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B2B STRAIGHT UP

The joy of playing with yourself

If beating the competition is your only objective, **Kimon Lycos** suggests that you're in for a shock.

Traditional B2B marketing seems to be all about how to beat the competition with confrontation and military style tactics and lingo – beating them with technology, price, logistics, brand and cute BDMs as troops on the ground. Nothing short of an all-out escalation ensues, with competitors in a market space trying to outdo each other – classic hallmarks of a war of attrition.

Products get bigger (or smaller), faster, more powerful or more refined, while the company looks to cut costs, boost profits and seek more ways of outdoing, outwitting, and out and out defeating the competition. When they get really serious they hire fashion models to sell their muscle bound offerings to gasping engineers, who don't get a whole lot of sun, and enjoy hanging with pretty people who actually pay them attention.

Is this the path you go down every time you wonder about getting an edge over the competition? Your mind immediately turns to making better product, doing it cheaper and, when all else fails, hoping that a suntanned cleavage will distract customers long enough to sign them up on an extensive leasing contract?

The real issues with traditional B2B marketing paths are the immediate limitations placed on your own thinking and tactics, because you'll find yourself constantly glancing over toward the competition while racing to the finish line – their limitations become your limitations, and vice versa.

It's an arms race that leads to a peak where gains in innovation become expensive, pricing can only be rationalised so much and markets fill to capacity sooner or later.

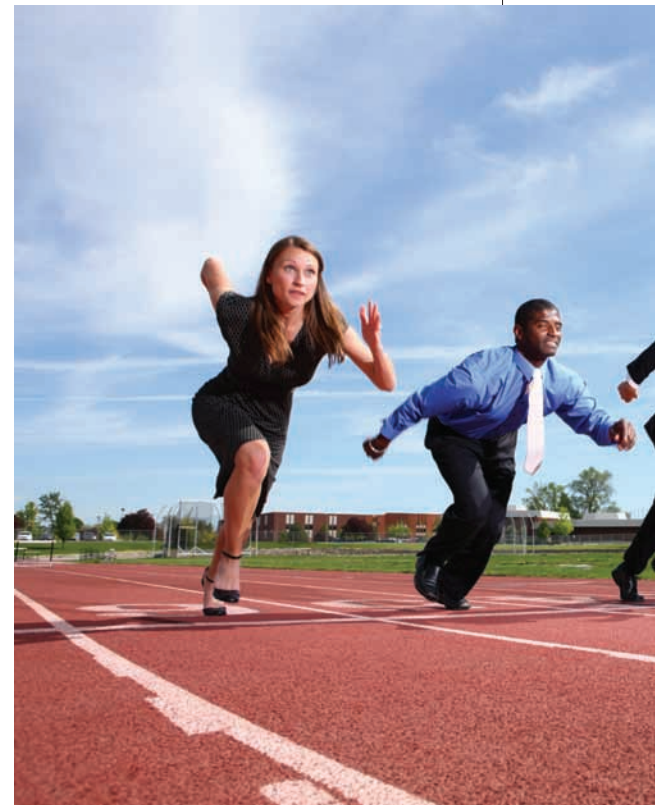
Let's instead think about the joy of playing with yourself (shame on you for any dirty thoughts you had). Competing head to head with the competition is a sure-fire way of not gaining market differentiation (a big reason for people switching suppliers); playing with others is for many companies a race toward market saturation, a dead end, or years of travelling in a crowded wilderness of 'commodity-sameness'. Never mind the dwindling profits...

My son has taken to tennis recently and for a 10-year-old he is unnervingly savvy. At a recent session he took great joy at playing with himself (in the sense of hitting the damn ball wherever I wasn't). With each well-placed ball the little smarty-pants made my presence irrelevant, and he enjoyed getting the old man sprinting back and forth. Thinking about how a company can make the presence of competitors irrelevant, the same idea applies – place the ball where others don't exist, or where they find it difficult to move.

Every technology and innovation company has a range of winning assets; otherwise you would not have managed to sell anything in the first place. If you find yourself in the position of not getting good value for your own 'shots' then you should have a review of your assets, and think of ways to apply them in a manner that moves your business into an area where competition is less and profits are more.

This is how new industries and new market categories are created. Pretty neat, eh?

Rather than allowing continual confrontation with competitors to decide your strategy for you, look at the value you can provide to customers, and make this the basis of continual innovation. Often all it takes is



to ask better quality questions to customers, suppliers and influencers within your industry. The purpose is not to find out how to build a better widget, but how to maximise the value of doing business with you. As a real case in point, I give you the amazingly successful airline NetJets, which services the corporate travel market. As a case for smart ball placement in B2B marketing, NetJets makes my son look like a drunken giraffe (sorry kid).

The real money in aviation is with the corporate air warriors who can be counted on

to spend more to get more and do so regularly. As any corporate air warrior knows you have two choices: go on commercial flights or get a corporate jet. These two alternatives represent trade-offs – commercial travel can be a hellish experience in Kafkaesque terms, but it's still pretty cheap, while buying or leasing a corporate jet is expensive and incurs a heap of 'deadhead' hours, with the jet needing to fly to you first.

NetJets looked at both of these alternatives and recognised the opportunity was to innovate an irresistible value offering – quality corporate travel with the convenience of a corporate jet, but without the cost. Their solution was to offer 1/16th ownership in a \$6 million

jet, shared with 15 other owners, each gaining 50 hours of flight time per year.

When you factor in all of the costs associated with commercial business travel, the hotels, line-ups, delays, psychotic episodes and communicable diseases, NetJet's offer starts to make business sense. In fact, when you are talking about a whole group of executives hauling ass, you can save considerable money. The end users benefit directly thanks to faster travel time, less stress, greater convenience with point-to-point travel and being able to plan effectively because of a guaranteed reliable service.

Imagine, with just four hours' notice, being able to get a flight that takes you directly to where you need to go, and features customised service with your favourite food and drinks onboard, avoidance of security issues, overnight stays and the general shenanigans associated with commercial flights – all without the cost of private ownership.

For NetJets, its fortune lies in avoiding many of the costs traditional airlines suffer. Its aircraft are smaller, its marketing spend is less, it pays less for infrastructure and using smaller regional airports helps cash flow considerably. By playing with itself, NetJets has within 20 years eclipsed many traditional airlines, with a fleet of 800, profitably flying 450,000 flights to about 140 countries. Its outstanding value and innovative experience generates fanatical loyalty in the most profitable segment of its market.

The real trick to all of this is to abandon traditional thinking and marketing paths within your industry. With everything there is a trade-off in order to fulfil a need. Think of digging a hole – you can do it with your hands, a shovel or a 30-tonne excavator. Each has its pros and cons, with trade-offs between cost and ability, but they are all ultimately just substitutes for the act of digging.

Now think of the alternatives, methods that don't have a scoop or mechanised structure – that's how dynamite came into being. Why muck about with tearing into the ground, when you can blow it up and then use the traditional methods for removal? This has now created a system and provided greater value in terms of time, effectiveness and getting to see things go boom!

Start rationalising as a savvy buyer; they are the ones who look across industries to see the alternatives, where you are looking within

your industry for potential substitutes, going from hands to shovels to excavators. The client wants the dynamite.

Once you start this thought process, you can connect the dots about innovating value to the customer and in ways that the competition either finds hard to follow or simply cannot do. As you do so, keep an eye out for places where cost can be reduced as NetJet did. This raises profits with an easier sell, with less competition, but also with less expense. That is one delightful double-edged sword.

The process does not just end here though – if you really want to play with yourself, then there can be more to do in order to generate other opportunities. Start asking better quality questions with your next weekend retreat 'strategy' session. You may not be able to answer all of them, but nailing just one can be all it takes.

- What other industries could be alternatives for customers and therefore inspire us to innovate value?
- Is there a complementary service or offering available? What happens before during and after a sale – where can we deliver more to get more?
- Are there any trends developing and what can we do to rapidly deliver a benefit that is at the forefront of the trend, rather than simply develop with the trend as events unfold?
- What are the functional and emotional triggers in the market, and where can we up the ante in order to be different to the competitors?
- Do we capture all of the decision-makers and influencers, or is there too much focus on one group, while neglecting another potentially important one?

If anyone during this quality session of questions says, "But that's not how we normally do things", stuff their ears with a turnip or linguine... especially if they have a whining nasal voice.

The reason why a company consistently gets mediocre results is directly related to the age-old truism – if you keep doing what you are doing, you'll keep getting what you are getting.

Fighting it out directly with competitors may be fine for a while, but it could be better to go it alone, and hit where the resistance doesn't exist. I know a 10-year-old who can prove it. **M**

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