

Avoiding the Pitfalls of Pseudo Marketing

It is often said that good marketing makes products easy to sell. Although this adage correctly identifies the critical connection between sales and marketing, it is an oversimplification. Good marketing analyzes information from a wide range of functions across the enterprise and devises strategies that may touch on any or all of these areas. Sales are just one of many business activities on their “radar screen.”

Marketing Across the Business Spectrum

The range of activities involved in successfully bringing a product or service to market can be thought of as the “revenue engine.” This engine has three components:

- **R&D** – Research and development of new products and services to provide future revenues. This phase begins with concepts and continues through to market-ready devices.
- **Go-to-market** – Plans for new business generation and strategies for their deployment. It’s the marketing effort that converts devices into commercially viable offerings through pricing, coverage, demand-driving activities, support, etc.
- **Execution** – The actual sales effort and measurement of its effectiveness. This is the phase where you expect to capture planned revenues and profit results.

To reach the greatest revenue generation with maximum profitability, marketing must consider all aspects of this engine. Ideally, the marketing function provides the higher vision that integrates these independent activities so that the revenue engine runs at its greatest efficiency. Unfortunately,

An Example Worth Copying

Companies that engage in effective marketing realize that a product isn’t ready just because it’s physically ready to perform.

For example, Xerox’s first xerographic device, the 914, was introduced nearly 20 years after founder Chester Carlson invented xerography. Although the device offered revolutionary capabilities, there was much market resistance until it was converted to a *product* by making it easy to buy and to cost justify with attractive rental and support programs.

however, many marketing organizations hunker down in the go-to-market realm without creating the right balance of activities to ensure a product/service will realize its full potential.

Historically, many companies – from fresh start-ups to established icons – have paid a steep price for assuming a product or service is ready to market.

When evaluating their disappointing results, these companies usually draw the simple conclusion that the sales effort was ineffective. While that may have been the case, deeper probing often reveals that they could have done a better job of making their products or services “easy to buy.”

The Costs of Pseudo-Marketing

Although the more comprehensive and methodical approaches that comprise effective marketing may seem more costly at first, their expense pales in comparison to the huge, hidden costs of narrower marketing efforts:

- **Marketing/research by trial and error** – When marketing does not participate in the R&D function; products can get launched into a too limited or non-existent market. The non-recoverable costs of engineering and development time, manufacturing effort and confidence of distributors can be astronomical.
- **Decisions based on isolated data** – Decisions based on data from just one area of the business may incur opportunity costs. For example, a manager who discontinues a product line based solely on information coming from the field rather than also considering input from R&D might miss an emerging, lucrative niche in the marketplace.
- **Dis-integrated strategies** – Lack of integration across revenue generation activities (often aggravated by “turf wars”) can result in such costly mistakes as the go-to-market strategy that cannot be executed effectively within the current sales structure.
- **Lack of market conversion capability** – Disconnects between the revenue engine’s front and back ends can lead to such missed opportunities as having a good product/service without the necessary sales delivery channel that has access to the marketplace. Effective marketing enables companies to leverage every asset for maximum revenue. ***The Rewards of Effective Marketing***

The beauty of a more comprehensive marketing effort is that a little goes a long way. That is, examination of the full spectrum of revenue-generating activities and analysis of all relevant data often reveals a slight adjustment that can yield

big returns. The chances for misdirected strategies are greatly lowered, so results come faster and with a lower overall investment.

An Approach that Pays Off

Paychex, a leading provider of payroll outsourcing services, illustrates the power of comprehensive marketing.

While their core service is not that different from their competitors, they are successful because they continually focus on a target market that has a pent-up demand for their offering. Paychex reinvented the rules of the game by offering unbundled payroll services, making them newly affordable to small businesses.

What sets Paychex apart is their ability to execute their strategies better than most companies. Over time, they have built an incredibly strong sales force that provides effective coverage.

Furthermore, they have given that sales force the tools to improve hit rate. Again, it's not the service or product, but the go-to-market approach and execution that determine ultimate success.

Marketing is like golf in that the slightest and most overlooked area can trip up your performance. As with golf, you need to have a framework from which you can break down your "game" (marketing effort) and isolate what is holding your performance back. With the proper fundamentals, you can begin to assess what needs to get changed.

In golf an effective pro can really help you take your game to the next level. The same holds true in business.

Is the Right Person in Charge?

To carry out a broader, more comprehensive marketing function, the marketing organization requires leadership that is:

- **Analytical** – A good marketing manager is highly adept at taking a large number of facts and sorting out how the company can best generate profits based on its assets.
- **Rigorous** – Marketing requires a thorough and ongoing examination of data critical to effective decision-making.
- **Disciplined** – The manager must resist the temptations of gut reactions and develop strategies based on careful information analysis and continuous evaluation of implementations.
- **Objective** – Marketing leadership must maintain objectivity. Similar to an effective CFO/Controller, a good manager avoids becoming "invested" or emotional in any particular area of the business.
- **Strategic** – The effective marketing manager has a creative mind that readily formulates highly strategic approaches.

Given the above criteria for effective marketing leadership, it is odd that many --

if not most -- marketing managers have come to their positions through the sales organization. Why is this odd? Because the characteristics of successful sales managers stand in stark contrast to the qualities of a successful marketing manager. The sales function is largely driven by human relationships and is oriented toward short-term (quarterly) results. Marketing is fact driven, unemotional and analytical, with results delivered in much longer timeframes. Finding one person who can achieve excellence in such dissimilar areas is nearly impossible.

Bolster Your Marketing Leadership with the Required Expertise

This is not to say that you must replace your sales-oriented marketing manager. Rather, it is to suggest that you consider augmenting his or her capabilities with the additional talent (internal or external) necessary to do the job.

For small- to medium-sized companies, which typically require a strong and steady sales effort, it may be advantageous to rely on an outside resource for marketing direction. An experienced marketing consultant or advisor can review the business at regular intervals and help to focus the effort of the “go-to-market” strategy and ensure execution results.

Northpoint Advisors has been helping companies succeed by providing them with “true marketing” expertise since 1995. It has developed a process, True Compass, to help analyze and support effective marketing. Call us today for a free consultation at 585-233-6707.