

# Simple Steps for Starting Your Business

## Session 4: Marketing Your Business part 2

## Instructor



## Kathleen Donohue

- Independent consultant, trainer and Coach –  
**Schoolhouse Consulting & Training**
- Formerly a project manager, practice manager, consultant, PMO manager



**Schoolhouse**  
Consulting & Training

*Fostering Wisdom*

# Student Webpage

SESSION 4: Marketing Your Business  
SESSION 3: Marketing Plan pt 2

## Simple Steps for Starting Your Business Student Webpage

<http://www.score.org/startyourbusiness>

Includes links to handouts, workshop materials, and additional resources.

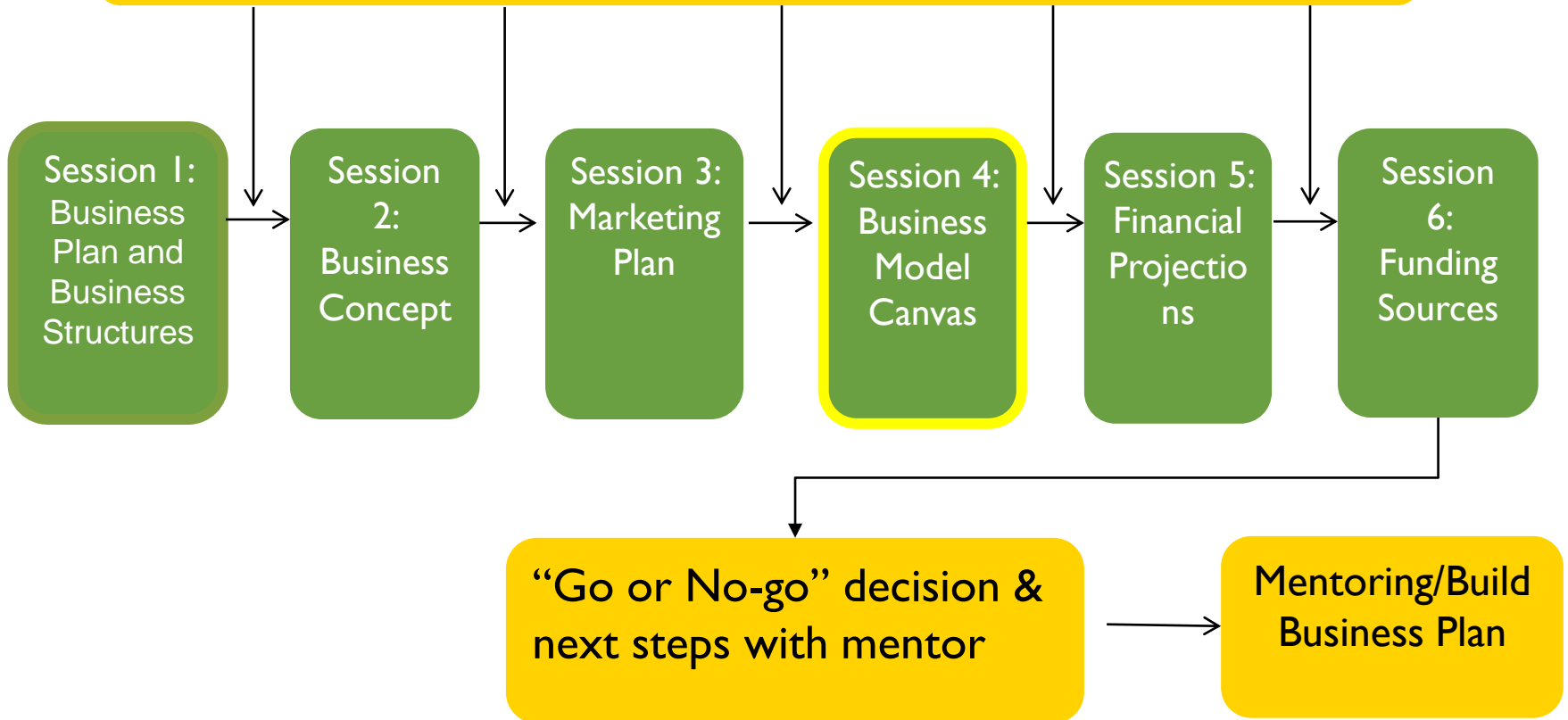
Our class slack page is

[https://join.slack.com/t/scoresstsybjan2020/shared\\_invite/zt-k0tu1xdj-p\\_E2hhpf4zu2i\\_qcsqYzw](https://join.slack.com/t/scoresstsybjan2020/shared_invite/zt-k0tu1xdj-p_E2hhpf4zu2i_qcsqYzw)

# Process Roadmap

SESSION 4: Marketing Your Business  
Part 2

## One-on-One Mentoring



# Objectives



- Identify your customers and specify their needs (your target market)
- Identify your product and service proposal using the Business Model Canvas
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# The Business Model Canvas

SESSION 4: Marketing Your Business  
Part 2

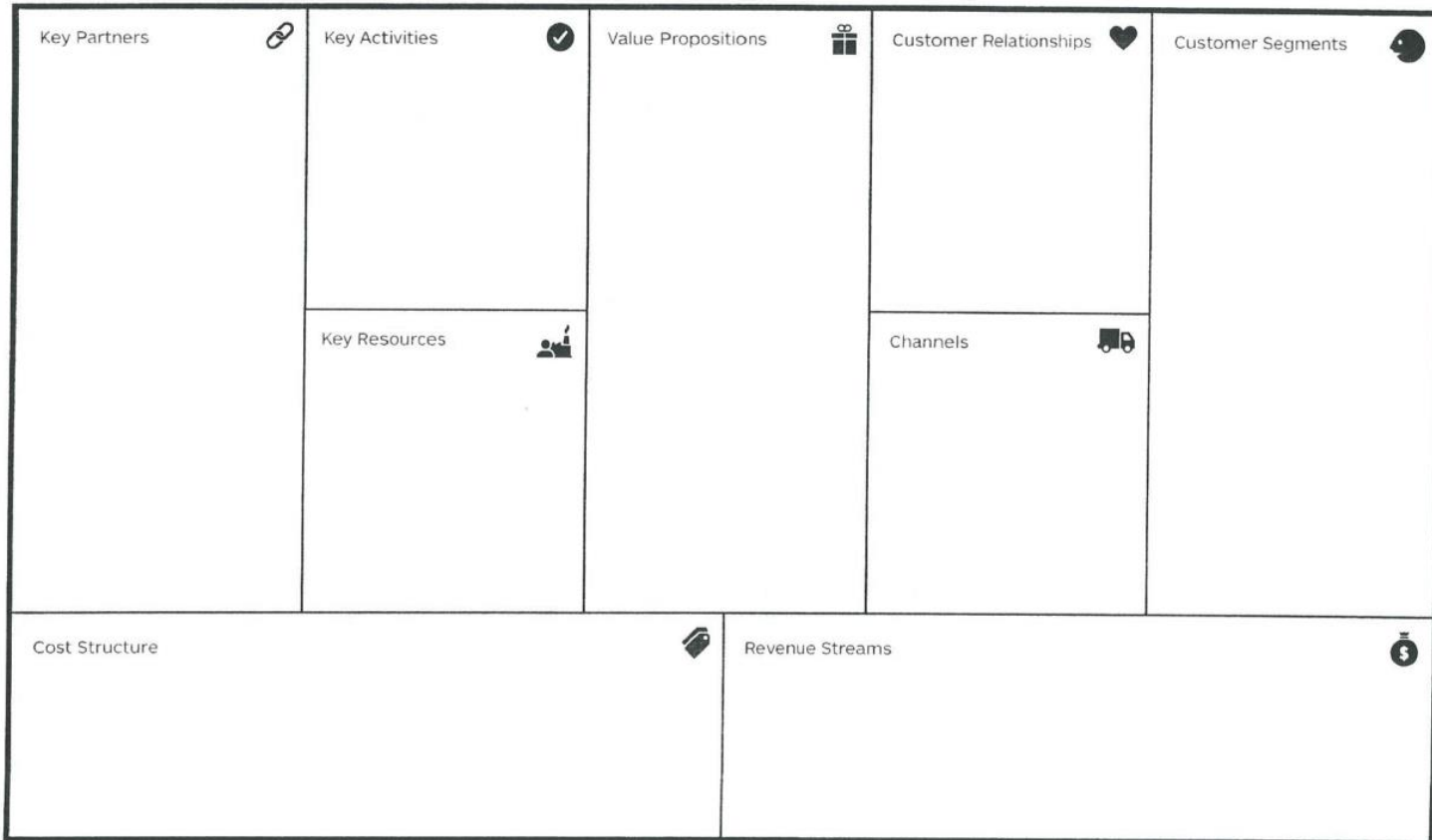
## The Business Model Canvas

Designed for:

Designed by:

Date:

Version:



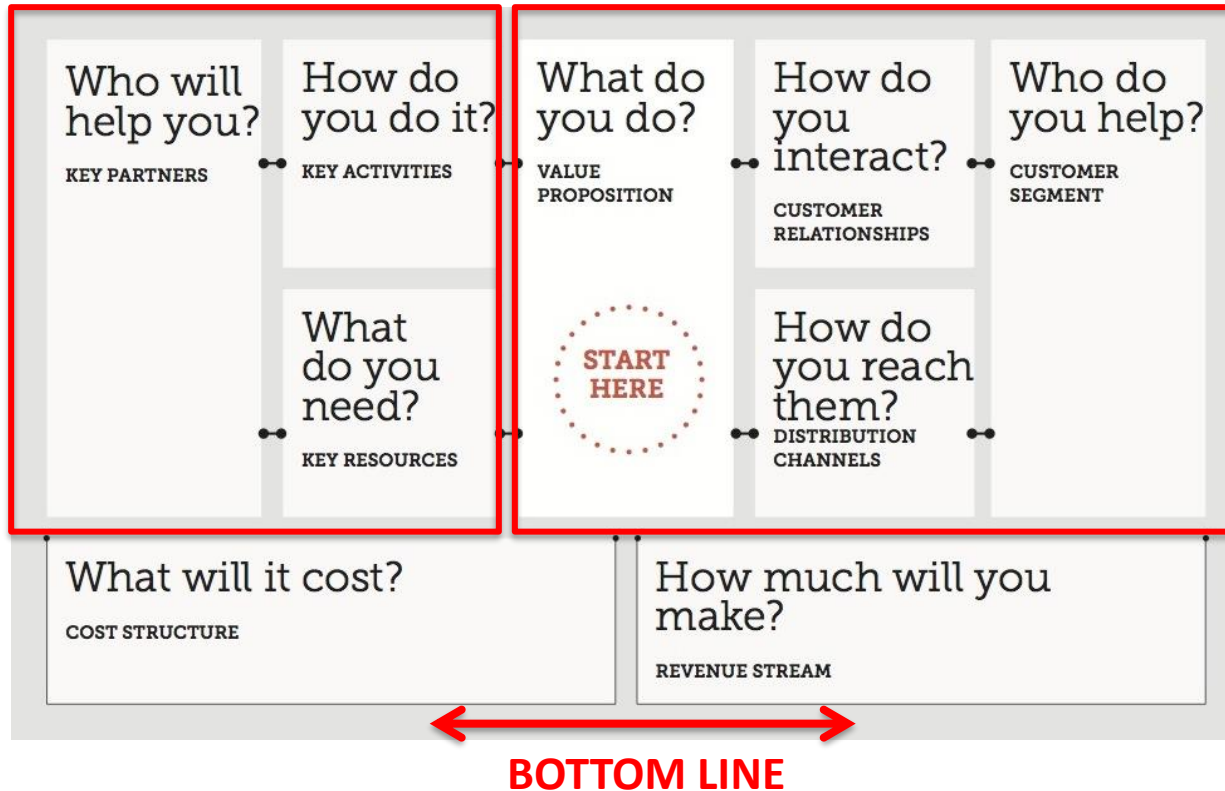

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# Business Model Canvas

HOW



WHAT

# The Business Model Canvas

## The Business Model Canvas

<b>Key Partners</b> Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?		<b>Key Activities</b> What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?		<b>Value Propositions</b> What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?	<b>Customer Relationships</b> What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?		<b>Customer Segments</b> For whom are we creating value? Who are our most important customers? What is our customer archetype? What is a day-in-the-life of our customer archetype?
		<b>Key Resources</b> What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?			<b>Channels</b> Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?		
<b>Cost Structure</b> What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?				<b>Revenue Streams</b> For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?			

[www.businessmodelgeneration.com](http://www.businessmodelgeneration.com)

# Value Propositions

- Refer back to your business concept
  - What value do you deliver?
  - What problem do you solve?
  - What needs are you satisfying?
  - What products do you offer each segment?

as	<p><b>Value Propositions</b></p> <p>What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?</p>	<p><b>Customer</b></p> <p>What type each of our expect us maintain w Which one establishe How are th rest of our How costly</p>
do our require? nnels? ine?	<div style="border: 2px solid red; padding: 5px; display: inline-block;"> <p>What do you do?</p> </div>	<p><b>Channel:</b></p> <p>Through wh Customer S want to be r How are we How are our</p>

# Customer Segments

- Refer back to your business concept
  - What value do you deliver?
  - What problem do you solve?
  - What needs are you satisfying?
  - What products do you offer each segment?

Relationships	<b>Customer Segments</b>
Whom does Segments and	For whom are we creating value? Who are our most important customers? What is our customer archetype? What is a day-in-the-life of our customer archetype?
Identified with the model?	
Who do our	<b>Who do you help?</b>

# Customer Relations

- What type of relationships will you have with customers?
  - Personal
  - Self-service
  - Automated
  - Community

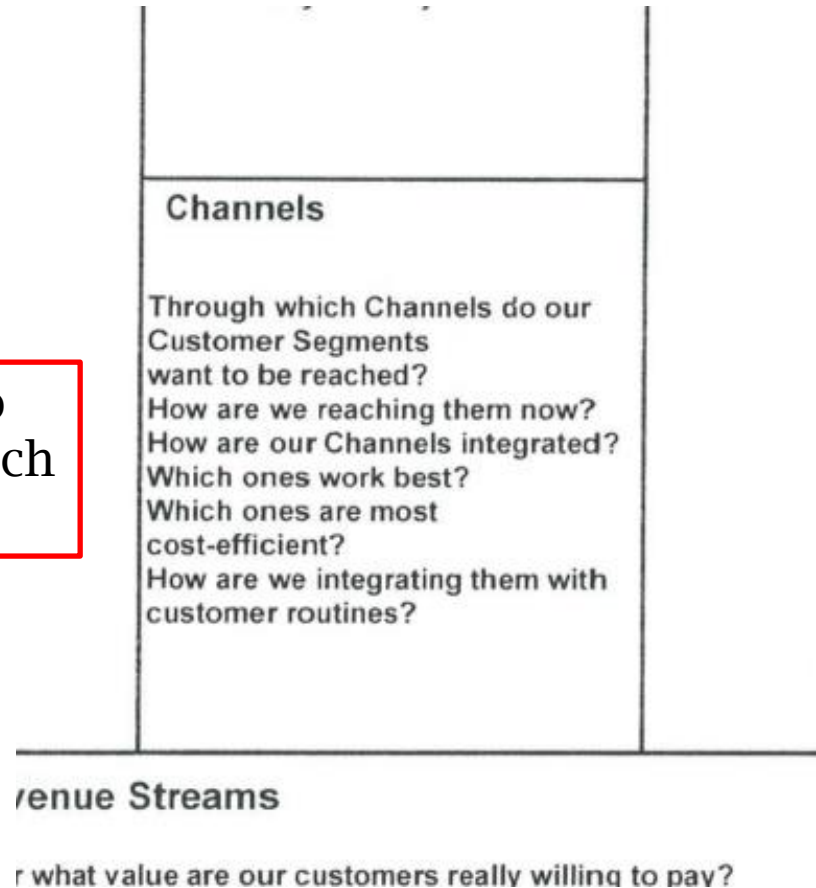
Customer Segments	Customer Relationships	Customer Channels
What customer segments are we serving? What products and services are we offering? What are their needs?	What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?  Through which Channels do our Customer Segments want to be reached? How are we reaching them now?	For whom are we providing value? Who are our most important customer segments? What is a customer's lifetime value?

How do you interact?

# Channels

- How will you reach your customers:
  - Direct sales
  - Indirect sales
  - Internet
  - Etc
- How are you reaching them?

How do you reach them?



# Revenue Streams

- How will you generate your revenue?
- How will you price your services?

How much will you make?

	customer routines?	
	<b>Revenue Streams</b> For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?	

# Key Activities

- What activities does your business require?
  - Production
  - Problem solving
  - Platform/network

	Key Activities	Value I
What are	What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships?	What va the cust Which o custome helping What bu and serv to each Which c we satis
do	Revenue streams?	

How do you do it?

# Key Resources

- What resources do you need?
  - Physical
  - Intellectual
  - Human
  - Financial

What do you need?

## Key Resources

What Key Resources do our Value Propositions require?  
Our Distribution Channels?  
Customer Relationships?  
Revenue Streams?

# Key Partnerships

- Who are your key partners/suppliers?
  - Optimization, economy of scale
  - Reducing risk
  - Acquisition of resources

What do you need?

<p><b>Key Partners</b></p> <p>Who are our Key Partners?</p> <p>Who are our key suppliers?</p> <p>Which Key Resources are we acquiring from partners?</p> <p>Which Key Activities do partners perform?</p>	<p>Ke</p> <p>Wh</p> <p>our</p> <p>req</p> <p>Ou</p> <p>Chi</p> <p>Cu:</p> <p>Rel</p> <p>Rev</p>
	<p>Key</p> <p>Wh</p> <p>Val</p> <p>Our</p>

# Cost Structure

- What are the important costs for your business?
  - Fixed costs
  - Variable costs
  - Economies of scale

What will it cost?

Cost Structure	Revenue
What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?	For For How How How

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# Exercise: The Business Model Canvas

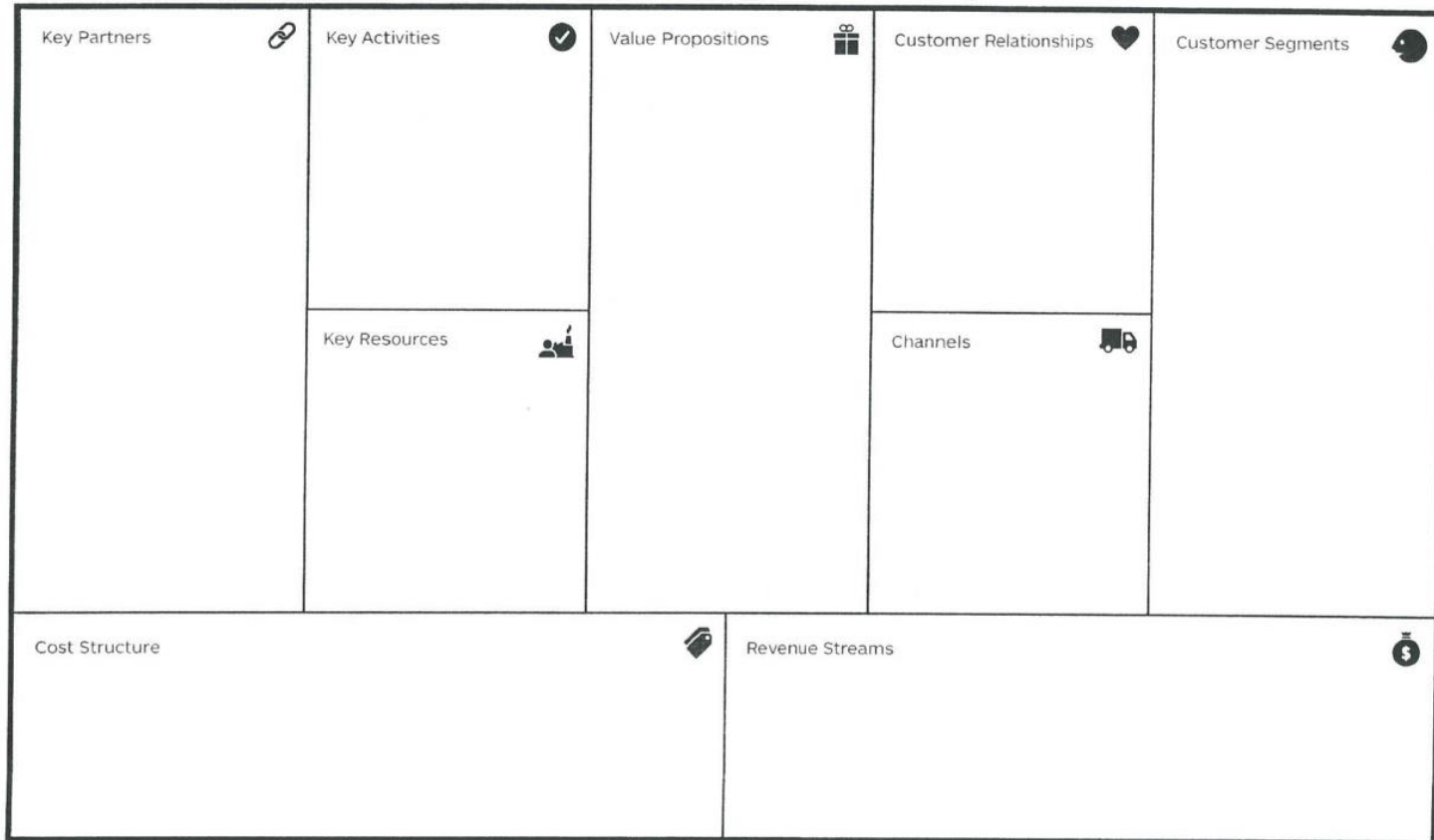
## The Business Model Canvas

Designed for:

Designed by:

Date:

Version:




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# Identifying Target Markets

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## Who will you sell to?

- Channel position
- Profile
  - Key demographics
  - Income level
  - Gender
  - Geographic
- Buying habits and behavior
- Market size and realistic penetration: growing or declining



# Target Market Comparison and Selection

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Part 2



- Fills target customer needs
- More profitable  
(considers cost and price)
- More sales
- Minimum channel conflict
- Favorable competitive environment
- Fits my vision and skills

# Target Markets Worksheet

## Ann's Nursery

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Part 2

Target Markets	Local Nursery	Distant Nursery	Local Gardener	Internet Gardener
Channel Position	producer/ retailer 30/70	produce/ retailer 30/70	consumer	retailer/ consumer
Key Demographics	\$1-30M sales; broad product	\$1-30M sales; broad product	high end	high end, experience
Buying Habits	trust of product; personal connection	trust of product; pricing	local rep; available; pricing	reputation; delivery
Market Size and Share	200 x \$50k share 5%	4000 x\$50k share 1/10%	\$500k share 5%	2M x \$100 share 1/5%

# Comparison for Selection Ann's Nursery

Target Markets	Local Nursery	Distant Nursery	Local Gardener	Internet Gardener
Need	+	+	+	+
Profit	++	0	+	+
Sales	+++	++	-	+
Channel Conflict	+	+	-	0
Competition	0	-	-	0
Fits Me	++	0	-	+

# Group Exercise:

## Target Markets



- General description
  - Target markets
  - Channel position
  - Demographics
  - Buying habits
- Key needs vs. your products/ services
- Cost vs. profit
- Sales size and estimate of your potential market penetration

# Your Marketing Message

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Part 2



## Concise message about your products or services that:

- Fulfills target customer needs
  - Quality
  - Price
  - Availability
  - Dependability (etc.)
- Clearly identifies unique/key features
- Can be consistently communicated in all marketing material and media

# Marketing Message Example

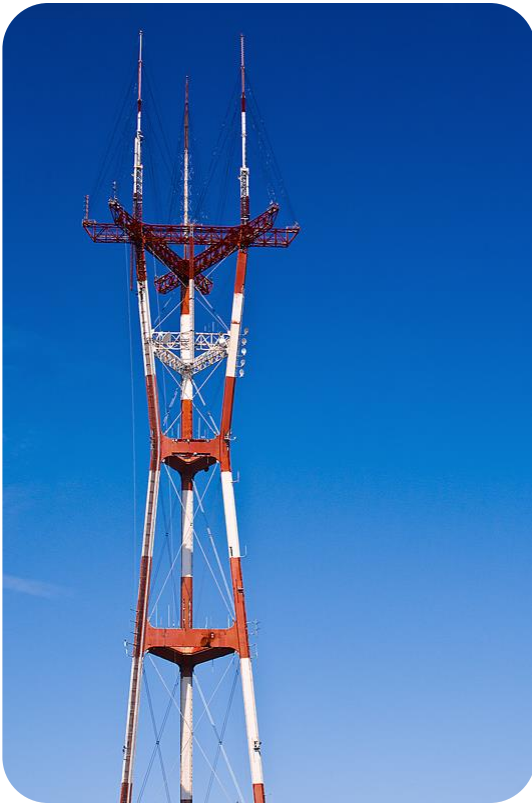
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Ann's Nursery (*business*) offers to discerning growers and gardeners (*target customers*) high quality ornamental trees, shrubs and vines (*products*) backed by well known horticulturalist, Dr. Ann Murphy, a one year money back “guarantee to grow” and extended plant care documentation (*unique features*).

# Marketing Communication Methods & Tools

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- Advertising: radio, TV, newspaper, magazine, direct mail, yellow pages
- Public Relations: print, radio, TV
- Collateral: business cards, tri-folds, stationery, flyers
- Internet (websites, e-mail, search engine marketing, social media marketing, content marketing)
- Product samples, special offers
- Presentation material, signage
- Customer surveys

# Popular Social Media Technology

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**Facebook** 955 million users

## Social Networking

- > Connect with more than 955 million potential customers
- > Choose your audience by location, age, and interests
- > Test simple image and text-based ads and use what works



## Google Places

### Business Finder

- > Be found by your customers
- > Stand out by engaging customers with photos, offers, and public responses
- > Get insight on your listing to make smarter business decisions



**Twitter** 225 million users

## Microblogging

- > Connect with customers and quickly share information
- > Gather market intelligence & insights
- > Build relationships with people that care about your company



**YouTube** 2 billion daily views

## Online Video Community

- > Promote your content
- > Share promotional videos and customer testimonials
- > Target audience by keyword



**LinkedIn** 147 million users

## Social Networking

- > Target your audience by age, gender, seniority, geography, or job function
- > Pay per click or by impressions
- > Stop your ads at any time



**Blogs** 160 million internet blogs

## Online Conversation

- > Word of mouth
- > Communicate promptly
- > Obtain feedback on products, service, trends, and industry

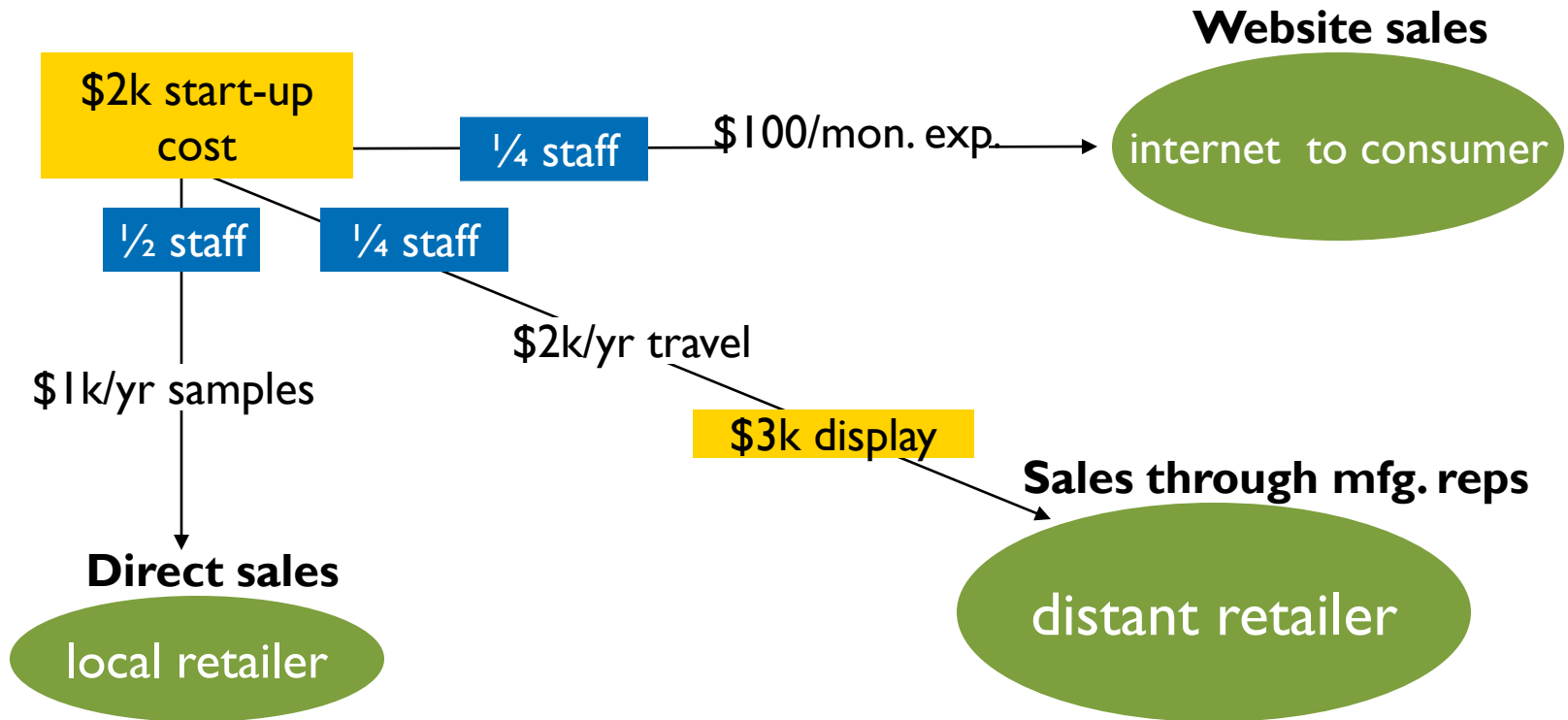
# Marketing Methods by Business Channel Type

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- Business to Business (B2B) for a product: **Xerox**
- Business to Business (B2B) for a service: **eFax**
- Business to Consumer (B2C) for a product: **Nike**
- Business to Consumer (B2C) for a service: **Merry Maids**
- Internet Sales: **Amazon.com**



# Ann's Nursery Marketing Strategies



## Ann's Nursery Marketing Expenses Strategy Chart

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	Local Retailer	Distant Retailer	Internet to Customer
One Time Expenses	\$1000 for samples	\$3000 for displays	\$2000 for web page
Monthly/ Annual Expenses		\$2000 year for travel	\$100 per month for web hosting
Labor Cost	0.5 staff person	0.25 staff person	0.25 staff person

## Group Exercise : Marketing Strategy Chart



- Identify different target customers by channel
- Add estimates by channel for:
  - one time expenses
  - monthly/annual expenses
  - staff time expended
- Pick a partner and share your strategy

*Time: 10 minutes*

# Marketing Strategy Outline

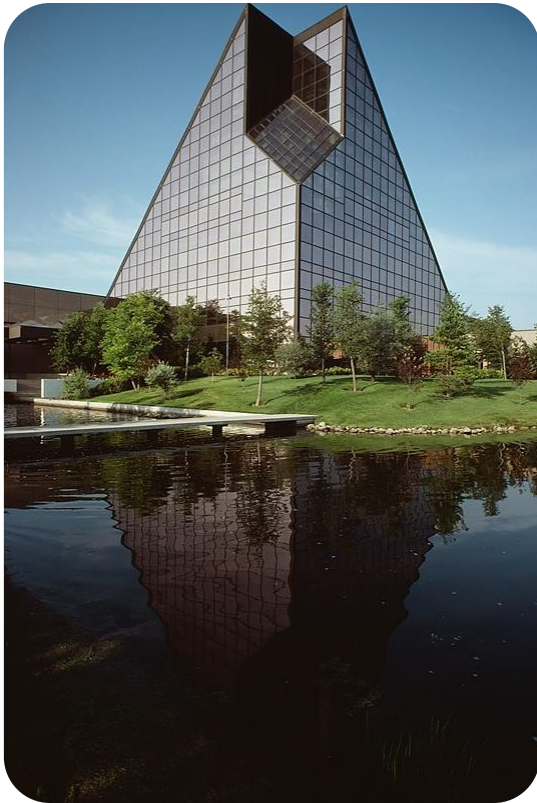
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- Marketing message
- Channel choice/sales approach (direct sale, internet, etc.)
- Methods used and related cost:
  - One time costs (sales booth, web design)
  - Periodic expenses (advertising, reprints)
  - Staff marketing approaches and time
  - Other promotional activity

# Business Structure

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- Legal entity
- Management, personnel structure and operations
- Insurance requirements
- Other risks

# Thinking About Sales

Asking someone to buy what is being offered

- **Marketing gets customers to the door, Sales brings in the money!**
- Effective sales requires attention, common sense and creative thinking
- Prepare for sale cycle based on Marketing Plan
- Know your company's strengths and weaknesses
- Know your competitor's strengths and weaknesses
- Never be satisfied with "Status Quo"

# Keeping Your Customers (and getting new ones)

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When you have a new prospect...

- Provide a WOW! Experience
- Entice them to stay in touch
  - Social networks, email, mobile, events, direct mail
- Engage people
  - Discussion, promotions, event, poll/survey, sharing information
- Engagement = social visibility = new prospects!

Source: “Engagement Marketing: How Small Business Wins in a Socially Connected World”  
by Gail F. Goodman



## Ann's Nursery Handout

- Business Concept
- Product and Service Offering
- Pricing Strategy
- Competitive Comparison
- Target Markets
- Marketing Strategies to Reach Target Customers
- Business Structure

# Review

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- Competition
- Product and services description
- Pricing strategy
- Target markets and channels
- Marketing strategies to reach customers
- Marketing message
- Business Structure
- Sales Basics
- Homework

# Simple Steps for Starting Your Business

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SESSION 3: Marketing Plan pt 2

## Learn More...

- ✓ Session 1 → Startup Basics Jan. 11
- ✓ Session 2 → Business Concept Jan. 25
- ✓ Session 3 → Marketing Plan Feb. 8
- ✓ Session 4 → Business Model Canvass Feb 22
- Session 5 → Financial Projections Mar. 8
- Session 6 → Funding Sources & Next Steps Mar. 22

# Homework

1. Download the Financial Projections Template from the SCORE site:  
<http://www.score.org/startyourbusiness>
2. Fill in the Comparison for Selection of Target Markets worksheet (from your handout)
3. Bring a calculator

See you at the next session on Financial Projections.

# Help Us, Help You

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Please complete our workshop survey:



# Please complete the form on Slack.