no associated idea of an actual commercial market for the manifestation of that idea. Unfortunately, that kind of thinking is usually the precursor for the "If we build it, they will come" business strategy faux pas.

Remember the cliché, "Find your niche and fill it."? It's twin in the technology world is, "Find a real business problem that technology can solve, and solve it."

Sadly, this occurs far less frequently than it should. And it is the primary source of consternation for technology marketing professionals confronted with a company who sincerely wishes to grow, but who has a very difficult time putting their finger on why it is exactly that their product or service is special, unique, or even exists. Thus begins the process of "Reverse Engineered Marketing."

Reverse Engineering Marketing is the creative and imaginative storytelling exercise of starting at the end of the story, with a defined product or service, and then conjuring up one or more viable business scenarios that could have led to that point. It's a lot like playing *Jeopardy* where they give you the answer and you have to come up with the original question.

Contestant: I'll take Healthcare Mystery and Miracles for \$500, Alex.

Moderator: Viagra

Contestant: What failed blood pressure medication was found in during field trials to be a cure for Erectile Dysfunction?

Unfortunately, in many cases, a common conclusion may reveal that there is no unique business problem out there that a particular product or service was originally designed to address, rather it is but one of many common "me too" products or services that mimic the commodity offerings of large, established competitors.

Therefore, with the lack of any unique value proposition, and in recognition of the fact that rarely can be found any markets that are truly being underserved, the resulting business decisions for those kind of offerings tend to be more driven by low price competition and "big megaphone" saturation marketing for acquisition of mindshare – which, incidentally, yield some of the worst ROI for overall Cost of Sales (COS).

In a perfect world, your company should never be in this situation because your products/services were all designed based upon proper market research, and in-depth validation of a specific market need. But the world isn't perfect, is it? So what do you do if you're in this situation?

Go back to basics. You really only have one of four strategic marketing alternatives.



The Four Horsemen of the Metamorphosis

Obviously, if what you're currently doing isn't working, you need to do something different.

Now if your sales are virtually non-existent, and that's because not only does no one want what you have to offer, but you also really don't have any competition out there offering anything similar, that may be because what you have to offer is "New Coke", or the "Edsel", or some other complete dud that has no chance and never should have been developed in the first place. In that situation you need to go back to the drawing board and start again – only this time, start with looking for a real problem to solve, not just something to make for creation's sake.

On the other hand, if what you have to offer is legitimately viable as a product and/or service, as is evidenced by other competitors out there successfully selling something comparable and validating its need, then you must consider one of the following four options.

The Superiority Strategy

Is your product or service already superior, or can it be made to be clearly superior, to the leading offerings in your particular market? And when we say "clearly superior," we're not talking about winning the race with a photo-finish by a nose, but rather a far and away Secretariat-esque 22-lengths clobbering the competition kind of "superior" offering, and doing so for a comparable expense by the buyer. The price comparability is important.

That is, it's easy to argue that a Ferrari is a better car than a Chevy Cavalier, but you'd expect that from a million dollar car compared to a \$20,000 car. But what if you could buy a Ferrari for \$20K? Wouldn't people line up for that? Of course. And if you can pull that kind of a value proposition off, this might be a viable path to clearly differentiate your offering and subsequently corner the market. However, in most cases, this simply isn't a practical option due to underlying costs needed to demonstrate a significant magnitude of superiority.

The New Argument Strategy

This one can be actually the most effective, if you can accomplish it. This strategy involves redirecting your product/service either to a new target market (e.g. from hypertension to ED), or creating an entirely new rationale for its value to an existing target market (e.g. ground shale garage oil stain cleaner becomes Kitty Litter).

Another example: during the Router Wars of the mid 1990's, the leading vendors were Cisco, Proteon, and Wellfleet. Their products were networking gear that provided data connectivity between computers. Period. It was hard to sell a router other than one of those three in those days, and in a short period of time, the latter two fell away and all there was left was Cisco.

I worked for a networking company at the time that offered, among many products, a router. In a router-to-router competition, Cisco was seen as the industry leader, and therefore the "safe" choice, and the lion's share of the sales went to them. I had to come up with a new idea. That new idea came in the form of a special project we did for the federal government. They wanted a router that not only provided connectivity, but also "security" – literally encryption of the data stream. We made it for them as an enhancement to our existing product. They loved it. And then we realized what that could do for us in the commercial market.

Suddenly, the sales scenarios were no longer about just moving data from point A to point B, but it was then couched in terms of getting it there safely, securely, and privately. With this argument I was able to take a business unit from virtually nothing to over \$50 million in revenue in less than two years.



So what can you do to refocus your offering with a new message to a new market segment, or to completely change the rationale of the argument to your existing targets? The answer to that question may be more than just a revamp of your story; it might mean changing the offering itself in a small way or a big way. But if you can do it, you might find an entirely new spurt of revenue momentum and market share.

The Viral Infection Strategy

This is actually a function of a “Divide and Conquer” approach. It’s used when you conclude that you are never going to get your target market to abandon their chosen #1 vendor. This is, outwardly, a function of “peaceful coexistence” with that vendor, seeking out a multi-vendor story, where you are positioned as complementary and actually synergistic to the incumbent.

However, once you are in the door and installed, then, inwardly, the strategy becomes to “infect from within,” demonstrating value, adding new capabilities over time, and eventually nudging the other vendor out of the spotlight. This is a much more long-term and patient strategy, but can be effective when the no compromise “them or us” proposition has failed.

The Delay Strategy

This strategy was perfected by IBM decades ago. This is used when the competition’s offering is clearly superior and you are about to lose. However, in the course of getting the bad news, you also are educated as to why the competition’s offer is seen as superior and you understand what yours is lacking. Thus, your counterpunch becomes: “Oh, we’re just about to announce not only all of those features you want, but also a few more besides that in about six months. You certainly don’t want to invest in a technology that’s going to be obsolete six months from now. It would be better to just delay your decision for a short time and get what you really need.”

And if they buy that pitch, then you have six months to add whatever bells and whistles you’re missing. The idea here in this strategy is that if you can’t win, then no one will. It’s a strategic retreat: Live to fight another day.

Connecting the Dots

The common thread in all of the previous four strategies is the necessity to have to modify, enhance or evolve what you have to offer, specifically to accommodate a new storyline that leads from a real problem to your solution as part of the Reverse Engineering Marketing exercise.

So if your offering is something you conjured to life because you could, not because you should, and that didn’t work out so well for you, then you need to seriously consider your own Reverse Engineering Marketing exercise – not just if you can, but because you should.

About the Author

Robert Gelinas is the President and CEO of JPE Inc. Consulting (www.jpeincconsulting.com). He has spent over 20 years in the IT industry as a senior executive and sales and marketing leader, having built many national and international Enterprise IT sales and marketing organizations. He has both an extensive Fortune 500 background as well as a wealth of successful Start-Up experience. He is also a published novelist, writer, publisher (www.archebooks.com) and frequent public speaker on both IT marketing and the writing and publishing industry.