

THE HIGH COST OF NOT HAVING A STRATEGIC MARKETING PLAN

Up to three-quarters of all new businesses fail to survive five years. While some succumb due to poor execution, many offer a good solution, and yet still fail. These companies die unnecessary deaths due to congestive marketing failure.

The cycle of Marketing despair

These ill-fated companies start life with a great idea and offer. A junior marketing person initiates some marketing programs, and sales take off. Liking success, the company invests a higher share of its growing revenue in additional marketing. The marketing footprint expands in all directions. Soon the marketing spend is out of whack with slowing growth.

The CEO installs a VP of Marketing to bring order to the mish-mash of marketing programs. She creates her own imprint. Sales and Marketing grow distant. Sales reps ignore Marketing's tools while closing deals on their own. Sales complains about lead quality. Respect for Marketing plummets internally. The poor-performing VP of Marketing is replaced, but success remains elusive.

In frustration, the CEO and CFO raid the marketing budget and fire most of the marketing staff. After a while, a junior marketing person is hired and the cycle repeats. This is the cycle of marketing despair and failure.

An axe may not be the right tool

When a job isn't getting done, the typical reaction is to replace the person responsible. For well-defined jobs and skills this often works. Marketing is one of those roles where swapping out people rarely works by itself. If it did, rapid turnover in marketing leadership wouldn't be a cliché. More is at work.

Misdiagnosis as a people problem merely prolongs the cycle of marketing despair. Worse, the series of short-tenure marketing

leaders creates firm-wide cynicism about the value of marketing and what it does. People around the organization start asking, "What does Marketing do anyways?"

If changing out the people doesn't work in these situations, perhaps we should look at the process. According to W. Edwards Deming, 94% of success is due to process, and only 6% is due to people. Building uncoordinated, tactical programs from the ground up is a poor process inevitably leading to marketing failure, regardless of the people. A sound process is even more important than the right people. And people are important.

As companies mature and think of marketing as more of a strategic process and less as a set of related tactics, they may escape the cycle of despair. Strategic-thinking CMOs last longer as well.

The 4 elements of a winning strategy

A strategy is a plan for a plan, and its job is to define which plans are consistent with the overall objective. Winning strategies focus on a central goal while providing four kinds of guidance:

1. **What needs to happen**
2. **What needs to stop happening.** Plans that don't help you stop doing some things dissipate resources. Often it's not how well you execute, but where you focus that wins the day.
3. **Flexible guidance** that survives--even thrives--in change. If the market doesn't change due to external forces, competitors will force change.
4. **Engage the entire firm.** Most marketing methodologies overlook this last, crucial element. Marketing that fails to engage the entire firm tends to become self-referential,

servicing the needs of Marketing rather than the whole company.

A strategy doesn't grow from individual grassroots efforts. It's the result of deliberate action. Processes are really good at guiding deliberate actions.

Don't tell me what; tell me how to do it

Dieters know not to eat chips straight from the bag, and yet this dieting fundamental falls by the wayside because the books don't tell you how to overcome the temptation.

A good marketing process starts with understanding why customers select your firm. Not why you think they ought to, but why they actually do. If you think decisions are made primarily on the basis of features and performance, you're short-changing yourself--or selling a commodity.

Next, you must integrate why customers select your firm into a clear, credible, and concise description of what your firm does, who it serves, and why it is a better choice than the alternatives. You do yourself a disservice when you overlook the need to differentiate against similar--and often quite capable--firms.

Without prodding and encouragement--often quite a lot--most companies stop short, thinking in terms of product features or explicit benefits. You know the market so well it's tough to shed the vendor perspective.

With a clear, credible and concise description of what you do and why your best customers select your firm from among other options, your marketing suddenly becomes much stronger. I've seen this clarity alone win deals for firms consistently stuck in second place. It focuses activity on what is most valuable while dismissing the demands of things that don't work anymore.

A cascade of benefits

Unleash your customers by converting Fans that like your firm into Advocates that can sell

About Bruce La Fetra

Bruce La Fetra helps expertise-based firms capture more market opportunity, use fewer resources and generate greater momentum. His job is to draw out insights and craft a marketing strategy that reflects each firm's specific situation, available resources, and firm culture.

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your firm. This change in thinking lends itself to stories that more effectively and memorably describe your firm.

As the late, TV pitchman Billy Mays would say, "But that's not all." There are at least four more benefits.

1. **Accessibility.** Talking about your firm without the usual spin makes marketing strategy more accessible--even in places like engineering that generally disdain marketing. Amazing things start to happen when everyone tracks the same beacon.
2. **Introverts that sell.** Good stories turn even introverts into pretty effective sales people. Imposing on someone to deliver a sales pitch is unpleasant. Talking about your company overcoming daunting challenges is easy. Customers welcome it.
3. **Broad buy-in.** When engineers know why their products are selected, product requirements become less mysterious, and buy-in from Sales to Operations increases.
4. **Strategic opportunities.** Everyone--from executives to field reps--can readily distinguish strategic opportunities from merely opportunistic ones.

Learn more

The Four Principles of the Strategic Marketing 3.0™ framework provide a proven process for driving revenue and profits while lowering costs. Understanding why customers select your firm, and acting on that knowledge, improves sales and marketing effectiveness, with positive impacts across your company.

The Strategic Marketing 3.0 approach works so reliably because it generates self-reinforcing internal support. For those not ready to jump all the way in with a Strategic Marketing Plan, a Marketing Audit identifies key areas for improvement along with guidance for capturing some quick benefits. Get started with a consultation or audit today.

