



# Successful Times

Growing Your Business Together

## Work on Your Business ... Not in It

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

- Leonard was making a good income but was a prisoner in his own business
- By working on your business not in it you can recapture the quality of life
- “The E-Myth” by Michael Gerber, a book worth reading
- One of the all-time great source of leads on page 2

**M**ichael Gerber has written one of the most influential books we have read “The E-Myth Revisited”. No, this book has nothing to do with the web or internet. The book focuses on the fact that the majority of small to medium sized businesses have principals that work far too much in their business rather than on it.

Here is a true story with the names changed to protect the guilty. ABC is a reseller who represents MAS 90, Great Plains, and TakeStock®. It is made up of one proud owner, Leonard, 4 full time consultants, 1 systems engineer, 2 programmers, and a receptionist. Leonard started the businesses 5 years ago because he worked for an accounting firm as a consultant that sold and implemented Peachtree and MAS90. The practice discontinued accounting software implementations as a line of business so Leonard decided to start his own VAR practice. With his entrepreneurial juices flowing, he decided to go for it. Leonard placed ads in the yellow pages, exhibited at trade shows, solicited accounting firms, and received leads from the publishers he represented. With a smile on his face, Leonard’s business started to grow.

One year later, Leonard was really excited. He was billing 40 hours per week. He worked from home with very low overhead and was actually successful. As his business grew, Leonard moved into an office and hired his first two employees.

Three years later, Leonard was not so excited. He hired and fired several employees because clients were used to a level of service and attention that only Leonard as a business owner was willing to offer. Leonard was still billing 40 hours per week, but now all aspects of a functioning business had him working 65 to 75 hours a week.

Leonard was responsible for the billing, accounting, hiring, firing, company benefits, insurance, making his employees feel loved and of course, he had to generate sales and proposals.

His relationship with his wife was strained. Even though Leonard earned \$125,000 a year, she was not willing to accept spending so little time with him. Last year his marriage ended in divorce.

Today Leonard’s business is generating a little over \$2 million a year in revenue and he earns \$150,000. He hates the business and feels like he is in prison. He would love to sell it and get out but since the business totally revolves around him, it has little value.

What Leonard did not understand was how to build a business that could stand on its own. He did not understand how to work on his business and not in it.

This scenario is extreme but it is true and not uncommon. The solution is to learn how to transform your business and your state of mind. Your business can **never** grow beyond a certain size if you

execute the day-to-day tasks yourself. You might make a great income, but you sacrifice your quality of life. After all, nobody ever wrote on his or her tombstone, “I wish I had worked more hours.”

Gerber teaches us how to manage, hire and document your processes so that you could literally take significant time off while having a well functioning business. He suggests treating your business like a franchise. Something that can be documented and replicated. He discusses how to remove “you” from the day-to-day hands on, and how to plan, hire and execute a growth strategy. If you follow the methods, you should end up with a business that you enjoy building, can work as few or many hours as you wish, and that has considerable value. This is a book worth reading.



## Hiring Methodology for Sales Professionals

Continued from Successful Times Issue 4

As the interview process continues, we explore a variety of areas with our candidate. One of my favorite questions is to have the interviewee explain in detail how they spend their typical workweek. One area I am specifically searching for is lead generation. If it does not come out in the course of conversation I will ask where their prospects come from. I explore in detail their beliefs about whose responsibility it is to generate leads and opportunities. If they accept, full accountability to generate their own leads than they qualify for my sales team.

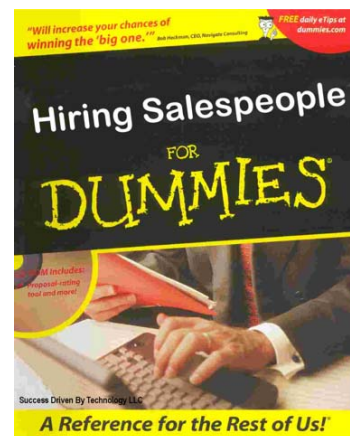
Many sales people have the mindset that it is marketing's job to hand them leads not theirs. In today's marginal economy a VAR cannot afford to employ salespeople with that attitude. Although I am a strong believer in marketing and lead generation programs, there is no substitute for a salesperson controlling their own income by making things happen for themselves.

Prospects purchase a solution from a VAR for several important reasons. One critical reason is domain expertise. A salesperson does not need to be an expert in a specific software product. They

do however need to understand business processes, the pains and problems of a given industry, and how their solution can ease the pain. As Percy Whiting stated in his book The Five Great Rules of Selling, "Understanding how your product solves the customer's pain and communicating it effectively is the number one skill of top performing salespeople". Your sales candidate must have a thorough knowledge of the industry and business processes or the probability of success is very low.

When I hire salespeople, I want winners with a proven record of accomplishment. One good indicator is prior earnings. I therefore require each candidate to demonstrate their prior two years of earnings by showing me their W-2. I look for minimum earnings of \$125,000, where at least half is based upon commission.

I believe in several interviews, getting to know the candidate, and understanding how well they will fit into the culture of the organization. Hiring the wrong person is expensive and painful. Using some of the advice in the last few issues of Successful Times should help improve your odds for success.



Hiring effective salespeople requires time, effort, patience, and a good methodology

## Marketing and Lead Generation

Continued from Successful Times Issue 4

Telemarketing represents one of the all-time best methods of lead generation. Now this is a bold statement but used correctly, no other single source of lead generation is as effective as telemarketing.

There are three telemarketing alternatives. The first is building your own in-house telemarketing team. Second, is outsourcing to a professional telemarketing firm. Third, is purchasing leads from a database or lead generation service such as CPA Online, Wendover™, or others. We consider this a source of telemarketing since these services use telemarketing as a major source of their lead generation activities.

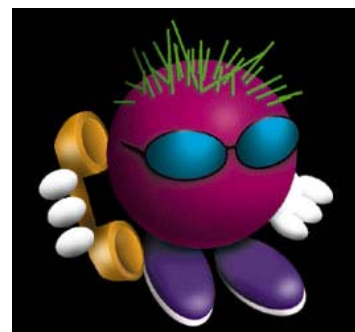
Talk to any of your business peers about telemarketing and you hear mixed reviews. Some love it but most feel it produces marginal to poor results. Personally, I am on the love it team. The difference between good and marginal results lies in the planning, hiring, and execution of a well-designed plan. Creating a telemarketing

team with a well-designed plan is an extremely powerful weapon in the war on lead generation.

Although the three options discussed above are not mutually exclusive, our first choice is building an in-house telemarketing team. Assuming budget is not an obstacle we would combine this with a subscription to one or two on-line lead generation services. This one-two punch is highly scalable and should provide a significant number of leads for your sales team.

Our third choice in telemarketing is the outsourced model. We prefer a telemarketing service that puts their profit where their mouth is. They charge a low hourly rate to cover the cost of operations and make their money by getting a small percentage of the sale after the business is closed. Partners take risks together and this model causes a mutually symbiotic relationship because success is based upon a partnership.

The January Issue continues our discussion on how to build a telemarketing team.



## Business Positioning Workshop

### Position Your Business to Win—Guaranteed

SDbT is offering a comprehensive 3-day Position Your Business Workshop in Red Bank, New Jersey on February 24, 25, and 26. This hands-on workshop is a rigorous 3 days designed to help you find and deliver a clear and concise business-positioning message, differentiate yourself from the competition, and propel your sales.

The cost of the workshop is \$1,500 and is limited to 18 attendees. The workshop is backed by our unconditional money-back guarantee.



#### Workshop Topics include:

- Why is business positioning vitally important and how can it improve your odds of winning sales
- SWOT Analysis ... Analyzing your companies Strengths, Weaknesses, Opportunities, and Threats and use it to create a compelling message
- How to create a tangible message that your employees, customers, vendors, and prospects can understand and believe

For more information and a seminar registration form email us at [info@sdbt.com](mailto:info@sdbt.com).

## SDbT Telemarketing Arrives

Telemarketing as a vehicle for lead generation requires a combination of ingredients to achieve success. First, it requires people with a special skill set. People that can spend endless hours on the phone, gather valuable information, and accept lots of rejection. It requires making telemarketing fun and rewarding because this is a job few people want to tackle.

Next, telemarketers need an interactive dialogue with just the right message that gets them to the right people, asking the right questions, and extracting the right information.

On January 15, 2003, the SDbT telemarketing team is ready to rock and roll. The group directed by Ms. Jamie Rambo is a talented and hard working team player with more than 10 years of experience in this specialized field. As Jamie's last name, "Rambo", implies she is relentless, devoted, and gets the job done.

SDbT has a variety of programs and services we bring to the table. We can perform outsourced telemarketing or help you interview, set-up, and manage your own in-house telemarketing team.

A well-designed telemarketing program is one of the top choices in lead generation. Give us a call to explore how it can benefit your organization.



## Ask the Experts and Win an SDbT Golf Shirt

Our new "Ask the Experts" section answers questions submitted by our readers. Ask any question on sales, marketing, project delivery, compensation, or business operations. If we use your question, we will send you our SDbT golf shirt as a thank you.

Send your questions to [experts@sdbt.com](mailto:experts@sdbt.com).

#### Question:

David M. Gerber of Gerber Associates in Australia asks:

Members of our organization constantly debate who should deliver product demonstrations sales people or technical people. What are your thoughts?

#### Answer:

Sales people are hunters and killers. They must focus on finding and closing new business opportunities. They need to maximize their face-to-face time in front of prospects and customers. With this, said, sales people do not have the time to become product experts. They have to understand business pains, problems, and processes and how the product benefits the prospect. They should be able to perform a short wet-your-appetite demo but I would not expect them or want them doing full-blown demonstrations.

Your brightest and most enthusiastic product expert with good listening and communication skills should perform your demonstrations.



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### Topics in the January issue:

- *Exploring Vertical versus Horizontal Markets*
- *Delivery Team Utilization*
- *Building a Telemarketing Team ... continued*
- *Positioning Your Business ... continued*
- *Ask the Experts*

Your thoughts, comments, and articles for publication are welcome. Submit them to [skralstein@sdbt.com](mailto:skralstein@sdbt.com).



## Who is Success Driven By Technology?

**S**uccess Driven By Technology, LLC (SDbT) focuses on helping Resellers and VARs grow their business. In fact we are so confident that we can make a dramatic contribution to your practice that we back it up with a no questions asked **money-back guarantee**.

Principals, Sheldon Kralstein and Mark Chinsky have 30+ years of experience and a stellar track record in the industry. Both Sheldon and Mark have built practices from the ground floor up, successfully sold their business, and were part of the national management teams of the Aston Group and ePartners respectively. They are dynamic individuals with the knowledge and skill set to help your business be more successful. Our areas of expertise include:

- Marketing
- Business Positioning
- Lead Generation
- Sales Team Development
- Sales Methodology that works
- Sales Training
- Sales Prospecting

- Effective Product Demos
- Compensation and Hiring
- Pricing
- Software Deployment
- Project Management
- Delivery Methodology
- Business Analysis and how to get paid for it
- Business Development
- Mergers and Acquisitions

Success in today's economy requires solid business practices coupled with creativity, innovation, and methodologies that drive business success. SDbT can analyze your current practice and help you implement proven strategies and methods that are guaranteed to work. We welcome the opportunity to speak with you about your business operation to explore how a relationship with SDbT can benefit your organization.