

the mix

What's my Business Worth? - The Marketers Guide to Selling a Business

UK small businesses employ about 90% of the working population and this includes a very large number of marketers. Many of these businesses are either owner managed or have a small number of professional managers brought in by the owners.

At some stage the option of selling the business will arise and the directors or owners may turn to the marketer to contribute some advice; after all the marketer knows about the markets, preparing propositions, pricing and what appeals to customers. How the marketer responds will have a direct impact on the future of the business and their professional standing in it.

So what are some of the considerations that need to be taken into account?

The Seller & the Buyer

Selling and buying a business is an emotionally draining experience for everyone involved and they should be prepared and willing to give support to colleagues – this is a time for the team on each side to pull together; the greater the commitment, the greater the success.

For the Seller – especially owner managers, or directors who may have been involved in a previous management buyout – the sale may seem like parting with a child that they've brought up. The emotional strings are less if it is a sale that has been forced by some change in circumstances; but whatever the reason for a change in ownership, the aim is to get the best price possible and to remain in control of the sales process.

For the Buyer – the intention is to gain a business or parts of a business that will have value or the potential to add value. Although Buyers try to take as many precautions as possible, it is a gamble that there may be unforeseen burdens like culture incompatibility, product, pension or healthcare liabilities, and change in brand ownership.

Although there is often an assumption that a Buyer buys for benefit, some sales are to change the market balance and remove a competitor.

Ultimately there are five key stages within the buying/selling cycle:

- **PLANNING THE SALE**
- **BUILDING THE PROPOSITION**
- **WHAT'S IN THE PRICE?**
- **WOOLING A BUYER**
- **IS THE DEAL RIGHT?**



Was it all worth it?

Selling a business well is the ultimate reward for the hard work and risks taken by the owners and directors over many years. In high profile cases, it makes some people wealthy and certainly benefits many others. On the other hand it can directly affect the conditions and livelihood of remaining employees if they are not protected as part of the sale, and despite the financial benefits it leaves a gap in the lives of the owners that they have to fill.

There is a lot more to the question **'What's my business worth?'**

David Yates
Chairman, CIM South East Region

A complete version of this article is available at
www.cimsoutheast.org.uk

Are you making the most of the CIM website resources?

A couple of months ago my company was putting together a contract bid for a major distribution project. We'd been wooing this prospect for months and had got to know the contacts really well, but we didn't know much about their customers and markets. As CIM members we were able to use the Knowledge Hub on the CIM website (www.cim.co.uk) to gain real insights that contributed to an invitation to present. What's more, we've been told that using the market research data available from the Hub lifted our presentation above the other competitor. Now we will wait to see if we get the order!

Are you using the CIM website to help you stand out from the crowd, add value and develop your career? It's there, it's your's and it's free to you as a member and it's more up to date than many company and business libraries.

It's a resource your non-CIM marketing colleagues and competitors don't have!



David Yates
Chairman, CIM South East Region



With another academic year closing on us, I just wanted to take this opportunity to thank all the volunteers who work tirelessly to support the Chartered Institute of Marketing across the South East.

As a professional body we rely heavily on the generosity of our members, who run the local operations and many highly successful events each year. For those of you who don't know me, I act as the liaison between Moor Hall and each of the South East regional branches.

From my point of view, 2006-7 has been an excellent year with many new members joining right across the South East. From a Director's perspective I feel that praise is well overdue for both the Sussex and Kent branches. For many years Wessex, has in the opinion of the Board of Trustees, been the one to beat – but this year Sussex have really 'stolen their thunder', with not only an excellently managed branch but an interesting and well attended events programme. A special mention to Ian Lockyer and his team in Kent. Ian does an outstanding job with his group of members and they are always looking for new recruits. All that is left to be said is please join us at any of the events in the Autumn and here's hoping that the rest of the Summer brightens up!

Michael Warne
Regional Director

SECRETS OF GREAT EXHIBITIONS...

How can small businesses compete with bigger ones at leading exhibitions and will it be cost-effective to try? This is what Steph Savill, Co-Chair of CIM Sussex and MD of FOXY Lady Drivers Club wanted to know when she attended this event in Brighton in June.

What colour is your brand? If it was a drink or a piece of music, which one would it be? Don't choose water, beige or musak, by the way – far too bland on any exhibition stand...

This is the sort of background thinking that serious marketers in Sussex will now be doing a lot more of to make their exhibition presence more memorable in future. Star Wars or Star Trek, cocktails or smoothies, suits or fancy dress? It's important to get the total look co-ordinated to maximum effect.

"It doesn't have to cost a mint", explained Aaron Timms CEO of Eastbourne's Leading Edge Design (whose brand colour is lime green not mint green by the way) and you can still achieve a lot with a small budget providing you have imagination, stay true to your original objectives and have the total 'exhibition experience' planned and scheduled to the last detail, well in advance.

Get it right, no matter what your size, and the end result is new business, valuable leads and a stand that everyone wants to visit and remembers for the right reasons afterwards. Get it wrong and you've just wasted lots of money, you'll be ignored on the occasion, your Financial Director will know... and your brand card will have been marked down forever. Do it better than others, in terms of personal welcome, data capture and digital media perhaps, and your exhibition attendance can become a genuine source of competitive advantage. Finally, assuming you get it right on the night, don't forget the often forgotten three-tier formula ... 'Follow up, Follow up and Follow up'. Then the real return on investment can be calculated and even your Financial Director should be impressed...

Such was the uplifting message at CIM Sussex's final event of the 2006-07 season, 'Secrets Of Great Exhibitions' held at The Brighton Centre on June 13. The speaker panel included four leading industry experts; Aaron Timms (CEO, Leading Edge Design), Simon Burton (MD, Exposure Communications), Trevor Foley (CE, Events Industry Alliance/EIA) and Graeme Hodges (Director, Advanced Media Associates).

To see and download the speakers slides, visit the Sussex section of CIM's South East website at www.cimsoutheast.org.uk.

Getting **your brand** into **the minds of your customers** – and keeping it there

Kent Branch's final event of the year, on June 13 at the Hop Farm, Paddock Wood saw James Hammond, a brand consultant with over 25 years of brand experience questioning existing thinking about branding, suggesting that most small businesses don't know what branding is – and even some large corporations are confused!

In his entertaining and thought-provoking lecture, James said, "It's not just important to define what a brand is, it's also crucial to know where you find it". He stated that there is only one place that any brand exists – and that's in the long-term memory of the customer.

The question is, how do you get it there? The answer, according to James, is to understand the psychology of branding and the four essential ingredients that create a

powerful brand. Put them all together and you have what James has called a Brand Halo™, a total system for maintaining all the activities in a business that keeps the customers coming back for more.

Using material from his forthcoming brand master classes, and his book on branding, James argued that typical marketing approaches such as 'positioning' and 'the 4 Ps' are outdated and no longer work. Instead, James put emphasis on creating emotional benefits that connect with the customers of today.

"My main focus is on the small to medium sized business," said James in a recent television interview. "They are the backbone of UK trade, but because of confusion about branding, plus limited financial and human resources; they often miss out on the ability to move their brand forward."

I hope that I can give them some solid, practical steps they can take to create a brand that stands out from the crowd."

James was originally a graphic designer and copywriter. He then became a brand consultant, working for blue-chip corporations such as Virgin, BT, Yellow Pages, EMI and Honda. He has also consulted for charities and numerous small businesses. His CD-based brand workshop called Mind-Brand™ is due out in August.

Ian Lockyer, Kent Branch Chairman said, "James was an excellent speaker. Warm, entertaining, thought-provoking, and with ideas based from an amazing track record in marketing. Our audience thought he was an excellent speaker and carried on asking him questions, hours after the event had finished."

UPDATE **Croydon and East Surrey** had a very successful year with many new members and marketers attending our events. We also ran a great student workshop to support our members studying for the postgraduate diploma. Our programme of events for September onwards is based on member feedback, and we have a host of interesting speakers who will run a variety of sessions.

RELEASE THE POWER OF INTEGRATION WITH SALES



It's easy to patronise salespeople. Their boundless optimism and action-oriented approach makes you think of Tigger. The wise owls of marketing have every right to strategise on their behalf and shove them in the right direction... Stop! These clumsy stereotypes are what is wrong with the relationship between marketing and sales. And they are just 'so' last decade!

I've been there myself, trying to convey a long-term view of the need for change to a roomful of salespeople anxious to meet their next quarter's target in the easiest way possible. But these days I work with intelligent and thoughtful sales managers who have every intention of being strategisers as well as implementers. They have seen their contacts in customers raise their game. For example, it is rare to find a Purchasing Manager these days who is not a qualified member of the Chartered Institute of Purchasing and Supply.

Sales' success depends on understanding the customer's strategy and providing a solution to help them achieve it. There are limits, of course. When researching for my latest book 'Rethinking sales management' we took the opportunity to look at the 'dark side' of selling that most motivational books ignore, such as difficult customers, internal conflict and ethical dilemmas. It also devotes a chapter to exit strategy. Sales Managers have to be Risk Managers, as even the best of business relationships can crumble.

So Sales Managers now have their own strategic tools, and can work with marketing to grow the top line for the company in an effective and profitable way. How integrated are sales and marketing in your organisation? If you want the basis for starting or developing discussions – this book can help.

'Rethinking sales management' by Beth Rogers was published by Wiley on June 22.

Beth Rogers manages the **MA Sales Management** at **Portsmouth Business School**.

READY TO SHARE YOUR MARKETING OR PR EXPERTISE?

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London 2012 logo

- subjective opinion or good design?



Whatever side of the fence you sit on, the London 2012 logo has certainly stirred up some strong feelings.

The bright logo comes in four standard colours, pink, blue, green and orange, focused around the numbers '2012', replacing the Thames-river inspired logo used for the Olympic bid. The London Organising Committee for the Olympic Games (LOCOG) commissioned brand consultancy Wolff Olins to generate the logo at a cost of £400,000. LOCOG view the logo as **'dynamic, modern and flexible'**, and **'will evolve over the next five years'** and it is **'London 2012's visual icon'**.

However, since its launch on the 4 June, the logo has been a hot topic due to the high level of public dislike for the design. An online petition at www.gopetition.com had over 48,000 respondents sign up in two days, all calling for a redesign of the logo. It was not only the public that voiced their concerns; Stephen Bayley, founder of the Design Museum, called it a **"puerile mess, an artistic flop and a commercial scandal"**. The public, including marketers and artworkers flooded the BBC website with their own more traditional, London-themed designs.

What must be remembered is that the London Olympics is five years away, and during this time the logo must continue to be **'fresh'** in the minds of the public, and also will have to overcome the inevitable media attention that will be paid to the Olympics in Beijing next year.

Although the logo may not be popular, there can be no criticism for the use of technology, or for lack of focus towards popular youth culture, which is seen as the future hopes for Olympic athletes. To support the 2012 brand, LOCOG have produced a secondary, highly interactive website at www.london2012.com, containing an up-to-date mix of video and downloads.

At this site, users can download screensavers for mobile phones and logo templates for creating your own unique Olympics logo, which are then displayed online in a gallery.

The **'challenge yourself'** online forum, encourages the public to set themselves a challenge to be achieved by 2012, and is subsequently displayed in the gallery. This reflects the increasingly fashionable user-generated content sites within youth market, which have grown in popularity from social networking sites such as MySpace and Facebook.

Whatever your preference, either for or against, the bright colours and jagged design of the logo have certainly succeeded in generating a high amount of media coverage. All the active discussion has enabled the 2012 brand to succeed in being at the forefront of peoples' minds, which in terms of promotion, could be seen as an effective campaign. The debate will inevitably continue, particularly for those within the marketing industry, with people now asking – **what makes a good logo?**

Highlights In Wessex and A Challenge For Next Season

Wessex Members live in clusters along the 100-mile coastline that includes Dorchester, Bournemouth, Southampton and Portsmouth. The inland clusters live around Salisbury, Winchester, and Basingstoke – we know where you are! Next year's plan is to deliver events with topics based on 'CIM's agenda' within reach of these member-clusters – making it possible for everyone to attend at least two events, with content relevant to marketing practitioners and students.

The Wessex Team will continue working with other professional bodies and invite them as guests to CIM events. This provides great networking opportunities with non-marketers – and for promoting the Institute.

We have established excellent relationships with Universities in Bournemouth, Southampton and Portsmouth and are very grateful for their provision of venues for several events last year. We want to build on these relationships and deliver valuable events to the students that are relevant and timely for their studies. We had the pleasure of awarding top marketing students with prizes at Universities in Bournemouth and Portsmouth, and we plan to continue giving recognition to top students again next season.

Some of the team manned the CIM stall and the CIM's VIP Reception at the B2B South Show in Southampton in March. We will also be promoting Marketing as a 'career choice' to around 8,000 students at Dorchester's 'Skills-Fest' in October. We are delighted that CIM staff also attend these functions to help us in the local promotion of the Institute.

The challenge we face is the 100-mile coastline and the need to deliver CIM benefit locally. The West Dorset cluster has proven that high quality events can be delivered locally to business communities fulfilling a real local need. The on-line booking system and excellent support from Moor Hall staff really has simplified the administration of running an event, making it easier for our volunteers. With more volunteers we could deliver more local member benefits in areas such as Salisbury, Winchester, and the Isle of Wight.

We have an excellent team of volunteers that serves our members in Wessex. As Chairman, I wish to publicly thank them for their individual contributions in the past and look forward to working together next season.

If you are interested in helping the Wessex Team, but want to learn a bit more of what is involved, then please do call.

'Together, we can do it'.

John Cornish Wessex Branch Chairman
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Running to a standstill

From academic study to business benefit.

Four years ago, my company **ABA Research**, was given a unique opportunity to study how measures drive behaviour in one of the World's largest businesses.

We basically found a malaise which leads individuals to do things, which keeps them busy, and produced a result but which they knew did nothing, either to help their business nor mankind in general. The project led to us to make clear distinctions between **'transactions'** and **'benefits'**.

Benefits are the things, which are derived from an organisation. Transactions are the things, which people and organisations do.

After we had defined these we went on to think about what is measured?

So how would a focus on benefits rather than transactions help? We were able to show that if an organisation measures the benefits the organisation delivers, it will attract and keep the best staff, and therefore the same will happen with customers. Why? People buy benefits. There are too few customers, staff for that matter, committed to making a company rich. People do like to feel that they have made a difference, and if they are a customer are keen to realise the benefit of the company's service in a tangible way.

So thinking wider, which company is going to be the most successful? One, which has everyone focused on profit, or the one where they are focused on the benefits the business provides, tangible or intangible. All our work has shown that the profitable businesses are the ones who align themselves behind the benefits they sell. Yes, they measure profits, but the main focus is an alignment behind the core business they operate, their staff stay and the customers are loyal.

We call these benefits measures **'Halo Measures'** because they go beyond the logical, transactional **'head'** measures, traditionally used in organisations for something, which we all know is important but find it difficult to articulate. The **'think'** and **'feel'** things and includes levels of integrity, enthusiasm and passion as well as openness of communication. These are directly related to the benefits that people buy or use an organisation for, and are things which keep people loyal.

People are the most valuable resource of any organisation and they need to be encouraged to thrive, if an organisation wants to be truly sustainable.

As a consultant I am committed to organisations delivering what they say they are going to and for people to be able to be the best they can be.

'Halo Measures' will assist with this, and the sooner we see them in widespread use the better.

Trevor Millard

CIM Member West Surrey Branch
www.thehaloworks.com and
www.abaresearch.com



Kent CIM Attend Dynamic Business Event

The Kent Branch of the Chartered Institute of Marketing recently attended Kent 2020 Vision – '07, a Business Link organised event which provided the Branch with a variety of opportunities including raising the profile of the branch amongst the Kent Business Community.

More than 3,000 visitors thronged Kent Showground in Detling, for the one-day event to see the cream of the county's business community, hear from world class speakers, network, receive free business advice and attend a series of workshops.

Kent 2020 Vision – '07 kicked off with the BIG Breakfast, in association with the Institute of Directors, which heard words of wisdom – and warning – from independent consultant and successful author **Jeff Grout**.

Ian Lockyer, Kent CIM Chairman, said: "Judging by the huge number of visitors from across the county representing businesses of all sizes, sectors and stages of growth who attended, that community was determined to get full value from this event.

A number of seeds were sown at the exhibition for the future including future links with the Chartered Institute of Management. It was also good to see some old friends who I hope will be attending our events in the future."

Highlight of the day was a presentation by **Edward de Bono** – the 'father of lateral thinking' and leading authority on creativity. He brought his experience of working with major corporations worldwide to Kent for the first time. Other speakers included **Antony Turner**, founder of CarbonSense, who explained how local businesses can benefit from the opportunities posed by climate change; **Sahar Hashemi**, founder of the £30m+ turnover Coffee Republic; and **Chris Bailey**, South East Agent to the Bank of England.

The day concluded with the BIG Dinner, sponsored by Kent County Council, which included a presentation from **Tim Campbell**, winner of the BBC's first 'The Apprentice' series. The evening also saw the announcement of the winner of the **£25,000 Kent Innovation Challenge** first prize, won by Chatham-based **Carbon 8 Systems**.

Preliminary Programme of FORTHCOMING EVENTS

Wine tasting event at Denbies – a working winery

Date: **14 August 2007**
Speaker: Clifford Mould
Venue: Denbies Wine Estate, Dorking

Population, Skills and Growth – Dorset 2016

Date: **12 September 2007**
Speaker: TBC
Venue: Kingston Maurward College, Dorchester

Corporate Social Responsibility and community sport: a new marketing platform

Date: **18 September 2007**
Speaker: Roger McKerlie
Venue: TBC

Sponsorship – Evaluating the benefits

Date: **9 October 2007**
Speaker: Pippa Collett
Venue: Lensbury Club, Teddington

Workshop: Data Protection Act – What every marketer needs to know

Date: **10 October 2007**
Speaker: Robbie Burgess
Venue: TBC

Writing for the Web – Online copywriting workshop

Date: **15 November 2007**
Speaker: TBC
Venue: Moor Hall

The Brand is Dead. Long Live the Brand! Making brands resonate with consumers in a world of communications overload

Date: **15 November 2007**
Speaker: Phil Harvey
Venue: TBC

The Real Wine Company – launching an online retail business

Date: **27 November 2007**
Speaker: Mark Hughes
Venue: Crowne Plaza Hotel, Marlow

Mobile Marketing: From Concept to Handset. The whys and wherefores of how to communicate to your customers using the mobile channel

Date: **15 January 2008**
Speaker: Stuart Williams
Venue: TBC

Personal Selling – Understanding the customer

Date: **13 February 2008**
Speaker: Ayo Olaseinde
Venue: TBC

Sustainability and its Strategic Impact. Implications of how customers value brand attributes and its potential impact on pricing strategy

Date: **13 March 2008**
Speaker: David Elliott
Venue: TBC

REGIONAL COMMITTEE

The Board Members for the South East region are all volunteers with previous experience working within one of the branches. Each Board Member is elected to the Board for two years.

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For more up to date information please visit www.cimsoutheast.org.uk
Please remember that, to continue to receive these newsletters, you must keep your profile up to date at www.cim.co.uk

To advertise in future issues, please contact Ann Brine or Freya Sutherland by email: ann.brine@ambmarketing.co.uk or freya@ambmarketing.co.uk



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The Small Business Group

The Small Business Group (SBG) is a CIM initiative that offers an authoritative source of marketing knowledge and best marketing practice to the SBG community.

The SBG is open to all CIM members interested in promoting good marketing practice in SMEs. Championing this work in the South East region is **Paul Lappage**, who is motivated to deliver events and other initiatives for SMEs right across the region.

If you are interested in joining the Small Business Group, please contact **Christine Boswell-Munday**, or contact our Regional Champion **Paul Lappage**.

Paul currently manages the B2B marketing for an SME organisation that operates across the South West, and also possesses experience of public sector marketing and PR from previous roles. He would welcome support from members across the branches.

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Better people produce better businesses



Your staff are your company's greatest asset. By increasing their knowledge, skill and understanding through a professional CIM course, or an MA Marketing Management degree at Southampton Business School, your company is sure to benefit.

In addition, graduates of the CIM professional diploma can fast-track their way to the Masters degree.

Want to know more?
Click your way to www.solent.ac.uk
Give us a call 023 8031 9039
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