

Principles of Sustained Market Leadership

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Let's review the chain that delivers sustainable marketing leadership and reliable **financial performance**. The chart in *Figure 1* helps to describe it. Financial success is subject to marketing and sales success. Market performance is highly affected by operating performance. And operating performance is a by-product of human performance.

Let's start with **market performance**, the first level in a chain of internal capabilities that will make a company market strong.

Most companies keep strong control over costs, but it is the revenue line that prolongs profits. To sustain revenue, the company must be able to satisfy its customers' needs. The real needs of a customer and the needs that we sometimes superimpose upon them because of our private preferences can be different. If so, dissatisfaction will occur and market performance drops. So, a careful review of our true premise is valuable.

Once we really know what is wanted, we can then fulfill it through strategic planning, focused marketing and market stimulation, and solid **operating performance**. That performance doesn't take place at the time of product delivery or at the point of service. It begins much earlier in the decision-making process. Thus, all team members must begin with the end in mind – they must comprehend what is wanted by the customer. Here are some questions to stimulate team thinking about performance from the customer's point of view:

1. **Are we easy to do business with?**
 - a. Easy to Contact?
 - b. Fast to provide information?
 - c. Easy to order from?
 - d. Make reasonable promises?
2. **Do we keep our promises?**
 - a. On product performance?
 - b. On delivery and installation?
 - c. In our training and service?
3. **Do we meet the standards we set?**
 - a. Are there specific standards?
 - b. What's the general tone of them?
 - c. Do we even know the standards?
4. **Are we responsive?**
 - a. Do we listen?
 - b. Do we follow-up?
 - c. Do we ask "Why not," not "Why"?
 - d. Do we treat customers as individual companies and individual people?
5. **Do we work together?**
 - a. Do we share blame on mistakes?
 - b. Do we share information?
 - c. Do we make joint decisions?
 - d. Do we provide satisfaction?
 - e. How do we treat our employees?
 - f. Do we respect each other's roles?

Operating performance is fully dependent upon **human performance**. In any business situation, our biggest problems and our best solutions walk in on two legs. Great companies look for people who have individual capability along with the capacity to work for team success. A "star" who cannot yoke with colleagues becomes an agonizing management challenge. With that in mind, we must give full consideration of who is hired, how they are trained and integrated into the company, and how we manage them.

Performance management is where most of the work time of most managers is spent. It gets the work done. But all of the work needs to be monitored and measured – it's the major role of marketing controllership. This function ultimately provides the profit to feed the process described above.

Not least of all is the need for cooperative, consistent, clear, and open communication. More battles have been lost because of insufficiency here. How go the individual battles for market leadership, so goes the war. So, the catalyst for success among all four levels shown is the vital communication process.

Part of a series of executive level information sheets on market leadership.



Figure 1