



SUCCESS TACTICS Business Plan? Marketing Plan? Part 8

Each time I think this may be the last part of this series someone asks me a question which gives me a few more ideas I would like to share. If you have a question, you can contact me at buzz@laserbuzz.com.

If you have been reading these newsletters from the start you can tell I believe your marketing plan is one of the most important parts of your business plan. Exposure=Sales in my book. This is what will make you successful. Having good products help, but without exposure you will never get your business off the ground. There is never an end to new ideas we can come up with for getting exposure for what you can make or do with your laser. If you give yourself the time to brainstorm some strategy and try them out locally, I bet you can hone a game plan that may take off nationally. Take ideas from others and make it work for you!

For instance, how does big business get exposure nationally? A big manufacturer in the retail market may own all their stock on the shelf at the local big box store. Their philosophy is "If it isn't on the shelf no one can buy it." Let me be more specific and pick a product - shampoo. The company that supplies most of the big box stores and almost every franchise chain from drug stores to mini marts own all the products on the shelf. Some of these companies even own the shelf their product sits on. Some companies supply the racks for their specific products, maybe even a display to promote a new item or a sale.

How does this work? These companies have contracts in the industry and when a new store opens they go in and fill the shelves. As purchases are made, the UPC code tells them they have to restock certain items which the store is then billed. Monthly or quarterly, a full inventory check is made and any missing items are restocked and the store is billed.

I know this sounds like a hybrid consignment operation (it is). You own the original stock and when a product is sold they pay for the restocked item. How could you improve on this model for exposure/sales? If you currently own a store front, you stock your shelves with products so buyers can see them, purchase them, or order what they want. Each location you set up this way is like an extension of your own store front. Technically, if you had products in 50 other locations you have 50 stores! Exposure = sales. "If it isn't on the shelf nobody can buy it" and they will just find something else to buy.

Stop. I am just like you! I don't like consignment in any form. I would prefer instant sales. Smaller shops will not have a UPC code systems and I don't want the expense of coding anyway. With the price of gas I don't want to put a salesman on the road to take inventory monthly or possibly weekly. So what can do we do? How can we expand our market place like the big boys do? I want 50 locations, or better yet, set my goal for 100 store fronts.

Rent for a single store front has already been determined to be at least \$3,000 a month (from a previous newsletter), plus staffing. That's not a reasonable solution! Stocking a retail store shelf with my products would probably be a lot cheaper than one months rent, but we have the cost of following up on sales. I would prefer to just take an order, manufacture the product, and sell the item for cash with as little effort as possible. But then I wake up from my pleasant dream I know this is not reality. I need to get back to business and figure out how to accomplish my goals. ☺

I want you to help me look at this from several angles and I bet together we can come up with an idea that will work.

First we have talked about Give-To-Get methods to market and sell your products in previous newsletters, so let's use this concept, also. Everything worth doing in life takes an effort (I remember my parents saying that to me). It is true. So, how can we minimize our time/effort in our quest to grow to 100 locations? We will assume you have a product line and you've tested the market on how it sells in your area. I will select some of the laser products we create for use in this discussion.

With this product line we need to make it ready for distribution. What I mean by this is you have to have packaging to display your products. With inexpensive packaging your product can look like it came from a 10,000 square foot manufacturing plant instead of your garage. For some reference to packaging ideas, check out companies such as www.clearbags.com and the many other low cost alternatives. Some products sell better if the customer can touch and feel the uniqueness of the lasered item. Keep this in mind for increasing sales.

Back to exposure, getting locations - game plan time! How can we take what we've talked about and put it into action? We realize some effort is still going to be required. Remember, this is me brainstorming. You can probably improve on it. I want to set up 10 stores immediately with my products to hone my idea. I hate cold call selling so I want to use the Give-To-Get method. Also, I know multimillion dollar companies grow with owning the initial inventory placed in a store. So here is what I'm thinking of doing. Take my products, whether it be Military or pets, and go to several different types of locations that I think will sell such a product line. To recap; in previous newsletters I spoke about different types of locations for your products. Let's go over Pets quickly.

Kennels, breeders, groomers, veterinarians, pet stores, pet boutiques, crematories, wash basin rental locations, pet hospitals, and even dog shows are just a few possible locations.

I think with this many possibilities I could find 10 locations within a decent size town. If I wanted to fast track this idea and supplied a display rack for my products, I could approach one of these stores to offer a “Free Merchandise Trial”.

What would my hard cost be? Well, let’s look at a rack of ornaments. (Note: we have a LaserBuzz customer who builds lazy Susan type display racks for a reasonable price that holds several items.) Each hook will hold at least 6, so let’s use 100 hooks with 6 items each, equals 600 products. An ornament has a material cost of about 5 cents. A nickel times 600 equals \$30.00, plus the cost of the display rack. Basically we set up a new retail location for under \$100.00, or ten new locations for under \$1000.00. WOW!



These Ornaments sells for 200 times Material cost.



Ornament sells for 200 times Material cost.



Now how do I take this display rack and formulate it so I don’t have to make sales calls each week? What if I offered these locations the “Free Merchandise Trial” for 30 days or up to maybe 90 days to see how well our products sell for them? They pay for the items after the ornaments are sold. This is similar to what the big companies do.

At the end of the trial period they have the option to purchase the stock on the display rack or you will remove it. If the store sold a lot of your products you both made money and they will want to keep the display. If the location was a dud you don’t want to leave your stock there anyway. You still own the display rack and it can be moved on to the next winning location. You could even offer a payment plan to purchase the original stock! 600 units with a suggested wholesale price of \$3.00 is \$1800.00.

This will get you out of following up on what is sold weekly or monthly. If you get great locations you may never need to grow to 100 stores. Wouldn’t that be fantastic! I selected Pets or Military because they are an emotional product. Like I have said in previous newsletters, emotion equals impulsive buying. The retail location has no financial investment in trying these new products and you have a low investment to expand your market exposure (win – win). Isn’t it worth trying?

The effort is going to be to follow up during the initial trial period. This will also help develop a relationship between you and the location to expand. Once your foot is in the door it is easier for them to try other products from you. Another selling point; if they have a certain product line they purchased from you that has not been a good seller for

them; offer to trade it out with other products that will sell. This creates goodwill and will go a long way with that customer. Ultimately their success will be your success. Nobody likes their money tied up with products they can't sell. As you expand to 100 locations you will find certain places that have seasonal sales while others may have very specific sales. What an Army surplus store sells is much different than what a pet store might sell. That doesn't stop you from creating a mutual fund of different lasered products to supply for all stores. Most of the fun is coming up with ideas in the first place. The hard part is once the sales start coming in now you have to make all those products!

Tom "BUZZ Bernard

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