
Commercial Trading

Businesses that trade commercially are involved in the provision of goods, services (or both) to their customers, be they consumers (B2C), other businesses (B2B) or just a customer in general.

To do that successfully means having a product or service that:

- Your potential customer needs
- They're prepared to purchase what you have
 - And potentially buy it at the price you want to sell at
- You know (but sometimes hope) that this will make you a profit at this price
- Is competitive in your marketplace
- Can be developed and expanded to remain competitive and deliver future success
- Can be marketed, sold, implemented, delivered and supported as required

The issues for businesses that trade commercially are as resonant today as they were 25 or even 40 years ago.

Whether you're selling goods from a market stall in the East End of London or selling a multi-million-pound solution to a FTSE 100 company, the principal criteria that need to be addressed are exactly the same.

Customer Expectations

Any organisation's commercial strategy should be about one thing - which is to help your customers ... *exceed their expectations*.

It's about having the right business strategy and knowing everything that your organisation needs in order to successfully develop and expand the business.

Fundamentally, if you have products or services to take to market, it's about focusing on three specific areas:

1. **Customers** - Who are they, where are they, what market sector are they in, how will you find them, how will they find you, what's the size of the market, what's the realistic potential?
 - a. What will your marketing strategy be, what methods will you use, what would this cost, how long will this all take to implement?
 - b. What sales strategy will you utilise - direct, indirect, online, channel, outsource... or a combination?
 - c. What about any customers you may already have! How do you intend to retain them - both now and in the future?
 - d. What new or updated products and/or services do you have that your customers could, would or should be interested in? In other words - just how well do you know your customers - both those you already have and the ones you haven't got yet?

2. **Competition** - Who are your likely competitors, where are they, how big are they, what solution do they have, who are their customers, how do they do their marketing & selling, how are you going to compete?
 - a. Are you in a niche market sector that could be better exploited?
 - b. How can you differentiate yourself from the competition?
 - c. What will make you stand out and what are your USP's?
 - d. Are we continually losing out to key competitors – and if so, why?
3. **Organisation** - What is your infrastructure like... who is going to implement your overall business strategy?
 - a. Do you have the wherewithal internally to achieve your stated goals and objectives?
 - b. Who within your organisation is currently doing all the...
 - i. development, marketing, selling, deployment and implementation
 - c. Is your structure right to allow you to compete effectively, or do you need to look at any sort of re-structure – even if in part?
 - d. Do you have all the right people you need, with the right skill sets, in the right place and at the right time – to undertake your overall business strategy?
 - e. If not, what are you going to do about it?
 - f. Will you need to expand and recruit people, or downsize and lose people?
 - g. Will you need to re-structure any internal teams?
 - h. Will you need to re-locate people?
 - i. What training requirements will you need?
 - j. How are you currently or planning to support your customers?
 - k. Or... are you going to have to work with a third party (who has got the resources / skills / services / time you need)... to help you deliver your strategy and achieve your objectives?
 - l. If you have to make changes - how long will this take to put in place?

And it doesn't stop there! The above is just to provide a **'flavour'** of what's ultimately involved in developing a successful business strategy for your organisation.

Any successful strategy entails doing the required 'homework' and is about...

- **Understanding your Market**... the 'key' to knowing your customers, achieving your strategic outcomes and delivering quality services that are customer focused and **'Value for Money'**.
- **Establishing your 'Niche'**... that sets you apart and allows you to develop key differentiators in the marketplace that you can then exploit.
- **Developing your 'Value Proposition'**... the need to clarify what you're bringing to the table and what your solution delivers - the features and benefits, the deliverables, the outcomes, the savings, your skills and expertise, your 'value add' and ultimately... how you can **'Make a Difference'**.



- **Developing your USP's...** essential to retain that competitive advantage, having that 'edge' and staying that one or two steps ahead. If you don't have any... how can you expect to be competitive?
- **Finding new markets, driving down costs and eradicating inefficiencies...** more critical than ever in today's increasingly competitive marketplace.
- **Developing project plans, implementing programme and 'change' strategies and keeping everything 'on track'...** essential to achieving your business goals - and within the timescales you have set yourself.

To be successful means ensuring that you have done all your research and due-diligence across your projected marketplace, your likely competitors and (least but not least) your own company.

Any strategy has to start with your own organisation actually realising the issues that you face – before then assessing whether you are then in a position to tackle and resolve them.

- Do you have the wherewithal internally to achieve your ultimate goals and objectives?
- Do you need a complete re-organisation internally, or perhaps just a part re-structure?
- Have you allowed yourself enough time for this?
- Do you have the right resources, with the right skills, to undertake this?

These are all fundamental questions that you need to ask yourself as part of the overall preparation if you are to truly succeed.

Market Potential

The overall success of any commercial business strategy entails reviewing the realistic market potential for that business.



And the following (in no particular order of importance) are critical to achieving that success:

Market

- Do you know and understand your market?
- Where / what is it?
- Is there realistic and viable business in this marketplace for your products / solutions / services?
- What's the likely overall potential of your market?
- What are the future trends in this market?
- What solutions are really required in this market?
- What competition is there?
- What are the barriers to entry?
- What are the risks?

Products / Solutions / Services

- Do you have the right ones to satisfy your market?
 - How do you know?
 - What research / analysis have you done?
- How are you going to develop / source these?
- How are you going to support these?
- What will make you competitive?
- Are you supplying to a niche market?
- What are your USP's?
- What is going to differentiate you from the competition?

Competition

- Do you know who your competitors really are?
- What level of competitive analysis have you done?
- What do they have that you don't?
- What do you have that they don't?
- How are you going to compete – and stay competitive?
- Can you compete on all levels?
- How much is this going to cost?

Customers

- What's your target audience?
 - Who are they?
 - Where are they?
 - What do they want / what are they looking for... and when?
- How are you going to find them? How can they find you?
- How are you going to convince them that what you have to offer is the best and they should buy from you?
- Why should they buy something from you rather than one of your competitors?
- Do you have the right products / services / solutions that meet the needs of your customers?

- How do you plan to retain your customer base whilst also winning new business?

Costs Vs Pricing

- What is your pricing model?
- What is it going to cost you to procure, develop, market, sell, deliver and support your product / service / solution?
- What is your overall cost of sale?
- What is your Gross Margin / Profit – % and value?
- What level of profitability are you looking for?
- What sales price will you set to achieve this?
- Is this realistic and attainable?
- Is it competitive?

Marketing / Advertising

- How do you intend to market your business?
- How will you measure what is successful and what is not?
- Do you have the right resources to deliver this and achieve the right return for your costs?
- Have you a definitive budget for all marketing activities?
- How has this been calculated?
- Is this regularly reviewed?

Sales

- How do you approach sales?
- Direct / Indirect / Telesales / Cold Calling / Internet / Other?
- Right place / right time etc?
- Do you have resources with the right skill sets?
- How will you achieve success?
- What is going to be your sales approach?
- How will you manage your sales approach?
- How will you conduct your sales account planning to ensure you maximise the return on your approach, your efforts, your time and most importantly, your costs?

Resources

- How is your organisation structured?
- Do you have the right resources with the right skill sets to plan, develop, market, sell, deliver, implement and support your products / services / solutions?
- Do you have the right resources in the right places?
- If you feel you do have the right resources – what training will they require?
- Remember the old mantra...
 - *“What will happen if we train our staff and then they leave?”*
 - *“What will happen if we don’t train our staff, and they stay?”*
- If you don’t have the right resources, where is the issue?

- Development?
- Marketing?
- Sales?
- Customer Services?
- Other?
- If the issues are time, cost, ability, availability or any other combination, then would you be prepared to work with a third party to help you achieve your objectives?
- What is your approach to all of the above?

Business Plan

- Do you have a business plan that covers the next year in detail?
 - Remembering of course that it's hard enough to plan for the next 12 months alone.
- Planning for 3 years out (forget 5 years) will always remain speculative in constantly changing market conditions.
- The key is flexibility and adaptability – and the ability to change tack quickly, efficiently and professionally in order to cater for fluctuations in the market:
 - Market forces and conditions
 - Customer behaviour
 - Competitive forces
 - Pricing
 - Availability

To find out more, please just call or email us. If you have a particular requirement, we will always be happy to provide you with an informal, no-cost, no-commitment consultation.