

## EXAMPLE OF A PRODUCTIVE CONVERSATION

Consider this fictional conversation among three marketing executives for Nordstrom's. It's a good example of a productive conversation in which assumptions are openly acknowledged and challenged:

Jane: "We've lost three percent of our market share in the past year. I'm baffled. So let's brainstorm some ideas about what's going on, and what we can do."

Samuel: "Let's start with what we know. Okay?"

Tom: "We know that The Gap has introduced a new incentive for its local stores. For every million dollars in sales in a given quarter, the store employees and management get to share an additional 5 percent commission on the total sold."

Samuel: "That's a good deal. And we know that Macy's started advertising heavily on TV, and they're targeting women."

Tom: "Yeah. We've continued to rely on our strategy of direct mail advertising primarily through our catalog because our target continues to be upscale professionals."

Jane: "In fact, we didn't do anything different in the last year. We just stayed put with our marketing strategy. So what are we going to do?"

Tom: "Allow me to offer another factor, if I may. A lot of consumers are starting to buy clothes directly via the Internet, and not from us."

Jane: "Corporate decided last year that we couldn't sell product directly to consumers for fear of making our local stores angry."

Samuel: "That's right, but when's the last time we did any research on direct consumer sales?"

Tom: "Two years ago we did some sort of survey, I believe. It was a negligible factor then."

Jane: "So do we know where we lost those share points?"

Samuel: "I don't think we do."

Tom: "But here's my assumption: The bulk of our lost share points can be directly attributed to pricing wars."

Samuel: "How can we test that assumption?"

Tom: "The easiest way is to analyze our sales to those of The Gap and Macy's in some selected markets. Our store managers should be able to tell us that. "

Samuel: "Then let's do that."

Jane: "But I have this feeling that the answer is underneath our noses."

Tom: "Well, one thing we haven't talked about is the changing nature of our market. We've been assuming that as older people leave, younger people come in. That's been our model."

Jane: "So you're saying, what exactly?"

Tom: “Well, if the market is changing, then are we positioned correctly to attract those younger upscale customers? We may have an image problem. If we do, it suggests a need to make a major change in our strategy.”

Jane: “How can we verify that?”

Samuel: “We could do a deeper survey of potential young customers in those same three local markets, and determine whether the data shows any change in our positioning.”

Jane: “Well, all right. Let’s get both pieces of data: The positioning data and the competitive sales data. Okay?”

Tom: “Sounds good. Plus I’ll check Internet sales and get fix on what’s happening there.”

Samuel: “Great!”

In the conversation above, underline key moments where the conversation could have become unproductive. *What made it work? Which of the personalities was most willing to let their assumptions be challenged?*