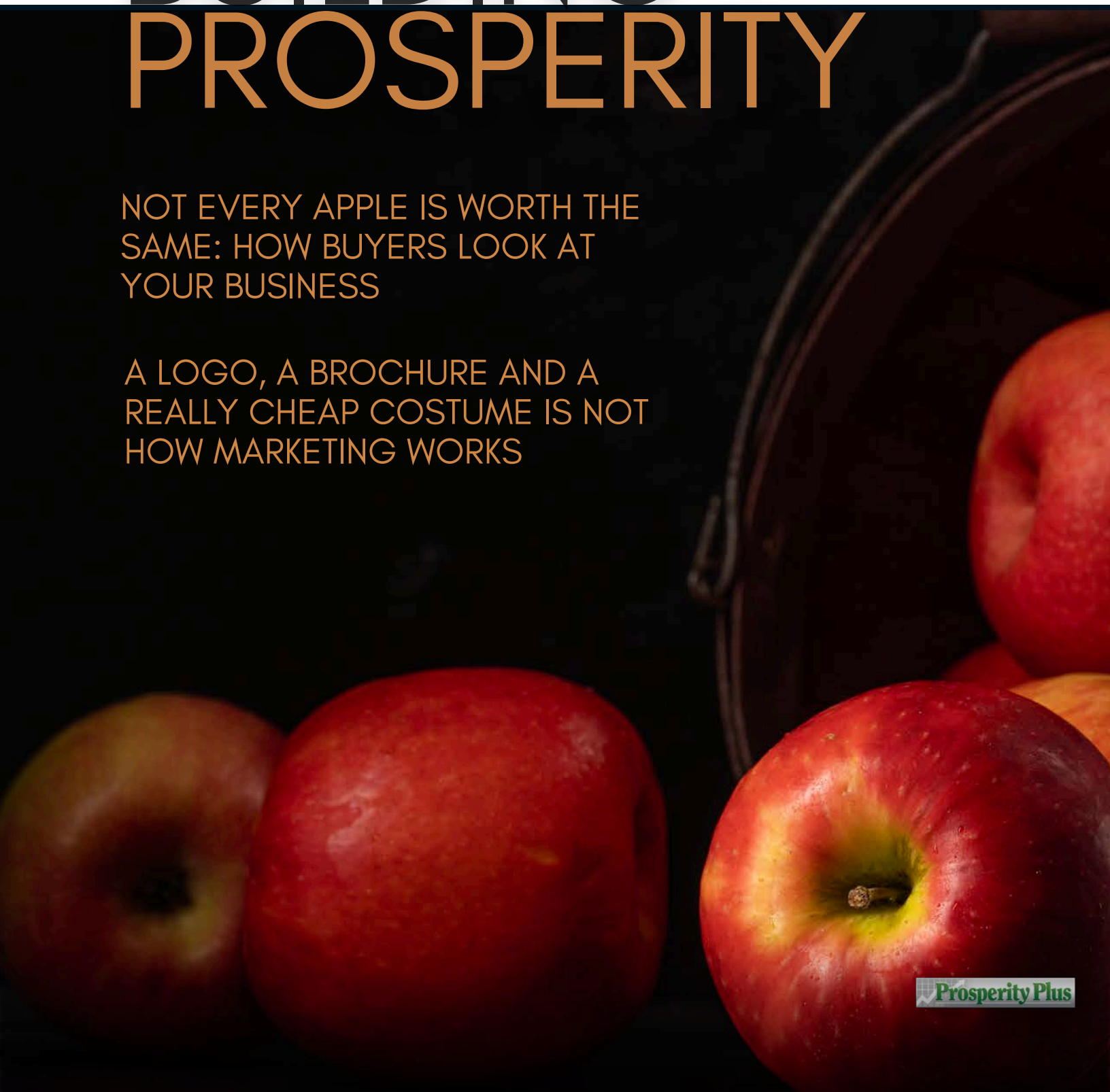


BUILDING PROSPERITY

NOT EVERY APPLE IS WORTH THE
SAME: HOW BUYERS LOOK AT
YOUR BUSINESS

A LOGO, A BROCHURE AND A
REALLY CHEAP COSTUME IS NOT
HOW MARKETING WORKS

A close-up photograph of several red apples in a dark, woven basket. The apples are vibrant red with some yellow-green highlights near the stems. The lighting is dramatic, coming from the side, creating strong highlights and deep shadows. The basket's rim is visible on the right side of the frame.

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HOW BUYERS LOOK AT YOUR BUSINESS....3

When buyers walk into your orchard, what do they see? Imagine walking into an orchard looking for apples. There are hundreds of them hanging from the trees. Some are large. Some are small. Some look perfect from across the field. Others have a few blemishes.

A LOGO, A BROCHURE AND A REALLY CHEAP COSTUME IS NOT HOW MARKETING WORKS.....6

A brand is the perception people have of your company based on everything they experience, hear and believe. Manufacturers build products. You build your dealership's brand, and those are two vastly different jobs.

TARGETS & PRODUCTION.....9

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If one can write good, simple, doable programs on matters important to get done, they can get done.



HOW BUYERS LOOK AT YOUR BUSINESS

by Jim Kahrs

When buyers walk into your orchard, what do they see?

You may not be planning to sell your business for another 10 years. That's exactly why it's worth looking at your business now. Imagine walking into an orchard looking for apples. There are hundreds of them hanging from the trees. Some are large. Some are small. Some look perfect from across the field. Others have a few blemishes.

If you're picking apples for yourself, you might grab whatever looks good. But if you're buying the entire orchard, you look at things differently. You're not just interested in how many apples are hanging on the trees today. You want to know which trees consistently produce. How healthy the orchard is. What kind of care it requires. Whether the operation is dependent on one person. Whether the next harvest looks promising. And you're going to pay closer attention to the apples you're actually picking.



YOUR ORCHARD

Continued from previous page

Business buyers think much the same way when they look at a business systems dealership. They aren't simply looking at revenue. They're looking at the quality of the business behind that revenue.

Buyers Are Looking for the Best Apples

A dealership can look successful on the surface and still leave a buyer with a long list of questions. How diversified is the customer base? How dependent is the business on the owner? How predictable is the recurring revenue? What does the service operation look like? How strong are customer relationships? How much of the business is tied to a particular customer, manufacturer, salesperson or key employee? Are there documented processes? Is there a capable management team? What happens to profitability if the owner stops being involved every day? And perhaps most importantly: How much work is going to be required to keep this business producing after the buyer takes over?

That's the difference between looking at the orchard and actually evaluating the apples. A buyer isn't necessarily looking for the biggest dealership. They're looking for a business whose characteristics make the investment understandable, manageable, attractive and most importantly, a good fit.

You Don't Have to Always Think Like a Seller.

This is where dealership owners sometimes miss an important opportunity. You may be thinking: "I'm not selling anytime soon." Maybe you're 10 years away. Maybe it's 15. Maybe you haven't even decided whether you'll sell at all. That's fine. In fact, having time on your side may be one of your greatest advantages. Because building a more valuable business is very different from trying to make a business look more valuable six months before you want to sell it.

If you discover that too much of your revenue depends on you, you have time to change that. If your management structure needs strengthening, you have time to develop people. If your financial reporting doesn't tell the story a buyer needs to understand, you have time to improve it. If customer concentration is an issue, you have time to diversify. If recurring revenue could be stronger, you have time to build it. If your processes mostly exist inside your head, you have time to get them on paper and in full use. Ten years gives you a lot of time to grow better apples.

Don't Wait Until You're Looking for a Buyer to Start Thinking Like One

The things that make a business attractive to a buyer aren't necessarily things you should do for the buyer. They're things that can make the business better for you while you own it. A dealership that doesn't depend entirely on its owner is usually easier to run. A dealership with strong recurring revenue is easier to manage. A dealership with good processes is easier to scale. A dealership with capable people is less vulnerable when someone leaves. A dealership with clean financial information gives its owner a better understanding of what's really happening inside the business.

Value building isn't just an exit strategy. It's good business. The potential sale is simply one way of measuring whether you've built something another business owner would want to acquire.

Take a Walk Through Your Own Orchard

Here's an interesting exercise. Forget for a moment that you're the owner. Imagine you're a potential buyer who has just been given access to your dealership for the first time. Walk around the business. Look at the customer base. Look at the financials. Look at the employees. Look at recurring revenue. Look at the service department. Look at the sales organization.

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YOUR ORCHARD

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Look at your contracts and agreements. Look at your systems and processes. Assume the viewpoint of an acquirer. Then ask yourself: Which apples would a buyer pick first? And just as importantly: Which apples would they leave on the tree? You may discover that the answers aren't what you expected. That's not necessarily bad news. Actually, it could be some of the most useful information you can get. Because if you find the weaker apples today, you still have time to do something about them. You can prune. You can fertilize. You can plant. You can change how the orchard is managed. And you can give the strongest parts of the business room to grow.

Best Time to Build Value Is Before You Need It

Too many owners think about business value only when a sale of the business is imminent. By then, the clock is running.

A buyer is looking at the business as it exists, and the owner is trying to explain why certain weaknesses aren't really weaknesses or why they won't matter after the sale. That's a much harder conversation than simply having built a stronger business over time.

If you believe you might sell someday, don't wait until "someday" gets close. Start looking at your business now through the eyes of someone who might want to buy it. You don't have to put the business on the market. You don't have to tell anyone you're thinking about selling. You don't even have to decide whether you will sell. You simply need to understand what a potential buyer might see when they walk into your orchard.

Because 10 years from now, you may be ready to sell. And if you start building value today, you'll have spent those 10 years growing the kind of apples buyers are looking for.

Reach Jim Kahrs at jkahrs@prosperityplus.com

STAND OUT IN THE PATCH:

TOP 5 REASONS WHY MARKETING KEEPS YOU FROM BLENDING IN



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brand



A LOGO, A BROCHURE AND A REALLY CHEAP COSTUME IS NOT HOW MARKETING WORKS

by Tim Votapka

MANUFACTURERS BUILD PRODUCTS. YOU BUILD YOUR DEALERSHIP'S BRAND, AND THOSE ARE TWO VASTLY DIFFERENT JOBS.

There's something a little strange about the way many businesses market themselves, especially distributors, dealers and value-added resellers. They work hard to build relationships with customers. They hire the salespeople. They answer the service calls. They solve the problems. They make the recommendations. They manage the accounts. They show up when something goes wrong. They build trust. And yet, when you look at their marketing, you might think the manufacturer is the company doing all of that.

The manufacturer's logo is prominent. Its products are front and center with the supplier terminology throughout the copy. The manufacturer's imagery gets used. Its marketing materials are repurposed. And somewhere along the way, the dealership's own brand becomes little more than a logo and a phone number.

That's worth thinking about, but before that you must really understand what a brand really is. A brand is the perception people have of your company based on everything they experience, hear and believe. Manufacturers build products. You build your dealership's brand, and those are two vastly different jobs.

Manufacturers are incredibly good at what they do. They invest enormous resources into engineering, production, distribution, research and development, product launches and national marketing. They create machines. They develop the software. They build platforms. They establish product specifications. They create the technology you're proud to put in front of your customers.

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YOUR MARKETING

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That's valuable, yet the manufacturer doesn't know your customer the way you do. It doesn't know the person who calls your service department when something isn't working. It doesn't know the local business owner who has trusted you for 15 years. It doesn't know the school administrator trying to solve a problem before Monday morning. It doesn't know the office manager who just inherited a technology headache she didn't ask for two days before her vacation.

You do. That's your territory. And that's where your brand lives.

Think about the last time a customer told someone about your company. They didn't say: "You should use them because they carry a really good multifunction printer." They said something more like: "Those guys take care of us." Or: "Call them. They know what they're doing." Or: "Their service is fantastic." Or: "They came in and figured out what was wrong."

That's brand. It's the collection of experiences, expectations and impressions that surround your company. The product is part of the story. Not the whole story. Part of it.

Two dealerships can sell the same technology and create completely different customer experiences. One becomes a vendor. The other becomes a trusted resource. The equipment didn't make that difference. The companies did.

Don't Put Your Logo on Somebody Else's Story

Here's where dealership marketing often goes wrong. When your marketing relies too heavily on manufacturer messaging, you're borrowing somebody else's voice to tell your story.

You take a manufacturer's product brochure and put your logo at the bottom, add your phone number, change a sentence or two then send it out as your marketing.

That's not really your marketing. That's manufacturer marketing in a cheap costume and your customers can tell because there is nothing particularly you about it. The brochure doesn't tell them why your service team is different. It doesn't tell them what your people know. It doesn't reveal how you approach problems. It doesn't tell a customer what it feels like to work with you. It simply tells them what the manufacturer wants them to know about the product.

There's a place for product information. Absolutely. But product information isn't the same thing as brand communication.

Don't Let Your Manufacturer's Brand Do All The Heavy Lifting

There's nothing wrong with leveraging a strong manufacturer relationship. In fact, you should. Manufacturer partnerships can provide credibility, technology, resources and solutions that help you serve customers better. But there's a difference between leveraging a manufacturer's brand and letting it become your brand. If your website resembles another dealer's website because the same manufacturer language, imagery and product descriptions appear everywhere, you have a branding problem.

If your social media is a stream of manufacturer announcements, you have missed a branding opportunity. If your marketing sounds like everyone else who sells the same equipment, you're making yourself easier to compare. When companies become easier to compare, price can become a much bigger part of the conversation.

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YOUR MARKETING

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Your Competitive Advantage May Be Sitting Right in Front of You

You already have something the manufacturer can't manufacture. Your company. Your people. Your experience. Your customer relationships. Your local knowledge. Your personality. Your perspective. Your stories. Your service philosophy. Your way of solving problems. Your understanding of the businesses you serve. That's the stuff that can make you different in the eyes of your prospects and customers.

And here's the encouraging part: nobody must give you permission to market it. You don't need a new product launch. You don't need a new manufacturer program. You don't need another spec sheet. You don't even need a bigger marketing budget. You need to start telling your own story in your own words.

What your marketing would look like if it didn't follow the cookie cutter format. What if instead of simply saying: "We offer comprehensive managed print solutions." you said something that reflected how you work? Something like: "We don't think you should have to become a printer expert just because you own a business." What if instead of: "We provide industry-leading service." you shared how your service team went beyond for a customer? What if instead of reposting another manufacturer announcement, you shared something your techs have learned after years of seeing what goes wrong in real-world offices?

What if your salespeople's experience became content? What if your customers' experiences became stories? What if your company's point of view became part of your marketing? Suddenly, you're not just another company selling the same category of technology. You're becoming a company people can recognize.

The Product Gets You into the Conversation. The Brand Gives Them a Reason to Stay.

Technology can get attention, but it doesn't necessarily create preference. A product may solve a problem, but the experience surrounding that product determines whether someone wants to work with you again. A manufacturer can give you an impressive product portfolio, but it can't give you a reputation in your market. You earn that. One customer. One interaction. One service call. One solved problem. One recommendation at a time. That's your brand building underway. Whether you're intentionally building it or not.

So, who's building your brand? Your manufacturers will continue building great products. Let them. That's what they're supposed to do. Just don't expect them to build the thing that separates your company from the dozens of other companies selling similar technology. And that's where creativity comes in. Knowing you need to build your brand and finding the time to build it are two different things. You're running the dealership, managing people, serving customers, chasing opportunities and solving problems. In the middle of all that, someone says: "We really need to do some marketing." Then the phone rings. Marketing gets pushed to next week, which becomes next month, which eventually becomes, "We'll get to it when things slow down."

Here's the problem: When you're busy running the business, being too busy may be the first sign you need creative help. Not because you don't have clever ideas. You do. It's because you don't have the time or the distance from day-to-day to turn those ideas into something your market sees, understands and remembers. And if you realize you're too busy building the business to build the brand, then you've finally discovered why you need to get proper creative help.

So, let's get to your story then, shall we?

Tim Votapka, 631.382.7762. tvotapka@prosperityplus.com

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Presented by Jim Kahrs
President, Founder - Prosperity Plus

LIVE WEBCAST - OCT 22 @ 1 PM EASTERN

Having worked with hundreds of dealerships and resellers, we discovered that many do not have a good process for tax planning. The result is often a surprise tax bill in April and not enough cash on hand to cover it. As we enter the fourth quarter, now's a good time to step back and take a look at your plan. When done properly, you should know what your tax bill will be and you should have enough cash set aside to cover it. In this webinar, we will go over a plan that will put you in control of this all important process.

**PRESENTED BY
JIM KAHRS
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TARGETS & PRODUCTION

By L. Ron Hubbard

There is a direct coordination between the clarity and doability of the targets of a program and any increase in statistics.

If one can write good, simple, doable programs on matters important to get done, they can get done. If the program is cloudy or the targets too general, little comes of it. It does not show up in statistics and can even clutter up lines and impede production.

So it is very important to an executive and to staffs that the executive be able to write clean, concise programs and staffs to recognize when they are not and plead for correction.

Strategic planning gets bugged most often because middle management does not put it in target form or if they do, put it in such cloudy or general targets it cannot be done and does not achieve the desired results.

Faults in this can cost – factually – millions in unmade income or actual losses and overwork.

But now today, *another* factor is entering the scene. The world has gone *computer*.

Computers can keep track of things and operate to catch things which, undone, wreck things.

In a very short while, at this writing, computers will exist at management echelons to keep track of statistics, demand programs and keep track of their effectiveness. The computer will be able to detect very early noncompliance both in writing and getting done programs.

Life will be much smoother as debugs will be demanded more quickly and bad targets or line jams or staff overloads will be detected sooner and remedied, resulting in more income, more service and more pay.

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TARGETS & PRODUCTION

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But all this will depend on three things:

1. The existence and soundness of the strategic planning and data evaluation.
2. The clarity with which planning can be programmed.
3. The execution of targets called for at various echelons and staff level. (This depends, to a large measure, on 2 above.)

To a computer, which cannot really think, a target is a target. If not done in the expected time, it will squawk. If still not done, it will demand a debug.

The debug will find

- (a) the organization ordered did not give it to a correct or the right staff member to do.
- (b) had no one there to do it or
- (c) the target was simply neglected at staff level or
- (d) the target was undoable in its existing form.

The right one will be found, action will be taken and the overall scene will advance once more.

So it is very important, whether one is writing major, minor or mini programs, that they be written absolutely on policy from here on out.

It is a miserable thing to be hit with a lot of confused, undoable orders. And dangerous to one at staff level for one can be charged with noncompliance when there was really nothing precise to comply with!

So the ability to coordinate programs and write excellent target-policy targets is vital to the ability of all to work.

And when computers get on the job, electronic sparks will be flying all over the place if target policy is not adhered to carefully and precisely.

So this policy is vital, computers or no computers.

OPERATING TARGETS MUST HEREAFTER BE WRITTEN IN SUCH A WAY THAT THEY ARE FINITE AND NOT A GENERALITY SO THEY ARE PRECISELY DOABLE. Targets like "Keep statistics rising" or "Be nice to Joe" are not doable targets from a computer's viewpoint or anybody else's.

But, computers aside, the one that does the target is NOT a computer and with target clarity can do it far more easily.

The 1,2,3 above are the make-break point of expand or not expand. So heed it.

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BROWSE AWAY

