

Business Philosophies in 5 Words or Less...

Have you ever had to give an “elevator speech” — explaining the essence of what your company’s vision and purpose is, or the mission and goal of

an integrated and comprehensive project is, or why you need funding from your lender, or why your product line is superior to your competitor’s — all in the time it takes an elevator to travel five floors?



Stan Pohmer

Maybe there was a time when you bumped into your banker in the parking lot on your way into a

Lions Club meeting and you wanted him to hear about a new project you needed funding for and that short walk was all the time you had to sell him on it.

Or another time on the trade show floor when you’ve so desperately tried to score an appointment with a customer you really want to talk to, and the only time you can pitch them your idea is when they’re rushing to another appointment.

Make the Most of Your Time

Real story: The CEO, of a company I worked with at the time, and I entered an elevator together on the ground floor. Upon entering, he asked me for the background and goals of a new program I was developing and was eventually going to need his approval on. Then I saw him push the button for the fifth floor — I knew I had to be concise because I didn’t have much time. Fast forward five floors; because I knew the time constraints and knew my subject well enough to pull out the highlights to present, I believe this short ride was the major reason I got the opportunity to make a more comprehensive presentation to the CEO at a later meeting.

Having spent 26 years on the retail side of business, I’m well aware that retail is detail, and there’s always a million things you have to control (or try to) going on at the same time. But to accomplish anything, you have to have clarity and purpose, with everything focused on achieving a few key goals or objectives. Without clarity and

purpose, you’re like the pinball wizard, constantly chasing the ball careening off the bumpers and using your flippers to keep the ball from dropping into the chute, with little to show at the end of the day as accomplishments.

In my world as a business and marketing consultant, I spend much of my time and energy focused on two areas, studying the consumer and studying retail, trying to look for points of congruence that can be exploited and opportunities that can be developed. One of the major things I’ve identified is that successful companies have developed a clear, concise and readily understandable message that they can communicate both to their customers and their team members.

Not only do their elevator speeches tell their story with absolute clarity, but everything they do as a company — marketing, advertising, merchandising, operations, etc. — supports and reinforces this message.

Let’s look at a couple examples.

Target: “Expect More. Pay Less.”

Target’s published business philosophy to their consumer is summed up as “Expect more. Pay less.” Consider what they do to support this statement: They position themselves as cheap chic, with a flair for trend value. They set their display standards visibly higher than their competitors. They don’t simply follow trends, but also try to create them by being first to market on new items. They bring in some edgy designer exclusives in fashion and home categories that are planned to be available only for a few weeks or months, at best, and then they bring in a new category or designer to replace it, which is a great example of how they’ve been able to create their own hype and demand.

To accomplish the “Expect more. Pay less.” contract and promise to their guests, Target developed some internal operating strategies and initiatives to act as guideposts to keep everyone focused and heading in the same direction.

One principle was “Speed is life.” Recognizing how fast the marketplace, the consumer and competitors change, Target management truly believed it was critical to be able to move quickly, anticipate, be agile and reactive.

Related to this, another internal principle of “Ready, Fire, Aim,” which was an understanding that to be the trend or market leader, it was acceptable to implement a program that was only 90 percent complete, rather than waiting until everything was 100 percent perfect with the

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POHMER ON...

Though both Target and Walmart are very complex companies operating in many different business segments, they've been able to synthesize their core philosophies to both their customers and team members, creating philosophy messages that are crystal clear, consistent and easily communicated. And everything each company does internally reinforces their contract with their respective customers.

chance that a competitor might scoop you. Once launched, the program could be fine-tuned and tweaked, but having already gained a competitive advantage by being first out of the chute.

And then consider "Fast, Fun and Friendly" — this philosophy guided all team members on how to create a best-in-class guest (not customer) experience. This approach complemented the umbrella philosophy of "Expect more. Pay less." and served as a guidepost for everyone from their CEO to the cart attendant.

Walmart: "Save Money. Live Better."

The original market positioning of Walmart by Sam Walton has been consistent for 49 years — a focus on providing their customer with the best price value possible. Their business philosophy was pretty well summed up in their "Lowest prices everyday" to "Always low prices," to today's "Save money. Live better." marketing message. Though the wording of the message has evolved over time, Walmart has maintained a laser focus on their core price value philosophy.

And this philosophy has consistently been driven home through their focus on every day low pricing, leaning towards more functional merchandise assortments, sticking with the basics in soft lines and not chasing fashion. They embraced the "stack it high and watch it fly" approach to display — merchandising cut cases on pallets in the main aisle.

Another key example of supporting the "Save money. Live better." philosophy is their commitment to take as much cost out of the process of acquiring and distributing product as possible, passing the savings on to their customers.

And to show how ingrained the price value business philosophy was in their customers, when Walmart recently tried to move more upscale in store appearance, displays and assortments

and took the focus off of price value in their messaging — in an attempt to capture some of Target's customers — Walmart's customers helped them deliver eight consecutive quarters of negative comp store sales. It was only when Walmart got back to delivering on their core, price focused business philosophy ("Save money. Live better") did Walmart start showing some sales increases.

Walk the Talk

Though both Target and Walmart are very complex companies operating in many different business segments, they've been able to synthesize their core philosophies to both their customers and team members, creating positioning philosophy messages that are crystal clear and easily communicated. And everything each company does internally reinforces their contract with their respective customers.

It's hard to believe that just a few simple words in their business philosophies can have that much power. But understand that it's not just the words themselves. Both companies have, over time, not only talked the talk, but walked the talk. They've been clear, they've been consistent, they've been believable, and they've been successful.

My questions to you are: What's your elevator speech? What is your clear and concise business philosophy? And is everything you and all of your team do focused on supporting the essence of who you are and what you want to be? I hope you can articulate your message with clarity and are walking the talk, because your customer expects it of you... **LGR**

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