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Taking an entrepreneurial attitude towards your marketing.

See yourself as the next Richard Branson? **Rob Hartnett** explains how to start thinking as an entrepreneur.

It is important to understand entrepreneurs are not born, they are made. Many of them become this way through modelling themselves on others and, most importantly, committing to learning how to be an entrepreneur.

Well-known Australian restaurateur and businessman Maurizio Terzini once said in an interview that he was torn between “opening another small, intimate restaurant or continuing on the world of an entrepreneur”. It’s a choice one makes. Once the choice is made, however, change can occur quicker if you know where to make the changes.

To start thinking and acting like an entrepreneur you need to consider the key elements to behavioural change:

- language
- physiology, and
- beliefs.

Let me explain them in further detail.

LANGUAGE

Entrepreneurs use the language of positive expectation. They believe they cannot lose. Don’t confuse this expectation of success with arrogance. It is not. They use positive words and see everything as moving forward. They use words of encouragement. They use words that empower them and inspire others. They are charismatic and communicate well with others. Donald Trump is a great example of this.

PHYSIOLOGY

Entrepreneurs have a certain physiology about them. Next time you watch an interview with an entrepreneur such as Dick Smith, Sir

Richard Branson (Virgin), Janine Allis (Boost Juice), Mark Burnett (*Survivor*) or John Ilhan (Crazy John’s), notice the way they talk, sit and walk. You will notice them smiling, leaning forward and talking quickly when it comes to describing their latest passion and business idea. They are excited and driven because they have already visualised their success in their mind and just want to get on with it.

BELIEFS

Entrepreneurs have a strong belief in their own ability to win. They are willing to give things a go. They are risk-takers, but they are not irresponsible. They may fail, and almost all have failed at some stage in their endeavours, but they don’t equate failing a task with failure as a person. Too often business owners think small. If only they would think big, then so much more would be possible.

This attitude is a key difference I have found between entrepreneurial business builders and self-employed business owners. This difference has been identified by Wendy Coombe, the chief executive officer of Business Advisory Services, who once said in an interview: “Fifty percent of business success is attitude and 50 percent is the right strategy. Businesspeople think about growing a business. The self-employed work to meet living expenses.”

In larger organisations I have dealt with, professional marketers do not feel they have any impact on sales and this impacts on their attitude toward risk taking and innovation. One large organisation I know changed the culture between sales and marketing by having the marketing team’s remuneration linked to the

performance of the sales team. If you ever wanted to see alignment of belief systems between sales and marketing change overnight then this might be the strategy for your business!

ENTREPRENEURIAL MARKETING SYSTEM

Successful businesses all have one thing in common – systems. To know whether your business has foolproof systems for its operations, I ask the following question: “Could you leave your business in the hands of teenagers and have it run profitably?”

Boost Juice, McDonald’s, Hungry Jack’s, KFC, Gloria Jeans and many others can, because they have great systems. Entrepreneurs know they get paid for delivering creative ideas. Their biggest asset is the ability to bring ideas to life. They make this happen by using a system for business success, which has three steps:

- idea development
- measurement of its success, and
- refinement of the idea.

IDEA DEVELOPMENT

In his book, *E-Myth Mastery*, Michael Gerber talks about the importance of vision as a business owner. Before entrepreneurs plunge head first into their business they have a very clear vision of what they want to create from their business venture.

Vision is the key ingredient that sets apart the entrepreneur from the typical business owner. The truth is that all business owners have an idea or an outcome before they start their business. Most business owners, however, once they start, then get consumed wholly by

the business and spend all their time running the business. Soon their vision has been replaced by the goal of just getting through and making ends meet. Entrepreneurs know that vision is paramount. It is the only thing that will keep them on track, so that they are not distracted by ideas and ‘things’ that need to be done, but don’t contribute to the end goal.

PURPOSE

In simple terms, your business purpose is to deliver the vision. And your purpose is driven by your passion for the vision. In other words, vision is an idea, an ideal, a reason for your business. Purpose is a focus on results and outcomes; i.e. what are we going to achieve? Passion is the energy that drives vision.

Entrepreneurs are driven by a vision and managers are driven by a purpose. Each has a role, but vision must always precede purpose.

PASSION

Passion is an interesting topic. Gerber explains there are two types of passion – passion of the mind and passion of the soul.

Passion of the soul drives you and passion of the mind chooses which direction you go. Entrepreneurs learn to use both. When entrepreneurs talk about what it takes to succeed they often talk about having passion. It is this combination of passion of the soul and mind they are talking about.

Passion of the soul is something we all have. It is the fire in our belly. It is the voice in our head that says: “Do this; this is what we are passionate about.” Passion of the soul likes change and demands to be satisfied. Many people succumb to passion of the soul. You may be someone, or know someone, who has thrown in their well-paid marketing job to pursue a passion for the arts, for example. Passion of the mind says, “OK I know I like the arts, how can I use my current skills as a successful marketer to pursue this passion?”

MEASUREMENT

Entrepreneurs know there are seven ways to drive profit in any business. These are:

- increasing the number of leads
- increasing conversion to sales
- increasing average sales value
- increasing sales per customer (repeat custom)
- increasing the profit margin per sale
- decreasing variable cost per sale, and
- decreasing fixed overheads.

Entrepreneurs know the purpose of marketing is to help drive revenue in either the short- or long-term. They know how powerful marketing can be at affecting the top five. For example,

let’s look at how an increase of just 10 percent across these five variables would impact profit.

KEY BUSINESS DRIVERS IN ACTION

| | Current | 10% incr. |
|-------------------------------|-----------------|-----------------|
| #1. Leads/Enquiries x | 100 | 110 |
| #2. % Conversion To Sale = | 10% | 11 |
| Number of Customers x | 10 | 12.1 |
| #3. Average Sale Value = | \$1,000 | \$1,100 |
| Sales Turnover x | \$10,000 | \$13,310 |
| #4. Repeat Sales per year | 4 | 4.4 |
| Annual Turnover | \$40,000 | \$58,564 |
| #5. Profit Margin | 50% | 55% |
| Annual Gross Profit | \$20,000 | \$32,210 |
| Increase in Net Profit | | 62% |

As you can see, a 10 percent increase across these five areas can have a dramatic effect on the bottom line. It is important to set up your key performance indicators to measure the results you want. That way you know when you need to change your approach and when you are on target to achieve your vision.

The entrepreneur knows what they need to measure to ensure they understand whether or not their idea has any potential. This measurement must not be clouded with emotion and must be completely objective.

HOW DO YOU MEASURE YOUR MARKETING AND ADVERTISING?

The key objectives of any marketing activity must be understood by everyone involved, including the business owner, sales staff, marketing manager and, if you are using one, advertising agency. Too often this does not happen and the expectations of the sales team can end up being completely different from the advertising agency.

For example, your advertising strategy will be different if the objective is to raise the profile of the business in preparation for a sale in 12 months as opposed to an objective of building sales in the next three months to avoid a cash flow crisis. Some examples of ways to measure the impacts of your marketing and advertising campaigns are:

- key revenue areas – sales leads, sales conversion, average profit
- cost of advertising per response
- website traffic – to home page, to purchase page
- brand awareness – online surveys/follow-up calls, and
- database – amount of privacy compliant email addresses and mobile phone numbers for email and SMS communication in the future.

A common oversight made by many small business owners is they simply don’t measure their advertising. Even fewer actually know what they want before they advertise. These small, but very important steps differentiate the successful

business builder from the not-so-successful business owner.

REFINEMENT

Refinement is all about optimising the results you are receiving. Entrepreneurs see refinement as part of the process, not the end goal. They are testing and trialling all the time.

This attitude of testing and giving things a go spurs innovation and it’s contagious. If the advertising agency knows it will get a fair hearing for an off-the-wall idea, it will invest in creativity. If it knows its client is risk averse, however, and more concerned about being safe, creativity will be stifled all around.

This is why businesses that still have the founders involved in the daily running of the business are always far more innovative than organisations run by professional managers. Consider how innovative companies such as Virgin, Yahoo!, Google and Crazy John’s are. It is because the founders are involved in the business and they have a spirit of innovation that is driven down through the organisation and this includes how they market.

Refinement in marketing is about changing and testing without egos getting in the way. A good example might be when you run a print advertisement across a number of publications, each with a different 1300 phone number or website address so you can identify where the customer contact is coming from. If you are getting significantly more responses from one publication then allocate more of the budget to this publication the next week and cancel the ones not working.

You could change your ad and keep the same media channel and again measure. If one ad is not performing as well as another then change your ad to the one that works. Don’t get precious about it, just keep measuring and refining until you have a model that works. By taking an entrepreneurial attitude towards your marketing and measuring your advertising continually using a variety of media channels (online, offline, ambient) you will have a better feel for when the audience changes and how this will affect your business.

In mainstream media, entrepreneurs may be seen as high profile, risk taking non conformists. On closer observation, however, you will find that these people are in the minority. Most entrepreneurs are skilled businesspeople with excellent communication skills who are street-smart and, most importantly, use robust systems to ensure success. **M**