

TOUGH TIMES TACTICS

By Sam W Stearman

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Team Up With Others

Being a senior citizen, I can remember when competitors were other local companies located down the street or across town. Companies like McDonalds (1960's) and Wal-Mart (1980's) changed all that, and today mom and pop stores have gone the way of the Model-T. While these two companies are representative of the many businesses who are truly international in scope today, the new generation of companies, such as Microsoft, Yahoo, Amazon and Dell – are Internet-based businesses that can cheaply and efficiently reach potential clients in the remotest outposts.

If you are a small – medium enterprise (SME), how do you compete, especially in these tough times? "Tis elementary, my dear Watson," as Holmes would have said - It's something I call the **Blowfish Approach**.

I think everyone knows what a blowfish or puffer fish is – it's a small fish that, when it senses danger, puffs himself up to look much larger than he is to scare off potential attackers. As a SME, just how do you become a blowfish? Read on and I will let you in on my secret of how you can most effectively get your word out to prospective customers and gain market share.

1. Increase, don't decrease, your focus on marketing. Since most businesses are cutting back on marketing, trade shows and advertising – what better time to do what you can to reach your audience. Less competition means less clutter and more time to tell your story. But how – reduced sales means lower profits, you are sure to ask – but please read on.
2. Become a blowfish by forming strategic alliances with similar companies to pool resources for promotion and marketing. Let's say you sell women's shoes to young adults. By partnering with one or more companies that offer similar but non-competitive products – say young women's clothing, accessories, women's dress shoes or even men's and/or athletic shoes – you can pool your marketing and trade show dollars to get your word out for roughly half the cost (or less) as going it alone.
3. If you also look at your market focus – say the United States – and consider potential allies who are strong in other market areas, the potential for finding new strategic partners is even greater.
4. And, this is only the first step. Just consider how many additional potential customers you can reach if you extend the partnership to include other promotional venues as well, such as joint brochures, catalogs – and may I be so bold as to suggest joint sales efforts, where you and your partner(s) also sell each other's products and/or services. I guarantee you that you can get enough extra sales to pay for the extra marketing costs – and a whole lot more!

While this approach, which makes so much sense to me, as a way to forge relationships to fight for survival against true competition, is rarely used in real practice, makes me think that perhaps I am speaking a different language than my readers. If you don't get the concept at first, try stepping outside the box you've put yourself in and expand your horizons.

It's been done and it works. During the 1990's, I reviewed a lot of software packages for national magazines, and for a while I looked at 300 – 400 software packages a year. From my writings, I was also asked to do consulting to help companies improve their products, as did some mergers and acquisitions work, primarily of software used by U.S. accounting firms.

On one such assignment, I represented a large software company who asked me to do due diligence work of a small tax software company I had identified as a potential acquisition candidate. My client wanted to acquire the company for its customer base, not its technology. While my client acquired the small company and I received a nice fee for my services, I had mixed feelings in that the small company's tax software, in my opinion (and I must admit I was considered somewhat of an expert at that time) was superior to that of my client.

In the software business, success or failure was (and is) a matter of who has the most marketing budget and customer base – not who has the superior product. It came to me that if the small tax software company had joined forces with a sound accounting write-up software package and a time and billing package – each of these companies could – like a blowfish – puff themselves up by offering a complete solution to CPA firms and grow each of their sales – and their respective businesses. Too little, too late in this instance – as one more small software company closed, but I knew I was on to something.

In 1996, I identified 18 small to medium software companies that sold, based on my personal published reviews, “best of class” non-competing software – and was successful in convincing 17 of the 18 companies to sign a joint-marketing agreement; then was able to convince a national marketing organization to represent us, and together we created a new force in marketing software to accounting firms and small businesses.

It's even easier today with the growth of the Internet and new communication tools. With today's global business market, if you are still doing it alone – you face a steep, tough climb. If you team up with others with complementary products and/or markets, you can become a pretty impressive blowfish in your own right.

Next issue will be “**Simplify Your Operations**”.

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Sino-Bridge China Consulting can help you identify “strategic partners” in Hong Kong and China and formulate joint-marketing strategies to help you get the most for your marketing dollar. We also practice what we preach: we teamed up with Royal Roots and Chinawise to do a trade show last year in Hong Kong and with Odiceo to hold seminars in France.

Want to know more?

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