

How a Corporate Marketer Built a Successful Small Business of His Own



Ms Evancich: This is the Small Business Big Marketing show with Tim Reid and Luke Moulton. This show is lovingly put together for small business owners by small business owners to get practical ideas about attracting more customers more often. So, if you're serious about building your business, strap in for the ride. Now, here's your hosts, Tim and Luke.

Tim: Welcome back to Small Business Big Marketing show number two. Hello, Luke, welcome.

Luke: G'day, Tim, how are you going?

Tim: Very good thank you. And what a great response we've had from show number one. So thank you for all the emails.

Luke: We've had a fantastic response from show number one and we're hoping you enjoy show number two just as much.

Tim: Yeah. And show number two, we're going to get pretty much straight into it but we have got Darren Finkelstein from St Kilda Boat Sales here in Melbourne. Darren actually is an old colleague of both of ours.

Luke: Yes.

Tim: How do you know him, Luke?

Luke: I actually developed his website.

Tim: You did.

Luke: A few years ago.

Tim: You did. And what a good website it is. I think he touches on that during the interview.

Luke: He does a little bit.

Tim: And also Darren's interesting because he made the leap out of the corporate jungle a few years ago and has started his own small business. So he's got a little bit of kind of blah, blah, to share with us.

Luke: Darren's got a little bit of the big end of town experience with him and he's brought that to his business, his small business.

Tim: Yeah.

Luke: And he will tell us a lot more about that in a few moments.

Tim: So without further ado, let's get into Darren and we will interrupt during...throughout the interview with some little gems, some little nuggets that we're going to share with our visitors. So over to Darren.

Luke: Over to Darren.

Tim: Dazza?

Darren: Yes, mate.

Tim: If I was to meet you at a party, didn't know you and I said, so what do you do, what would you say?

Darren: I sell boats. I sell boats, that's exactly what I do.

Luke: If I was a prospective buyer of a boat, what would you say to me?

Darren: What do you want to use it for? Tell us about what your plans are, tell us about how you're going to use it, have you got a family, what do you want to do with your spare time and really try and find out from them exactly what it is that I might be able to provide them a solution to.

Tim: Would you just tell them you sell boats or would you sort of try and be a bit more...or do you reckon that's sexy enough in terms of...

Darren: You know what, most people once you tell them you're in the boating industry are really excited to understand more about it. So the conversation always goes to another place.

Luke: Okay, we're just going to stop Darren there for a sec. Timmy, you had a few things you wanted to say about Darren's elevator pitch.

Tim: Did you call me Timmy or Tim then?

Luke: Timmy.

Tim: I thought so.

Luke: Come on.

Tim: Tim. Now, elevator pitches, I am very passionate about these because in our everyday lives we get asked, so what do you do, and I think as small business owners it's really important to have a very succinct compelling answer to that question, so what do you do. I'll give you some examples, there's a company in North America, 1800 Got Junk, they're a junk collector, yeah, that's what they do. They just go around with their trucks and pick up junk from people's homes.

Luke: It's not very pretty really, is it?

Tim: Not the prettiest thing but gee they've built a great brand around it. What I like about their answer to the question, so what do you do, is they unclutter people's lives, right. So the guy in the truck, the person in the call centre, whoever it is that's working for 1800 Got Junk has this mindset that they're uncluttering people's lives, and that's a lot different to saying I'm a junk collector or a junk removalist or whatever it may be. There's a brewer in Australia who I've heard the chairman talk about what it is that they do and he says he makes the world more social or their brand makes the world more social. So instead of saying we make beer.

Luke: Yep.

Tim: They say...well that's actually interesting in itself, but he says we're here to make the world more social. So I think that every business should get their elevator pitch right, that succinct message of what it is that you do and therefore people are then more inclined to say, gee, that's interesting, tell me more.

Luke: Indeed. Back to Darren.

Tim: How did you come to owning St Kilda Boat Sales?

Darren: Well that's an interesting story. Boating was my passion, boating was my hobby and one day I turned up to my corporate place of employment and found out I had no longer a job, I got retrenched. And I went back to where I had a little boat at St Kilda Marina and my hobby became my business.

Tim: Isn't that interesting so...

Darren: But you've got to be careful what you wish for because sometime it might just happen.

Tim: Lovely. That's very true.

Luke: I've seen your office and it's probably one of the best offices I've been to.

Tim: Why?

Luke: You've been there, Tim, it's...

Tim: Well our listeners haven't, Luke.

Luke: That's true.

Tim: And they need to be...you know, radio is not a visual medium.

Luke: Darren's office is at St Kilda Marina which is a very popular part of Melbourne, a very beautiful spot. He's surrounded by boats and on a sunny day it's probably the best place, one of the best places, to be on the bay.

Darren: It's a nice place.

Tim: So, Daz, you've got this thing called St Kilda Boat Sales, what is it?

Darren: St Kilda Boat Sales is a company that is a very very small business, it's made up of myself and my business partner and we have a couple of elements to our business. The first part is we sell boats, both new boats and used boats. Typically the sort of average price of a boat we sell is about 150, \$180,000. And we sell them up to \$1M and we also sell them at, you know, 5000, \$10,000. So the whole spectrum of boats. But we also service boats as well. So we run a service centre business that really tries to provide a complete solution to our client.

Luke: You purchased the service centre probably, what, three or four years after purchasing the boat sales business?

Darren: Yep, we did.

Luke: What were your reasons behind doing that?

Darren: Look, we decided we really wanted to grow our business and the only way we could see ourselves potentially growing it was to open another boat sales business, I mean, that's kind of how we were thinking. But the opportunity came up to do something else at the marina and we were very much aware that because we were only a, you know, just a couple of guys really, we needed staff, we needed a whole infrastructure, and to run it as a remote location, you know, unless we're there all the time, we weren't 100% sure that was going to work for us.

Tim: So I suppose in opening the service business what you got is all of a sudden you're selling boats but people have got to get them serviced so you're adding a bit of value. They're only going to go elsewhere so why don't you get a greater share of the wallet than someone else.

Darren: Look, that's exactly it and we sort of got this philosophy, it's a bit like...it's a money tree for us in the sense that we've got a business and we can run it out of a particular location and we're looking for different branches to be able to grow our income stream and that to us was really a no brainer. And we talked about it with a lot of clients that we have

at the marina that are very successful business people. A number of them are in the automotive industry and so to them it was a natural progression. So we just sort of felt comfortable and did it and it's been a terrific success.

Tim: It's a bit like the computer model of selling the hardware and then the ongoing sales of software.

Darren: Yep, exactly the same.

Tim: Cha-Ching.

Darren: Yeah.

Tim: Darren, stop right there. Lukey, what have you got?

Luke: I actually love the way that Darren's found the way to get more out of his customers. So he's got a boat sales business and he's thought well, you know, how am I going to make more out of these customers and he's decided to let's go and buy a boat service business, they're next door to us, we'll get some repeat clientele.

Tim: Well they've got to get their boat serviced somewhere so he's saying, okay, what other parts of the value chain can we own.

Luke: Exactly. And it's ongoing revenue.

Tim: Yeah.

Luke: That he wouldn't usually have.

Tim: Yeah. It raises a really good question for small business owners and that is, going back to what I just said, what are those parts of the value chain that we are currently not making an earn from but our customers are still spending money with. So...

Luke: Indeed.

Tim: It's a great question. Back to Daz.

Luke: Back to Daz.

Tim: You talked about five to \$10,000 boat sales up through 150, \$200,000 boat sales. They're two pretty different people I would imagine and I think one of the things that we tell our listeners in terms of marketing is get to know your customer intimately and not just demographically but how they think. And I imagine the \$10,000 boat owner thinks very differently to the \$200,000 boat owner. So how do you market to those very different people?

Darren: Look, they all have one thing in common and that is that they all want to spend time with their families on the water. Typically that's what it is. Some of them have a fishing bent that are really quite into, you know, catching snapper at four o'clock in the morning in the bay. And there's another whole marketplace that is into corporate entertaining and they want to use the boat from that perspective. What I understand is those two perspectives. So I understand exactly what they want to use the boat for and I understand the lingo they use and understand how they think and I've really made it my business to understand how they think and therefore I can offer them a better solution. I'm not just the guy selling the boat, I'm actually the guy that understands what they want to achieve. You've just got to take every opportunity and try and milk it for what it is. And whether that's a simple conversation with a guy who's eating an ice cream looking at my window dreaming about boats or it's the, you know, businessman that rings up and makes a formal appointment to inspect a boat. Two different sorts of people but both of them still need your attention.

Luke: Okay, Daz, we'll stop you right there. Timmy, you've got something you want to comment about.

Tim: I have. And you called me Timmy. You've got to stop that.

Luke: Sorry.

Tim: I kind of like Tim. By all means Timmy sometimes but not all the time.

Luke: Okay.

Tim: Daz made the point about target audiences and we're talking about this whole notion of like getting to know who your customer is and quite passionate about this, Luke, because there's that notion of like understanding who your customer is at a demographic level, what they earn, where they work.

Luke: Yep.

Tim: Where they live, all that kind of demographic stuff. But I'm not sure that's enough. And I think that it's really important to sit down as a small business owner and understand who your customers are at a psychographic level. And that sounds very very...

Luke: Psychographic?

Tim: Yeah, I know. I know.

Luke: It's a bit technical, Tim.

Tim: I know. I didn't mean to be and I take all that back.

Luke: Would you like to explain that?

Tim: Yeah, I would. All I mean is that what problems have your customers got and how can your product or service, business, solve those problems. That's what I mean. And psychographic means like just what are they thinking, you know.

Luke: So put yourself in your customers' shoes.

Tim: Nice.

Luke: Essentially.

Tim: Correct.

Luke: I think also...

Tim: Much better said.

Luke: Something also that I think Darren was touching on there was that he, although he wouldn't say it himself, he is an expert at what he does and he's able to solve his customers' problems.

Tim: Well he actually lives the dream, doesn't he?

Luke: He does.

Tim: Like Darren, I mean it's unfair for our listeners because we know Darren well, but the fact is he's a guy who really does get involved in his customers. And he'd be the type of bloke who the customer...he probably sends his customers birthday cards and, you know, knows the family and the people's wife, children's names, all that type of stuff. But it's a pretty important thing to get to that level of relationship with a customer is pretty special.

Luke: Absolutely.

Tim: And you can't do it with all your customers, particularly businesses that high turnovers, high volumes of customers. Darren doesn't, but where you can it's good to know who your customers are. And it actually triggers something in me, I was speaking to someone earlier this week, a small business owner, and she was saying that...she talked about her perfect customer, her dream customer, she's got her dream customer already and she talked about this dream customer very intimately, she knew this person really well and what their problems were and how her business solved them and I think that's a really good way of framing a target audience. But I'm saying, you know, if you haven't got your dream customer, then maybe, listeners, sit down and ask yourself, who is your dream customer and then go out and get them.

Luke: And how do I find them. Yep. Back to Daz.

Tim: What's the best marketing decision you've ever made?

Darren: Oh, look, to go with my gut feeling.

Tim: Yeah.

Darren: You know, just do it. What's the worst thing that can happen? I could...the worst thing that could happen to me is I'm investing in something that I'm not going to get a return on.

Tim: That's a great point. You know, the fact that you're actually just...I've got this saying, action creates reaction. So if you do something, something is going to come of it. It might be good, it might be bad, it might be neutral but something will happen. And you can then, you know, refocus and go, okay, well that worked okay, it got some people through the door, it got the phone ringing, it got some sales, whatever it is, but maybe if I just tweaked it and try this.

Darren: I mean, the hard thing also at the moment is with the economy being such a negative in all the papers; I just stop looking at newspapers.

Tim: Stop it, absolutely.

Darren: I'm sick and tired of reading about the depression of this and the sadness of that.

Tim: Yeah.

Darren: I've just come up with this little slogan; the fish don't know there's a recession.

Luke: No.

Darren: So you should just buy the boat and get out there and have a good time, because life's too short.

Luke: Yeah.

Tim: Yep. Do you do anything on a charitable level and if you do...is that yeah, you're nodding your head?

Darren: Yeah, absolutely.

Tim: If you do, what return do you look for? And don't say none, because there's nothing wrong with having a return on getting involved with a cause, I believe, and Luke...

Luke: I agree.

Tim: ...agrees.

Luke: Yep.

Darren: We've been involved with a couple of charity events. The coastguard rely on donations, effectively, and all their volunteers are, you know, madly trying to rescue people on the bay. So we do a lot of work for the coastguard every year. We slip their boat of the water with our crane and we provide them with workshop facilities. And it probably relates to, you know, a couple of grand a year in actual our costs but we do it for free, we do it as part of our desire to help the coastguard because, you know, they do a good...a good job for all of us. But we also just supported the Million Dollar Lunch. It was a big charity event on here in Melbourne and we auctioned our million dollar boat for four hours to do a fishing charter with a couple of AFL footballers and it raised about \$10,000 I understand.

Tim: Wow.

Luke: Fantastic.

Darren: So it was fully catered and some corporates went out fishing, just a social day really...

Tim: Fantastic.

Darren: ...in our bay and had a great time.

Tim: Yeah. And do you measurably see the payoff from those types of things or is it something that you just know is out there and putting energy behind your business?

Darren: Look, part of our motivation to do it was because we're going, the boat was being auctioned in front of a potential audience of our target market for that boat. These people were paying \$1000 a seat to sit at a, you know, around a table and have lunch and be part of this event. So we figured that if we can get some airtime on our boat, that's going to help us move our boat towards our target audience a big quicker and also do something that was good, you know, we're always looking out to assist where we can. Not everybody is as fortunate as we are so.

Tim: How do you measure your marketing, how do you measure it?

Darren: I'll tell you how I measured it, Eddie McGuire who's a, you know, a famous...

Tim: TV host.

Darren: TV host and is sort of connected with the right sort of people was auctioning our boat. So he had...he was doing the auction that took probably five minutes, of which there was a roomful of about 1000 corporates all paying \$1000 each listening and looking at images of my boat on a big screen with my logo. That was...for me that was the return.

Luke: Yep. Okay, we're just going to stop Darren there for a sec. Tim?

Tim: We've been stopping Darren a bit. But it's because he's giving us such good fodder.

Luke: Indeed he has.

Tim: Good marketing fodder to talk about. One of the things here, Luke, is if you, and many business do align themselves with a charity or write the odd cheque out to the local whatever it may be, the local school or the local animal hospital or whatever it is, you know, there's nothing wrong with getting a return by, a commercial return, by associating yourselves with a local cause. In choosing that cause I think it's important to sit down and think about who is the cause that has the most relevance to my business. So if you're in the...if you have business that is about animals then it would make sense to associate with the local animal hospital. If you have a business that's about young people then find a cause that's related to young people. It just makes for a better partnership. And it is amazing the things that come out of such a partnership.

Luke: Absolutely. And Darren has done exactly that with...by getting his boats up in front of people that can by \$1000 to go to a luncheon.

Tim: Yeah, yeah, spot on. He's really...it's targeted and he's happy to see a return. Back to Dazza.

Luke: Back to Daz.

Tim: What about generally with your marketing, how do you measure it, how do you...is it about enquiries, about the phone ringing, hits to a website, sales per week, how do you go, yep, what we're doing seems to be working?

Darren: Look, it's a mixture of all of those things. So what I do, and I'm really passionate about what I do, so I get onto Google all the time and check our ranking and look at who's beating us and why perhaps in my mind they're doing that. I look at the enquiry numbers of people phoning my office. Because at the end of the day we're a sales organisation and we need prospects and prospects are telephone calls in, they're enquiries off our website, there are emails from advertisements we've run in magazines, in particular trade magazines. So I look at all those things as elements. It's a bit like, you know, a thermometer reading to see whether we're running hot or cold or what the temperature is about what we're doing and then we massage that accordingly. But all of our marketing is good and we've just got to keep doing all of it all the time and don't stop.

Luke: Okay, we're just going to stop Darren there for a sec. Tim, this is one of your favourites.

Tim: It is.

Luke: And it's about having lots of balls in the air.

Tim: In the air, yeah. Lots of balls in the air, absolutely. As a small business marketer myself, and a small business owner, what I've found over the years is that with a modest marketing budget you've just got to have a lot of marketing initiatives out in the

marketplace at any one time. So you might have an ad running somewhere, a sponsorship somewhere, you might be doing some Google AdWords, you might have a website activity happening, you might have a bit of word of mouth activity, all those things, you know, getting business cards out at networking functions. All these things lead to one and one equalling three.

Luke: Yep.

Tim: Which by that I mean you've just got to have a lot of balls in the air at the same time so that you know that some of them are going to hit the ground and splat, but others are going to actually provide the kind of returns for your business that you're looking for.

Luke: When you are trying a lot of those sorts of things you've got to make sure that you're always measuring. Measure everything that you do.

Tim: Yeah, that's scary, scary to measure things because you might find that they're not working. But it's a clever thing to do too because then you can quickly either cancel or change them and, yeah, measuring is another thing in itself but I guess for the point of this conversation is that having a whole lot of marketing initiatives all going on at the one time is a mighty initiative in itself.

Luke: Indeed. Let's go back to Darren. Darren, you tend to exhibit at a few boating expos, how successful have you found those?

Darren: Oh, look, it depends on how you gauge success. I mean, if we go back to the question Tim asked before about, you know, do I sell boats, when I do a particular marketing campaign for a particular reason, can I get an instant return on it? Well if I use that and think about if I go to a boat show and I show four boats there over a period of time and my success is how many of those boats I sell then I shouldn't be going to a boat show. What I'm going to a boat show to do is to wave a flag in front of all those people to say we are also a player in this industry, we are offering this particular range of products, our doors are open, come and consider us.

Luke: So it's more of a brand awareness exercise than...

Darren: It's very much a brand awareness exercise. However, when we come back from the boat show we want to sell boats. I mean, we want to know that we've sold, you know, four boats at a show or ten boats at a show and we can gauge that success.

Luke: We're just going to pause it there for a second. Tim, you had something you wanted to add.

Tim: Very briefly. And this may very well be telling our listeners how to suck eggs because I'm not sure that many small business owners do just run marketing campaigns in search of brand awareness. Which is a pretty...a highly used term in the marketing world. As small business owners, every single marketing initiative, as we said before, should be measured

and it should be measured on the results it produces. So obviously marketing initiatives that lead to enquiry and subsequently sales are what it's all about. Brand awareness is lovely but if people aren't...if people know about your business and it's not converting into enquiry or sales then 100% awareness is kind of neither here nor there.

Luke: Yeah. In this case Darren does also need to be shown to be up there with his competitors as well so it's understandable that he goes out and does a boat show.

Tim: Yeah.

Luke: But don't go and do brand awareness for the sake of brand awareness when you're a small business, make sure it's something that you can measure the results from.

Tim: Yeah. In fact only today I met with someone who was running an advertising campaign in a niche magazine and whilst it was creating probably fairly good awareness around her business, I'm not sure...well she actually said she hasn't had one enquiry from it. So, yeah, as a small business owner you really want to see a significant return on every marketing dollar spent.

Luke: Indeed.

Tim: So we'll go back to Dazza one last time. Tell me in terms of our listeners, they're small business owners, what bit of advice have you got for a small business owner in today's economy?

Darren: Really simply, plan what you're going to do, be organised about it. Have access to reliable data. In other words, look at statistics, look at what the industry is going, look at what people around you are doing and make decisions based upon fact, not what might be, could be, should be, but try and do it upon facts. Don't put off tomorrow what you can do today. So just do it, you know, just get out there and do it. The worst case scenario is the particular campaign you're running is not a success so you next time you won't do that that way. Be flexible and make sure you can manoeuvre yourself within a market because there's no point being very very fixed in your ideas because it just won't work.

Tim: Good advice.

Darren: Understand and learn your market. Make sure you understand your customers.

Tim: I asked you for one, Daz. I see you've got a list of about 25 there but...

Darren: I have, I've got two more.

Tim: Oh, hang on, I think...

Darren: Two more.

Tim: Okay.

Darren: Be passionate about everything you do and never ever give up.

Luke: And never give up.

Tim: And, listeners, you can't see Darren but he's got a tear in his eye right now glistening. Darren, one more thing, read a book or visited a website that you've loved and, you know, benefited from from a business point of view?

Darren: I'm really into surfing so I read Kelly Slater's story and think about Quicksilver as a marketing brand.

Luke: Yep.

Darren: I mean, you know, think about how they align themselves with cool people, with successful people, I mean, it's just brilliant. And you look at it afterwards and you think, you know, that's not so hard.

Tim: Yeah. Yeah, true. Hindsight is wonderful, isn't it?

Darren: Oh, it's brilliant.

Tim: Lukey, you got anything more for Daz?

Luke: That's about it from me, I think, Timmy.

Tim: And it from me. That's like The Two Ronnies, isn't it?

Luke: Yeah.

Tim: Or from me and from him and...

Luke: It's goodnight from him and it's...

Tim: Goodnight from me.

Luke: ...goodnight from...

Tim: But, Dazza, thank you very very much for coming in.

Luke: Thanks, Darren.

Tim: I reckon you've been very enlightening and inspiring. And there's some good points there. So, thanks, mate, for coming in. And what's your website for those who want to buy a 5000 or a \$150,000 boat?

Darren: Stkildaboatsales.com.au.

Tim: And that would be S-T...

Darren: K-I...

Tim: K-I-L-D-A, boatsales.com.au.

Darren: Have me back again, guys, this is great fun.

Tim: Oh, look at you, hey.

Darren: I'm all pumped up now.

Tim: We'll put a photo, guys, of Daz on the website because he is looking a million dollars.

Darren: Thank you.

Tim: Bye.

Darren: Thank you for having me.

Tim: Seeya.

Luke: Thanks, Darren.

Tim: And that's the end of our interview with Darren Finkelstein from St Kilda Boat Sales. Thanks, Darren, for coming in. Luke, he had a few gems to share amongst our listeners and ourselves.

Luke: Sure did have a few gems, Tim. I certainly enjoyed them. We hope you did too. Please make sure if you have any questions, send your questions into questions@SmallBusinessBigMarketing.com or check out the website.

Tim: Or the website, yeah, SmallBusinessBigMarketing.com.

Luke: Indeed that's what it is.

Tim: And anything else, Luke?

Luke: No. We'll look forward to speaking to someone else exciting in small business marketing next time and we hope you join us.

Tim: Goodbye from him.

Luke: Goodbye from him.

Tim: Seeya.

Ms Evancich: You've just come that little bit closer to getting your business booming thanks to the Small Business Big Marketing show with Tim Reid and Luke Moulton. Please keep in mind that the information, opinions and ideas expressed in this show are those of the hosts and interviewees and theirs alone and they don't necessarily reflect those of their past, current or future employers.

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