

Give Me a P

Every now and then we get so excited about a development in our business and we rush way ahead of ourselves without thought or concern to the fundamentals that typically make businesses succeed. When reality catches up to us, and the signs of strain inevitably start to show, we act like cheerleaders during a romp, continuing to wave our pom-poms even though we already know there's no chance of victory. The way to turn it around, force the game into overtime, and ultimately prevail is to go back to the old business school cheer – Give Me a P.

Business schools around the country drill what has come to be called The 4 Ps into the brains of their students because they are viewed as incorporating all the fundamentals a business needs to address. While this is true on the sales side, the 4 Ps fall short on the operational side. For that reason we have developed an additional 4 Ps, for a total of 8 critical Ps.

The Standard 4 Ps

As I have stated in these pages in past articles, the primary purpose of marketing is to (a) raise awareness (so customers know you exist), (b) create interest (so customers want to purchase what you are selling), and (c) deliver the offer (so customers can purchase what you are selling). The 4 Ps are focused on what can be referred to as your offering, as they constitute all the elements of what you sell and how you sell it. The 4 Ps are:

1. **Product** – a focus on the goods or services you sell. You need to consider the benefit your product delivers, the need for it in the marketplace, the service or support it may require, the packaging it comes in (for appeal and functionality), the warranty or guarantee you provide, and how it fits in with your overall brand.
2. **Place** – really a function of distribution (but that starts with a D, so they needed to come up with a P word and selected Place), this P is all about the movement of your product and needs to consider elements like shipping, warehousing, fulfillment, brokers and the other aspects of getting your product from where you are to where the customer is. Place can also mean in-store placement and merchandising, which is also a function of where your product winds up.
3. **Promotion** – a focus on communicating with your customer. Perhaps this includes the raising awareness and creating interest functions of marketing in their initial stages, as well as continued exposure and the generation of excitement to surround your brand and your products. The elements associated with promotion also include your marketing mix (public relations, advertising, direct mail, street signs, etc.), your positioning vis-à-vis your competitors, and how your sales force interacts with your customers.
4. **Price** – the challenge of pricing involves discovering the price point at which you can (a) generate a profit by selling higher than your costs, (b) preserve the customer perception of value by selling at a price perceived to be “worth it” by the customer, and (c) establish a competitive position by selling relative to your competition at the level you want to be (upscale, affordable, budget, etc.)

The Bonus Ps

The 4 Ps give you the format within which to give consideration to cornerstone elements that combine to make up the foundations of your business. In this manner they are extremely useful and worthy of attention. However, from an operational perspective they provide only the “what” and not the “how” or “why”. That’s why we came up with the 4 bonus Ps. They are:

1. Plan - planning is the creation of ideas, responses, systems and other business mechanisms to be deployed against certain market events that may occur. Inside planning includes branding and communications, market exposure, delivery on your promise, customer service, logistics, competitive responses, pricing policies and promotions, and every other facet of your organization that is dynamic – which in fact is every part of your organization. Without planning you are left immobile, or worse – stricken, when the inevitable changes occur. With planning you are able to not only handle change, but institute it, which makes you a market leader by virtue of your innovation, creativity and ability to change the rules of the game so that they serve to your benefit.

2. Process - people seem to assign success to specific products or services, when in fact the success lies in the process. All products and services are conceived, developed and brought to market as a result of processes – like studying the market, trial and error, market response analysis, review and revision, and many others. These processes and the manner and dedication in which they are implemented lie at the core of the ability of your company to compete effectively. If you value your product over process you will be left behind as the market shifts and new, better and more compelling products are introduced. If you stick to the processes you developed in your planning and initial execution phases, you will be able move ahead of, or at the least keep pace with, the market, thereby protecting and growing your market share.

3. Procedure - procedure is the oil that keeps your organizational engine running. It is the step by step way of getting things done you need to ensure implementation is carried out according to plan. Without procedure vital steps get overlooked and parts of your organization fail to function as required. By creating implementation procedures you create the framework that guarantees that the company will fulfill its mandate on a consistent basis and in a conformed and highly structured manner. The establishment of procedure also serves to cut waste and save money as they are created with cost effectiveness and efficiencies in mind. Without procedure you are at the mercy of the memory, mood, concentration and good will of your employees. With procedure you are able to make their job easier, securing the good will you need to make the execution near perfect every time.

4. Profit – profit is the final objective of your operations. When planned and executed properly you will be able to engage in business, cover the costs of your products and operations, and at the end of the month have funds remaining that you get to keep, buy necessities with, and if you really play the game well, buy some toys too. Profit is one of our Ps because too often businesses take profits for granted, assuming that it is a given that they will be generated from the natural course of operations. Sadly, this isn’t always the case, and profits, like all the Ps, require special attention and effort.

The 8 Ps are critical to your successful, long term operations. Study them, engage them, execute them, and you'll be a very happy **P**erson.