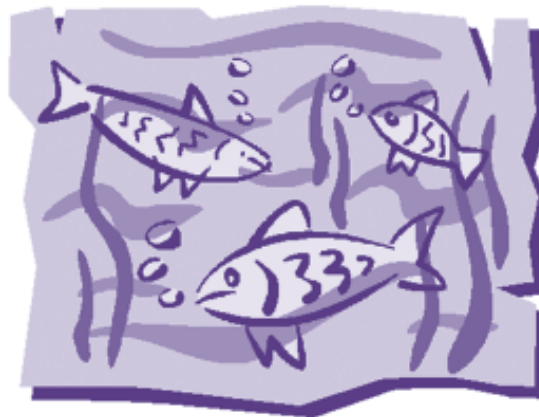


Marketing is a Fishy Business!

Eric A. Schmidt, E.D. Dynamix

Your mother was right when she said don't cry over spilled milk! Doesn't that lesson hold true for so many things we deal with in our adult lives? I have been counseling Small Business Development Center clients for several years in marketing and haven't seen anyone "cry over spilled milk". However, I have seen many cases where the approaches to defining potential and existing customers are too general.

This reminds me of another lesson from childhood, the fishing lesson my father taught me as a young boy: "Don't drop your line in the middle of the lake and expect the big fish to come and find it!" This lesson holds true for marketing as well as fishing, because you can't just put your marketing communications "in the middle of the lake" and expect to get big results. It takes a much more focused and directed approach to get consistent effective results. Let's take a closer look at the similarities between fishing and marketing basics. As you read this article, try to relate the general concepts to your own business marketing and see if you're a big game fisher or a weekend angler.



Narrow Your Focus

First and foremost, to even think about fishing, we have to get to the fish. As simple as that sounds, a good place to start would be the water! I have worked with several people who begin their marketing efforts with the equivalent of fishing out of water. That would

be the same as marketing your product or service to people who are not potential buyers. The first basic lesson is to look at the entire market of possibilities and start to narrow this market, getting more focused and directed to the people who are potential customers.

Identify The Conditions

Let's take this a step further. As most fishing advocates would tell you, finding water certainly does not guarantee a fishing success.

The conditions of the water need to be right in order to sustain a population of big fish and for those fish to be hungry enough to bite. Some of these conditions might be water cleanliness, temperature, depth and the amount of available vegetation or food.

In your business, what conditions must exist for there to be a sustainable

population of people who will buy your product or service? You should be able to identify these conditions and verify you are using them in your choice of marketing strategies. Your particular conditions might include combinations of factors such as the current economic condition, the time of year, income or budget levels, geographic boundaries, business or professional type, work hours, race, gender, age and hobbies. The key is to examine all of these possibilities and determine which conditions are relevant in defining the people who will buy your product or service.

Go Hunting

As you would have guessed, we are not ready to go fishing just yet. Let's assume that we have



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found some water, and that it does have a sustainable population of fish we are interested in catching. We already know it is not effective to drop our line in the middle of the lake. That's because the big fish usually aren't in the middle of the lake. They are in select special areas of the lake that meet their needs best under the current conditions. So we have to go hunting before we go fishing. Much is the same in marketing your business. You'll not only need to know where the people are in general; you'll need to know how they are reacting under the current conditions. Just like the big fish, they will be in select special places that best fit their needs. You'll have to hunt first then fish!

Find The Right Bait

Let's do a quick review. We found the water and have assessed the current conditions, and we believe we know where the big fish might be. We have one more major decision to make: what bait to use and how to present it so the big fish really are enticed to bite it! Most people start with what they know from their past fishing experiences, fishing stories from others, reading books and magazines, and watching fishing shows. The bottom line is this: they pick the most likely bait and presentation style they know and start fishing. If the bait they chose doesn't work, they change the bait again and again until they are successful. Once finding successful bait, they stick with it and try to get the most out of it.

This process in marketing is called doing a market test. This is a test of your communications or promotion material to a random selection from your list. Start with a small section of your list, 10 percent for example, and test the waters. If the promotion is successful and meets your financial targets, expand the promotion to 50 percent of your list. Continue the process until you have covered your entire list. Whenever you make a sale, note the conditions that led to the sale. With fishing and marketing, the chances of getting the big fish consistently improve with increased knowledge and focused application of that knowledge.

Go Fishing

Have you ever said to yourself, "What's the best way to market my product?" As you can see, the answer depends on a multitude of conditions relating to the environment and your particular potential customers. Understanding the conditions requires narrowing from the general to the specific. Also, being able to use your knowledge from successful sales will help you implement proven strategies. The key to doing this without going broke is to test small, evaluate the results, then apply big if it meets your goals.

Now...finally...go fish!

Author's Note

I hope you have enjoyed this article; my goal in writing it was to help you generate ideas about how to market your product or service. Remember that common sense is not always common practice! I would appreciate any comments you might have about this article or your marketing experiences. Please email me at ed_dynamix@hotmail.com

Eric Schmidt has been providing marketing consultation to the SBDC since 2000. He is employed full time in the automotive industry and is sole proprietor of E.D. Dynamix, which provides marketing consultation to small business. Eric has a bachelor's degree in engineering, is a certified program management professional and will complete his master's degree in business administration from Madonna University in April 2003.

Government Contracting Seminar

September 19, October 10, or November 7, 2002
9:00 a.m. – 12:30 p.m.
\$35/person

Did you know that the Federal Government purchases more than \$200 billion dollars of goods and services every year? Find out what it takes to successfully sell your goods and services to the Federal Government and the State of Michigan. In addition, learn about the services and resources the Business Development Center has available to help your company with the contracting process.

For more information contact the Business Development Center at 734-462-4438.

Contracts Disputes Act of 1978

George W. Ash, Dykema Gossett PLLC

One of the most significant clauses contained in every U.S. government prime contract is the disputes clause found at Federal Acquisition Regulation (FAR) 52.233-1. Based upon the Contract Disputes Act of 1978 (41 U.S.C. 601-613), this provision outlines both how contract disputes are resolved and who has the authority to make such decisions. Variations of the FAR's Dispute clause are also used in agency specific procurement schemes such as those used by the Federal Aviation Administration and the U.S. Postal Service.

A dispute is more than a disagreement. Typical discussions and negotiations – even strong disagreements – are considered features of contract administration. A dispute does not start until a claim is submitted – and the claim can be made by either of the contracting parties. A claim is defined as “a written demand or written assertion by one of the contracting parties, seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of a contract term, or other relief arising under or related to the contract.” In most cases, this boils down to a written demand for payment of a sum certain, as a matter of right. Consequently, statements like, “I think you owe me _____,” or, “It’s only fair that I get

_____,” or, “I demand you pay me more,” but don’t specify how much, are all not claims.

Contractor claims have to be submitted to the Contracting Officer (CO). If the claim is for \$100,000 or less, the CO must decide it within 60 days. If it is over \$100,000, the CO must within 60 days advise the contractor when a final decision will be made, and the date offered must be reasonable. Claims over \$100,000 require a precisely worded contractor certification stating, among other things, that the claim is made in “good faith,” the contractor believes it is entitled to be paid, and the person submitting the claim has the authority to do so.

When the CO answers the claim, he does so in a “final decision.” If unsatisfied with this decision, the contractor can appeal to the respective Board of Contract Appeals within 90 days or the Court of Federal Claims within one year.

Anytime during this process, the parties can agree to submit the dispute to Alternative Dispute Resolution (ADR) in an attempt to find a resolution satisfactory to both parties.

One other aspect of the Disputes clause is that it cannot be flowed down to subcontractors effectively. Even if the prime contractor acts as a CO in rendering a Final Decision, the subcontract agreement cannot give jurisdiction to a Board of Contract Appeals or the Court of Federal Claims since by law these tribunals hear only government-prime contract disputes, not those involving subcontractors.

The Disputes clause is one of the most important clauses in any U.S. government prime contract. Every government contractor needs to understand how it works in order to get the relief to which they are entitled.

George W. Ash is a member of the law firm of Dykema Gossett PLLC in Detroit, where he specializes exclusively in government procurement issues. He may be reached at 313-568-6797.

Note: This update provides information of general interest presented in summary form, and does not constitute individual legal advice.

Registration Assistance

September 26, October 17, or November 14, 2002
8:30 a.m. – 11:30 a.m.
\$15/person

Business Development Center clients looking for assistance completing their Central Contractor Registration (CCR), SBA's Procurement Marketing and Access Network (Pro-NET) or any other online registration are invited to the BDC's open lab. Counselors will be available to help clients understand and complete their registrations, using the BDC's computer lab.

For more information contact the Business Development Center at 734-462-4438.

The following are excerpts taken from the third edition of *Trade Secrets: The Export Answer Book for Small-and-Medium-sized Enterprises*. *Trade Secrets* provides insight into critical issues and concerns a person new to exporting may need to address. The publication is written in an easy to follow Q&A format to assist in comprehending the key issues of globalization and methods and resources available for conducting business overseas.

Who Can Assist With Research and Market Planning?

Many public and private organizations offer excellent market and research assistance. Some of the best international trade professionals to consult are:

Freight Forwarders. These individuals can provide specific country information on requirements regarding documentation, shipping, insurance and packaging.

International Departments of Banks. International departments deal with foreign banks, letters of credit, and all other facets of international financing and methods of payment. These banks can also provide information on the credibility of the foreign banking institutions.

Export Management Companies. EMCs, as they commonly are called, can provide vital information on the status of a product's overseas market, methods of transport, and marketing information of a particular region.

Small Business Development Centers. SBDCs, located at community colleges and universities or chambers of commerce, employ counselors who are trained specialists to answer the various questions of business owners.

U.S. Department of Commerce, U.S. Export Assistance Centers, District Export Council and the U.S Small Business Administration. Through local branch offices of these government agencies, a company will find experts who can offer advice on how to go about breaking into the global marketplace, plus a variety of free publications on different international markets. The Small Business Administration also has loan programs to help businesses expand. Both agencies employ international trade specialists in the district offices who are available for counsel to the public.

Trade Information Center. This office based in Washington, DC, maintains a network of expertise for a number of different countries by communicating with U.S. diplomats overseas and foreign embassies in the U.S. With their

knowledge base of a particular country, they have a group of qualified professionals to provide current, market-specific information that may not yet be in print. To speak with a TIC trade specialist, call 1-800-USA-TRADE.

State International Officers. Most states offer some form of market planning assistance. Contact your state's department of commerce for information on the programs offered to small businesses seeking international markets.

Export Hotline and Trade Bank. You can call this free service provided by the Small Business Exporters Association to receive market and country-specific reports via facsimile or the Internet. This fully automated service allows callers to receive their reports instantly. To receive reports, register your fax number, call 800-USA-EXPORT.

Private Firms/Consultants. Check your local yellow pages for any consultants, such as the World Trade Centers, in your area. Also look for any ethnic-based social groups or professional organizations related to the area about which you desire information. These people will tell you firsthand about their homeland and attempt to link you to business owners who may buy your product.

Resources

Country Commercial Guides U.S. Department of Commerce. Available on the National Trade Data Bank, at the Department Commerce Web site www.usatrade.gov, or by visiting a local federal depository library.

Country Reports (\$350 each) The Economist Intelligence Unit, 111 West 57th Street, Floor 12, New York, NY 10019; phone 212-586-1115.

Journal of International Marketing (\$75/year) Michigan State University, Center for International Business Education & Research, MSU University Press, 14055 Harrison Road, Suite 25, East Lansing, MI 48823-5202; phone 517-353-4336.

Are My Patents, Trademarks, Copyrights, and Trade Secrets Protected Overseas?

U.S. patents, trademarks, copyrights and trade secrets are recognized only within the 50 states and U.S. possessions and territories. There is no legally binding patent or trademark that is international or universal. Trademark and patent laws vary greatly from country to country, as does their enforcement. In order to receive patent protection within a foreign country, it is necessary to register with that foreign country.

Patent Laws

In the U.S., a patent must be applied for within a year from date of first public disclosure. In most other countries a patent application must be filed prior to the first public disclosure anywhere in the world. Fortunately, the U.S. has entered into treaties with most foreign countries that establishes a priority date. This means that for a given product, a patent application filed in the U.S. on a given day allows for public disclosure of that product the next day and allows for a foreign patent application to still be filed within one year from the U.S. filing date. Failure to register for a foreign patent within that year results in a forfeit of any foreign patent rights.

To directly file in a particular foreign country, you need to appoint a foreign agent, pay the government filing fees, and possibly pay fees for filing language translations. To make this easier, there are several regional patents including one for the European Union (EU), Arab and African regions.

Another way to file a foreign patent is to file a Patent Cooperation Treaty (PCT) application in the U.S. The filing of a PCT application does not result in issuance of the actual patent, but it does extend the time limit from 12 months to 20-30 months under which the foreign patent must be filed. A PCT application is beneficial because it usually allows the company time to see whether a U.S. patent will be obtained, thus aiding the process of obtaining of a foreign patent. It also can reduce the overall expense of obtaining a foreign patent. Call 703-308-9000 for general information or call Public Affairs at 703-305-8341 or 800-786-9199.

Trademark Laws

These laws are different than the patent laws. A foreign trademark application filed within six

months of the U.S. filing date is given the same effective date in the foreign country. But, unlike the patent laws, if you miss filing within this time period, you are not forever excluded from filing for trademark protection. Only priority dating is forfeited.

In most countries, the first to register the trademark is the owner. In the United Kingdom, Canada, the United States, Ireland, Australia, New Zealand, India and South Africa, the first to use the trademark in connection with the product is the owner, regardless of trademark registration. After registering a trademark, it must be maintained by renewing the trademark after the given term, usually 10 years. It can be renewed an infinite number of times.

Be sure to talk with an experienced international trade attorney. There are too many stories of U.S. exporters who ended up not being able to sell their products by name in a particular market because they did not properly obtain trademark or copyright protection. Call 703-308-900 for general information or call Public Affairs at 703-305-8341 or 800-786-9199.

The Patent and Trademark Office's Office of Legislation and International Affairs assists in filing patent applications for other countries. Contact the Department of Commerce, U.S. Patent and Trademark Office, Washington, D.C. 20231, 800-786-9199.

Resources

General Information on Patents, Basic Facts About Trademarks (free), U.S. Patent and Trademark Office, Washington, D.C. 20231; phone 800-786-9199; Web www.uspto.gov

World Patent Law and Practice Publication No. 622, Matthew Bender and Company, 2 Park Avenue F15-7, New York, NY 10016; phone 800-223-1940 or 212-448-2000; Web www.bender.com

World Trade Mark Law and Practice Publication No. 425, Matthew Bender and Company, 2 Park Avenue F15-7, New York, NY 10016; phone 800-223-1940 or 212-448-2000; Web www.bender.com

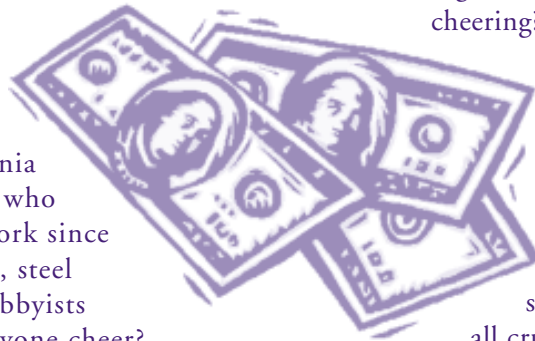
For information on referring to, or obtaining a copy of **Trade Secrets** call The Business Development Center at 734-462-4438.

Not Much to Cheer About Where Tariffs and Sanctions are Concerned

Ruth Mayo, U.S. Commercial Service, U.S. Department of Commerce's International Trade Administration

In February, many headlines read, "Steelworkers call Bush's Decision First Step in Getting Workers Back on the Job." Many cheered the President for imposing a 30 percent tariff on imported steel. Steelworkers in Indiana, Pennsylvania and West Virginia who had been out of work since December cheered, steel unions cheered, lobbyists cheered. Did everyone cheer?

On April 30, 2002, the U.S. Census reported that steel imports in March decreased 39 percent from February compared to an 18 percent increase from January to February. The sanction must have worked. Good reason to cheer. Did the steel companies that import steel from Brazil, Canada, Japan or Germany cheer? Did those steelworkers cheer when they were notified that they would be laid off because



their companies lost their competitive edge?

Let's throw politics into this cheering arena. Are the states of Arkansas, Connecticut, Florida, Louisiana, Massachusetts, Mississippi, Missouri, Nevada, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Texas, Utah, Washington, West Virginia and Wisconsin cheering? No. Why? Because the European Union plans to place sanctions on the United States and the products from these states – fruit, rice, steel products, textiles, firearms and gaming equipment. Now here is the real clincher. What do all these states have in common? They are all crucial to the re-election of President Bush.

If you would like to know more about international trade and how your company can grow internationally, please contact Ruth Mayo, an international trade specialist with the U.S. Commercial Service of the U.S. Department of Commerce's International Trade Administration; phone: 248-975-9602, email: ruth.mayo@mail.doc.gov.

International Trade Certificate Program

Schoolcraft College's Export Resource Center provides real-world training and applications through courses and seminars taught by global trade experts. The International Trade Certificate Program offers an in-depth understanding of the key aspects of doing business beyond borders.

International Marketing

September 24 and September 26, 2002
2:00 p.m. – 5:00 p.m.
\$90/person

This session includes assessing product and company export readiness, conducting international market research, and devising market entry strategies.

International Finance

October 1 and October 3, 2002
2:00 p.m. – 5:00 p.m.
\$90/person

This session examines letters of credit, common methods of payment, currency exchange rates and risks, choosing a bank, and alternative financing options.

International Logistics

October 8 and October 10, 2002
2:00 p.m. – 5:00 p.m.
\$90/person

This session focuses on risk management, export procedures and documentation and electronic data interchange, and helps you assess freight forwarders versus international logistics firms.

For more information contact the Business Development Center at 734-462-4438.

Upcoming Seminars and Events

Enron & WorldCom: Accounting & Ethics OR The Abacus Never Lied

September 18, 2002
9:00 a.m. – 12:00 p.m.
\$15/person

A lively panel discussion will address recent business scandals and how they impact government contracting and government contractors. Speakers include: Major Accounting Firms, Defense Contract Audit Agency (DCAA) Representatives, and Congressional Staffers. Sponsored by: Schoolcraft College Procurement Technical Assistance Center (PTAC) and National Contract Management Association (NCMA).

Team SBA Financing Roundtables

September 20, 2002
9:00 a.m. – 11:00 a.m.
No charge

If you are starting or expanding a business and need financing, plan to attend a TEAM SBA Financing Roundtable. You'll meet bankers, SBA loan officers, and small business consultants to discuss your financing needs. The roundtables are limited to a small number of business owners, and you must register to attend.

Michigan Trade Specialists

September 23, 2002
1:00 p.m. – 5:00 p.m.
\$10/person

Meet the Michigan Trade Specialists stationed in China and Japan, and learn more about the markets and resources available to you. The Trade Specialists will present an overview of each of their markets, then meet individually with interested companies.

RESERVATIONS REQUIRED for all seminars!

Please register at least one week before the event – seating is limited! For more information on any of these seminars, contact the Business Development Center at 734-462-4438.

Marketing Basics for Your Business

September 24, 2002
8:30 a.m. – 10:30 a.m.
\$15/person

Marketing efforts present quite a challenge, even more so when entrepreneurs are consistently stretched between business operations and marketing their product or service. *Marketing Basics for Your Business* gives entrepreneurs an opportunity to meet with a marketing specialist, to share marketing resources and ideas and to network with businesses involved at different levels of product or service marketing initiatives.

Team SBA Microloan Orientation

September 25, 2002
9:00 a.m. – 11:00 a.m.
No charge

If you have difficulty obtaining a bank loan or you need a small amount of money, a microloan may be the solution. Microloans are available from the Center for Empowerment & Economic Development (CEED), a non-profit SBA approved intermediary. CEED encourages you to attend an orientation before applying for a microloan. Microloans are available for businesses located in Washtenaw, Livingston, Oakland, Macomb, and Wayne counties, except Detroit.

Bid List Breakfast with Oakland County

(at the Southfield City Council Chambers)

October 2, 2002
8:30 a.m. – 11:30 a.m.
\$25/person

Southfield Mayor Brenda Lawrence, Oakland County Executive L. Brooks Patterson, and Oakland County Commissioner Eric Coleman will open this seminar with brief remarks regarding business in the City of Southfield. In addition, Oakland County Business Services will provide information regarding doing business with the government, the 5 C's of credit, and bonding insurance. A question and answer session will follow the formal presentations. Pre-registration is required. Contact Nancy Peter at 248-858-0783.

Trade Secrets: The Export Answer Book, 3rd Edition

*Updated with the most current Web sites,
contact information, resources and a new section on e-commerce.*

What is it?

An export reference guide that explains terms, processes and resources involved in exporting.

Structured in a question and answer format, the book answers over 100 common questions in a logical, step-by-step approach. Each question is accompanied by at least four helpful resources.

Who is it for?

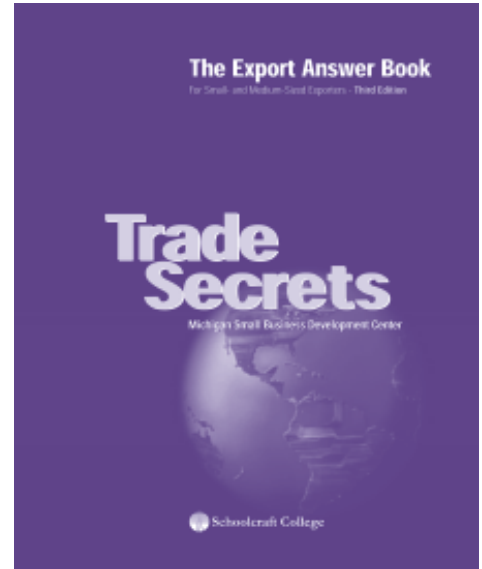
Trade Secrets serves as a primary reference tool for small-and-medium-sized exporting businesses which want to expand in foreign markets; small businesses that are already successful in the domestic market, but which seek to

expand their sales internationally; and trade development professionals needing a quick, comprehensive reference guide to exporting.

For more information:

Contact the Business Development Center at

734-462-4438 or e-mail inforeq@schoolcraft.cc.mi.us



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