

I Watch Great Teams Make These Business-Destroying Mistakes All The Time. Here's Where They're Going Wrong (And How To Fix It).



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In my 20+ year career as an entrepreneur who's built, acquired, and sold numerous successful businesses, I've observed several factors that can take an otherwise amazing team and viable business idea and drive it into the ground:

- Not fully understanding who you serve (who your customers are).
- Selling what you've got rather than what they want.

- Putting out the message where it isn't heard or seen.

Let's explore these considerations and the best strategies and tips I've learned to help establish your offering, build your brand and strengthen your competitive advantage.

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1. Identifying your customers

If you've been in business for a while or have a well-developed business plan, you most likely have a good idea of who your customers are. We traditionally think of customers as those we sell stuff to, whether products or services. That's fine and undoubtedly important, but we need to think more broadly about all who we provide value to and rely on.

While generating value for and revenue from clients is essential, to create a sustainable business model and competitive advantage, you must establish and nurture relationships with all the stakeholders that make your enterprise and growth possible.

Accordingly, I expand the definition of customers to include partners, vendors, investors, employees, advisors, industry, community, natural environment and the other stakeholders I count on. When we build our venture to provide the most value to all parties, we generate goodwill, strong relationships and trust – all of which help us perform at our best and deliver the most to clients (buyers, users, tenants, etc.)

To explore who your customers are, list all the individuals and organizations you interact with in your business. In a second column, outline everything you provide to each party – get creative.

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2. Crafting offerings based on actual wants and needs

As entrepreneurs, we need to know how our stakeholders think. That is, what they value, want, need and fear.

A common mistake in business and marketing is selling only what you have or know, i.e., building an offer based on what you've got. Of course, it's tough to sell what you don't have, and you should focus efforts where you have relevant skills and experience; however, you need to dig deeper to understand what customers need and then find ways to supplement or tailor your offering to satisfy those requirements.

The way to do this is by building an ideal client profile. Let's look at an example to illustrate. Since I'm a commercial real estate guy, we'll use an example from my experience (though this concept could apply to any industry).

Let's say you own an office building and know your tenants are midsize corporations. They need office space, want it to be up-to-date, and insist on good parking. That's a good starting point but doesn't give you much to work with to build a compelling offer and competitive advantage.

To get a better idea of who your prospects are and what they want, consider the following:

- What industry are they in, and what unique needs accompany that?
- How many employees do they have, i.e., how much space do they need? Are they growing?
- What is their typical budget?
- What lease terms do they prefer – are they worried about risk or commitment?
- What is their working and collaboration style?
- What amenities do they prefer and/or demand?

We're alluding to demographics and psychographics (behavioral characteristics) as they apply to organizations and their decision-makers. Let's do the same for a product or service targeted toward individuals. We can look at:

- Income level
- Geographic location
- Lifestyle
- Age
- Education
- Adoption of technology

With the insights gathered through this process, you can shape your product or service into something that stakeholders will raise their hand for, saying, "I want this – How do I get it now?"

This strategy works to understand all your customer groups and is particularly valuable in creating offerings that speak to and attract investors and employees, in addition to conventional customers.

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3. Focusing your marketing efforts where your audience is active

Another important aspect of your ideal client profile and getting the message out effectively is knowing which websites, social media platforms and publications they interact with and the traditional and digital communication channels they prefer.

Without solid data that provides a scientific basis to determine your customers' behavior and communication preferences, trying to get your product/service in front of them is difficult and financially wasteful.

If you've been marketing for a while, you may be sitting on a gold mine of data that could be transformed into actionable knowledge regarding your audience. If you have a lot of data or need help making sense of it, there are data management tools and advisors that can assist with data collection and analysis.

This brings to mind another important point that I've learned from years of experience trying every channel and technology available:

You don't need to use every marketing tactic and channel – just those that work and which you can develop a mastery of. Start where you know your potential customers are most active. If they prefer email – roll with it; if they spend hours on social media daily, put your marketing dollars there.

Once you've gained traction in one medium and your system is fine-tuned and generating ROI, slowly build up your tool kit and presence by adding one channel or medium at a time and experiment to find what works best for you and your audience.

Related: Why Every Marketing Channel Won't Work for Your Business

Supporting growth

Achieving a competitive advantage and sustainable growth is much more feasible when you know your customers, their characteristics, what drives them and the messages that resonate and where to deliver them for maximum response and return. In addition to the quantitative benefits, when your stakeholders feel you're in tune with their desires, expectations, and values, they'll buy into your mission and vision.

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