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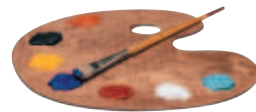
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A23



BUSINESS FIRST
THE CENTRAL OHIO BUSINESS AUTHORITY

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PAGE A19

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Channel partnering: A good fit?

Channeling partnering is the process of establishing relationships that help sell your products or services to selected markets.

Channel partnering decisions usually fall into three categories: Whether to use direct channels only, partners only or a combination to partnering and engaging the right partners.

To partner or not to partner. That is the first question.

Many companies jump right into partnering or direct sales without a conscious thought process. Clearly, no one would deal with multiple and complex partner relationships if they could be avoided because direct channels offer the advantages of total customer relationship control, no relationship management overhead and generally fewer product distribution complications.

The challenge is that none of these attributes produce benefits if there is not enough volume to make the business grow. Therefore, partnering considerations usually enter the distribution mix discussion. There are generally five overlapping things to consider in the partnering decision:

- Time to market. You might be able to build a direct channel to sell your product but will your competitive window of opportunity close before you get it done?

- Segment reach. Your direct channels may successfully penetrate market segments, but there may be a partner who is better positioned to carry your offer to other segments.

- Economics. Depending on your size and funding constraints, indirect channels may be the only option after direct sales to pilot customers.

- Surplus demand. You may have an envious situation where partners are needed to help the direct sales force contact all prospects.

- Value added. Your core offerings are 90 percent of what prospects really want, but you need channel partners to complete the other 10 percent and get the solution implemented.

Once you have decided you want channel partners, you need to build the channel. This is usually a straightforward process and

SEE CHANNEL, PAGE A21



JANET ADAMS ■ BUSINESS FIRST

Brad Circone displays a promotional photo from his days as band leader, second from left, of Columbus rock group the Toll. Circone now is head of Circone + Associates marketing firm in Columbus.

B R A N D L E A D E R

Former rock 'n' roller now leads a new band

BY CINDY BENT FINDLAY
■ FOR BUSINESS FIRST

If someone asked Brad Circone what he thought he'd be doing in 2004, he'd say, "Not this."

Circone, formerly the lead singer for Columbus' 1980s rock band the Toll, says being a marketing guru was never a job he pictured for himself while he was diving off balconies into crowds of devoted, screaming fans.

But a decade spent marketing the Toll led to even more than landing the largest recording contract in history

for an Ohio band, he says.

Eleven years after the 1988 debut of the band's first album, "Price of Progression," Circone found his second true calling — his own marketing and communications company, Circone + Associates.

Since 1999, the company has grown steadily.

Revenue has doubled each year, and so far this year, Circone declined to release revenue figures, but said the company has experienced a 20 percent increase over last year. Circone projects another 35 percent increase in growth by the end of next year.

Columbus rock aficionados remember the Toll vividly. The buzz surrounding the band in

the late 1980s was that it was the next U2. To this day, Internet message boards around the world still chatter with remembrances of Circone's live performances and offer Web site links to the music.

"There have only been a handful of rock and roll stars, I'd say, who had the charisma to be the real deal. Brad was one, and I've seen them all in the past 25 years," says Scott Stienecker, president of Promo West Productions, which owns the Columbus rock venues PromoWest Pavilion and the Newport.

"Would I have put him in marketing now? Nope. I'd have pictured him as Eddie Vedder
SEE BAND, PAGE A20

CIRCONE + ASSOCIATES

Type of business: Marketing, advertising, public relations with emphasis on brand position differentiation and new pipeline profitability.

Date established: 1999

President: Brad Circone, 40

No. of employees: 8 (five, marketing/advertising/creative; three, media placement)

Headquarters: 6047 Frantz Road., Suite 201, Dublin

Revenue: Undisclosed

Client industries served: retail, financial, technology, telecom, interactive games, commercial photography, music & entertainment, logistics, food & beverage and sponsorship development.

BAND: Circone still creating a buzz with market savvy

FROM PAGE A19

in Pearl Jam, because of the talent he had," Stienecker says. "But creating a buzz is the business. So many of them don't understand that, and he did."

From the beginning, Circone says he and his bandmates put a priority on positioning.

He recalls a dry erase board hanging in the band's Michigan Avenue apartment on which band members tracked every recording label, every label representative, and the types of bands they signed.

"Back then I guess I didn't know it, but we were looking for trend analysis," Circone says. "We used to say, frankly, 'There are 10,000 bands out there that were far superior to us, we're just crap.' It doesn't matter how great you are if people can't experience the greatness. If it never makes it to market, who can enjoy it?"

He and the other band members clicked together, Circone remembers, like an effective company. Former bandmate Greg Bartram agrees.

"One thing we often said was that if we weren't a rock band, we'd be the most successful cement company out there," Bartram says.

Now a freelance photographer in Columbus, Bartram says Circone was the front man for the band, on stage and off.

"He was the guy who could walk into Geffen (Records), meet with them and leave them excited; he has that ability. It's the passion," Bartram says.

On stage, Circone turned that passion and frustration with the struggle to make it



Brad Circone, president of Circone + Associates, seated on juke box, is surrounded by Circone employees Kelly Galvin, far left, Scott Hively, right, Kate Fortkamp, seated, and Kimmer Callahan, far right.

and a bit of what he calls "the angry young man," into a raging, charismatic, improvised rant.

The band began to call their music narrative rock, creating themes and characters to accompany long, lyrical jams that didn't fit the standard top-40 hits mold.

By 1998, the Toll landed a mammoth \$3.6 million deal with Geffen Records, to include production of a music video and a European tour.

The "Price of Progression" sold 40,000 copies in its first release. For a few years, the band's video "Jonathan Toledo" played in constant rotation on MTV's "120 Minutes."

Then it all came to an end.

In 1992, the band's representative, Michael Rosenblatt (who also signed

Madonna), quit the label. Not long after the band cut its second record, Geffen Records began to withdraw marketing support, sales withered, and it was dropped, Circone says.

Because the label hadn't recouped its costs on the two albums, the \$3.6 million never materialized for the Toll's band members.

Broke, and living in a warehouse on Bethel Road, the band threw in the towel in the early 1990s.

Circone immediately decided that selling anything but music was the best thing to do.

"I knew that selling the concept of a narrative band to the hottest record label at that time meant that I knew how to sell the invisible," he says.

He called up an old family friend, Steve

Shaffer, and asked for a job in sales with his coin-operated equipment distributorship, that included dart game supplies.

Shaffer offered him \$2,000 in dart game inventory and set him loose. Circone went to the same bars where he played his music and pitched dart sets instead of rock 'n' roll to the owners. He told Shaffer he'd pay him back in 90 days, but did it in 60 days, he says.

His business grew, but slowly.

"I quickly realized I had a distribution problem," Circone says. "I thought, now I know about these dart supplies, I guess I should market them, because I know I can do marketing."

He moved on to the position of sales and marketing director for Penultimate Inc., a Columbus manufacturer with a new electronic dart design.

His resulting success in building a distribution plan with event promotions attracted the attention of Lee Peppard, president of Seattle-based Medalist Marketing, a major distributor of electronic dart boards.

Circone became Peppard's vice president of sales and marketing and stayed for several years. He credits Peppard with teaching him event marketing promotion. After several years with Medalist,

Circone says he decided in 1999 to come back to Columbus to start his own company.

"For the first time, I was inspired — like writing an original rock song," Circone says. "I knew I now had to combine creativity with marketing that would lead to actual sales, not creativity in sales. I realized I wanted to lead the trend, not just respond to it."

That is now the focus of Circone + Associates. With five, full-time employees, Circone can brainstorm and introduce creative marketing tactics to customers.

Circone describes the company's business strategy as pipeline building — taking

SEE MARKETER, PAGE A21

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YOUR BEST CAREER MOVESM

MARKETER: Every company can find a unique position to control its own destiny

FROM PAGE A20

existing profit centers outside the client's company and building them, he says.

For instance, before becoming one of Circone's clients, officers of J.A. Miner Lending Financialists had marketed the company as a mortgage broker. Since working with Circone, the company's image has been revised to that of a lending institution that unites qualified lending techniques with advanced financial strategies.

Another Circone client is GNS Partners, a Reynoldsburg-based business technology development company that serves small- to mid-sized businesses.

GNS President Steve Weber says Circone + Associates provides intense service levels, researches its clients thoroughly and produces a whole new frame of reference to

describe the client's message — targeted both internally and externally.

"Here's an example," Weber says. " 'Pre-responsive threat control' — that's a term Brad came up with when we described our practice of helping clients protect their servers to be virus free.

"Brad said, 'You're not responsive, you're pre-responsive.' So Circone + Associates put together this positioning umbrella for our business that all of our messages slide up under very easily."

The bottom line is, you have to pick a position that no one else has, Circone says. "Otherwise, how do you control your destiny? And every company really has that unique position, if you want to tap into it," he says.

Weber admires Circone. "His command of phrasing, his ability to translate value into

brand is just amazing," he says.

Shaffer Services, the sister operating company of his old friend, Shaffer Distributing, has turned to Circone + Associates as well.

Shaffer President Tom Baldwin sought help with event marketing to drive increased use of the company's Central Ohio arcade machine market.

"He supplied the creativity, the whole campaign and enhanced our promotion beyond anything we could have done," says Baldwin. "The result has been dramatic."

Last year, Circone + Associates launched the "Get Some" promotion for Tournamaxx (a globally-networked trivia game) in 80 bars and restaurants. The program won Circone + Associates an Addy Award, an Advertising Federation Citation of Excellence for Direct Marketing.

"The promotion was instantly successful, and by the second month paid for all our costs, and we're now making money on the deal. As a result of that, together we decided there isn't anything we can't or shouldn't be promoting," says Baldwin.

Those who know Circone say he's found his true calling.

"What he's done is found the perfect creative outlet for him," says former bandmate Bartram. "In my mind that's why he has been able to bring the same passion to his business that he brought to the band."

Stienecker at PromoWest says his company will be working with Circone + Associates in the future.

"The passion, the confidence, the ego — in a good way — they're all still there, it's just that he's not up on stage," Stienecker says.

CHANNEL: Create, foster partnering

FROM PAGE A19

should be approached much like a direct customer sale.

Assuming direct customers have validated your product, identify the market segments you need to reach and those who do most of the business in the targeted spaces as well. Next, develop value propositions for the targeted partners and engage them in dialogue. Ideally, this dialogue is supported by a marketing communications initiative or through introductions from your contact network.

Establishing relationships

After engaging your partners, consider these points as you work through your alliance agreements and manage the relationships going forward:

- Align your objectives. In today's complex world of technical innovation, companies often find themselves competing and cooperating at the same time. Aligning objectives ensures that partners can co-exist and that any strategic risks are recognized and deemed acceptable before proceeding.

- Determine mutual risk and reward, otherwise known as win-win. But this is an oversimplification. Any potentially successful deal must have elements of substantial shared benefits and non-trivial shared risks. If your channel partner does not have some skin in the game, I don't expect much.

- Establish clear rules of engagement. This applies when direct sales and channel partners operate in parallel, which is the most common practice. The rules are intended to manage the potential channel conflict, ensure solid support for the partner, avoid potential embarrassment from partners tripping over each other in the sales process, and optimize the chances for success in the post-sale phase.

Develop a mutual system for relationship monitoring, assessment and evolution. This means measuring the benefits of the relationship compared to its costs.

In addition to the pure numbers, pay attention to the finer human elements like timeliness and clarity of communication, attitude and cooperation of personnel, as well as adherence to rules of engagement.

MICHAEL SAPIENZA is president of Premier Marketing in Columbus. Reach him at 614-485-0351 or online at www.premiermarketingllc.com.

And the winner is....



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Pictured left to right: Linda Bowser, Progressive Medical; Tom Rausch, Interactive Ink; and Tammi Sabr, Progressive Medical.

Interactive Ink chooses Progressive Medical

by Diana Barnum

Business Scholarship Program sponsor Interactive Ink, Inc. chose Progressive Medical, Inc. as their award recipient. Incorporated in 1986, the award winner is a provider of electromedical equipment and related supplies and has grown from 30 employees to approximately 200 in just the past eight years.

"It's great to be a part of this brand new endeavor, very rewarding to be one of the first participants," said Jacquelyn Barlage, marketing associate for Progressive Medical. "We'll be working with Interactive Ink on developing our intranet and Internet site."

The primary challenge for Progressive Medical is supporting their rapid rate of growth that has transformed them from a small business to a medium-sized one. They are looking to the scholarship program for help with daily tasks and sales initiatives.

Among the criteria that Interactive Ink looked for in a candidate was who faced the largest challenge. And Progressive Medical's incredible growth stood out.

"We also looked for enthusiastic leadership and (sought a company) jointly accountable to interactive change," said Tom Rausch, President at Interactive Ink.

Interactive Ink creates business solutions by aligning technology efforts with marketing efforts and business processes. Their solutions include top-notch tools like websites, intranets, extranets, Internet marketing strategies, email marketing, CRM systems, web content and knowledge management and data integration.

The mission of the Business Scholarship Program is to enhance the performance and success of small- to medium-sized businesses by offering scholarship opportunities in the form of in-kind services and expertise from local sponsors. The results of the partnerships between sponsors and scholarship winners will be published to benefit the entire local business community.