

6x in 6 Months

A Breakthrough Roadmap to Increased Revenue and Market Leadership

WHITEPAPER



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THE JOURNEY TO MARKET LEADERSHIP

Everyone wants to be a market leader. Market leaders enjoy financial success, create wealth, and have recruiting, selling and market power that is almost always disproportionate to their actual product and solution advantages. In fact, many a competing executive has been driven crazy by this, lamenting on how their product was better, but the market did not seem to care. These laggards launch new features continuously, believing that innovation will reverse this trend. They pour more money into demand-generation, expecting revenue increases to follow in proportion. They invest in better processes and pay higher commission rates, expecting volume and efficiency to improve. However, these efforts often don't pay off and they find themselves following the leader rather than leading their market.

Yet some organizations do figure it out and become leaders. They position their products in the market and sell their value successfully. They tell their story powerfully and deliver an experience that is market-leading.

And this success has rewards beyond the somewhat qualitative goal of market leadership. Marketo, a leading provider of marketing automation software and a market leader in their own right, published

metrics on leads-to-revenue conversion percentages of its customers on this type of journey. Taking those numbers and extending them, the journey to market leadership looks like this Figure 1.

What then is going on? Why do some companies succeed and others fail to lead? Clearly no one wants to be a market follower. And at the first level, most companies seem to be deploying strategies and tactics that look the same; yet many get perpetually stuck in the launch and participation stages of the journey. Even those who receive rave technical reviews for their product often trail less well-reviewed solutions; their effectiveness never scales and they simply can't catch up. To them, the leader looks like a snowball rolling downhill to success while they feel like they are pushing a boulder up a mountainside.

Fortunately there is an answer to this question, and we will explore it in a bit. But first, let's step back and take a quick look at the three core competencies where market leaders excel. In doing this we will expose and explore the secret to their success. This framework will help you to climb this ladder, lead your market, and enjoy the financial rewards of market leadership.

MARKET LEADERSHIP ACHIEVEMENT LADDER

<u>Focus</u>	<u>Market Leadership Stage</u>	<u>Leads To Revenue</u> <small>(number per 100 leads generated)</small>
Experience	Leading	5
Viewpoint	Breaking Through	3
Value	Participating	1
Product	Launching	.5
Concept	Hiding	0

Figure 1: Market Leadership Achievement Ladder

BUILDING THE MODERN MARKETING RACECAR – THREE CORE COMPETENCIES

COMPETENCY ONE: MARKETING TECHNOLOGY – BUILD YOUR ENGINE

Modern marketers seem obsessed with marketing automation, and rightfully so. Advances in technology, analytics, advertising and other related technologies means marketers have more power at their disposal than ever before. Scott Brinker, a leading market technologist who goes by the rather catchy moniker of the “ChiefMartec,” tracks more than 3,000 solutions at the beck and call of marketers, up from less than 1,000 just a few years ago. Market leaders select and implement the right set of technologies to build the engine they need to succeed. Building a market leader without the right technology is like running a Formula One racecar with a lawnmower engine. The speed and agility needed to be effective and efficient simply requires deployment of the right technology.

Thought leaders like Scott—and others like my good friend and colleague Tom Grubb at Digital Pi—are masters at helping organizations navigate and select the right technologies to build their engine. While their approaches vary, they tend to agree on some basic principles. I’ve heard Tom articulate these several times to customers and they seem to boil down to these three simple guidelines:

1. Choose well-known, market-leading solutions, because the ecosystem will support you and you won’t be re-inventing the wheel. You can find implementation help, best practices, and a community of peers to help guide you toward success. A niche solution, if only 10% better, may take 10 times longer to deploy, which you simply can’t afford
2. Resist the temptation to customize the solution. You will be tempted to customize and tweak the system—don’t. As you scale, you will regret this. It will make your machine harder to extend with other technologies, slower to tune when needed,

and simply not as fast.

3. Add niche technologies and solutions, but do so cautiously.

Market leaders follow this pattern and are excellent and successful implementers of marketing technologies.

COMPETENCY TWO: CONTENT MARKETING – PUT ON THE TIRES

For your marketing racecar to win, it needs great tires. Content marketing has emerged over the last decade as the best tires to put on that car. With the advent of the Internet, content became easier to create and consume. The Cluetrain Manifesto, an influential and forward-looking web document published in 1999, laid out the argument that “markets are conversations.” Marketers soon realized that content was the key to participating in this conversation.

The Content Marketing Institute (CMI), an organizational thought leader in this space, defines content marketing as a “[...] strategic marketing approach focused on creating and distributing valuable, relevant, and consistent content [...] ultimately to drive profitable customer action.” Without content, the marketing machine can’t roll. Content Rules, by Anne Hadley, is an excellent resource for building and scaling your content marketing efforts. Market leaders who build content marketing capabilities put the tires on their racecar and create efficiency in their marketing leadership efforts.

COMPETENCY THREE: MESSAGING AND POSITIONING – FUELING THE MACHINE

There’s nothing new about marketers doing messaging and positioning; it’s been a core competency for a long time. Great messaging and positioning is the fuel that creates relevance for your content marketing, creating an effective machine. Clearly, the right messaging and positioning is the fuel that drives the relevancy and effectiveness of our racecar. Running on low-quality fuel leads to stalls, knocks and poor performance.

THE MODERN MARKETING RACE CAR

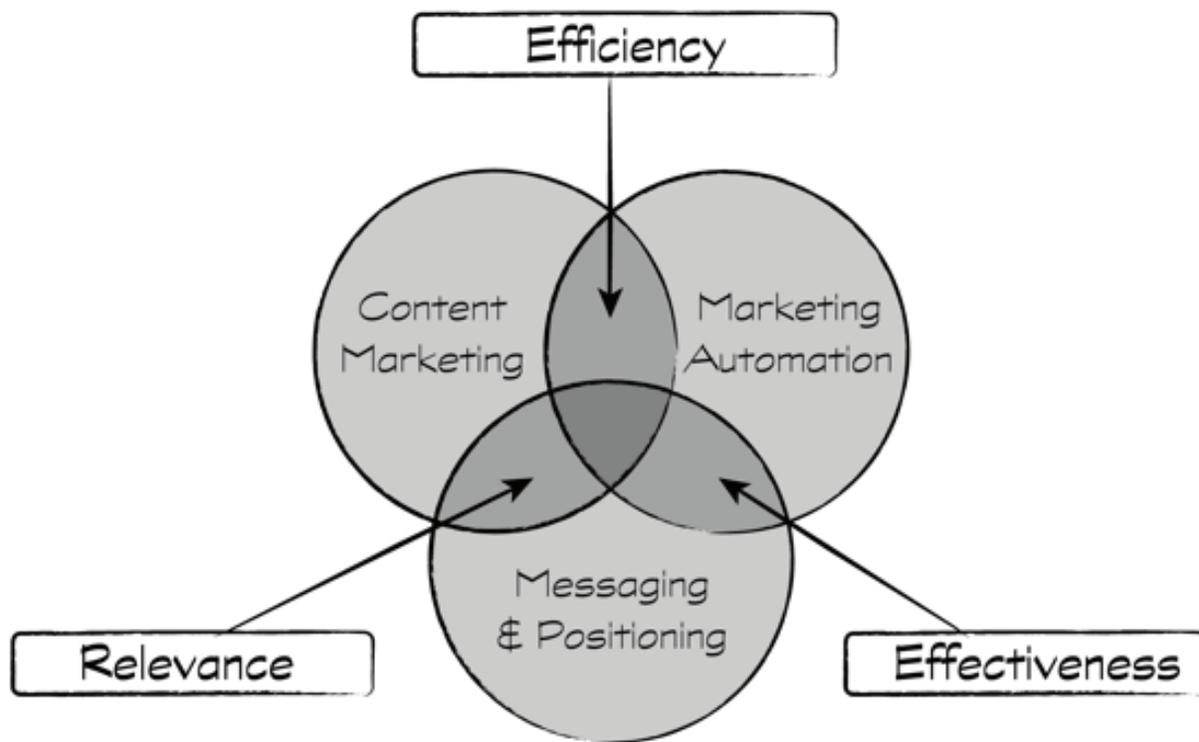


Figure 2: The Modern Marketing Race Car

You may have already guessed where I am going with this. In CMI’s September 2015 study titled, “B2B Content Marketing 2016 – Benchmarks, Budgets and Trends,” it was reported that the number one challenge identified by content marketers was ... drumroll please ... “producing enough relevant and engaging content.” But before we tackle why this is, let’s summarize what our machine looks like with this simple diagram shown in Figure 2.

To build a relevant, effective, and efficient modern-marketing machine, we need to excel at marketing automation, content marketing and messaging and positioning. Time and time again, we find that market leaders do just that. They operate efficiently, publish a lot of relevant and meaningful content, and climb the ladder to breakthrough and leadership. They are effective, efficient and relevant, and they lap their opponents with ease.

STUCK IN LAUNCH – WHY WE STALL

In client discussions I often hear about the need for more and better leads. When we dive into this discussion, we invariably end up chatting about all three of the machine’s components: engine, tires and fuel. Although, what I do typically hear from clients about messaging and positioning is that it’s not as important as getting more content out. Or clients will propose strategies that involve more writing and technology. One prospect said to me, “What I really need is more blogs and videos.” When asked what relevant content these blogs and videos would talk about, she said, “I’ll figure that out. I just need some videos or something.”

When you have invested in the engine, it’s very tempting to keep putting new tires on the car, hoping it will go faster. However, as we see from the diagram above, being great at content marketing and marketing

automation without great positioning and messaging may make us efficient, but it will never get us to relevancy and effectiveness. We must put the best fuel available into the machine. When I see organizations stuck in the launch or participation stages of this journey, despite great technology and gobs of content, I know that they need better messaging and positioning—they need high-test fuel for the machine.

Organizations failing to achieve market leadership, though they may be efficient, but are “stuck in launch” must do a better job of messaging and positioning. That’s clear; but how do you do that? That’s what we will tackle next. To become a market leader—to lead your market parade—you must adopt a new approach to messaging and positioning, one I call Breakthrough Marketing. Without a new approach, you risk the very real chance of being stuck in launch forever.

Why do we need a new approach to messaging and positioning? First of all, it’s clear that a feature/function/benefit-driven approach just doesn’t work anymore. Too many companies that have invested in marketing automation and built content marketing capability and output are still stuck in launch mode. And I challenge you to find a market leader who doesn’t talk a bigger game than that; one who doesn’t tell a story that sells and who doesn’t have messaging that matters and drives unique value into the market.

Three factors are driving our need for a new messaging approach. A whole chapter could be dedicated to describing and dissecting these (which I have done in my book, *Launching to Leading: How B2B Market Leaders Breakthrough, Lead, and Transform their Markets*), but for now, let’s be brief.

First, information has become a commodity. It used to be that vendors withheld information until they qualified you as a possible purchaser. You can find more information on a vendor’s website today than most buyers had access to when they made a purchase ten years ago. Describing your features, functions and benefits well on your website doesn’t win any games, it just puts you in the market; doing this well is table stakes. Not only that, the amount of information is overwhelming. Just Google the name of your product category if you don’t believe me!

For example, when I was running product marketing for Secure Computing, (which then became part of the Network Security division of McAfee after we were acquired) we faced a puzzling conundrum that I have frequently seen since. While marketing was making its lead targets, sales was missing their number and claiming the leads ... well ... stunk. We were efficient but not effective. While we had what I thought was the best product on the market, we were badly trailing our competitors. What did we do? We stepped back and repositioned the entire product line around an emerging value of what was then called Web 2.0 protection. We named our new go-to-market initiative SWAT—the Secure Web2.0 Anti Threat Initiative. We built tons of new content to support our program and drove it into our marketing automation systems. A funny thing happened (as it often did): lead volume went down. But oddly, sales went up at the same time. Our effectiveness increased and then lead volume increased too. We went from efficient but irrelevant and ineffective to effective, relevant and efficient. In the next two years our revenues tripled from about \$60M to nearly \$200M. We became a market leader.

Second, markets are more crowded than ever. In many ways we are victims of our own success. It’s easier than ever to start a company; products are less expensive to get to market and while your competitors may be in Bangalore or Tel Aviv, they still have access to your customers in Kansas City or Sydney. You are competing with more people than ever, and this trend will march on.

Lastly, as a result of the above, buyers have become “fiercely independent.” Research from the CEB, a B2B marketing think-tank located in Washington D.C., reports that the average B2B sale is 57% complete before the buyer reaches out to the seller. Think about it. They look at your website, find references on social networks, read online reviews, and maybe even try out your solution. If we stick to our old ways of metering

out information to qualified buyers, they will simply pass us over.

In summary, we are faced with crowded, information-overloaded and noisy markets where buyers don't want to talk to sellers until they are ready to buy. No wonder our messaging and positioning needs fixing!

LEADING THE PARADE – A NEW APPROACH

In today's noisy and crowded markets, we must think and act differently to win and become a leader. As we've seen, it's not enough to just be efficient, we must also be relevant and effective. There are three ways we need to message and position ourselves to get attention and win in today's market, and they correspond to three words from the focus column of our Market Leadership Achievement Ladder image. Let's quickly take a look at them.

First, move from benefits to value to unique value. This may seem simple, but my observation is that if you do this well, you will be doing better than 90% of companies out there. What does this mean? It means a relentless focus and discipline on seeing and communicating the value of your solution as the customer sees it, in their terms. Of the benefits that you offer, which ones really matter to them? Meaning, they will pay you money to obtain these benefits, not that they are cool or cutting edge. Then, honestly assess whether your competitors can deliver the same value, not if they have the same features. Buyers buy benefits, not features. Lasik eye surgery is a lifestyle purchase. It's not the benefit of better vision but rather looks, convenience and improved self-image that they're selling. When you focus on unique value, you begin to stand out and meaningfully participate in the market. You become more relevant and more effective.

Second, tell your Viewpoint Story. In today's noisy and crowded conversations, simply shouting louder is more likely to get us ignored than listened to. To breakthrough and begin to lead the market, we must influence the context of the conversation. This requires us to relate our uniqueness to the biggest challenges and opportunities facing our buyers. When we are

able to tell a story of how our "magical powers" make them the hero and take them to a "brave new world," we can actually influence what they value. A context-based Viewpoint Story, which aligns our value with the customer's world, puts us in front of the market and gives us the power to lead. FireEye declared "Next Generation Malware" threats at a time when customers were increasingly fearful of loss. They named, led and leveraged this context to a successful IPO. Other examples include Salesforce.com with the "End of Software" and Virgin America's "Making Flying Fun Again." Walter Kelly's cartoon character Pogo said it well: "To be a leader, find a parade and get in front of it." Find your customer's parade and lead them to success; this is what true market leaders do.

Third, don't tell me, show me! Today's buyers want to do it on their own. Think of the advantage you have if you let customers experience your value early and often in the buying process. Nimsoft, a former KJR client now part of CA Inc., experienced a 50% reduction in their sales cycle just by putting up an online demonstration portal of their Unified Monitoring solution. This experience delivered the value of their integrated Unified Monitoring go-to-market positioning and story better and faster than words alone ever could. If a picture is worth a thousand words, an experience is worth a million. No more hiding your value—show it early and show it often.

SO, WHAT'S IT WORTH TO YOU? – 6X IN 6 MONTHS!

Organizations stuck in the launch and participation stages of market leadership can expect to convert at the most, one lead per hundred to revenue and more typically it's half of that. However, by applying the three focuses discussed above to your efforts, you will move at a minimum from participation to breakthrough and do so in as little as six months. This represents a 6x increase in that period of time, and positions you to be the market leader. Not bad, huh?

MOVING THROUGH THE MARKET LEADERSHIP STAGES – A QUICK ROADMAP

From Hiding to Launching – from 0 to .5 (leads per hundred to revenue)

1. Get a clear understanding of the market you serve
2. Solve one key problem for that market and understand the true benefits you provide
3. Put in place the basic automation you will need to succeed
4. Hire a content marketing writer (at least part-time if you don't have one on staff)

From Launching to Participating – from .5 to 1

1. Become intimate with your market's problems, whether you solve them or not
2. Understand the competitors in your market, what benefits you provide that they don't, and articulate your unique value
3. Improve your ability to automate your marketing activities
4. Find the staff and bandwidth to generate more content across the buying journey

From Participating to Breaking Through – from 1 to 3

1. Understand your customer's industry, economics and business as well as they do, at least the parts that pertain to your solution
2. Build and deploy your viewpoint story around how you help them navigate this brave new world
3. Become best-in-class in marketing automation capabilities
4. Focus your content marketing on relevant and meaningful content resulting from your unique value and new viewpoint story

From Breaking Through to Leading – from 3 to 5 and more

1. Lead all your messaging with your viewpoint story. Value and product become secondary but are still important
2. Integrate more value experience and delivery earlier in the buying cycle; don't tell me, show me!
3. Maintain your investment in marketing automation and add niche solutions that can accelerate value delivery
4. Focus on experiential—not descriptive—content marketing deliverables and programs

Need help building your Roadmap? That's what we do; we help clients get 6x in 6 months.

LEARN MORE

To learn more, contact us at: inquiries@kjrassociates.com or request a free, diagnostic meeting at https://calendly.com/ken_rutsky/6in6chat/



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Ken Rutsky is a B2B marketing consultant focused on helping his clients breakthrough and become market leaders. Ken is the author of the soon-to-be-published book, *Launching to Leading: How B2B Market Leaders Breakthrough, Lead, and Transform their Markets*. Ken has spent more than 20 years in B2B marketing roles, launching the Intel Inside broadcast co-op program in 1991 and then the Internet's first affiliate marketing program, Netscape Now, while at Netscape from 1995–99. Since then, Ken has been the CMO at several start-ups and ran network security marketing at McAfee where he developed and executed a marketing strategy that grew its web security business from \$60M to nearly \$200M.

Today, as KJR Associates, Inc. Founder and President, Ken leverages his knowledge from his Silicon Valley career to help his clients lead their markets. Ken has honed his Breakthrough Marketing framework with successful implementation at dozens of client companies, including FireEye, Nimsoft, Sophos and others. In his six years of practice, Ken's clients have generated more than \$6B in shareholder value through IPOs and acquisitions. In addition, several others have reached private equity valuations of more than \$1B. A past contributor to *Cloud Computing Journal* and *Cloudbook*, Ken is a well-regarded speaker and blogger, having presented at conferences including SaaS University, CloudExpo, the RSA Conference, and various user groups and meetings.