Marketing or Sales?

Marketing and sales are related but are different. Marketing is about long term strategies. Sales is tactical, focusing on activities to generate immediate results. Both functions need to collaborate, but it is important to separate the roles and programs and set clear accountabilities.

The objectives of marketing and sales vary. Brands are key company assets and the marketer's role is to build brands, thereby adding value to the business. There are many ways to develop brands but they are all typically long term and require continued attention. Advertising is an important brand building activity but the creative will vary depending on the marketing objectives which in turn will dictate the advertising medium. Media range from traditional television, radio and newspaper to emerging media like outdoor, online, instore and sms. Stakeholders receive a dramatic number of marketing messages daily so consistent and relevant marketing over time is necessary for the company's brand to be memorable.

Before embarking on a long term brand building program it is important to identify the ideal brand positioning. Recent research indicates that brand positioning is one of the key issues facing business. Brand positioning is a complex activity that requires deep understanding of current and potential customers, competitors, markets and company products and services.

In today's business climate companies must achieve regular sales targets which are typically revenue-based. This does not mean long term brand development should be ignored, but that corresponding sales programs are required to deliver short term sales results. Typical sales activities are limited time promotional offers, burst activity within a sales representative's call cycle, focus on a particular product or service offering, telesales programs and a whole host of other sales generating mechanisms.

The owner or Managing Director needs to find the perfect balance between brand development for the long term value and sustainability of the business and short term sales activities to deliver cash flow and profitability to continue operations. As the end of the financial year approaches, take the time to review the organisation structure and personnel, marketing programs and sales activities to ensure the company has this perfect balance!

Sincerely,

S Richardson

Sarah Richardson
Director

Marketing Accountability

Many marketers thrive on creating innovative marketing programs but forget about measuring program success and being accountable for the results.

One aspect of accountability is budget

management which involves planning and controlling program expenditure and, when costs are higher than budgeted, making the necessary cuts. A second factor is measuring program results. Measures can range from quantitative data such as market share, sales, profitability or customer numbers to qualitative information like brand variables, image attributes and customer dynamics.

It is important to clearly identify the marketing objectives at the beginning so the appropriate measurements can be set which may require reporting changes or commissioned market research.

Some programs sound good at the drawing board but change in development, the marketing objectives are adjusted or the results just do not meet expectations.

There are several advantages of building accountability into the marketing roles. The marketers will take ownership resulting in relevant and well-executed programs. When activities are measured and deemed unsuccessful, programs can be modified without losing the full investment of the marketing dollars and time. Importantly, with accountability comes achievement of results which is a critical business objective.

Marketing Investment

Marketing … should not be seen as just a cost; it is an investment for the future. The stronger the brands are, the greater the value and sustainability of the business.

Is marketing an investment or merely a cost? Is marketing only worthwhile in good times? When business conditions deteriorate, is it time to slash the marketing budget?

Many owners and Managing Directors get excited by marketing ideas when the business is going well. Unfortunately, when times become tough, often marketing programs and people are the first to go. Marketing, however, should not be seen as just a cost; it is an investment for the future. The stronger the brands are, the greater the value and sustainability of the business.

Recent research indicates that demanding business periods are often the ideal times to maintain or increase marketing investment. In fact one survey showed higher levels of continuation and profitability for companies that had chosen to raise marketing investment in difficult economic times.

Many senior marketers spend significant time and effort developing and communicating internally the annual marketing plan. The marketer who was highly praised can become the next scapegoat when the business encounters hard times. In a company that is not marketing driven, the marketer's role may be largely internal communication, explaining the objectives and value of marketing and, to some extent, justifying their position.

When business conditions change, it may seem an easy fix to cut entire marketing programs.

Usually, however, the programs are part of a well thought-out and approved marketing strategy and should not be viewed in isolation. Activities can be modified when company objectives or economic conditions change. More time may also be needed to make an informed decision. In addition, while the marketer should be held accountable, changing their role from external to internal communicator is unlikely to be ideal for the business in the long term.

When the business conditions worsen, take the time to reconsider the marketing objectives, review the marketing strategies and analyse the current programs. The right decision may be to increase marketing investment in those tough times.

Senior Management - is it a Team?

In many companies senior managers are left to manage their department and function autonomously and, at most, communicate to the owner or Managing Director. Successful companies understand the need for the senior management team to collaborate. Senior managers still have clear roles with key accountabilities, but there is the recognition that each function needs to understand and have the support of other functions to operate successfully.

Collaboration with another functional area is not a synonym for responsibility for that area. It should be expected that each senior manager has the relevant qualifications, experience and expertise to lead their functional area. But when the Marketing Director works closely with the Financial Controller on the budget, with the Operations Manager on a new product launch and with the Information Systems Officer on the management reports, the outputs and ongoing success of each of these projects will be improved.

Each senior manager is likely to have a large responsibility and it may seem easier and more efficient to work in isolation. But relevant inputs from different functional areas can improve project content and certainly aid in implementation and ongoing support from internal staff.

Getting the senior management team to collaborate is the responsibility of the owner or Managing Director. This is not simply about developing a positive team dynamic. The future of the business depends on the senior management team working effectively together to produce results in line with the company's objectives.

The Changing Digital World By Murray Harris, Director/Owner of Murray Harris Photography

Murray Harris is a professional photographer with over 15 years industry experience covering all types of photography from public relations and special events to commercial and advertising work. Murray Harris Photography specialises in digital and traditional photography, high resolution scanning, digital editing and retouching, location and studio work, large format poster printing and wedding and portrait photography.

In the digital age photography seems cheap and easy as the photographer is only required to press the button because there is no more film, polaroids or scanning involved. However for professional photographers there is still a process that needs to be carried out that requires time and money.

The photographer historically used traditional cameras, shot on film and then delivered the film to a laboratory for processing. The film was later collected from the laboratory and delivered to the client for checking, then sent out for scanning and finally the scanned film delivered to a graphic designer on disc for dropping into the client's artwork. This traditional process typically spanned three days from photography shoot to delivery to the graphic designer..

Today the same shoot can typically be done in an hour from shoot to the download, retouch and email of the final file. This speedy process might suggest substantial cost savings for the client and ease for the photographer. However the professional photographer now has significant different financial and non-financial issues to consider. For example, with the latest high resolution cameras of 16 mega pixels and higher providing quality images using 20-40 megabytes and without direct costs like film and processing, the photographer tends to take more shots than necessary. For straightforward photography like a pack shot superfluous images can be discarded. However if the photography required is not so straightforward such as a product launch or a moving subject like someone doing roller blade tricks or a speeding vehicle, the additional images should be retained in case the client wants a different photo in the future..

This is problematic for the photographer who may shoot six to 10 jobs a week, equivalent to 40-60 gigabytes weekly or 200 gigabytes a month. Storage is one issue as the average laptop hard drive is 80 gigabytes. In addition, not only are there thousands of shots, they also need to be edited and archived. The costs in execution time and storage space are huge.

Another factor is the rate at which photography is advancing and professional photographers must keep up with this technology which has required an investment in new cameras alone of $40,000 by Murray Harris Photography over the last four years.

So when next assigning a photographer a shoot, take into account that although there are no film and processing costs for each image taken, there is a lot more to consider at the back-end with the cost and technology capabilities of the photographer's equipment, storing the images and of course the expert photographer's time.

Is Everyone a Marketing Expert?

Truly understanding the customer is an art. It is based on solid marketing experience and insight, usually grounded in significant internal analysis and external market research.

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The marketer may be new to the company or the industry, but often strong marketing credentials coupled with an external perspective can quickly transform the new marketer into the company's valuable and valued marketing expert..

Existing non-marketing staff may have excellent industry knowledge but that does not necessarily translate into deep customer understanding and being a marketing expert.

Who are the target customers? What is the best way to reach them? How often should the company communicate with them? What are the right marketing messages? Why are customers leaving the brand? What is the appropriate brand positioning? These are all questions that require input from different staff but are ultimately the responsibility of the marketer to answer.

The enthusiasm and buy-in of staff will be important for the marketing activities to succeed but should not be confused with requiring agreement from all and sundry before programs are commenced. Remember, as a wise person once said, "a camel is a horse created by a committee".

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Sarah Richardson Consulting was established in early 2004 to provide sales, marketing and management consulting for small to medium sized firms based in Western Australia. The consultancy offers business advice to Managing Directors/owners who may not have a full-time senior marketer or who are looking for an objective outside review.

The company provides consulting on:

- Sales & Marketing
- Organisation Structure
- Forecasts & Budgets
- Purchasing
- Acquisitions Integration
- New Business
- Supplier Management
- Profit Optimisation

Sarah Richardson, the sole Director, has held senior sales, marketing, strategic planning and general management positions over 18 years in the following business-to-business and consumer branded companies:

- Kellogg's (Australia)
- CCH (Australia)
- Johnson & Johnson (Australia)
- Yoplait (France)
- NutraSweet (USA)
- British Petroleum (New Zealand)

Prior to Sarah Richardson Consulting, she managed for three years the national sales, marketing and customer service functions for a small family owned importer and producer of craft products distributing to many small retailers and large chain stores across Australia.

Qualifications include:

- MBA (Honours), Marketing/Finance, University of Chicago Graduate School of Business, USA
- BCA, Business/Accounting, Victoria University of Wellington, New Zealand
- BA, English Literature, Victoria University of Wellington, New Zealand
- CPA and CMA Exams, Society of Chartered Accountants, New Zealand
- Teacher's Drama Diploma, Trinity College, United Kingdom

Sarah Richardson is an active member of:

- Chamber of Commerce & Industry
- Rotary
- Australian Marketing Institute (CPM)

Succession Planning

Succession planning is a hot topic in Australian business today. Australia has a high number of small private businesses per capita. The ageing of the population means that many of these business owners are in their 50s and will need to start planning now to exit the business in one way or another in the next five or ten years. The research indicates that unfortunately the majority of these owners do not have a formal succession plan.

In addition to the capital involved in the business, at least some of which will need to be extricated to set up the owner for retirement, strong emotional ties will also exist. The owner may be the business founder or may have been involved over a long period and have transformed the company.

The financial side of succession planning is only one aspect. The organisation structure and roles also need to be addressed as often the owner will have played an important operational role in the day-to-day running of the business. Some recruitment may be required to bring in external skills and experience or training of key existing managers may be necessary. With the exit of the company owner, the corporate culture may also require adjusting to suit the new business managers and business approach. And the business focus may need modifying.

Sometimes owners without a succession plan are forced to wind up the business, often due to unforeseen circumstances such as illness or divorce. Succession planning is usually about ensuring the viability of the business, perhaps to be sold to another private investor, to become a publicly listed company or to be passed on to another generation within the owner's family. So the planning needs to be done well in advance, usually several years before the owner's exit. Take the time now to plan for this critical event to ensure the best possible outcome!