

Small Business is Our Business...

Small Business Advancement National Center

University of Central Arkansas

<http://www.sbaer.uca.edu>

SBANC Newsletter, April 13, 1999

We mourn the loss of our small business colleague Dick Lorentz of the University of Wisconsin -- Eau Claire. Dick lost a five-year battle with lymphoma and passed away April 9.

Dick was an active member of The Great Lakes Small Business Institute Directors' Association (Region V SBIDA), a past-president of national SBIDA (1981) and a SBIDA Fellow. He was a professor at UW-Eau Claire School of Business; helped create the UW-Eau Claire Entrepreneurship Program; and held first end chair for any University of Wisconsin state school outside of Madison: The Dennis and Carol Heyde Chair of Entrepreneurs. He served as timekeeper for the UW-Eau Claire basketball teams for 25 years; helped coach the first YMCA football team and found the Little League Baseball Leagues in Eau Claire; and coached his daughters' YMCA basketball teams for many years. He was also an active Mason.

Dick is survived by his wife, two daughters, his mother, two brothers, a sister and many nieces and nephews. Memorials may be directed to the Midelfort Clinic -- Department of Oncology, Luther Hospital, the Lorentz-Murphy Entrepreneurial Scholarship Fund or the Richard D. Lorentz Scholar/Athlete Scholarship Fund.

UPCOMING EVENTS!!!

WDSI MAKES PLANS FOR 2000 CONFERENCE IN HAWAII

The Western Decision Sciences Institute has announced a preliminary Call For Papers for its 29th annual meeting, which is scheduled to be held April 18-20, 2000, at the Ritz Carlton Hotel at Kapalua on the island of Maui, Hawaii.

Although comprehensive abstracts will be reviewed, preference will be given to complete papers. Proposals for symposia, tutorials and workshops on current topics of interest are also invited. Topic areas range from Accounting I to Small Business/Entrepreneurship to Innovative Education. Submission deadline is Oct. 1, 1999.

To obtain more information about the WDSI 2000 Conference, visit our site at <http://www.sbaer.uca/wdsi/index.html>

TECHNOVATIONS '99: MARKETING TECHNOLOGY

CONFERENCE SET FOR JUNE 24-25

Make plans now to attend Technovations '99, a national conference for community and technical college marketing educators, June 24-25 in Milwaukee, Wis. Those attending will receive information on the role of technology in the marketing environment, applying and advancing technology in marketing education, marketing technology products, using technology in the marketing process and more. The Marketing Education Conclave will be held in conjunction with the conference.

For additional information about the Technovations '99 Conference and the Marketing Education Conclave, visit our Web site at <http://www.sbaer.uca.edu/docs/bulletins/mtcon62499.htm>

SMEs IN THE GLOBAL MARKETPLACE: PROCESSES,
BARRIERS AND IMPLICATIONS ON PERFORMANCE

J.D. Pheby and C. Kalantaridis of the University of Luton, England presented this paper about the globalization of SMEs at the 1999 Association for Small Business and Entrepreneurship (ASBE) Conference, which was held in Houston, Texas.

During the last decade SMEs have faced the challenge of globalization, and previous research has suggested that SMEs are confronted with considerable difficulties when engaging in exporting activity, Pheby and Kalantaridis report. Therefore, a primary objective of their paper was to improve the understanding of some factors that encourage and discourage SMEs to export. The findings, the result of 100 telephone interviews with firms involved in export activity, suggest that deficiencies in language skills are a particularly serious obstacle to SME export activity. Furthermore, a failure to engage in systematic planning is also shown to be significant. The suggestion is made that these two factors can be linked as a weakness in that language skills can be an indicator for the reluctance of SMEs to orientate their activities toward exporting.

To read the entire paper by Pheby and Kalantaridis, visit our site at <http://www.sbaer.uca.edu/Research/1999/ASBE/99asb111.htm>

TIP OF THE WEEK

"What is a Good Response to a Mailing?"

(Taken from "Uncommon Marketing Techniques," by Jeffrey Dobkin.

See full credit below.)

"What is a good response to a mailing?" This is probably the most-asked direct marketing question, ever. And people are usually looking for a number like 2%, 10% or 25%.

A successful single mailing (for orders) is any mailing that breaks even or better the first time out. Because you learn from this mailing, the chances of tuning it up for the second time to increase the response even further are very good.

Percentages are no indication of success. If you are offering a free watch, you may get a 90% response for the watch, but no sales at the back end. If you are offering a free brochure about your \$2 million printing press, response can be .002% -- but if one press is sold, the mailing is a success. Without knowing the mailing objectives, profit per order, the offer, the list and the audience, any percentages have little meaning.

The simplest formula for success in a direct offer is the cost of the mailing, plus the cost of fulfillment, subtracted from the amount of money you received. Even when you plug in this formula, the additional credibility you get for your next mailing is not taken into account.

To take a guess at percentages -- which is probably why you're reading this -- 1% to 2% for an offer is usually considered good to excellent. When planning for success, figure out if you will break even at 1%. If not, better rethink your package, offer, product or price. As important: Is your offer hard or soft (do you ask for money with the order, or bill later?), and are you asking for an order (direct sale) or for an inquiry (lead generation with a two-step selling

process) so you can send a harder-hitting, longer package? Then what is the lifetime value of the customer (will he order again and how often?) Will all this additional hoopla convert your mailing to being profitable? Most magazine publishers would be happy at .5% conversion to subscription rate; some of our own free-gift-with-inquiry offers have drawn 20% to 25%.

"Uncommon Marketing Techniques," Dobkin, Jeffrey, The Danielle Adams Publishing Company, 1998, pg. 20-21.

If you have any comments about our newsletter or if you know of an upcoming small business event in your area, please contact Carrie East by e-mail at Ceast@mail.uca.edu

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from the list. We apologize for any inconvenience.