

It is all about differentiating ideas

Sanjeev Baitmangalkar

This is the concluding article of our two-part series on industrial marketing techniques. The basic concepts of marketing that allow a company to redefine and reshape its business were discussed in Part I. This article, however, highlights a few 'marketing sins' that are committed within an organisation. With competition hotting up in the marketplace, organisations need to separate the wheat from the chaff, to focus on the positive aspects of marketing, and make it the key driver of business strategy. So, besides laying emphasis on how to defend your markets and grow into global brands, this article also puts forth the four-step marketing cycle, leveraged by some of the world's best organisations. Read on...

Industrial marketing deals with developing stronger global brands, consumer marketing tactics, positive aspects of marketing and making it the key driver of business strategy. It also includes long-term budgeting of marketing spends,



and reasons for ranking product opportunities, among others. In addition, marketing also has the responsibility of spotting & verbalising the idea, building it into a full-blown marketing strategy and using advertising for gains. However, it is not a good idea to compete with your customer in distribution. It is also essential to understand that a brand holds promise of doing well. Besides, brands are built by performance and not by advertisements. The trick, however, is to learn how to express the dissimilarity that will differentiate one from its competitor.

Further, the key to set the price is by figuring out whether the buyer will pay for your point of difference or added value. Studies have also revealed that successful companies are obsessed with succeeding in the marketplace and not with growth. They also effectively use advertising as a marketing tool, and do not go after meaningless slogans. While these techniques and tools are available to successfully market your products and services, some of the common mistakes that are committed by most marketers and organisations, have been addressed.

Marketing sins

Arrogance: Everybody knows the case of one particular Vice President - Marketing, whose company received huge orders entirely due to the work done by some brilliant managers. Yet, he got so engrossed in acclaiming credit for himself, that he started focussing on enhancing his

personal growth. In the process, he also turned a blind eye to the recession that had set in, which was indeed a potential threat for closure. He also tried to force his thinking on the customers, which naturally did not work and had disastrous consequences.

When people become successful, they become less objective and substitute their own judgment for what the market wants. Brilliant marketers do not impose their own view of the world on the situation. Instead, they put themselves in the shoes of their prospects and think like them. So ego is the number one enemy of marketing and arrogance is the first sin. At BMT, the CEO tried to sell his thinking on the selling price to the customers. At the end of five years, they had not succeeded in selling even one single machine (Read: 'Ethics in Business is about Who You Are.' Published in Indian Management, July 2004).

Greed: It is a sin that people make when their decisions get driven by the greed to make big bucks, or decisions that are good for their income but not necessarily good for their company. Greed is like a virus that quickly spreads through the ranks. Greed could be growing the stock pile but forgetting to succeed in the marketplace.

Ignorance: Strategy is not about a better product; it is about better perception. Strategy is really to win the battle in the minds of the prospects and customers. Most companies are ignorant of this.

Ignorance is the next sin in marketing. Focussing on just what the customer wants is not as important as focussing on how to be the best or the uppermost in his mind.

Wishful thinking: The CEO of a textile manufacturing company in South East Asia is by far one of the biggest dreamers I have come across. He is also very vocal about his dreams, and everything he talks about appears achievable. He made huge investments in diversification projects in non-core areas without acquiring the competencies. However, today, all his huge investments in diversification are history. The gap in what you want to do and what you can do is wishful thinking.

This is the next sin. Successful companies focus on brutal facts of reality rather than illusions or targets. Jack says, "Over estimating the market potential is as dangerous as understanding it".

Losing focus: What happened in this company in South East Asia is a classic example. The CEO rather than tending to his competence became over ambitious, began losing interest and fell prey to expanding into non-core areas. He lost focus.

Losing focus is another sin. This company had tremendous success from yarn to fabric. They had excellent brand names as customers under the belt from Japan in the east to USA in the west, the likes of Nike, Tommy Hilfiger, etc. They lost focus and diversified into heavy engineering and automobiles, and eventually lost out. They could have succeeded by focussing on acquiring the competencies needed to succeed in diversified businesses.

Tinkering: It can cause big problems. The industry knows very well the case of the new business head. When the CEO tinkered with the organisation structure to plant this new person, little did he foresee where it was headed? Every new person wants to start improving things to make a mark. Tinkering with line extensions and the organisation structure brought the company crashing down and out.

Pride: What prevented arresting the slide? Probably the company's position in the marketplace, underestimating the competitors, lack of humility or trying to impose rules against the will of the market. What drives such decisions? Ego is the numero uno enemy of successful marketing.

Pride, therefore, is another sin in marketing. Pride comes before a fall. Pride prevents one from being a student of learning, and continuous learning is a pillar that supports successful marketing.

The 12 Qs

These can be considered as the checklist. Now try answering these questions with respect to your organisation:

- Does your marketing department do the marketing, or does every body do the marketing?
- Are you organised by product units or customer segments?
- Do you manufacture everything or do you mostly outsource?
- Do you work with a few suppliers or many?
- Do you emphasise on tangible or intangible assets?
- How do you build your brand? Is it by advertising or integrated communications?
- Do you sell only to target markets or to everyone?
- Do you focus on customer lifetime value or on profits?
- Do you focus on market share or customer share?
- Are you global or local?
- Do you focus on marketing scorecard or financial scorecard?
- Is your focus on stakeholders or shareholders?

Marketing it right

Marketing must become the driver of business strategy and not merely fill its potential. Lateral thinking in marketing can conceive new products and service ideas. Choose from the five strategic paths and move from product focus to customer and market-focussed organisation. Build, measure and manage brand and customer equity. To get a better measure of ROI impact move to technology-enabled marketing, which will also help you, achieve more precision. What is the best time to do all this? 'This time, like all times is a good one; only if we know what to do with it' - Ralph Waldo Emerson.

Changeless core and a flexible face

Change focus - internal to external: How do you change from an internal focus (where people are concerned about politics, promotion, possessions and pay)

to an outward focus (anticipating and meeting customer needs)?

If you are burdened with politics, you face a major obstacle to marketing and sales. To bring about the change from internal to external focus, you have got to gather & share information on the economy & industry, and share intelligence about market competition. This means opening up your structure, style, and systems. Your employees can then add value, because they understand the context, culture and competition.

Either everybody becomes a marketer and you grow the company, or everybody becomes a miser, and you downsize, and then kill the company.

Some people wonder about how one can be mission-driven and market-driven at the same time? They argue that being driven by an internal vision and mission works against a customer focus.

Your mission statement must be broad in its concept and language so that you have the freedom and flexibility to do whatever it takes to provide what the customer ultimately wants and needs. If you build relationships of trust with your customers, you can move from dealing with their wants to dealing with their needs. Through customer intimacy, you can develop a creative synergy. In fact, you may understand your customers' needs as well or better than they do. And if you have a high emotional bank account with them (built over time by making deposits that are meaningful to them), they will trust that you are an "outsider" who is really an "insider" and who deeply cares. When they are myopic about their short-term picture, you may be their greatest resource person.

It does little good to come up with brilliant feasibility studies and strategic plans if the culture does not or cannot sustain the vision and plan.

The four-step marketing cycle

Stephan Covey says that the best organisations around the world use a four-step marketing cycle. These include:

See: Have eyes to see the opportunity not only to make a sale but also to cultivate and capture a market segment. Everyone needs new eyewear to correct for tunnel vision. The best catalyst towards having an eagle-eye (360-degree) vision is 360-degree feedback. Even in failure, you can see fresh ways to involve people in the

sales cycle. You look beyond domestic markets. You create a network of proactive people. Over time, you work out of prospecting because you are highly involved in higher-leverage tasks.

Seize: Marketing people have to be on the cutting-edge of a win-win deal making, empathic listening, and synergistic communication (Habits 4, 5, and 6 of Covey's Seven Habits) because they are the information conduit of the company; they are tapping into the needs and wants of customers in a very direct way; and they are the ones most directly seizing opportunity.

Grow: How do you grow the supplier-customer relationship beyond the initial sale into an alliance? The key is Covey's Habit 5 - empathy - seeking first to understand. Empathy is the "Miracle Grow" of sales. Prospects and customers have to feel that you understand their situation as well or better than they do. This makes the difference between transacting with them as a supplier and transforming them. Such empathy naturally leads to synergy, where you create better solutions for them because you create solutions with them.

Renew: If synergy becomes a reality, everybody will see ways to expand or renew the relationship with the customer. Renewal springs from synergy, because synergy is the creation of something that was not there before - new opportunities, new resources, and new ideas on how to exploit market opportunities. Then comes the bonding that renews the relationship and culture.

Synergy requires both parties to be somewhat vulnerable to each other. When both are at risk, new ideas emerge. To be vulnerable in this way, you must have principles at the core. It is only when you are principled at the core, that you can risk being vulnerable on the surface. You need a changeless core to afford a flexible face.

Leaders create conditions that foster total market awareness. They do not try to control conditions, minimise uncertainty, eliminate discomfort, or cure instability. When people move into doing something new, they will be uncomfortable. If you want a comfortable organisation, you do not want a healthy, growth-oriented, market-focussed organisation.

The man who does not make any mistakes usually does not make anything. One can learn from mistakes. Do not let academicians and con artists make you think that marketing is more complicated. Keep things simple. Thus, understanding and using the above principles, techniques and tools of industrial marketing, will make you successful. Besides, it is all about differentiating ideas and I wish you would figure them out to defend your markets and grow into global brands. ♦



Sanjeev Baitmangalkar is the CEO of Stratmann Consulting, a management and strategy consulting company. He has worked as Director & CEO with the Texmaco Group in South East Asia, and as the VP & SBU Head with the Kirloskar Group in India. Has authored many articles on Strategy & Management, Processes, X-Engineering & BPR, Core Competence, Ethics, Lean Manufacturing, Leadership and Human Resources. E-mail: sanbait@hotmail.com

AUTOMATED WET BLASTING MACHINE FOR TUNGSTEN CARBIDE INSERTS / TOOLS

OUR PRODUCT RANGE :

- Fully Automatic Abrasive Blasting/Peening Systems now using Robot & Servo Manipulators
- User friendly Touch Screen Controls with Data base management.
- Portable & Vacuum Blasters
- Abrasive Blasting Cabinets
- Industrial Blast Room
- Wet & Dry Spray Booth
- Industrial Dust Collector
- Shot Blasting Hose, Nozzle, Helmet & Safety Wears
- Blasting Media, (Al. Oxide, Steel Shots / Grits, Glass Beads, C/ Grits / Shots etc.

- We blast clean Tungsten Carbide insert of various size & shape to remove WAX/Foreign material without effecting surface integrity and finish.
- Machine is integrated with rotating satellites & indexing turntable for easy loading and unloading of fixtures.
- Can be manufactured as per customary demand using Servo Motors, PLC & Robot.

MEC SHOT BLASTING EQUIPMENTS PVT. LTD.

E-279, M.I.A., Phase-II, Basni, Jodhpur - 342005 (India)
 Ph. : +91 291 2740609 / 2744068 Fax : 2742409
 Web : www.mecshot.com E-Mail : mecshot@sancharnet.in