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and the thrill of riding a BMW K 1200 RS

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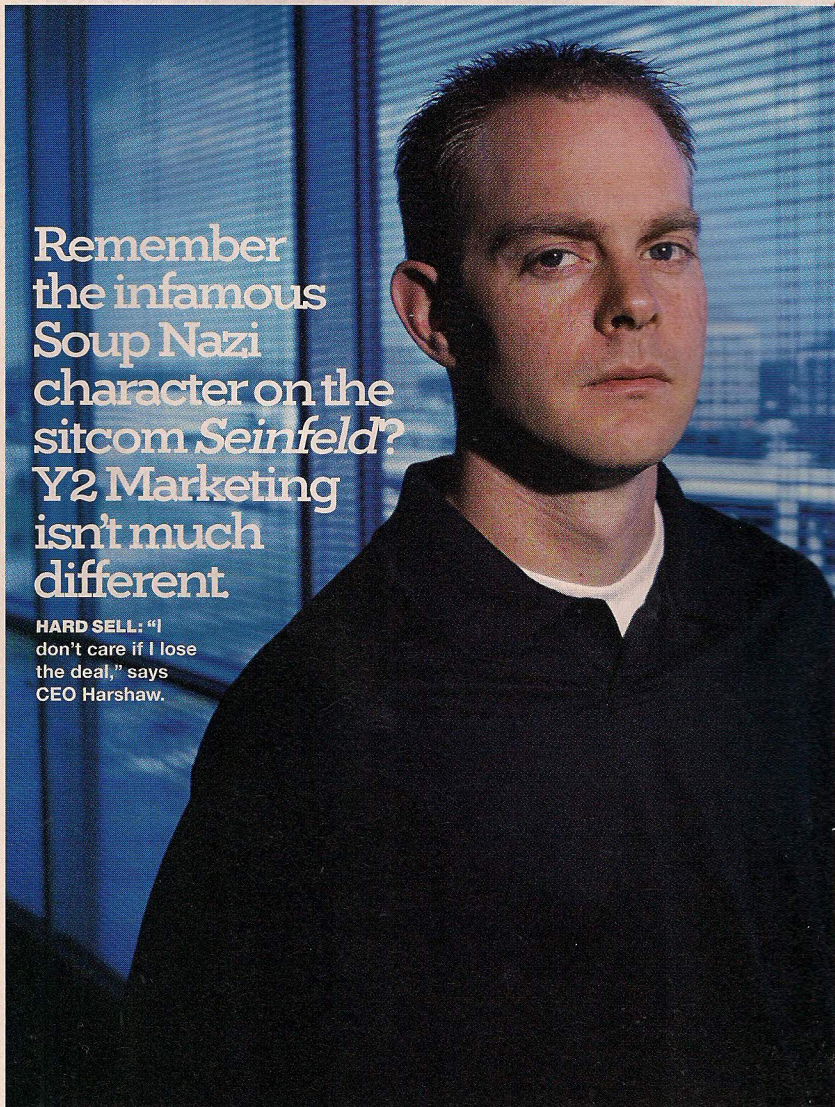
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GETTING TO NO

When it comes to selling, this marketing firm won't take yes for an answer

Remember the infamous Soup Nazi character on the sitcom *Seinfeld*? Y2 Marketing isn't much different.

HARD SELL: "I don't care if I lose the deal," says CEO Harshaw.



NOT LONG AGO, marketing pro Rich Harshaw met with a potential client, a real estate executive trying to sell a new software product. The client was concerned about the product's design, and wanted a marketer who could present some packaging options. Harshaw disagreed, arguing that even the prettiest product won't sell if it's not positioned properly. Here's how the sales call unfolded:

Harshaw: *I'm just going to tell you this as plainly as I know how. Hopefully, this doesn't offend you. Any dumb-ass can come up with a logo and a color. But here's the key: What the hell do you do with that stuff?*

Client: *You need to have the product in*

a cover—in a CD sleeve. You need to sell the product.

Harshaw: *No one gives a damn what the CD sleeve looks like... (Raises his voice) Holy crap, man, we're going to put all of this attention into building an identity that no one's going to freaking see until they've bought it.*

Client: *(Pauses) Hey...Rich, you need to tone it down some. We're trying to be professional here. Back off a little bit...*

Harshaw: *I don't care if we get this deal or not. But if you are going to buy into an ad agency that's going to put together this logo-identity package, I already know what happens. You get high expectations because*

this stuff looks cool. And it doesn't [sell]. I've seen it happen so many times, it makes my stomach turn. It makes me want to vomit.

No, Harshaw was not in a particularly bad mood that day. That's the way he always behaves on sales calls. In fact, he uses a recording of this very conversation as a training tool for his staff. The approach, he admits, is on the aggressive side. But at Y2 Marketing, the biggest problem is not finding customers—it's finding the right customers. The marketing-services firm, which is based in Irving, Texas, and has 1,000 consultants nationwide, is convinced that not every potential client is ready for what its marketing program demands. Remember the infamous Soup Nazi character on the sitcom *Seinfeld* who routinely dismissed customers as being unworthy of his business? Y2 Marketing isn't much different. "Our company is more interested in converts than clients," says Edward Earle, the company's president.

"The customer is always right" may be the oldest cliché in business, but it's not necessarily a good business plan. Smart entrepreneurs long ago figured out that some customers are simply too difficult to serve and make a practice of purging their less profitable clients. But few companies, especially in a sector as competitive as marketing, find it wise to threaten to "fire" customers before they've even signed a contract. After all, such an approach could mean losing potentially profitable clients early on, before a relationship has had a chance to develop, says Ruth P. Stevens, a marketing professor at Columbia Business School. "If you handle it badly," she says, "the fired customer may become a source of bad word of mouth."

Clearly, such an approach will work only if you are very, very good at your job. And Y2 seems to be doing something right. The company, which serves more than 1,000 mostly small and midsize businesses, logged revenue of \$18.7 million in 2002. Its approach to marketing is simple: "First, have something good to say. Second, say it well, and third, say it often." No bells and whistles. No complicated pitches. It's common sense,

Hands On

Harshaw says, and it works.

Potential clients have a lot of hoops to jump through before Y2 will deign to work with them. Before an initial meeting takes place, Harshaw demands that they listen to a two-CD set of lectures detailing Y2's philosophy. When they do meet, Harshaw asks specific questions about what the client hopes to accomplish and describes how his marketing system will enable it to achieve those goals. All the while, he remains on the lookout for clues that the client isn't up to snuff. For instance, if the client asks a question that was covered in the CDs, that's it: The meeting is over. Says Earle: "If you don't make your bed and pick up your stuff before you get to the breakfast table, there's nothing for you. It's the law of the farm." Indeed, very little is negotiable at Y2—and that includes price. "I have no incentive to move off of my price," Harshaw says. "I don't care if I lose the deal. I haven't seen a deal yet that was so life-altering that I had to have it at any cost." Should a verbal agreement be struck, Harshaw waits a couple of days for a signed contract to arrive. If it's late, the deal is off. Again: his rules, his game.

To be sure, some people are put off by the approach, though the number is considerably less than you might imagine: Harshaw claims that only about 10% of potential clients walk away because of the aggressive style. Brian Kaskavalciyan, owner of the Handyman Network, a home repair franchise in Long Beach, Calif., was among the impressed. "They have that attitude of 'You need us more than we need you,'" Kaskavalciyan says. "They made a really compelling case." That was six months ago. Now, Kaskavalciyan is a certified Y2 convert. "I learned from watching how these guys work," he says. "I have a totally different approach to the business." Now, he says, he's more inclined to say how he feels about a deal without worrying about the consequences. He also has a better sense of what kind of customers he's looking for.

Which brings us back to the real estate software deal. Did Harshaw close it? Alas, the client passed. Would Harshaw do anything differently next time? Nope. "Any business has got to have the faith that there are enough customers out there that it can think this way," he says. "There's no reason to get hung up on one account."

Nicole Gull