

January 2005

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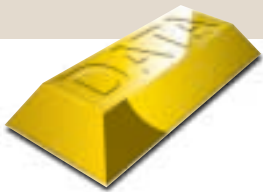
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Happy new year? Are you kidding?

GORDON BROWN, the chancellor, says the British economy is fine and well. There is no Black Hole; he hasn't broken his 'golden rule'; the economy will grow fast in 2005 and there will be no shortfall in his finances to fund with higher taxes. So that's all right then, except not everyone's so sure. 2005 is election year, so not everyone believes him. There's not likely to be much change before May, but the Treasury is already restricting public spending, signalling the possible end of the spending bonanza. Compared to previous periods, the last ten years have been one long boom, but we can't expect it to last forever.

THERE IS genuine uncertainty in the housing market, for a start, and that's always a sign of the times. Most of us accept that the price boom is over but the jury's still out whether it will be a soft or hard landing. The major house-builders have done well, but they're turning down the wick to make sure supply doesn't outrun demand, adversely affecting new-build prices and profits. Many home improvement markets went cold in 2004 and few expect a reprieve in 2005. There is still upside in conservatories, composite doors, roofline, hard landscaping and domestic flat roofing, but replacement windows will continue to slide. RMI (Repair Maintenance and Improvements) will benefit from a slower housing market, but all home improvements will have to compete harder for their share of a shrinking consumer purse.



When the economy actually does turn down, we're all going to find that growth and making good profits won't be so easy. As the longest period of uninterrupted growth in the UK's recorded history [as Mr Brown reminds us] comes to an end, we'll all have to work harder for our share of the spend. The change in gear could come as a shock to building materials producers, house-builders and contractors, builders' merchants, small builders and tradesmen,

continued on page 2...

Circulate this to...

1. _____
2. _____
3. _____
4. _____

Happy new year? Are you kidding?

...continued from page 1

moonlighters, architects and specifiers, plus all the other service providers to the building industry.

Winning new business could become a lot harder. Already the conditions for winning new business have changed in many ways: there's TPS (Telephone Preference Service), FPS (Fax Preference Service) and CTPS (Corporate TPS). Emailed and unwanted Spam is already an offence. Now the Government has Doorstep Selling in its sights - all of it legislation and restrictions devised to right wrongs and prevent clear abuses. The rogue firms and blatant offenders, based in the UK or otherwise, continue to offend out of reach of effective retribution.

These new restrictions and a more difficult market mean that UK companies have to be far smarter and more sophisticated in their marketing than ever before. They need their marketing to work and to work without tripping over some new offence.

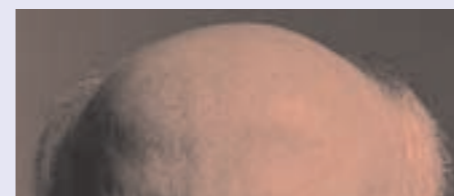
What condition is your business in? Is your marketing up to the challenge?

Telemarketing is still possible, and gets results, but it has to be well targeted, using accurate databases that are kept up to date and regularly validated and cleaned against the TPS and CTPS lists. Windowbase, of course, makes direct marketing safer by providing data, with regular updates, which have been cleaned and cleared for action.

I've changed my mind

Bob is a senior manager who's been so busy and so harassed he failed to attend a time management course.

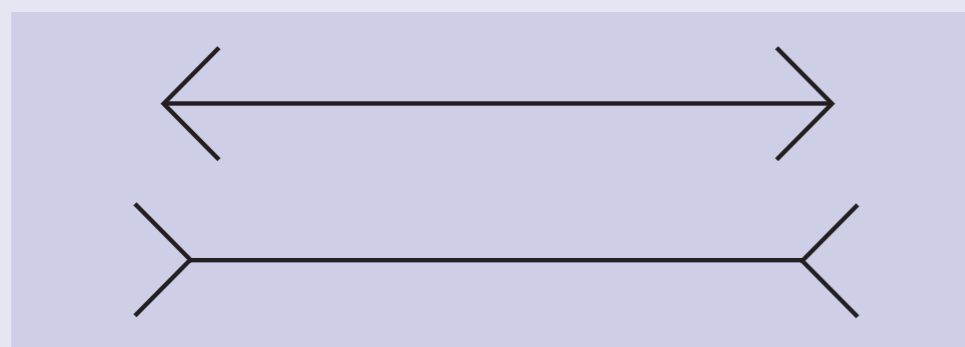
[Yes, the old uns are still good uns, but they can sometimes be a bit too close to home.]



SOME DECISIONS are easy: with a few hundred grand of marketing budget, Bob could invest in something to boost sales, improve profitability and cash flow. The balance sheet would look good and there'd be even more to invest in valuable sales enhancing activities.

But, seeing as Bob doesn't have the money to invest, at least he's spared having to make one decision that won't tie him up all day. Most of the time, it's not like that . . . for any of us. Huge investments aren't always necessary, yet the payback can be virtually immediate, so the problem is not lack of budget, but what Bob doesn't do. He doesn't do it because he can see the cost, here and now, but he can't persuade anyone there'll be a return. Even if Bob believes it might work, he can be so close to the detail of running the business that every little problem seems insurmountable - and he still has to convince someone to loosen the purse strings. Ever been there? Sound familiar?

Bob needs a new way of looking at the world, and maybe he's not alone . . . Take these two lines, below. Which is longer?



Both the same? Are you sure? Have you checked? How do you know?

Because you've seen it a thousand times before. Well, just measure those two lines, because you're wrong. And there are lots of things, that crop up every day of our lives, that could turn out differently, if only we could look at them afresh.

Lord Leverhulme, the founder of Unilever, said half of all his advertising was wasted - he just didn't know which half.

There's a big difference between advertising and what's generally called direct marketing. The advantage of direct approach is that it can be measured exactly. Then you can feed back what was learned about the response to the campaign - the wording, the format and the offer - to fine-tune the message for improved effectiveness. You can identify who responds best, and to what. Lord Leverhulme would have approved!

You can even work out how often to make contact for optimum results. In other words, you really can calculate the return on your investment. Success breeds success so, if it works and pays for itself, why not do it again? It's hardly surprising that those who do measure and improve their marketing are the most effective. And they generally grow faster and make more money . . . while Bob's still thinking of excuses.

So why don't more companies do direct mail or direct marketing?

Does this sound familiar? "We're far too busy and advertising is so much easier." Bob can get an agency to design an advert and place it for him. He knows advertising is hit-or-miss, and it's

expensive but he has to do something - advertising is simple and doesn't involve so much of his time and/or creative effort.

Bob also knows about direct mail and telemarketing, and he reckons it's too much like hard work: he has to get hold of relevant, accurate, and up-to-date lists, and maintain them or he's wasting money. Someone will have to write a letter or script, and organise the printing and mailing. Then someone has to stuff envelopes and mail them. Finally there's

monitoring and tracking the returns, before starting all over again.

His thinking is that, if he's going to try telemarketing he'd have to find the right people, he'd have to recruit and manage them and then monitor and track the returns, and he'd have to start all over again. Bob needs to change his thinking and see things differently . . .

Rather than whinge about lack of time or resources, smart companies do it the other way around. They start from what will make them grow cost effectively, and then find a way to do it.

And the solution is not far away

Just as you can outsource advertising to specialist agencies to design, produce and plan where you should place your adverts and how much you should do, so there are plenty of specialist agencies who do the same for every aspect of direct marketing. They can also advise on the most appropriate list or database, write the letter or design a mailer or script, stuff envelopes and mail them, conduct follow-up calls and maintain your database for you if you don't have the resources or time to do it. They will also do it all, or any part you don't want to do in-house. The best bit is that you, or they, can also measure the effectiveness of the campaign and the return on your investment.

The companies who do a lot of direct marketing rarely shout about it. They're too busy measuring the growth in sales and profits. Windowbase doesn't provide direct mail or telemarketing services (just the most relevant, accurate and up-to-date databases by far), but we know several agencies who do, and the Direct Marketing Association will be happy to give you some names to call. So give the DMA or Mike Davis a call if you're thinking for yourself. And, while you're at it, get your hands on a book called "The Mind Gym: Wake Up Your Mind" - at £12.99, it could be the best favour you do yourself.

Call 020 7291 3300 for the Direct Marketing Association, or e-mail to info@dma.org.uk. Their website is at www.dma.org.uk or ring Mike Davis for advice on 01706 644308.



GOOD OLD THINKING

BELIEVE IT OR NOT, there are still companies where the sales department uses old copies of the Yellow Pages for creating data on prospects . . . or Thomson Locals and any of the other directories that weren't really intended for that purpose. BT, having sold off Yellow Pages, are coming up with their own version, too. Why use old directories? The reason is as simple as it's credible: cost! Senior manager Bob, in the "I've changed my mind" piece, would approve.



It's a bit like Virgin Atlantic buying a handful of disused BAC 1-11s: yes, they'd be dirt cheap but would they do the job? Are they fast enough? Would they have the range? Enough seats? . . . and, most important of all, what would they cost to maintain?

When you're looking to make serious money, especially when times is hard, you need to operate as a serious business. Virgin Atlantic started out with some second-hand 747s but what they fly now are brand new and state-of-the-art.

Someone - and it won't be Richard Branson - has to tell Bob that capital cost is not the issue. It's cost-in-use that matters. It's all very well saying: Good Old Yellow Pages but, when you think about it - when you actually take a fresh look at those words - "old" has acquired some sort of status that it doesn't deserve. Good old Ford Capri? Unless you're an Essex chav, surely a new Focus is a better bet. We might as well say good old horse-drawn carts. Every good old entry is at least six months old, has no contact name, no fax number, usually only half the postcode, so it's an uphill struggle to convert good old information into something that's any . . . good.

Costly too, actually, because good old Sharon [when she has nothing else to do] has to copy-type the entries into a database, without making mistakes, then phone all those people to make sure they're where they're supposed to be - assuming they're still there to phone - and add the full postal address details, before anyone can actually get in touch.

Sharon should count herself lucky that Bob managed to get her a second-hand Amstrad word-processor because, the way her company thinks, she should really be making do with her good old typewriter. And, of course, it's Sharon's fault for not getting any of it completed by the end of the month. Bob came up with some new idea, and everyone had to do that instead. Meanwhile, good old Sharon has an interview for a job somewhere else, because Bob came up with another idea, only a few weeks before he had to clear his desk and hand in his car keys. She can see what her boss couldn't. Good old Bob. She rather misses him, in a funny sort of way. The same sort of way she misses Chris Evans and her Austin Allegro.

ALMOS(T) WORTH KNOWING ABOUT

WHAT'S IN A NAME? What's an acronym? Another Capitalised Refurbishment Organisation Nagging Your Memory? What's it all about? First there were Uhrus [Urban Housing Renewal Units], then we got Hats - Housing Action Trusts - and now the buzzword on everyone's lips is Almo. It's an Arm's Length Management Organisation and, if you believe what you hear, you might think the names of these Almos are important.

Take another look at the two lines, on page 2, and check which one is longer. Do some thinking of

AND I SAY ARM'S LENGTH MANAGEMENT MEANS HANDS OFF !!!



your own. Doesn't the "Arm's Length" part tell you something? Difficult to imagine something being Hands-On AND at Arm's Length, isn't it? Almos are organisations that, for various political reasons, now handle housing matters for some local authorities. They're a new phenomenon, so you'd easily be fooled into thinking you need to know all about them. Well, you don't!

In some cases, the Almo's job is nothing more than to collect the rent and listen to what the tenants have to say. Implementing new policies isn't what most of us would call an arm's length activity and, in reality, the specifiers that were important contacts before the changes are still exactly the same people. In a lot of cases, they still work for exactly the same department, in exactly the same local authority - nothing changed.

Windowbase, in its last two surveys of housing specifiers, checked to find out to what extent Almos changed things and, in a lot of cases, they didn't. All that happened was that the District Council name might have changed slightly, with "Homes" or "Housing" on the end, but the contacts in almost every instance remained the same. That's why they're included in our data. Not really something to make a song and dance about but, every now and again, someone needs a Unique Selling Point. Sadly, having the low-down on Almos isn't much to shout home about . . . so Windowbase includes them, but quietly.

A service industry

IF IT'S URGENT, it's something that used to be trivial until something else made it important. Your company's growth is always important but, if it's becoming urgent, you've got problems. Are you in charge of sales or are sales in charge of you? There's planned maintenance and response maintenance - and "planned" is always more effective . . . and far less hassle.

The car goes in for a 12,000 mile service and they replace the fan belt. It's important but you hardly notice. When the RAC has to replace your fan belt, on the hard shoulder of the M25 some rainy night in March, it's urgent and a royal pain.

If, as far as you're concerned, your company's doing okay, it makes sense to book it in for a service of some kind soon because it will be too late once it becomes urgent. You might have relied on mailing lists and labels, for example, but they don't tell you anything about the company, who's going to get the mail, if anyone's actually likely to open it [let alone read it], whether or not they ceased trading five years ago, or whether the bloke on the other end filled in a form at an exhibition.

What everyone needs is the name of the decision-maker - it's important - and if he's any good and he really is important, you won't win him over at the first attempt, so getting in touch is only the first step. Like booking the car in for a service.

To call or not to call - that is the question

IF IN DOUBT about whether it's safe to cold-call a number, probably one you didn't get from Windowbase, a service "Call Validator" checks it against TPS, FPS and CTPS registers. Ring 09051 180 180 or click on www.callvalidator.co.uk for more information. Cost is 25 pence a minute, available 24/7, but it could get you out of a tight spot.



For further information,

please fill in your details and tick your area of interest below and return to:

Reader's name: _____

Company: _____

Telephone: _____

Email: _____

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