

Marketing News

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Seek third-party help to implement strategy

A common belief is that marketing today is different from years past, but arguably, it is very much the same. Ultimately, marketing helps companies overcome the challenges of matching goods and services to buyers--period. Successful companies accomplish this formidable business challenge cost-effectively and at a profit. And, these companies are successful because they focus on effectiveness rather than on cost. That is, investments in marketing programs are made where every dollar invested has a direct return on sales. Those companies that understand this concept view marketing as an investment, not a sunken cost, and expect marketing to be the catalyst for sales.

Cost is a reality, however, and when those who have fiduciary responsibility in a company are faced with the conundrum of what to spend--more or less--on marketing, they often choose less. As a result, even businesses that value marketing may find themselves paralyzed with a lack of resources and an inability to properly execute a marketing program.

Answering the challenge

A viable solution to this challenge is for the company leadership to develop a marketing strategy but seek help from a third-party that can provide on-demand, expert services for tactical execution. This alternative satisfies the strategic interests of a company by developing and investing in a marketing program, while avoiding the cost associated with hiring full-time marketing equivalents. Successful implementations of such an approach allow businesses to tap external resources who have the skill sets and talent they need when they require them. In essence, a company receives an on-demand "virtual marketing team" at a fraction of the cost of full-time staffing.

A company is a good candidate to consider outsourcing marketing functions when it has a clear marketing strategy and a marketing director to oversee the program but limited resources to tactically execute. Or simply when a marketing team is faced with marketing tasks, initiatives or projects that are beyond their ability to perform.

Companies that succeed understand the value proposition and choose to either completely outsource their marketing function or supplement an existing one with services available from third-party providers. Knowing what type of marketing to do, when, where and how can be daunting, and this is the principal responsibility of the marketing director. Overseeing the tactical execution of the marketing program is where outsourcing works.

Putting the model to work

Most any marketing service is available in an outsourced model from strategy development to tactical execution. There are companies that will serve as the marketing department for a business and those that

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offer services related to special marketing projects. When a company serves as your marketing department, they are taking on the responsibility of working with you to develop a strategic marketing plan and executing it under your oversight. For those who provide special marketing projects or "point solutions," options typically include branding, graphic design work, collateral development, Web site designs, event coordination, direct mail campaigns, research and public relations.

When considering an outsourced marketing model, keep in mind several factors. Priority No. 1 is to use the services of a provider who will match their marketing process to your business model and plan. You will also want to pursue marketing service providers who can comprehend your business focus and established objectives. This is especially important in a fully outsourced model. Taking this approach will ensure that the marketing services being performed are focused on the business objectives of your company and are executed in tandem with your strategic plan. Otherwise, you risk having these activities run independently and slipping away from your intended target.

Businesses that are categorized as startups or as small are good candidates for a fully outsourced marketing model. Because companies of this size usually have limited resources, finances and staff, the outsourcing option helps protect the company's cash position by avoiding the overhead expense of a full-time equivalent. Those businesses that are more established, emerging and growing well are likely to employ a full-time marketing director but may still require special project outsourcing. Even with a fulltime marketing director on payroll, there is a threshold to what this person can accomplish without a staff. Usually this person is more strategic and part of the company's management team. By outsourcing supplemental and special marketing projects, this person is able to effectively direct and manage the marketing plan without being forced to constantly switch from strategist to tactical master.

Financial feasibility

To justify the outsourced model from a financial perspective, a company should determine the cost of a full-time equivalent vs. the investment in outsourcing their marketing. In many cases, opportunity costs must be considered because someone in the organization is forced to stop or put off a responsibility they are best suited for in order to handle marketing. The results of these types of scenarios are often unsatisfactory. When businesses pursue an outsourced model, they are typically able to gain the services of a reputable marketing firm at a lower cost than they could do the work in-house. Simply calculating the fully burdened cost of a full-time marketing equivalent will demonstrate the cost difference. A business may want to consider hiring a full-time marketing resource once the company is growing and consistently cash positive. Even in those cases, partial outsourcing remains a good option.

Keep in mind that outsourcing your marketing still requires accountability. Companies that outsource should consistently measure their return on investment (ROI) and remain in constant contact with their marketing services provider. Establishing the business marketing objectives at the onset of any initiatives and projects will help set the baseline for a positive and beneficial outsourcing relationship.

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