

# POI European Promotion Optimization Summit

Celebrate Globally and Execute Locally

9-11 May 2017 • Amsterdam, The Netherlands



# Ten Rules to Successful Strategy @Retail!

**KEEPING YOUR FOCUS  
DEFINING YOUR DESTINY**

In the outer room there are numerous companies with tools to enable analytic capabilities



# The message is simple

1. Buy the tools
2. Implement the tools
3. Save money

# To quote Phil Michaelson, the Pro golfer

- Golf is simple, just put the ball in the hole, but it is not easy.
- Likewise Promotion Optimization is simple but not easy!



# Like any strategy (new or old) certain rules to successful execution exists

- Don't get me wrong...every supplier that sells PO software has the ability to be successful and/or profitable.
- But it can not do it alone...it requires collaboration!

# What We Did

- We studied hundreds of cases of winners and losers
- We interviewed the managers of successful and not-so successful brands.
- We found 10 consistencies between the winning and the losing strategies.

## 2. Winners Followed Rules-- Implicitly or Explicitly

Winners consistently practiced certain marketing behaviors.

Losers didn't.

This is just as true if you are executing a pricing or promotion strategy, a Retail Execution strategy or any type of strategy

Trade promotion Optimization is new! New technology makes it possible to do things today we couldn't have done in the past

- In a fast changing world, what worked yesterday probably doesn't work today.

»Peter Drucker, 1998



# Marketing Strategy: The Rules

- 1. Leadership
- 2. Know What Is Under Your Umbrella
- 3. Get Close and Stay Close to Your Customer
- 4. Know Your Playing Field
- 5. Know Who You Are Playing Against

# Marketing Strategy: The Rules

- 6. Surprise
- 7. Focus-Focus-Focus
- 8. Concentrate Your Resources
- 9. Mobility
- 10. Advance and Secure

Let's spend the most time on the first "rule" **LEADERSHIP** since it is the most related to **collaboration**





Look at What the Generals Have Said About Rules of Strategy.

# What Others Say About the Rules

“Fools say they learn from experience. I prefer to learn by others’ experiences.”

General Bismarck



# What Others Say About the Rules

“War acknowledges principles...but these are not so much fetters which compel its movement outright but as guides which warn us when it’s going wrong.”

Admiral A. T. Mahan



# What Others Say About the Rules

“Genius acts by inspiration. That which is good in one circumstance is bad in another, but it is necessary to consider principles.”

Napoleon



# What Others Say About the Rules

“Do not attack the enemy when he adheres to the rules, but profit from his slightest mistakes without delay.”

Frederick the Great





# 1. Leadership

While all 10 “rules” were important  
the first rule dominates

When any company embarks on a new way of doing things most people will find a reason to object.

- Accounting will say it doesn't match with the current system.
- Sales force will say it is too difficult to input
- Line managers will say its too difficult to understand

# Leadership

- Most important of the rules. All winning strategy had strong leadership
- Leadership is not a position it is a state of mind.
- There are leaders at every level of the organization.



# Just buying software is not enough

- To make it effective someone must chaperone its execution through the system.
- Leaders must make the new PO system accepted by everyone who objects or the project will fail.
- It can't be most people will accept...Everyone must accept it!

# Leadership

“It was not the Prussian army, which for seven years defended Prussia against the three most powerful nations in Europe, it was Frederick the Great.”

Napoleon

# Leadership

“Which army will win is answered by which of the two commanders has the most ability.”

Sun Tzu



# Leadership

“An army of deer led by a lion is more feared than an army of lions led by a deer.”

Philip of Macedon



# Leadership Traits

- 1. Vision
- 2. Robustness
- 3. Risk Taker
- 4. Competitiveness
- 5. Boldness and Decisiveness
- 6. Opportunism
- 7. Grace under Pressure
- 8. Innovativeness



# Vision

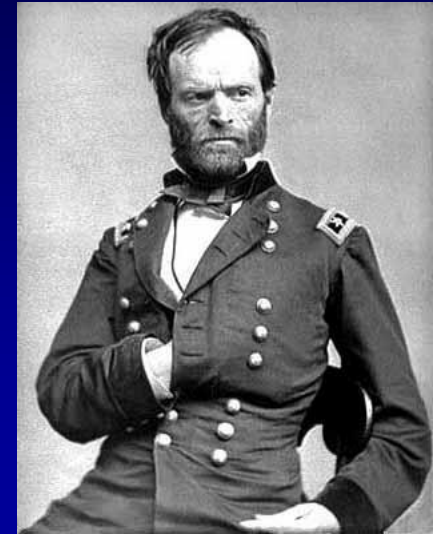


- Leaders have vision, and share it with everyone.
- Vision is like the architect's rendering. The final product is drawn before the blueprints are made.
- Leaders must make the everyone see the future using the new software.



# Robustness

- There is no question that at some point point the new system will have problems.
- A leader will be able to hand the bad times as well as the easy times.
- The leader can't let the team retreat and judge the new system a failure because they reach a difficult situation
- “War is Hell”- Sherman



# Leaders take risks!

- Sometimes the safest decision is the riskiest decision
- Failing to act, failing to change, is also failing to lead!
- One can not always wait for the facts to make decisions more certain.
- I know a company that continually waiting for the Promotion Optimization to be “proven.” They were the last in the category to act, and now they are way behind the pack!

# Innovativeness

- Almost no one likes change.
- “The world as we have created it is a process of our thinking. It cannot be changed without changing our thinking.”  
— **Albert Einstein**

- Leaders help everyone to see the need to change and how to change.
- They create a change environment.
- “Change will not come if we wait for some other person, or if we wait for some other time. We are the ones we've been waiting for. We are the change that we seek.”

— **Barack Obama**

In my opinion implementing a Trade Promotion Optimization requires leadership and vision

- However the other factors we found related to successful strategy should be discussed.

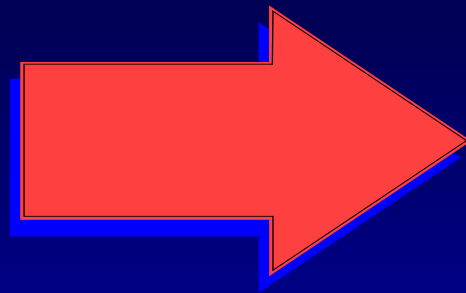
## 2. Know What's Under Your Umbrella

Remember, customers only buy  
*two* things:

1. Good feelings
2. Solutions to problems

# Know What's Under Your Umbrella

- What you make in the factory, may not be what consumers buy.
- Charles Revson said, “In the factory we make cosmetics, at the counter we sell hope



Hope

- What is your equivalent of “selling hope”?



## 3. Get and Stay Close to the Customer

- Just because you know have more technology it is not an excuse to move away from the customer!
- It is still important to satisfy your customer and not let the software tell you how to behave.
- If it is not what the customer wants, its not the right thing!

## 3. Get and Stay Close to the Customer

- Don't ask customers to compromise!
- No glamour in meeting customers
- How can you become more customer oriented?



*Delight Me...*  
**The Ten Commandments  
Of Customer Service**

**RICHARD J. GEORGE/JOHN L. STANTON**

“I Would Rather Listen to 3  
People for 3 Hours Than Read a  
Survey of 8,000 People.”

Kenichi Ohmae

# In the Words of John LeCarre

“The desk is a dangerous place from which to view the world.”



“He Who Listens, Understands”

\*West African Proverb

## 4. Know your playing field

- How is the world changing?

# Remember:

Noah started to build the  
ark

before

it started to rain!!





# Rule 5: Know Who You are Playing Against

# Who Is the Competition?

- Not always what it seems - remember the lion!
- Customers and consumers, not you, determine who is the competition
- Actually, no such thing as the competition
- Rather, there is competitor A, competitor B, competitor C.

# Consider the Words of General George S. Patton

- “I have studied the enemy all of my life. I have read the memoirs of his generals and his leaders. I have even read his philosophers and listened to his music. I have studied in detail every damn one of his battles. I know exactly how he will react in any given set of circumstances. And he hasn’t the slightest idea of what I am going to do. So when the time comes I’m going to whip the hell out of him.”

## 6. Surprise

- Doing the unexpected

“Everything Which the Enemy  
Least Expects Will Succeed the  
Best.”

Frederick the Great

## 7. Focus-Focus-Focus

- Effectiveness - what do you want to accomplish?
- Know the objective
- Quantify the objective
- Stay with the objective
  - Paradox of growth
  - It's not always easy!

## 8. Concentrate your Resources

- Efficiency - What is the best deployment of the organization's resources?
- Put your money and people where it makes a difference
- Concentrate your resources at the point of attack
- Concentrate on weaknesses

# Concentration Is Not Easy

- Structure of most organizations is against concentration
  - Brands compete for limited resources
  - Fairness doesn't work
  - Shoot the losers!
- Concentration everywhere means concentration nowhere



## 9. Be Mobile

- Stand in the road long enough and you will get run over.
- Hard to hit a moving target
- Mobility does not conflict with focus
  - Customers, competitors, and circumstances all change eventually
  - Need to change strategy and/or tactics as the situation dictates

## 10. Advance and Secure

- Success means taking the offense
- Offense often fails, so have a safe haven to fall back to.

# 10 Rules of Successful Marketing Strategy

- Leadership
- Know what under your umbrella
- Get and stay close to the customer
- Know the playing field
- Know who you are playing against

# 10 Rules of Successful Marketing Strategy

- Surprise
- Focus-focus-focus
- Concentrate your resources
- Mobility
- Advance and secure

# Ask Yourself:

- 1. Are we exhibiting leadership?
- 2. Are we still operating under our umbrella?
- 3. Do we really understand our customers' problems?
- 4. Have we considered the relevant external forces?
- 5. Do we know the strengths and weaknesses of our competition?

## Ask Yourself:

- 6. Will anyone besides us be surprised?
- 7. Have we focused on our objectives?
- 8. Are our resources concentrated where they will make a difference?
- 9. Are we still a sitting duck or can we fly to where the action is?
- 10. At some point does our strategy take us forward, but not out on a limb?

# SUCCESS LEAVES CLUES

**PRACTICAL TOOLS FOR EFFECTIVE  
SALES AND MARKETING**

JOHN STANTON  
RICHARD GEORGE



TAKING CONTROL SERIES

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