



## CENTER FOR ECONOMIC DEVELOPMENT

# NewsWire

February 9, 2010

### HELPING ENTREPRENEURS AND BUSINESSES GROW AND SUCCEED

A joint program of the Labovitz School of Business and Economics, Natural Resources Research Institute, and Swenson College of Science and Engineering.

## GOOD READING

### SBA NEWS

The Small Administration will provide more assistance and capital to small businesses. For program highlights:

<http://bit.ly/6eokUA>

### MARKETING BUDGET INCREASES WORLDWIDE

Almost nine in 10 business executives around the world plan to increase or maintain their marketing budgets, and one-half expect their customers to be spending more in the coming year. *Source: "2010 Marketing Trends Survey" from StrongMail,*

<http://bit.ly/5Q2IMU>

### COMMUNITY BANKS GAIN SMALL BUSINESS CLIENTS

Statistics show many small businesses have gravitated to community banks. About 800 community banks continue to extend credit to small businesses during hard economic times. The recession has provided an opening for small banks to promote personal service and relative stability compared with large banks. Some credit unions and small private banks, which have competed against one another in the past, are actually banding together to pool their marketing dollars. *Source: New York Times*



It's not too late to sign up for  
LUNCH WITH THE BETTER BUSINESS  
BUREAU  
**GOOD NEWS FOR BUSINESSES**  
February 22, 2010  
11:30 am – 1:30 pm  
\$25.00

This workshop will be held at the UMD Center for Economic Development, 11 E. Superior St., Suite 210, Duluth, and is presented by the UMD CED in partnership with the Better Business Bureau. Lunch is included.

To register: 218-726-7298 or [www.umdced.com/workshops](http://www.umdced.com/workshops)

## ARE YOU LISTENING TO YOUR CUSTOMERS?

Recently, Domino's Pizza did something practically unheard of in the business world. First, it asked its customers for honest feedback. Second, it actually listened to the painful truth (according to its documentary ad, "The Pizza Turnaround," unflattering words like "cardboard" and "totally void of flavor" were tossed about with abandon). Finally—and here's the shocking part—the company reinvented its product "from the crust up."

Now, if you're the typical business leader, you might be protesting, "But we listen to our customers all the time!" Don't be too sure, says new product development expert Dan Adams. You might think you're giving your customers what they want—but there's a good chance you're actually giving them what you want them to want.

"Many companies are essentially saying to their customers, 'You do need this product, right? Right?'" laughs Adams, author of *New Product Blueprinting: The Handbook for B2B Organic Growth* (AIM Press, 2008, ISBN: 978-0-9801123-4-4, \$35.00). "They're starting with a product and trying to talk their customers into giving it their stamp of approval. What looks like soliciting feedback is really a bit of a dog and pony show."

Adams should know. He has spent his career helping some of the largest business-to-business companies in the world learn how to develop new "stuff" that customers want to buy. Through *New Product Blueprinting* (the process described in his book), his company helps clients bring clarity to the "fuzzy front end" of product development.

## ARE YOU LISTENING TO YOUR CUSTOMERS? (cont.)

### GOOD READING (cont.)

#### FINANCIAL HELP FOR LMINORITY-OWNED BUSINESSES

The Small Business Administration (SBA) has supported substantial financing to minority-owned small businesses under the American Recovery and Reinvestment Act. Minority-owned small businesses received more than \$3 billion worth of federal contracts and more than \$4 billion in SBA-backed loans. Source: January 25 SBA press release from [www.sba.gov/news](http://www.sba.gov/news)

#### RECESSION CREATING ENTREPRENEURS

A Microsoft study showed 70% of the respondents who are first-time entrepreneurs left their jobs to start businesses during the current recession. However, a GEM/Global Entrepreneurship Monitor study found 87% of U.S. entrepreneurs started their business because of a business opportunity while only 13% started their business out of necessity or desperation. Source: <http://bit.ly/6jSFfF>

#### INTERNET STATS

There are 205 million U.S. Internet users or 66% of the population. The number will grow to 70% in the next four years. Source: <http://bit.ly/5wPhNh>

Boomers (born from 1946 – 1964) dominate the US population online and offline. 32% of the adult population and 36% of the online adult population account for about one-third of Web traffic everyday. Source: <http://bit.ly/6jSFfF>

So with the Domino's ad campaign making headlines for its boldly honest approach, you might be wondering how your company can follow its lead. Adams offers several tips:

**Ask your customers what they want—in a way that lets them know you really hear them.** A lot of companies pay lip service to this idea. As consumers we've all had survey cards slapped down in front of us or fielded post-purchase telemarketing calls. Reconsider how you are collecting customer feedback. Are you doing it in a way that really engages the customer so that you can get the truth?

"There's no substitute for respectful dialogue with customers," says Adams. "When you can get people truly engaged in the feedback process—I mean really focused on what they need and want from you—you'll get their honest opinions. And that raw honesty is what you need to serve them the right way."

**Don't rely on sales reps alone to capture customer needs.** A salesperson is unlikely to uncover a full set of market needs if he is: (a) rewarded for near-term selling, (b) unable to reach true decision makers, or (c) not calling on most of the customers in your target market segment. But put a good salesperson on a team with marketing and technical colleagues, train all in advanced interviewing methods, and you'll run circles around your competitors.

Be wary of VOC (voice-of-the-customer) consultants who want to exclude your sales force from interviews because "they can sell but not listen," warns Adams. In the long run, your company will fall behind competitors that have taken steps to develop a team of engaged and enlightened salespeople.

**Take action on what you're hearing.** Many companies ask their customers for feedback with the best of intentions. But when they start hearing things they don't want to hear, they find a million reasons to explain it away. As a result, the feedback never gets translated into action.

"A lot of companies will say, 'Oh, they're a difficult client,' or, 'That's not really what they want; it's just what they think they want,'" says Adams. "Either they don't really want to change what they're doing or they don't trust the customer or they don't trust themselves to understand what the customer wants."

"A good interviewer knows how to dig deep and figure out the customer's hidden needs," he adds. "And a smart company will take action to meet those needs—no matter what."

**If you have to scrap your existing products and start from scratch, so be it.** Here's the real truth, says Adams: Most suppliers start with their solution, "validate" it by showing it to some customers, and measure market needs by watching sales results... after the product launch! In other words, they're getting it exactly backwards.

"Companies should invert this process: Begin with customer needs and end with supplier solutions," asserts Adams. "While doing things in the wrong order may 'feel' better to you, it is far less likely to result in sales and customer satisfaction. Besides, intelligent customers can detect your 'validation' a mile away. They correctly sense you are more interested in your idea than in them... and that doesn't do much for the long-term relationships you need to build."



## BUSINESS WORKSHOP

### Marketing to Your "BEST" Customer

02/17/2010  
(2:00pm-4:00pm) \$25.00

Identifying "best customer" potential is key to any business success. Learn basic skills identifying best customer potential as well as techniques to attract and capture your market.

## COMPUTER WORKSHOPS

### Excel III - Macros and Functions

02/17/2010 \$60.00  
(9:00am-12:00pm)

Delve deep into the power of Excel. Use powerful functions (countif, trim, ceiling, lookup, subtotals, and more) to extend your functions, create macros by recording keystrokes and then updating the Visual Basic code. Information on Pivot Tables, screen layout, Excel Options, and best practices.

### Publisher - Basics of Desktop Publishing

02/17/2010 \$60.00  
(1:00pm-4:00pm)

Create customized published materials. Cover the very basics of putting together newsletters, brochures, flyers, letterhead and business cards. Publish easily on your desktop printer, at a copy shop or commercial print shop. This is a hands-on workshop. Come with a project or idea.

### Access II - Beyond the Basics of Database Management

02/18/2010 \$60.00  
(9:00am-12:00pm)

Go beyond the basics of database management - import data from a spreadsheet, export a table from an existing database and merge a table from a database into a document. Create and use customized forms, reports and a switchboard.

### Access III - Database Relationships and Queries

02/18/2010 \$60.00  
(1:00pm-4:00pm)

Go beyond the basics of database management - import data from a spreadsheet, export a table from an existing database and merge a table from a database into a document. Create and use customized forms, reports and a switchboard.

## QUICKBOOKS

### QuickBooks

03/09/2010 \$99.00  
(9:00am-4:00pm)

Covers the basic functions of this number one selling small business accounting program. In addition to this day-long workshop, receive the QuickBooks learning guide.

The mission of the University of Minnesota Duluth Center for Economic Development is to assist entrepreneurs and businesses to grow and succeed.

The University of Minnesota Duluth Center for Economic Development offers numerous workshops to help entrepreneurs and employees operate more efficiently. **All workshops are held at the Duluth Technology Village, 11 E. Superior Street, Suite 210, unless otherwise noted.** To register call: 218-726-7298, 888-387-4594 or register online: [www.umdced.com/workshops](http://www.umdced.com/workshops).

*Funded in part through a cooperative agreement with the U.S. Small Business Administration, Minnesota Department of Employment and Economic Development and sponsoring centers. Reasonable accommodations for persons with disabilities will be made if requested at least two weeks in advance. For arrangements, contact: UMD Center for Economic Development, 11 E. Superior Street, Suite 210, 218-726-7298*

**1986 – 2009** Celebrating 23 years of excellence and also recognizing UMD's 25 year partnership with the Minnesota Small Business Development Centers

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