



## What Keeps Some Marketers From More Profit?

By Betsi Bixby

Every petroleum marketer I know, regardless of size of company, number of employees, or industry sectors, wants more profit!

Making a few million a year? You want more! Struggling in the thousands, you want more! Seeing some red ink occasionally, you definitely want more! As I've worked with companies over more than two decades, getting them "unstuck" from whatever current level of profit they were achieving, I've noticed five profit barriers that must be removed to break through to new record profits. See if any of these barriers sound familiar to you.

**Barrier #1 – Lack of enough strategic-minded personnel.** When a company is "stuck" at a certain profit level for a few years, existing strategy for both marketplace and operations must be enhanced to ramp up to the next level. Whether this is diving into new sectors or geography, changing pricing models, changing purchasing methods, brands, suppliers, whatever...it takes new thinking!

The companies that bust through barriers often are able to do that when they bring fresh faces into their executive team. No longer constrained with "been there, done that" constrictive knee-jerk reactions to ideas, the new hires bring new ideas and fresh perspectives. If you look around your office and realize the faces haven't changed in a long time, and neither have your profits, you might need fresh personnel!

With that realization, your next question may be, "Where do I find "A" players?" In my experience, you often find them outside the industry! At our Focus on Competitive Advantage event some of our attendees were pretty amazed that the VP of Sales who is now taking names and kicking butt in a high competition area came from the jewelry business! Another high growth company I worked with snagged their incredibly talented GM from a paper manufacturer. Look for attitude and brilliance, not just industry experience as you beef up your executive team.



**Barrier #2 – Married to outdated systems.** To bust through to new profit levels often requires advancing your analytics and tools. How many times have you caught yourself saying, “if only our system could \_\_\_\_\_” (you fill in the blank.)

Companies that soar to new profit levels realize that technology is key. It’s not the end-all-be-all, but without good tech today, you are crippled. The easiest, cheapest way to better technology is through your current vendor. Marketers often assume their software has the same limitations it did last year or five years ago, when in reality, their vendor updated the system ages ago and is ready, willing and able to help you achieve your wish list.

If you haven’t invited your vendor on site to do an analysis of your software use effectiveness, that will be money well spent. They will observe your team and procedures, and let you know exactly where their recent enhancements can save you time and money.

During that visit, if you discover that your system can’t do the majority of your “wish list,” then it’s time to start putting together your Request for Proposal on other systems to determine who has what you really need.

Companies that have busted out of old profit levels often upgraded or changed systems to skyrocket their results.

**Barrier #3 – Blind to New Profit Opportunities.** Sometimes right in your own backyard lies amazing potential for new profits, just waiting to be discovered, even with existing customers. You just don’t know it’s there!

One marketer almost missed a huge profit booster in an acquisition. He had targeted this acquisition because they had a strong lubes presence, but they were also in the fluids business. He almost excluded the fluids portion from the sale, hoping the seller might find another buyer as he didn’t know anything about that sector. Guess what? He discovered it was highly profitable and completely compatible with his operations! And now he is further expanding that sector.

Look at your company strengths to see how they might be applied to profit opportunities outside your current offerings.



**Barrier #4 – Clinging to Outdated Processes.** Every one of our M-Power™ big profit winners last year let go of old ways and created new processes. Typical process changes included – dispatch and routing, terms and collection procedures, sales pipeline tracking, CRM prospect tracking, retail store hiring and training, driver recruitment. I could go on but you get the picture.

Today I was talking with a team about their transportation division. Two 60+ year old veterans were running that portion of the business. While good guys and still building the business, they were quite content with how things were set up. The trouble was, these men had no back up and no successors! While the processes in their head may be working just fine, they are putting the company at risk if something happens to one, or God forbid, both of them.

Leadership transition should be a highly defined process. It's not always neat, clean and pain-free, but embracing the transition process is necessary for any company to catapult growth. And it has the side benefit of eliminating the "we've always done it that way" cancer! To skyrocket profit, processes must change.

**Barrier #5 – No cash or reluctance to invest in growth.** Cash is still king. The reason some companies work really hard and yet still don't break into new profit levels can be a shortage of cash and a reluctance to spend when they have cash. Coming from a banking background, I find most tight cash flow situations to be easily solvable with good balance sheet management.

What is less solvable is attitudes about investment, growth and spending. When most owners get to certain age, they tend to get more risk averse. In their mind they think, "Why should I gamble when the company is just fine the way it is?" That sounds like reasonable rationalization, but can be a death knell on profits.

In today's petro marketplace, there is no standing still or status quo. If you think you are treading water, you will eventually realize you are actually drowning in the wake of those pushing forward! Creating new levels of profitability requires diligent cash controls coupled with an investment mentality wrapped in the parameter of acceptable ROI.

One of my great joys is helping companies reach new heights they didn't even realize they could go. If you want to explore how we might do that for you, please call my office or visit our website at [www.askmeridian.com](http://www.askmeridian.com) for more info.