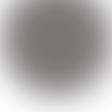


Sind Sie präsent auf  
dem 9. Internationalen  
Marken-Kolloquium?  
Letzte Plätze jetzt sichern!

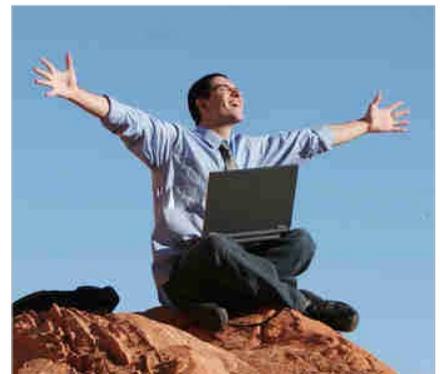


MANDAT  GR  WTH LETTER®

Growth Focus: Presence

# CEO-Tip *of the Month*

by Guido Quelle



I don't need to be a fortuneteller to guess that your calendar is full of any number of important dates. Nor do I need a crystal ball to tell me you don't always succeed in living up to your own standards for dealing with every topic in sufficient depth.

Tasks that involve mental work can literally be done anytime; thanks to electronic media we can contact anyone at any time, and those tasks that take less time than we expected leave holes in our schedules that are rapidly filled by new ones.

And that's exactly the snag. Your goal shouldn't be to do as much as possible, as quickly as possible; instead it should be to schedule those appointments that allow you to be confident (or at least more confident) that your growth strategy will succeed. But in order for this to bear fruit you have to be "present," which not only calls for your physical presence, but also your mental clarity and attention.

Here are four tips on how you can increase your presence and with it your effectiveness:

## 1. Go to the source

Too many topics are uselessly discussed in the boardroom. If there are production problems that are holding you back, go to the machine to clear up the problem. If Development isn't making any headway, go to the developers to talk about the bottlenecks. If Logistics can't handle the upcoming transition, go to the warehouse, to the pickers and packers, to shipping and receiving. If Sales is having trouble with a sea of customer complaints, take a day or two to visit the sales region in question. You'll see

that your presence will help to find solutions. The important thing is not that you find the solution, but that your employees do, and that the whole company learns something for the future on the basis of the solution.

## 2. Don't hesitate to cancel appointments

As CEO, you can't afford to attend appointments that do you no good. Send a replacement, cancel or at the very least, try to get the best out of the appointment, e.g. by changing the location. If you do attend, make sure you're not distracted and can completely concentrate on the matter at hand.

## 3. No guilty conscience

A guilty conscience is never a good adviser. If gaps open up in your calendar, count yourself lucky and enjoy. Don't define your effectiveness in terms of how full your calendar is. And don't have a guilty conscience just because for once you have an hour to just collect your thoughts in peace and quiet; it's vital to the success of your company.

## 4. Define the results of a meeting beforehand

What results do you hope to achieve with a given meeting? Do the participants know? Communicate the results you expect in advance so the participants can prepare accordingly. During the meeting itself, focus solely on those results. A lack of focus will get you nowhere. Far too many meetings have an agenda, but no goals. The agenda is input; goals are output.

Could we add more points to this list? Of course. But the CEO Tip of the month is meant to be compact!

# Strategy & Leadership

by Guido Quelle



Understanding your customers – a topic that never goes out of style, since we know that those companies closest to their customers are the ones that excel. Understanding them is decisive for growth, because companies that are closer to their customers get noticed and can also more quickly learn what matters most to their customers – which means they no longer have to rely on the vague hunches of market researchers or the flowery fables produced by Sales.

Whereas in the past maintaining close ties primarily meant physical presence, it has long seen become necessary to include virtual presence; whether we like it or not is a secondary consideration at best.

The following five aspects offer you guidance on how you can improve the ties to your customers – both conventionally and “virtually.” They discuss factors that crop up time and time again in our consulting work with clients who aren’t satisfied with the status quo and want to spur new growth:

## 1. Optimizing the number of branch offices (outlets, stores, ...)

Needless to say, the number of branch offices is especially important in commerce. In wholesale the profitability of your products in combination with the performance you have agreed to deliver determines the market

radius. Conversely, if the product profitability and promised performance are given, the growth objective – here e.g. a profitable market share – determines the number of branch offices. Some wholesalers would be better advised to “count backwards” – i.e., to start with their growth objective – and then determine what investments are necessary in which locations, instead of seeking to optimize their status while still trapped in the “prison” of their current number of branch offices. When was the last time you gave any thought to the structure of your branch offices?

In retail the number of stores is important for their image on the one hand, and for fending off competitors on the other. It’s often wise to open a new store in a certain location if you know one of your rivals will fill the void if you don’t. Since in this case consumers actually come to the store, the key question here is:

What kind of sales territory can we reasonably expect from the brand and the specific store? For franchises there is a further requirement: The partners must have the freedom to work profitably if the system is to succeed. In rapidly growing franchise systems, there are often frictions between the franchisees and the head office when the growth of the latter comes at the expense of individual stores’ profitability. Have you got the right network of stores? What makes you so sure?

## 2. Ensuring the performance of your branch offices (outlets, stores, ...)

When it comes to wholesale, by performance we above all mean supply performance. In particular, how good are your procurement and supply processes? How good is the store at delivering your standard range of products? Very often it's the performance of a single store that decides whether a customer buys your product or not. The price quickly becomes secondary, even when it comes to C parts, if the store is capable of solving the problem at hand. What do you promise to deliver and how profitably can you live up to that promise?

A number of factors are decisive in retail: the appeal of the product range, which reflects your connection to your customers; the availability of said product range; and also the appeal of the store layout. One of our client companies recently presented a new store layout for its brands that represents a major leap to a far more modern design. Ensuring that changes like this are a success means anticipating your customers' preferences and expectations, and combining them with a design conducive to sales: a balancing act. How appealing is your store layout?

## 3. Making virtual connections

Of course we see more and more that our clients are also working to polish their virtual images. In this regard, not only are the range of services offered and how they're presented important, but also user-friendliness and above all fast response times. Customers who contact a company over the Internet need fast answers. Online stores have to run smoothly, Twitter and Facebook requests have to be answered immediately, and orders need to be shipped out right away.

According to our observations, a great deal of potential is still squandered here. Any company with a virtual presence should know that responding to questions within a day is far too slow. Not only should reaction times be based on the speed of your computers, it should always be real human beings who answer your customers' questions. FAQs can be helpful, but using virtual stores, Facebook pages and Twitter doesn't mean there should be less person-to-person communication, only that it takes on an additional dimension. How do you make sure your company also delivers solid performance in the virtual world? And how do you know how you need to perform?

## 4. Recognizing actual needs

How well do your Sales, Marketing and Product Development departments know your customers? Are you surprised when, time and time again, Sales claims to know exactly what your customers want, but in reality does nothing but pass on the wish lists of individual customers? Does your Marketing put out signals that never manage to reach your customers? Does your Product Development keep pumping out new products, but unfortunately they're only based on faulty information from Marketing or Sales and not on observable customer needs?

Recognizing actual needs calls for an intensive dialogue with your target group. It's not enough to calculate shopping frequencies or to concentrate on the makeup of the average cash register receipt in retail business; nor is it enough to simply concentrate on what your customers want in B2B. Since your customers may not even know what they actually need, there is considerable potential for value creation to be found between the two poles "what customers want" and "what customers need."

Putting thought and money into an intelligent dialogue with your target group is an investment that almost always pays off. How do you know what your target group really needs?

## 5. Becoming customers' company of choice

People are more likely to buy from you – regardless of whether we're talking about B2C or B2B – if your business has already established itself as their company of choice, i.e., already has positive connotations for them. Ideally the company as a whole – or its brands – is / are associated with this positive image. While it's certainly true that not every company wants to or is capable of becoming the company of choice in its field, maintaining a leading position with regard to at least a few attributes is indispensable if you don't want your company to be tossed around on the market's stormy seas.

Where do you want to become customers' company of choice? Where do you really want to shine? Where should other companies orient themselves on what you do? Claim a field for yourself and watch the connection to your customers grow.

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