

Overview:

PACT (local) was organized in June of 1985 with explicit plans for work in three areas: 1) Research and development of mailing lists; 2) Conversion of software for the HP-3000; 3) and marketing the MAT/260 System. Through the end of '85 the focus of the business has been on selling the MAT/260 System.

The business did not produce any revenue in 1985 - no systems were sold. Sales income must be the top priority for 1986 for PACT to develop as a business. Ultimately, a successful business must be judged on the basis of its financial performance. However, there were other organizational aims besides the financial aspect and positive developments can be noted within PACT. In particular, internal systems were established, steps were taken to learn more about our product, and there was the opportunity for individual development through Sales/Marketing practice. Some of the accomplishments of PACT's first six months:

- Management structure re-organized and responsibilities clarified
- A Prospect Data Base was created to track sales via 150
- Critique of software marketing literature was done
- Direct sales experience through personal visits and telemarketing techniques
- An Accounting System was put in place
- Production experience gained in use of Wordstar, Lotus, and Condor software and in use of a Laser Printer
- Systematic study of MAT/260 documentation was begun

Objective:

PACT's strategy is to market Job Cost Accounting Systems (MAT/260) to small (1-5 mill/year) construction, printing, and job shop firms in the Upper Midwest. We have a tested software package, a respected hardware supplier (HP), and (according to the objective data) an existing market for our product(s). There is a trend in the marketplace toward micros that has turned attention away from the type of system we offer. There are numerous hardware competitors in the micro market, although the availability of quality software is still a problem.

External:

Strong relationships with H-P have not been established. H-P has pretty much abandoned the 260 in the Midwest. For example, the only input we get from H-P is that they keep telling us to put our software out on the 3000. Leads from H-P come only infrequently.

Due to problems in other areas, there has been a hold-up in the development of quality marketing literature and sales tools for

FACT. Other priorities have meant a relative de-emphasis on FACT's marketing thrust in the last 3 months.

Internal:

FACT's first marketing campaign was a mass mailing to MN/WI construction firms. This first project exposed our lack of internal organization and production skill to exploit the potential of the software tools with which we were provided (Condor, Mailmerge, etc.). The literature did finally go out, but production of the mailing was characterized by inefficiency and unsystematicness. The mailing resulted in few concrete leads, but production methods for mass mailings were developed and our first construction data base was built.

The next major outreach was to a small list of H-P 250 users. This list deviated from FACT's basic marketing strategy in that:

- List was not construction, printers, or job shops
- Users were located throughout U.S., not just Upper Midwest

Based on summary of first mailing, return "response" cards were included in the mailing. Telemarketing was also used to positively contact each prospect on the list. The telemarketing campaign was opportunity for valuable practice in direct sales contact with users, but proved to be an inefficient and expensive (see Nov. and Dec. advertising expenses in G/L) method of marketing our product. In the future telemarketing will have to be limited to qualified prospects (this is particularly true with out-of-town prospects - long distance phone work is both labor intensive and expensive).

To support sales work, internal investigations were begun to gather data on competitive packages, PC Networks, and effective literature from other computer businesses. However, the summarized experience in these areas are still fairly superficial and need to be developed within the context of our sales strategy for the coming year.

In summary, our marketing efforts were characterized by a linear one-shot approach that did not come out of a comprehensive marketing strategy. The result is that leads were not generated on an on-going basis and there was never much sales momentum created for FACT.

Subjective:

Ideologically, the PC was the failure of FACT management to conceptualize their roles in the development of FACT's business plan. There was alot of "waiting for direction", not taking initiative to generate leads or undertake thorough analysis on our own. The most significant developments in terms of cadre's practice was M's struggle to conceptualize the sales process. Concrete steps were taken to use the sales tools we had to take the practice to a higher level. While no sales were made, the practice gives M. a basis to contribute to other sales efforts as well as help in future job search and professional career.

Phenomenally, the Marketing PC was Lead Generation - there was never a sufficient pool of qualified prospects. Changes that must take place in our marketing efforts to consistently generate leads include:

- Sticking to our target market - construction, printers, and job shops
- Acquiring good (i.e., pre-screened) lists for our targets
- Designing a "generic" mailer to saturate our markets with
- Develop a Year-long plan for marketing outreach
- Investigate accountants as a way to reach our targets
- Promote our H-P connection; take advantage of OEM connection to a respected vendor
- Generally make ourselves more visible as a business (note: we were never even listed in the phone book or yellow pages this past year)

In Sales, the PC is our inability to sell qualified prospect. PACT did, in fact, generate at least 2-3 bonafide prospects and were not able to close. Changes that must be made include:

- more advanced sales tools (overheads, slides, or video)
- develop a sales blueprint based on our experience
- learn to exploit the subjective aspect of selling; the importance of "knowing" that we can sell a prospect
- work toward a paid full-time sales person

PACT management's principle task at this time is to develop a business plan to present to Main Office for 1986 to accomplish the following Goals:

1. Sales of at least 10-20 systems in 1986
2. Move to an external office in 1986
3. Have a part-time paid salesperson by 6/86
4. Build a relationship w/ a financial institution in '86
5. Communicate practice w/ Main Office more effectively; i.e. work off of an established timetable/plan