

Entrepreneurs need to stay focused upon their marketing “dash board”

By nature, entrepreneurs are driven, creative and innovative risk takers. Too often, their breathless journey to successfully commercialize their new business idea ends in frustration and discouragement. How can entrepreneurs minimize their risk of new venture failure? By learning to apply systematic focus upon key marketing metrics in a constantly changing business environment.

The noted 17th Century French philosopher François de la Rochefoucauld observed “The only thing constant in life is change”. The same applies to business plans. Even if you have a solid business plan and are proceeding at warp speed, don’t forget your plan is a “living” document, and needs pro-active adjustments from time to time to stay current in the constantly changing business environment. Minor alterations are a natural response to competitive market pressures and most importantly, to stay solidly attached to the revenue track. Carefully chosen market and goal achievement metrics act like sensors signaling vital data to the business model “dash board”.

I’m an Entrepreneur, not a clairvoyant!

We concede there is a lot of fun in inventing and nurturing an innovation to market. How could it not be rewarding? The micro execution of a great idea however, is often where entrepreneurs go astray. In their breathless race to succeed, an entrepreneur can unintentionally lose awareness of subtle but important market changes. An entrepreneur can often become trapped focusing upon day-to-day details and distracted from

allocating the appropriate time necessary to recognize and analyze subtle but important market shifts.

Statistics Don’t Always Lie

According to the U.S. Small Business Administrative Office of Advocacy (Sept. 2008), 66% of small businesses survived 2 years after start-up, 44% more than 4 years and 31% were still recognized as going concerns after 7 years. “Poor Management” is frequently stated as the routine cause for failure, much like “Pilot Error” is often attributed to an air disaster.

What is equally interesting is that only 2 to 3 percent of all new businesses that survive five years or more close annually. That’s apparently where the bar is set. Your odds of survival dramatically increase if you and your company are still around after five years.

Relying upon your dash board

When you glance at your automobile’s speedometer and are surprised you are driving much faster than you realized, your reaction is normally instantaneous. That’s the purpose of your marketing dash board. What

may feel like success, the “too busy” quotient, ironically may lead to distraction from some greater market changes. The trick is effectively executing the immediate while not losing fluency in relevant ongoing target market adjustments.

Just the facts, Ma’am

What factors should you consider including on your marketing dash board? Think of them as mission critical indicators. Dash board metrics are meant to present *key measurable goals and objectives, assigned to a strict deliverable time line vital to the success of your overall business plan.* An effective dashboard provides an entrepreneur with precise information about how the entrepreneur and his or her company are executing their plan. You will be surprised how many entrepreneurs do not routinely set short term goals and objectives and systematically review progress. Think of it like breaking down a large unmanageable problem into smaller manageable pieces.

The goal focused metrics have deeper meaning than pointing out the obvious of being under-plan or over-plan. An entrepreneur needs to think about the *process* of achieving set marketing goals and how that process must be adjusted and improved. It is also vital to grasp the market’s influence behind any given metric.

Key metrics must be measured by facts, and not by opinion. They must be challenging yet fair. Timelines must be reasonable. Setting the bar too low is as meaningless as setting the bar impossibly high.

We’ve presented a strong and intentional bias suggesting *customer*

focused dash board metrics. Successful businesses normally anticipate and understand their customer’s needs well before their customers do.

While each business is unique, the following guidelines offer suggestions for measureable dash board metrics and the minimum frequency of review.

Positive Customer Success (external), once per week:

- Sales Revenue generated
- Units sold
- Number of new target customers engaged
- Cumulative target customers engaged
- Sales lost – with specifics

Positive Customer Success (internal), once per month:

- On time delivery
- Customer Satisfaction Index
- Product returns – with specifics

Positive Market Success – your customer’s changing environment - Quarterly

- Number of newly identified competitors
- Threatening technology trends
- Market pricing
- Your real market share

Positive Technology Success – filling your customer’s need - Quarterly

- Key development milestones achieved
- Patents filed
- Products successfully launched
- Products launched on time

You will find a spread sheet workbook an ideal format for creating and maintaining your particular dash board

metrics. Trends should be captured and reviewed graphically.

You may wish to include specific marketing metrics that best fit your unique business. The marketing dash board is as useful in a pure start-up as it is in a larger established company.

Dash board reviews should be held with all participating team members. Everyone needs to know the real progress, offer suggestions for improvement and very importantly, accept accountability for results.

Staying close to your customer base is always a high priority item. What direct feedback do your target customers provide? (Just ask them!) How often do you check in with and carefully listen to your target customers? How quickly do you act on their feedback? If they claim they are too busy for lunch, suggest an early breakfast meeting.

How about my killer business plan?

Once a year, or at least every six months in a pure start-up environment, it is important to conduct a major review of the complete business plan with special attention to be paid to the basic premise (your unique selling proposition) and the underlying assumptions. You may be surprised how much your dash board has kept you informed about the market and your target customers since your last business plan review. Update the plan and make all sensible adjustments.

Specific attention should be placed upon reviewing the overall market size, the number of target customers, the market structure, revenue forecast and the market trends underlying the foundation of your plan. All require

examination first at the macro-level, with resulting well understood micro-level changes carefully flowed down to the revised plan. Don't just accept market changes as a given, thoroughly understand their deeper meaning.

In light of the above, a complete financial review will also be necessary, including a review of the capital plan, gross margin assumptions and the expected time to profitability.

It is recommended that any and all adjustments to the Business Plan be recorded as a "revision" to the original plan, exactly like an engineering change order, that rolls a drawing revision from "revision A" to "revision B". All successive revisions need to be similarly saved. Your business plan takes on the characteristics of a ship's log book.

Conclusion

Successful entrepreneurs focus on key important indicators to track and manage their progress at both the macro and micro levels.

Systematically reviewing a "dash board" of mission critical business plan goals and objectives, while maintaining a constant awareness of the broader market changes, are key ingredients to entrepreneurial success.

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