

## Thinking Beyond Plan A

**PROBLEM:** Jonathan Thorne, founder of Silverglide Surgical Technologies in Boulder, Colo., had developed what he thought was a blockbuster product. He was so sure the reusable, nonstick surgical probe would be ideal for the delicate work of plastic surgery that he launched the device in five sizes. But he managed to generate only a dismal \$5,577 in the first seven months of sales calls and trade shows. When Thorne took a careful look at his target customers, he realized the probe was a tool that most surgeons hadn't used before, and changing their behavior was no easy task. What's more, few distributors wanted to bother with his limited and reusable product line. It was time to think about Plan B.



**SOLUTION:** Before Thorne made any drastic changes, he reached out to his customers. He learned that sticking is also a problem with forceps. Unlike probes, forceps are used in nearly every electrosurgical procedure across a wide range of specialties, including neurosurgery, where sticking is a serious concern. Thorne moved from probes to forceps, from plastic surgeons to neurosurgeons, and on to a wider range of nonstick surgical instruments.

The nonstick forceps were able to garner premium pricing, and with the range of sizes required, the money generated from each sale was attractive. Suddenly, distributors had reason to energetically sell the Silverglide line. With sales growing, even at sharply higher pricing, Silverglide's cash flow soon turned positive. Four years later, Thorne sold the business for nearly 15 times revenue. Thorne's openness to a better Plan B — and then an even better Plan C — provided the traction his company needed.

— John Mullins and Randy Komisar, coauthors of *Getting to Plan B: Breaking Through to a Better Business Model*

## Sold on Strategic Sales

**PROBLEM:** Even though Cecile Rothschild's business, *Create & Associates*, was doing well and she had a steady stream of prospective clients, the work was not always the best match for her design firm. Her lack of a sales and strategic planning background, she felt, was putting her Armonk, N.Y.-based company at a disadvantage. "I've been successful for 15 years with word of mouth," she says. "But especially in a bad economy, I had to look at what I could do better in terms of sales and strategy." Rothschild recognized that she needed a plan. "I needed to learn how to think long term and how to present my company."

**SOLUTION:** A friend introduced Rothschild to Jenine Lepera Izzi, founder of *salesSPECTRUM*, a New York-based company that provides customized sales training and consulting services. "The fact that she was teaching a sales course at NYU gave me confidence," Rothschild says. Using salesSpectrum's comprehensive training program called "The Right to Sell," Izzi worked with Rothschild on business development skills as well as marketing techniques. "We analyzed step by step what needs to be done," Rothschild says. "We put together a sales plan that has attainable goals — it really helped me think about what would be good accounts."

Initially, Rothschild was surprised at how accessible she found the concepts: "I had no sales training or background, but the training was eye-opening and not difficult to follow." She reports that learning how to do strategic sales planning was worth the time and effort. "Things are looking good," she says. "I'm keeping very busy, and the steps we established are helping. I've gained a lot of confidence. I was intimidated by the whole idea of sales training, but now I'm convinced this project is in my best interests."

— Karen English

### BUSINESS DEVELOPMENT

## 2 Common Causes of Business Failure

When businesses fail, it's usually not for lack of hard work but because of some error on the part of the owner. Here are the two most common causes of business failure, according to Sam Allman, CEO of *Allman Consulting and Training Inc.*, and ideas for avoiding them:

1. Copying your competitors. The best you can hope for when trying to imitate a competitor is to look just like they do. Even when you succeed, you lose — and price becomes the only difference. You keep pricing yourself into lower margins,

and inevitably you invite business suicide. Solution: Don't sell price. Always sell value. When you sell value, expect to lose some shoppers (perhaps 20 percent). But don't lament the loss. Price-shoppers incur costs, not profits. You can sell value when customers find your offering is both distinctive and valuable.

2. Settling for mere satisfaction from customers. "Satisfied" customers don't come back nearly as often as loyal customers. Your surveys may report a high percentage of satisfied customers, but

you can't expect them all to buy again, or to recommend you to friends. Customers who are merely satisfied can be seduced by a lower price or a new product. Far more important are loyal customers. They won't walk away to save a nickel. Solution: Work to build your customers' loyalty. Ask them what they like about your business. If it's your packages, products, or prices, they can be lured by competitors. If it's your service or your people, they're more likely to resist competitors' bait.