



## Guest Speaker: Keep focused. Grow your business through market sector planning.

By Anne Scarlett, first printed in *The Zweig Letter*

Savvy firms— regardless of whether they are ‘formally’ organized by geography, discipline, or client/market type— believe in developing a marketing program around their target markets. No matter the size of your firm, some degree of focus is essential to earn optimal credibility with your clients and prospects.

Use the following steps as a checklist to create sector-by-sector marketing plans:

1. Determine which sectors to enter, exit, or modify. Conduct a quantitative and qualitative analysis.

**Quantitative:** Analyze company performance (net revenue; profitability; effective multipliers) per market sector and project type. Next, locate the sector’s position on maturity curve: emerging, growing, mature, declining. Typically, it’s wise to pursue a balance of market maturity levels. A 70-person architectural firm, for example, might focus on one emerging, one mature, and two growing markets.

**Qualitative:** Formulate an educated opinion on the ‘health’ of each market, based upon external factors such as economy, politics, and world events. Reflect upon your in-house talent base as an additional consideration. Next, examine the quality of clients in each sector. Good clients are those that acknowledge real value from your services. Questionable clients will beat you down on price, and make you constantly compete for new projects.

These factors, in combination, will set the direction for your market sector focus.

**2. Dig in. Research and analyze.** Research is 100% essential to develop a successful market sector plan. Remember, garbage in becomes garbage out (aka, a worthless plan) if you don’t dedicate proper energy to research target markets.

**Primary research:** Customized to suit your company’s needs, primary research involves focus groups, interviews, surveys, and observations. Connect with existing clients, prospects, and industry experts to gain invaluable perspectives on industry challenges, buying preferences, expectations of service providers, etc.

**Secondary research:** You can conduct secondary research via the internet by digging up information published in studies conducted by associations, universities, government agencies, chambers of commerce, etc. With proper guidance, a junior staff member can collect secondary research to determine the state of the market; competitors; strategic partners; and opportunities for visibility.

**Segment markets:** Segment your target markets into subgroups to further refine your efforts. Take the industrial market. Perhaps you’ve identified seven segments within, and you decide to pursue just three: existing light manufacturing companies, manufacturers moving in-state, and city/county recruiters.

**De-construct clients:** Next, within each of those segments, think of all the possible buyers/influencers/informants. Perhaps roles include owners, physical plant managers, chief engineers, mayors, or city planners. List these on the Y-axis of a matrix.

Then, list their decision-making criteria on the X-axis. To complete the matrix, rank criteria for each role in order of priority. By wrapping your mind around their preferences, you can match your firm's offerings to their criteria. One size does not fit all; adjust your messages to resonate with various individuals.

**3. Plan prudently. Make thoughtful spending decisions.** Now, you're ready to make informed planning decisions regarding the sector's objectives/action, quantity/measurement, timeframe, and point person. Be realistic; with limited resources, you simply cannot do everything. Compare each effort, considering associated costs and expected return. Your final step-by-step plan may include a combination of face-to-face visits, direct mail, conferences/seminars, publications/white papers, calling campaigns, and networking/organization involvement.

Tip: You will make smarter decisions if you track your spending (labor/expenses) by market sector. This is easy to set up within any accounting system; within one year you'll already have valuable historical data. Also, remember that some marketing requires a consistent, long-term commitment. If the numbers say 'no' at first glance, consult your intuition. Have you followed up thoroughly after a conference to measure its true success? Have you done a half-baked job on your direct-mail campaign? Give efforts a real chance to succeed.

Obviously, the amount of marketing spending is not necessarily proportionate to the amount of revenue earned per market. Emerging markets may merit more investment because you are establishing name recognition. Mature markets may need fewer proactive efforts once market penetration and a portfolio are achieved.

**4. Integrate and maximize.** Integrate the activity for all of your target sectors into one master calendar. Take advantage of economies of scale. Look at opportunities to cross-sell between markets or disciplines. Combine efforts (such as regional road trips to visit prospective clients from multiple markets) to maximize time and money. Evaluate, and make adjustments to ensure the 'whole' is feasible and manageable. Remember, surprises will arise throughout the year (the more proactive you are, the more opportunities ensue) so don't overload the master calendar!

**5. Get results.** With market sector planning, it's not a question of getting results, but rather, how successful those results will be! Measure them and ensure accountability by holding regular marketing meetings where the master calendar is referenced. Make sure that point people assigned to each action stem are fully supported, and empowered. Chart your return on marketing investment and review annually.

Tip: To calculate, compare net revenue to marketing monies spent within each sector. Better yet, look at how much profit the sector ultimately realizes as compared to monies spent. Either way, keep the calculations simple and useful. Don't get caught up in figuring out value of the dollar from one year to the next, and other messy details. It's not worth the aggravation.

And finally, celebrate and reward successes every chance you get— e-mail announcements, monthly awards for key contributors, and team outings.