

Marketing planning – a structured approach to effective and integrated marketing and BD

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Marketing for any organisation in today's business environment is an increasingly complex discipline and given the pressures on many professional services organisations it is not surprising that many opt for the 'easy' marketing approach. As marketers we are as complicit in this, as the firms we work for or with. It is human nature to take the easy route.

What is 'easy marketing'? It often means: avoiding speaking to clients about their service satisfaction levels, producing a marketing budget based on previous spend rather than one derived from a comprehensive marketing plan, using a segmentation approach based on products/services or geography rather than buyer needs, issuing corporate identity guidance rather than managing a brand, buying a new IT system rather than improving the relationship and account management skills of fee earners, producing generic brochures rather than targeted sales campaigns, etc

Some marketers argue this is all part of the evolution process and that the sector is encompassing elements of the marketing and sales disciplines that fit their culture but our business environment is changing so fast that a slow evolution process is a luxury few firms can afford. Over recent years the professions have had lean times through various cycles of economic change and cost cutting, but when are market reasons going to be fully recognised and addressed?

Marketing planning remains the key tool which can help us understand and analyse the complexity of our markets, to acknowledge market issues and trends and enable us to identify, assess and prioritise the range of tactical activities that will enable achievement of the desired growth, positioning and profits. All qualified marketers understand the marketing planning process but face the challenge of effectively engaging busy partners and fee earners in the process.

The classic marketing planning model

Professor Malcolm McDonald is widely recognised as a marketing planning guru and the following schematic is derived from his many books on the subject. He maintains that there is "a fundamental misunderstanding of what marketing is - most organisations talk about advertising, direct mail and selling. When asked to list their key target markets they talk about their products..." This statement is true for many professional service firms and I believe we can effectively move firms forward using the marketing planning process. As the schematic demonstrates marketing planning is not a linear process, practitioners can begin the process at any point, move up and down within the framework and tailor it to the culture and needs of a firm at any particular point in time.

Classic marketing planning process



The following tips highlight focal points within the marketing planning process that can get your firm on the road to integrated marketing and off the 'easy' and increasingly ineffective route.

Starting with the client...

To improve partner and fee earner engagement with marketing planning start with the client – they are the key to any business. The situation review (Phase 2) encompasses this process providing the opportunity to ask partners these questions:

- Can you identify the clients you want to keep and develop
- How good are you at acquiring the right clients?
- What is your share of their total spend?
- How much does it cost to manage them?
- How satisfied are your key employees?
- Is the organisation/department aligned to deliver your proposition consistently?

Traditionally the purpose of marketing is to create value for clients while that of sales is to communicate that value in person to clients. Marketing can be defined as creating a need and sales meeting the need created by marketing, the two being mutually dependent – either end of the same spectrum. If this is the case why do we see divisions between these areas within professional services firms? There are inherent tensions based on the timeframes they each work within – sales are driven by meeting short targets, marketing driven by long term brand building. Client satisfaction brings these two elements together – putting the client at the heart of the organisation is the only guarantee of growth and revenue. Marketing plans and initiatives must be developed with sales input and visa versa, business development plans must be developed with marketing input.

Review your segmentation approach...

We all work, to some extent, within a commoditised marketplace trying to gain the attention of the same people; buyers are more discerning and can quickly gain better deals and prices. It is getting harder to sell and costs of sale are on the increase making it difficult to stand out in a pitch situation. Opportunities to directly connect with potential clients or exploit new technology and lower margins are reducing. Not surprisingly some firms have switched the focus of their marketing effort to value building through: branding, relationship and account management, and targeted communication strategies. However, many of these strategies add costs therefore the risk is how far clients are prepared to pay for this.

Our extensive client satisfaction research highlights the fact that high satisfaction levels are linked to the chemistry between people – client and service teams. With more and more clients using panels of advisors ‘attitude and personality’ requirements are increasingly important in the buying decision and change with each job, sometimes a buyer will be looking for a team player where the characteristics of accessibility and friendliness will be key factors, the next time they may require someone who is going to take the lead and be a tough, hard negotiator.

Understanding buyer behaviour is now a competitive imperative. Revitalise your marketing planning approach by reviewing your market segmentation and get the market debate underway internally:

- Define the market – be clear about which market you are segmenting and estimate the size of it. Segments are not products or services, people make buying decisions...
- Analysing data alone will not provide good segmentation - identify your strengths by talking to clients, what are the different needs, wants and motivations of your clients? What do they consider will be their future needs and wants - this enables innovation for the future
- Map the market and determine how your market works and home in on the decision makers. Decide which segments you own and which to ignore, focus on your strengths then differentiate to target that market
- Group like minded decision makers together to form clusters. To check that they qualify as segments test for homogeneity. Do all clients in each segment have the same needs and will they react similarly to the same value proposition? Are they distinctive from each other in what they want and the way they behave? Can you reach the potential clients by promotional or distribution channels? Are they big enough, profitable enough, and stable enough to be pursued?
- Refine your internal assessment by assessing segment attractiveness – determine the potential of each segment to meet the requirements of your firm. Assess how well you will meet the requirements of each segment compared to competitors.

Formulating marketing strategies - branding

Most clients are experienced brand buyers and when there is little to distinguish one brand from another, any reputable brand will do... Segmentation alone will not deliver a brand; it can only be achieved through the implementation of an integrated approach to marketing: product development, quality assurance, service levels, selling, websites and sales support, promotion, etc, are all important parts of the marketing mix, the brand strategy cannot deliver these alone. The clients of competing brands are just like your clients, except they seldom think of you. This is why you have to look like your brand in every message - to get noticed, stand out from the clutter and build recognition. Brands can be demonstrated by sales and client service teams but it takes years to get people to be brand aware and ‘compliant,’ to this end marketing action plans must include input and joint activity with HR and training functions.

Formulating marketing strategies – multiple channels to market

Marketers now face the challenge of effectively using multiple channels to meet client needs. How do we best combine the traditional with ecommerce, etc, and how do they affect each other? A simple but effective tool to work out how best to combine channels for each segment is to use chain diagrams (source Dr. Hugh Wilson, Cranfield.) This tool can be used in discussion with partners and fee earners to draw the key stages of the buying cycle for each segment and the channel used to accomplish it. For example: to initiate dialogue with a target client the channel used may be a leaflet, to exchange information the channel may be your website, invitation to tender the channel may be post, etc. You can then consider key competitors in the same way – are they using additional or different channels more effectively?

Resource allocation, action planning and monitoring

Ask any Senior Partner about marketing and there will be one common theme in their responses – their perception is that marketing is not accountable, that marketing activities cannot be linked to the bottom line. This is worsened in the professional services sector by the fact that the shareholders are also the senior executives, therefore the value marketing spend creates is constantly questioned. Marketers must demonstrate their contribution to business success and one way of achieving that is through the effective use of Phase 4 of the marketing planning process.

Marketing activities must be clearly linked to the firm's strategic goals (identified in Phase 1 or strategic context, a range of objectives covering: financial (growth, profitability, etc,) market standing (dominance, share, brand values, etc,) innovation, productivity, staff performance and development, public responsibility, etc.) The impact of these activities must be judged against a few measures that really matter to the whole business, such as brand equity, etc. As marketers we must get involved in developing these metrics and develop these financial skills. (The Chartered Institute of Marketing have launched the 'Hard Edged' marketing debate to begin to address this issue.)

It is a creative process...

The marketing planning process can and should be used imaginatively, if marketers apply the process unimaginatively then partners and fee earners will not buy in. Make it work for you and successfully integrate your marketing and business development activities:

- Tailor and shape it to meet cultural requirements
- Break the process down
- Understand the market
- Select and adapt planning tools and analytical models from the wide range available
- Clarify what is important, prioritise
- Take action
- Set metrics and success criteria and monitor against corporate goals and marketing objectives
- Promote successes

Contact us

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