Overlook

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"Never try to teach a pig to sing," Robert Heinlein famously said. "It wastes your time, and annoys the pig." Since I'm sometimes a slow learner, my friend Tom Gruber reminded me of that often early in my career, and I've offered the same advice to others many times since. I find I still need to take it myself – most often when I'm dealing with a micromanager, or worse.

And there is an "even worse." There's a whole category of micro-dictator I've begun to call the "subatomic manager."

In addition to all the other

frustrating habits that others have described at length, these folk share three organization-destroying characteristics that move them into the rarefied ranks of the subatomic managers.

Trapped Inside the Walls

First, subatomic managers tend to suffer chronically from "four walls myopia," believing that reality is defined by what exists and takes place inside the four walls of their particular organization or enterprise. Few things scare me more.

Consider the CEO who sees herself as a prototype of her particular customers, imputing her values and behaviors to them. What suits her best certainly must suit her customers – and that's a strongly held, un-discussable belief that no one dare question. For her organization, it's a defensive routine. (Chris Argyris,1985)

In fact, no small or medium-sized enterprise has enough power or influence to define reality in its marketplace. Certainly, it can't define reality for its customers. That means these managers lack any context large enough to frame really good decisions.

But subatomic managers don't typically have deep relationships with their customers against which to test their assumptions. Since they see customers as benighted and in dire need of enlightenment, they attach little value to anything they might learn from substantial interaction with them. Dangerous thinking, in two key ways.

The first is obvious: These managers often make decisions affecting customers without having any real sense of how those customers will be affected. The second is worse: Because they're in a position to define reality within the organization, and because an intense focus on the customer isn't being modeled at the top, it's only rarely evident elsewhere in the organization. Where it does show up, it's seldom valued or rewarded, much less celebrated.

I once watched a new service offering fail because of the hubris of a subatomic manager who saw no value in vetting the new offering with a group of key customers – for fear that information about the new offering would reach a competitor. And so untested assumptions became the basis for committing millions of dollars and thousands of hours. To misquote Yogi Berra, customers "stayed away in droves." The initiative lasted barely a year before being quietly and expensively abandoned. The manager's hubris and myopia were never identified as the root cause.

> **"Since an intense focus on the customer isn't important or being modeled, it's only rarely evident elsewhere in the organization. And where a customer focus does show up, it tends not to be valued or rewarded, much less celebrated.**

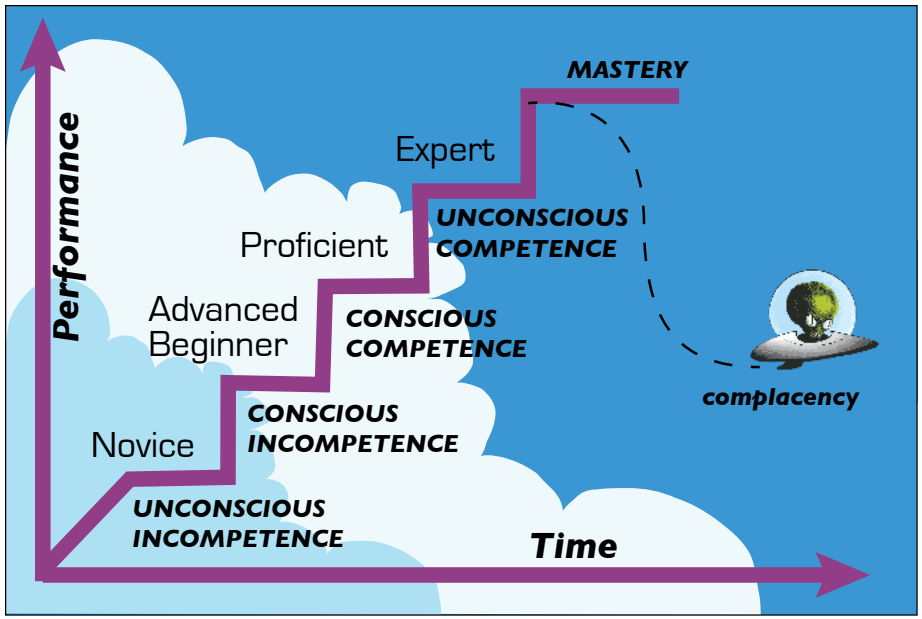
Unteachable

Unable to say " I don't know" and really mean it, subatomic managers are rarely teachable. And lacking the relentless curiosity of effective leaders, they believe they already know so much more and so much better than any subordinate that any surprise

must be an undesirable deviation rather than a first glimpse of something new, important, and valuable.

Effective leaders are lifelong learners – and they're not casual about it, either. I'm not talking about the sort of "learning" that leads merely to another degree or maintenance of a professional certification. Rather, I'm talking about the learning that comes when one is both humble and curious. That learning is what moves us steadily from ignorance to mastery.

Real humility means admitting that we don't know what we don't know, and that we'll never know it all; we need others watching our backs and pointing out our blind spots. It's also an essential component of good listening – and good leaders tend to be exceptionally good listeners. Subatomic managers, on the other hand, are more likely to transmit rather than receive. They listen primarily to catch and correct potential deviations rather than to learn.



Curiosity is critical because it provides the motivation to learn from people who are not like us, to learn from fields other than ours and reapply what's been discovered and tried elsewhere. We can't refine and reapply what we don't know in the first place.

Addicted to the Granular

I'm a big fan of data dashboards. No more than a dozen key indicators are necessary to serve as the "vitals" for an organization. They need to be current, of course, and trends are much more important than any individual data point. But none of those will feed the untreated addiction to granularity that's characteristic of a truly subatomic manager.

These managers tend to be slavish devotees of spreadsheets, believing that the answers will emerge if the data is sliced and diced skillfully enough. Not just unable to see the forest for the trees, they're focused on creating a topographic map of the bark patterns on a single tree rather than on the real threat of the unattended campfire a few feet away.

A deep understanding of what customers value and how they behave doesn't come from a spreadsheet. It requires the investment of time, creating substantial, executive-level relationships with a number of key customers. In contrast to the pristine and polished work of someone working alone, it's messy, inconvenient, and interactive. It's also crucial. Lost in the granular and

PRINT v. DIGITAL – Facts v. Claims

Rigorous and citable research has been in short supply for graphic communications companies trying to make the case for tangible print v. ephemeral digital. So the project conducted by Dr. Robert McGee at Virginia Tech has provided some valuable, balanced and welcome insight into the actual behavior of readers who are interacting across media. The full journal article is available here (http://bit.ly/1sXSLE1) and well worth the price of the download. McGee is a professor in Virginia Tech's Department of Communications.

Here are a handful of his findings:

- Both the type and amount of attention a publication wins differed substantially between print and digital – with print well in the lead.

- Print delivered much higher open rates, free recall of content, and cued recall of content.

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blind to the strategic, subatomic managers don't see that competitive advantage doesn't emerge incrementally and isn't the result of doing endlessly and fractionally better.

Three times I've had the privilege of building and leading a high-performance team of exceptionally bright people. Each time, my task was twofold. First, I needed to define their reality by setting a framework, along with very broadly defined objectives. Second, I needed to run interference for them, providing the essential resources and eliminating as many distractions and hindrances as possible. Inside that space, those teams of people created extraordinary results. Their performance built fast-growing, highly profitable enterprises whose customers were raving fans.

From time to time, I was taken to task for imprecise forecasts – in each case because we outperformed expectations. And my response was always the same: I'd rather be generally correct than precisely wrong. That's impossible for subatomic managers to tolerate; in fact, more than once I've seen them slow progress so that end results aligned exactly with their forecasts. It must have made sense to them, but to me, that's simply nuts.

Be Afraid! Be Very Afraid!

The best strategy for most graphic communications companies is one based on customer intimacy, with a deep and substantial understanding of the customer's organization, needs, and opportunities. In that context, subatomic managers are kryptonite because their primary mode is the antithesis of strategic leadership. They're focused tightly inside the four walls of their own organization, and exceedingly ill at ease outside it. They're ill-equipped to learn continuously and effectively. And they mistake a command of minutiae for a comprehensive understanding of the enterprise in its real context.

Their behavior isn't merely unpleasant, frustrating, and socially inept; it's downright deadly to the organization. And its consequences aren't limited to lousy morale, low engagement, and high turnover. Its effects reach well outside the four walls of the organization itself, affecting customers, competitive position, and the viability of the organization's future.

When leadership roles need to be filled, the obvious choice is often the obsessively hard-working subatomic manager. But no matter how effective they may have been on assignments focused on process improvement or expense reduction, be very wary of allowing one of them to steer the whole ship. The plotted course may be both precise and precisely wrong because their mental maps aren't large enough to show treasure over the horizon or to warn that "Here there be dragons."

Bibliography

Argyris, Chris (1985). Strategy, Change, and Defensive Routines. Boston, Pitman.

- Recall was higher for print regardless of the age of the reader, and that included Millenials.

- Print was preferred 63% of the time v. digital at 26%.

- Print demonstrated an ability to stand out amid the messaging clutter – and that ability was especially evident among younger readers, whose recall performance was highest.

- Print demonstrated much higher "browsing behavior" among readers. That's important because exposure to more content can reinforce brand identity.

We need more rigorous, peer-reviewed research to examine the relationship of medium to persuasive communication and brand development, but Dr. McGee has provided a very useful starting point.

4 DANGEROUS MYTHS: What you think motivates your customers probably doesn't.

Graphic communications salespeople will tell you it's getting harder and harder to plow the field. They'll tell you decision-makers are harder to reach, more difficult to understand, tougher still to influence.

But I've often witnessed a chain of four false assumptions that drive company policy and management actions and, in turn, handcuff the sales force and make their work even more difficult than it is. Once convinced of the need to root out those assumptions and behave differently, my clients find their salespeople becoming more effective, and their revenue and margins improving. The good news is that changing them is almost as easy as identifying them.

1. We believe buying decisions — and especially B2B buying decisions — are made rationally.

That's simply not true. The chief buying motivation in B2B purchases is risk reduction. Period.

While most of us would readily agree, we tend to look only at one side of the coin: risk to the buying organization. Those risks are explicit; in fact, most lists of purchase criteria spell them out clearly to ensure they're addressed. Buying organizations are afraid not to be forthright

about the risks that need to be reduced, contained, or eliminated completely.

It's much harder to identify and address the personal risks driving those involved in the buying decision. But failing to address them substantially reduces the likelihood that your pitch will be successful. Since some of those risks aren't even conscious – let alone admitted or described – they must be observed. Intuition plays a huge role, so firsthand interaction and observation are essential.

The solution? Pay conscious attention to both organizational and personal risks, and expect your customers to behave emotionally rather than rationally. Then plan and execute the contact necessary to identify the risks that drive them.

2. We believe digital and asynchronous interaction with customers is not only sufficient but preferable.

A fundamental misunderstanding of Vistaprint's strategy leads many to believe that direct, face-to-face contact with customers is a useless expense, as is live human interaction by telephone. Email, chat, and instant messaging are often thought to be enough, but the results I observe among my clients don't bear out that assumption.

You can't win a large opportunity, or even a new relationship with a major customer, without understanding that customer's real needs. But that level of understanding can't be developed at arm's length. It has to begin with face-to-face interaction and, once begun, be supported by live, synchronous communication such as phone calls and video conferences.

Trust is the primary answer to a myriad of perceived risks in a buying decision, and it's built fastest through direct interaction between real people. Opportunities and influence are earned when investments are made into the relationship – something that's nearly impossible at a distance or indirectly.

The solution? Earn face-to-face access to a decision-maker as early as possible, and invest in that new relationship before asking for a decision to do business with you.

3. We believe the game isn't rigged.

Although salespeople tend to assume that buying processes are designed to be scrupulously fair to all potential vendors, they're not. Designed to yield the most advantageous outcome for the buying organization, they tilt toward the lowest-risk decision, which inevitably favors the incumbent.

Perceived value balances perceived safety against perceived risk. That's the incumbent's advantage, as well as the reason the lowest-cost offer wins less than half the time. Since most graphic communications purchases are repeat purchases to meet ongoing needs, what stands between your salespeople and success is the incumbent who's already been meeting that need. Unless the buyer comes to perceive the incumbent as the higher-risk option, a new supplier's features and benefits will get much less traction than salespeople and their managers expect. And a purely factual response to the irrational buying motive doesn't help.

I've long teased salespeople that no deal was ever lost for any reason other than a price that was too high, and no deal was every won for any reason other than the exceptional skill of the salesperson. Simply put,

a focus on features, benefits, and price misses much of the motivation driving the selection process.

Almost two-thirds of all buying decisions are made in favor of the incumbent, regardless of the number of other competitors and options available. Yet too many of the salespeople I coach can't identify the entrenched incumbent for the high-value deals they're pursuing. They literally don't know, and are often afraid to ask.

The solution? Identify and study the incumbent in every significant deal you pursue. Understand their business model, so you can position yourself and your firm as much more valuable by comparison. Play the game to win rather than observing a set of rules that aren't real.

4. We believe the best product or service will win.

If buying processes were as rational as B2B suppliers would love to believe, the inevitable outcome of every buying decision would be the choice of the best product or service, measured objectively. That's not how it goes. What wins is the offer considered the "best fit with our needs." For ongoing or mission-critical purchase decisions, "fit" includes how the two organizations will interact and work together. And that means your customer's buying decisions are made with a clear view not just of "what they get" but "how they get it."

A client recently reported losing a significant opportunity at the last minute. The customer's feedback was telling: "... I wanted to let you know we finally committed to a printer this week. You were our second choice despite your pricing being a little higher than several others. In checking with some of your current customers, though everyone I spoke with was happy with the quality of the work, scheduling, distribution, etc., customer service did not receive the same praise. That ultimately made the decision for us." My client was almost chosen despite higher pricing – and was edged out because "how they get it" was more important than "what they get."

The experience you deliver to your customers affects referrals, new business development, and retention. Yet it's typically a distant afterthought when investments, budgets, staffing, and technology are under consideration – at least until a wake-up call like this one.

The solution? Work to understand clearly how the customer defines a good "fit" with a supplier organization. Pay particular attention to "how they get it," avoiding a myopic focus on products, service, features, benefits, and "advantages." Ask customers directly: "What does a 'best fit' look like? What's important to you?"

Acting from a Strategy, not a Mythology

For most graphic communications companies, the best opportunity relies on a "best solution / best relationship" strategy. To implement that strategy effectively, though, these pernicious myths have to be consciously expelled from your thinking and behavior, and that of your salespeople. If you do, you can expect a substantial improvement in your win and retention rates, as well as customer attachment.

Why you can't afford your salespeople

Graphic communications companies fail – but seldom because they can't make and deliver a good product and service. Most often, it's because they can't sell enough at prices high enough to sustain themselves.

It's not a technology problem, a production problem, or a distribution problem. It's a selling problem: You can't afford your salespeople, and they can't afford to work for what you can pay them.

The popular diagnosis is that legacy salespeople have outlived their usefulness because buying processes, customer preferences, and the value of the core service have all changed. But blaming those changes for the decline in effective selling misses the point. The root cause is a mismatch in scale between the opportunities being pursued and the resources applied to pursue them.

With declines in both demand and pricing, the average annual print spend from most of your customers has fallen sharply. But the larger problem is the product of those two factors: the drop in the customer's lifetime value. That reduced value means it's too expensive to win the next customer by competing for individual projects one at a time. If nothing changes, companies and direct salespeople will starve in tandem.

Clearly, something needs to change, and it probably isn't "the usual suspects": your compensation plan, CRM system, territory structure, sales meeting frequency, or training program.

Fortunately, there are paths to resolve this destructive mismatch. Each one can realign the effort invested to the value won. But each also involves significant change to the legacy print sales model in which individual projects are sold by a direct salesperson, one at a time.

Scaling Up

When the value of individual projects is declining but the customer's overall print spend remains strong, scaling up means capturing more of the total spent by that customer – often through an annual or multi-year agreement in which the supplier assumes responsibility

for all the customer's graphic communications needs. Unfortunately, it's rarely the customer who thinks to suggest such a relationship. It's usually proposed by a larger firm, and often at the expense of a smaller local supplier.

But any supplier who's already meeting one-third of an important customer's volume needs can offer a print or communications management agreement and get that proposal taken seriously. And those agreements offer a great deal of value to both parties. For the customer, the buying process is simplified and made less expensive as transaction costs go down. For the supplier, a single sale yields much more revenue and over a longer period of time, leveraging the selling effort for the benefit of the salesperson, the company and the customer.

Scaling Down

When the size and complexity of transactions drop, simplifying the customer interaction often works. But neither forced automation ("You will use our web-to-print portal, and you will like it.") nor Field of Dreams naiveté ("If we build a web-to-print portal, we'll get lots of local orders because people are always looking for local suppliers, and we deliver fast and free.") is very effective. Customers resist the rigidity and complexity of the former, and they don't value the locality of the latter. So the portals get much less traffic than was expected. The anticipated savings from forcing customers into an automated workflow don't materialize – and neither does the wave of new customers the latter was expected to attract.

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Automation tends to work much better when the service offering is tailored to a specific customer segment, and the offering makes compelling sense to those customers. Baldwin Press in Napa, CA, is a great case example.

Their website is anything but typical for a commercial printer. And make no mistake, they are printers and proud of it. But instead of seeing products intended to be useful to the widest possible range of customers, you'll find a product and service offering valuable only to vintners and winemakers. Yes, there's a web-to-print portal with do-it-yourself templates for print products. But all those products are focused on a single type of customer.

The site is replete with endorsements from raving fans of the company. But most telling is the company's mission: "We have a single purpose and goal – TO DRIVE YOUR WINE SALES." That's compelling, clear, and engaging to their chosen customer segment. And it says nothing whatever about ink on paper. The key to their success was defining a space narrow enough to lead, while large enough to thrive within.

Scaling Wide

Scaling wide is the Vistaprint model: much less about a successful web-to-print implementation than it is about platform and customer. Their product range is much narrower than other, less-focused web-to-print-only companies. And a good deal of it is non-print. But for a micro business looking for marketing resources, Vistaprint is tough to beat.

To succeed, Vistaprint identified an under-served and under-valued market segment: customers too small to be important to local, commercial printers. Rather than treating them as unimportant, the company made the needs of small entrepreneurs important enough to meet well. They built an understanding of the needs of micro businesses, and then built a business model around that understanding, offering 10X the value of local commercial printers. Their customers' needs and desires drove the creation of remarkable workflows and systems, the web portal being merely the simplest and most visible piece, and the easiest to replicate.

A decade later, by serving those customers very well with a limited range of product formats, Vistaprint has easily met the 10X value

challenge by offering an easy way to cut 90% of the expense from business cards and other marketing materials used by micro businesses. It continues to dominate its space while making competition from local printers largely irrelevant and exceeding a billion dollars in annual revenue – nearly all of which comes from micro businesses.

Scaling Deep

Graphic communications isn't an end in itself; instead, it's a means to another end. And when graphic communications companies understand what their customers are trying to accomplish, opportunities open to create much more value and much stronger customer relationships. But there's a rub. Business literacy and acumen are essential to any strategy based on a deep understanding of the customer's business – and too often, the only person within a small graphic communications firm with any significant business literacy is the owner.

Early in my career, I sold prepress services to advertising agencies, drawing on my deep understanding of print processes, color reproduction, and color theory. It gave me some leverage, but it was limited, and fairly easy for my competitors to match. What proved much more powerful was developing a deep understanding of the agency business model: how agencies pitched, won, and retained their clients. I intentionally cultivated relationships with my agency customers' account services staff, without neglecting the production and creative folk. Ultimately, I was invited to be involved in developing pitches and campaigns because I could help ensure that what was proposed could be effectively executed – in print. Because I understood the "why," I was able to speak to the "what" and get taken seriously.

A deep understanding of your customers' businesses can reduce the number of customers your company needs to serve. And that's a good thing. As your range of services expands, your transaction costs can drop. Like scaling up, this leads directly to managing all of the customer's print needs. But it goes still farther. Anything the customer doesn't absolutely need to do in-house – literally any non-core activity necessary for the organization to meet its communications goals – is fair game for you to propose and manage. And your demonstrated understanding of their business supplies the credibility that gets those proposals taken seriously. Their assurance that you understand them well is much more powerful than subject matter expertise in print production, digital communication, or distribution.

Pick a Direction

While each of these four options aligns the scale of the opportunity with the scale of the selling effort, only the Vistaprint globalization model eliminates personal selling. In the other three, the scale of the opportunity warrants greater investment in business literacy and selling acumen beyond what's been typical of most graphic communications salespeople. The investment is larger but less frequent; the reward is fewer, larger, and more profitable relationships.

Endless reworking of territories, compensation plans, CRM systems, and one-off training workshops hasn't yielded anything close to the hoped-for results. Neither has indiscriminate churning of the people in a sales organization, hoping for the next "rainmaker." Aligning the scale of resources with the scale of opportunity is a contrarian approach because it tampers with the legacy direct-selling model. It requires new sales processes, new tools, new knowledge, and new skills. But it works. And everyone wins.

SELL THE GAME-CHANGING DEAL$

You don't have time for anything else

Incremental improvement is a dead end. Even continuous incremental improvement is a dead end. And that's because the pace of change isn't incremental any more. Unless you can grow revenue fast enough to outpace the industry-wide decline, the only question is how long before you go under. That makes larger-scale wins vital.

The tried-and-true approach of sneaking up on enterprise-level relationships – earning them over time by starting with small, low-risk projects and building up slowly – just doesn't work any more. Try it these days and you'll hit two key problems.

1. No one has the time to let you start small. A salesperson's time is too expensive to invest in small, incremental, slow growth; no longer is he given two years or more to demonstrate the ability to win significant new customer relationships. A salesperson counting on that kind of time to prove herself will be dismissed by the time she starts to get traction.

2. You can't create enterprise-level relationships without access to a high-level decision-maker – and rarely will you find a low-level buyer in "procurement" or "sourcing" willing or able to connect you with someone higher. Without a win big enough to outweigh the perceived career risk, what motivation does he have to move you up?

Moreover, decision-makers typically want to interact with those they consider peers; they aren't much interested in being introduced to "the salesperson from Lethargic Lithograph." That's why starting much lower in the customer's organization can be a death sentence: the salesperson never escapes the cubbyhole into which he was slotted early on.

Tacking away from the tried and true

So – regardless of the market, the specific service or the sort of enterprise – what are the essentials necessary to create a brand-new, enterprise-level customer relationship?

First, you need to establish enough credibility to be taken seriously when you make the overture. "Thought Leadership" is an over-used, ill-defined term, but it's useful in this context. Unless and until your organization has a voice that matters and is heard, your sales force is trying to travel an unplowed road.

To successfully establish that voice, the audience must be small enough that the message is relevant, your voice consistent and substantial enough that it's worth attention, and your messages relevant enough to have earned a hearing by speaking to your customers' real needs and opportunities. You've really no choice but to build a brand that's meaningful to your high-value potential customers.

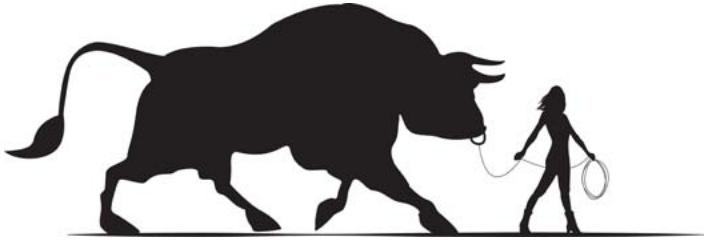
Second, you have to do the homework necessary to set your offering apart, in a fashion that's meaningful and valuable to your customers. This isn't about features and benefits; it's not even about comparative advantages. Rather, it's about finding game-changing opportunities for them. The difference needs to be material to their organizations: much better, much faster, much less expensive – ideally, a 10X jump in the value they perceive. And that means digging deeply enough and understanding each organization thoroughly enough to deliver a gain that's impossible to undervalue. Creating that sort of value is one of the few ways to challenge the status quo, by effectively questioning the value created by an entrenched incumbent.

Finally, you have to start one-to-one and face-to-face. That means earning access to the necessary decision-maker and working that relationship directly. Legacy salespeople get antsy at this point. Many of them have no idea what sort of conversation they'd have with a ranking decision-maker, often at the C-level.

Some business literacy is vital. So is gathering the right information. But if you're standing on the foundation of a company with credibility in the customer's space, speaking from an understanding of his enterprise, and offering a material (if not game-changing) improvement, the decision-maker will be compelled to pay some real attention – and to agree to that first face-to-face meeting. A far different process from the tried-and-true, but very doable, and very effective.

It doesn't work all the time; nothing does. But it works much more often than not – with dramatically better results than starting small and getting stuck at the bottom with no path to the top. A strengthening brand and a rigorous and repeatable business development process are essential. The good news is that this doesn't take years to develop and execute effectively.

So what's going to deliver substantial new wins for your enterprise during the next twelve months?



Overlook

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