

# How much of a **player** are you really?

Do you know where you stand in your industry?

Whenever I take on a new client, I start by asking them about the size of their industry – in rand terms. A recent client said his industry was worth R70-million. I then asked him how many key players there were. He estimated at least 10, with the rest being very small businesses. My client was making sales of approximately R1.5-million per month. However, the question we really wanted an answer to was if there was room for growth. We did some more research and found that a few companies had fallen by the wayside over the years and that there were in fact now only six key players. My client was one of the six. This meant there was room for him to do between R2.5-million and R3-million per month in sales.

## Who are the key players?

Stop for a moment and consider how many key players there are in your industry. There are normally at least four. For example if you think of quick print shops; Minuteman Press, Jetline and Nippy Print come to mind. Or among tyre companies; Tiger Wheel and Tyre, Supa Quick and Speedy are key players. In banking; Nedbank, ABSA, FNB and Standard are the Big Four. Among insurance companies; OutSurance, Mutual & Federal and Hollard dominate. You get the picture...

A second client owned a business that had been going for 53 years, but had stagnated for the last three. There had been no sales growth, profitability was down and the business was experiencing cash flow problems. I asked the same question: How big is your market? He estimated it at R12-million per month. I then looked at the average monthly value of the quotes requested by clients. For the previous six months, it had been approximately R6-million per month; but the business



was struggling to do R1-million per month. We had to look at why they weren't closing more sales, and if the market really was worth R12-million.

## Ask the right questions

Once you start asking the right questions, you will be well on your way to finding the answers you need to help your business. This particular business went on to rework their cost structures and margins, and looked at ways of differentiating their offering. They are on track now and doing well.

Your industry won't stand still, so your business can't. You may be a player now, but if you aren't flexible, innovative and creative, you could soon be redundant. You're not alone, all businesses have to contend with change; the secret is how quickly you react.

Another client of mine came to see that his business needed to be physically closer to his customers and so he decided to open sales offices and branches. But, from the first strategic think-tank in 2007 to the opening of the first branch took two years. And, 2009 was a difficult year for most – proving that timing is everything. Assess your position and move quickly. Hats off to my client for opening a new branch in 2009 – it took guts – but he could have been better positioned today if he had opened in 2007 or 2008.

## Advertising to enhance your position

At the start of this article, I listed companies that are viewed as key players in their markets. A lot of this has to do with the time and energy taken to build their brands and advertise them. Where do you advertise and what type of adverts do you place? A business owner I worked with said he had

four sales reps and so didn't need to advertise. As a result he didn't brand his delivery vehicles, took no real interest in the company website and placed poorly designed adverts in an industry magazine. Sales reps are only one part of your promotional mix, to attract sales you have to invest in marketing. If your budget is a consideration, look into guerrilla advertising.

All industries have their winners, losers and marginal players; but things can change, and you need to assess your position, reposition and then start all over again. **YB**

Guy Daines has been consulting to and coaching small- to medium-sized businesses in South Africa since 1997 to contact him call: 083 650 7768 or visit: [www.scotrho.co.za](http://www.scotrho.co.za).