

Strategic Marketing

Tomorrow belongs to those who can hear it coming (David Bowie)

Summary notes from presentation to SHAPA meeting on 4 July 2018, delivered by Jenny Rohde of Jones Newton.

Who are Jones Newton?

- A boutique British consultancy helping industrial SMEs to take their business to the next level.
- Our mission is to be your champion and supporter, to deliver tools to help your business to separate the important from the urgent and thereby accelerate your growth.
- We strive to be a value-adding, generous and knowledgeable partner.

Jenny Rohde set up Jones Newton, and is a marketer working at the strategic end of marketing with B2B companies in technology, industrial and process industries. Her background is in these sectors both as a Business Development Director, and running SME businesses.

What is Strategic Marketing?

Working out how you can be uniquely different in your industry.

- The essential core of a business's marketing.
- Clear strategy brings power to marketing operations and communications.

Symptoms that could indicate an urgent need to refresh or revisit your strategy include:

- Being pulled in too many directions by customers.
- Wanting to enter a new market but not sure what to do first.
- New technology/trend in your market and you are not sure of the likely impact on your business.
- Your product portfolio is too wide, and you need to rationalise it.

Jones Newton's Strategic Marketing approach is:

- A process of assessment and decision-making.
- Achieved through coaching sessions, workshops and research tailored to you.
- Includes a process of assessment, strategy development, on to planning.
- Well-researched and proven.

We use a 3-part overall process; Assessment, Strategy Development and Planning. What follows is an overview of the *Assessment* part of the process, which may help you to identify some of your key strategic questions. It can be a powerful part of the process, facilitating important team discussion and knowledge pooling which can really bring teams together onto the same strategic page.

Looking to The Future

It's important to be outwards-looking to be ready for the future, which means getting out of your comfort zone before it becomes a matter of survival.

True to Bill Gates' predictions, the speed at which we work has increased beyond recognition. But it's not just the *speed* of business transactions that are changing but the market environment in which we are working:

- additive manufacturing and servitisation are revolutionising manufacturing,
- new environmental, health and ethical concerns are driving new markets,
- industries have consolidated and vertically integrated,
- urbanisation is increasing, and the opportunity for off-grid services is increasing too,
- the UK and global economies have changed shape, and Brexit looms on our horizon.

Having a clear to-market strategy and being truly market-orientated, is critical for both your internal business management and your external stakeholder engagement. This is not just a matter of knowing your current situation but ensuring that you monitor the wider environment and influences which could change your horizon.

Assessment

Market Strategy often begins with looking at what we know – what has happened before, and what is happening now. This tells us about our businesses and others in the marketplace, as well as revealing trends which will extend into the future too. To talk about this assessment process, it can be helpful to think about these 5 areas.



Market Segmentation

Market Segmentation is often where we start - it helps businesses to put themselves in their customers’ shoes. Useful definitions:

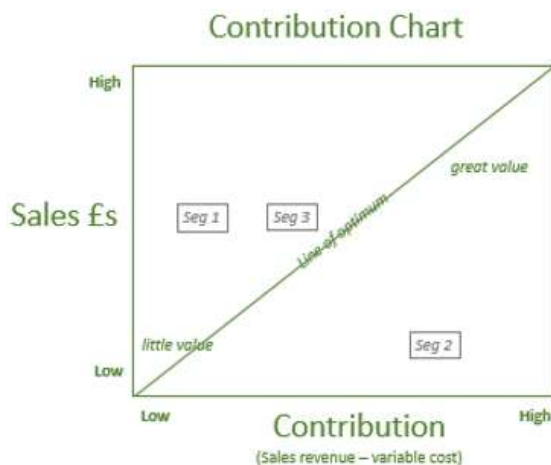
‘Market’ – an aggregate of people or businesses who need products in particular classes, and who have the willingness and authority to purchase

‘Market Segment’ – a group of customers who share similar characteristics and have similar product needs. Segments should be measurable, substantial, accessible and stable.

If the segmentation is too ‘low’ a business may be developing or modifying products which are different for each customer (high cost), but too ‘high’ and products may not deliver enough winning features and benefits (uncompetitive). It is important for business managers and teams to be conscious of where the right balance is for their business to be competitive and profitable.

Track Record

Business Managers should have a good understanding of which market segments their revenues and profits come from, and the trends. To look forward, we need to look back as well – from this we can learn about ourselves and gain important insight.



The Contribution Chart, for example, can be a useful tool for looking at market segments or product groups. This chart sets out comparative performance in terms of sales revenue and contribution (sales revenue – variable cost), helping you to assess their relative importance.

Understanding Customers

Once a business's target market segments are established, then a business must identify what these segments are looking for, i.e. what they really *value*, now and in the future. This could include product features, knowledge level of sales support, type of decision influencer, product track record, level of service support, etc...

In addition, mapping buying processes and influences of that process, helps a business understand how and when (in the process) to provide particular types of information and/or support.

Market Environment

Considering current and future wider market factors and pressures which are relevant to your business can reveal trends, opportunities or obstacles that will impact your business's sustainability and growth. This exploration is done on two levels:

Macro – e.g. economic, technological, regulatory etc..

Micro – e.g. supplier power, competitor strength/impact etc..

Developing a Balanced Portfolio for the Future

The Directional Policy Matrix can be a useful tool to consider what might be a more balanced portfolio of markets for your business in the future. This is achieved by identifying and weighting:

- factors most appropriate to assess market attractiveness for your business,
- factors most appropriate to assess your business's position in a market.

These are then plotted in a way that provides business managers with very useful insights into segment attractiveness and provides a format for assessment and discussion.

Strategy Development

The *Assessment* phase, outlined above, provides businesses with a current view of the marketplace and a business's position within it.

The next stage is to specify a clear market strategy to facilitate target market choice and how the business chooses to position itself. This should use its strengths and advantages, and should be in line with the business's identified purpose (usually outlined in a Mission Statement).

Planning

Following *Assessment* and *Strategy Development*, a business is in a position to develop a plan to put all this into action and deliver results. The *Plan* identifies how, when and by whom the activity will be implemented. Budget, timelines and performance measures to check efficacy can be set.

Conclusion

The outputs of these processes and decisions inform everything you do. For example, a business might want a brochure for a new product, which raises the following questions:

- Purpose of the brochure? (mapped buying process and what customers value)
- Audience we are writing for? (clarity about what the market segments are)
- Information to include? (customer value)
- How to communicate about our differential advantage? (customer value, market environment)

Assessment and Strategy Development will bring power and purpose to the investments that your business makes, and put you in the best position to leverage the future. Otherwise you are just hoping for the best.

Please do contact me if you would like to discuss the options for further support in this area.