

All aboard the Enterprise

Venture into the future of direct marketing via education, says **DOUG SACKS**.

Here's a brave new step in the future of direct marketing: there is a growing emphasis on education and partnership with progressive academic institutions.

The thrust is developmental, not just to train future DM leaders, but to leverage intellectual and human capital into DM innovations that revolutionise markets.

This emphasis on education, acknowledged by the US DMA as one of its key pillars, and the inroads into scholastic curricula in universities all over the world, should push DM even further as a mainstream business discipline.

One such step is the Center for University Based Enterprise & Development at the University of New Haven (CUBED@UNH), in New Haven, Connecticut. Focused on entrepreneurial initiatives, the Center's flagship programme is the CUBED Venture Quest.

CUBED founder and executive director, Andre Yap – who is also managing director of the Ynnovation Groupe, a private investment and venture development firm – says: "Our goal is to discover world-class entrepreneurs and work with them to start-up, finance and bring to market disruptive new companies."

Focused exclusively on web and mobile ventures that use social networks media and technology, the CUBED Venture

Quest challenges entrepreneurs to take on a 12-milestone track divided into two stages:

The Stage 1 Start-Up Track gives entrepreneurs six months to complete milestones one to six, with successful ventures receiving seed funding and advancing onto stage two.

Where stage one focuses on market-driven R&D and business planning, the Stage 2 Venture Capital Accelerator focuses on proof-of-concept and core-team building, laying a further six milestones that will take successful teams all the way to venture capital funding.

What does all this have to do with direct marketing?

Quite a bit, actually.

To begin with, there is the focus on Web 2.0, which Yap describes as companies 'using peer-driven social media and technologies to develop offerings, acquire and retain customers efficiently and build recurring revenue and lifetime value streams sustainably'.

Venture Quest entrepreneurs have an advantage in the Web 2.0 race, as they get merit-based access to expert resources in technology, marketing, executive search, IP and, ultimately, seed and venture capital – all revolving around Web 2.0.

As a business development process, the CUBED Venture Quest will impose direct marketing disciplines across all

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12 milestones. It is, according to Yap: "Entrepreneurship from a DM perspective."

He continues: "In Web 2.0, the product and marketing cannot be separated. You can't develop offerings separate from the strategic and tactical mechanisms by which you're going to distribute them. Even R&D and production, traditionally the bastion of centralised corporations, is now being crowd-sourced, so to speak, to collaborative networks of users."

In this sense, DM is every CUBED venture's core business discipline. Everything is focused on the customer, on converting them from zero to awareness, to engagement and trial, to repeat purchases, and from there to increasing the frequency and monetary value of transactions.

Tried and tested DM methods like cross- and up-selling, rewards, club, continuity and membership programmes, all serve this same purpose: to hold onto customers and build lifetime value.

Web 2.0 turbo-charges DM, and nowhere is this more apparent than in customer referrals. The mode of distribution in Web 2.0 is not via paid agents or channels, but by passionate consumer advocates.

Yap explains 'cubed' in its exponential sense, noting that Web 2.0 ventures are often the most efficient and inexpensive to get to market.

"Look at Facebook, from zero in 2004 to a billion-dollar-plus valuation in less than two years," he says. "More significantly, Facebook is now being referred to as a 'social operating system', the Microsoft of the social web capable of commanding new applications and innovations due to the sheer quantity and intensity of its user-base."

The World Wide Web is still that: wide open.

Yap adds: "It's a huge opportunity for anyone who can summon the right mix of talent and resources."

"It's the lack of disciplined process and relevant access, not a lack of commitment or intelligence that keeps people's ideas from becoming the next billion-dollar company."

"We envisioned CUBED as a democratising force that brings world-class entrepreneurship to more people. It is critical to work with universities, who provide a safe haven where entrepreneurs, investors, technologists, marketers and others critical to the venturing process can come together in open and trusting collaboration."

Yap asks direct marketers to get involved: "CUBED is an ambitious endeavour, but we can't do it alone. There are many ways DMers can participate: as expert resources to our entrepreneurs, as corporate or media sponsors, as

strategic partners. The important thing is to see, as a direct marketer, that CUBED is going where every marketplace is headed, and for you to want to be a part of that."

The future of DM?

It's certainly a bold step in a direction that has been building for a while now.

CUBED could be a model of an effective melding of DM, Web 2.0 and university-based entrepreneurship.

This enterprise bears watching and I'll tell you more about it soon.

For now, take a tour of CUBED at www.cubedquest.com.

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