

The Missing Middle of Marketing: Go-to-Market Strategies



The most important thing about a point of view is to have one.

Do you know of a company where growth is not the top priority? Probably not. A Bain survey of 2,300 global companies found that management teams make big promises when it comes to growth performance. They plan to increase revenue at twice the market average and earnings at four times the market. Not surprisingly, the majority fail to deliver. The study revealed that just 9% of these companies averaged annual revenue and profit growth of at least 5.5% while earning their cost of capital.

I have consulted to companies in nearly every industry and one deficiency I find is how disjointed and inconsistent they “go-to-market”. This is reflected in the results that the Bain and other studies show. Most clients engage my company to help build awareness or to win more business. The former generally involves a large-scale branding exercise to reposition the company while the latter addresses frontline sales processes, activities and organization.

Invariably, I discover their real issue is what I call the missing middle of marketing. This is especially true in the case of creative agencies who are an active part of my client list. Advertising agencies, digital marketing firms, brand consultancies, and design shops generally brand themselves well to attract attention. Then when they have a prospective client they will marshal their forces and give a great showing to close the business. Yet, they miss the middle.

Precious few companies, regardless of industry, devise and consistently drive a true go-to-market strategy. Such a strategy exists to bridge the gap between brand awareness and sales. It calls on the entire organization to assist in business acquisition and retention. A company without a go-to-market strategy is like having a sandwich with two pieces of bread and nothing in between.

There are a few reasons why the middle of marketing is missing and one is language and definition. Marketers love to obfuscate with words, terms and processes and this has led to confusion within their own ranks. I have found when advertising agencies talk about marketing they are actually referring to a bundle of disparate public relations activities predicated on entering award shows and issuing press releases. This is what they call “marketing”. Brand consultants hold events believing a steady stream of photos of people holding cocktails posted on Facebook will drive business. Even marketing consultants have confused “marketing strategy” and “go-to-market strategy”. They are used interchangeably when they are two very different tools.

This mistaken and mislabeled situation is not confined to creative agencies. Recently, a technology client showed me their marketing plan and it was clear after the first page that it was a direct sales approach built on tradeshow. A law firm too made the mistake of putting the lion share of their efforts into generic thought leadership without thought given to who are their most desired clients. Marketing people around the world are confusing and irritating their chief executives with this mishmash of flawed thinking.

awareness
marketing

go-to-
market

traditional
sales

Seeking Clarity

It is important to draw a line for clarity between marketing strategy and go-to-market. Marketing strategy details a one-way broadcast promotional plan. It resides in the marketing department and the rest of the organization largely chooses to ignore it. A go-to-market strategy is focused on how the organization as a whole will put offerings into the market to reach revenue and profitability expectations. It impacts all functions within the organization and calls on the entire company to contribute to customer acquisition and retention.

David Packer, co-founder of HP, said it best, “Marketing is too important to be left to the marketing department.” That is why a go-to-market strategy is incredibly difficult to orchestrate but magical when done well.

If you are still foggy then think of your own company. It is probably like the vast majority out there. When you talk “marketing strategy” what you are probably doing is orchestrating a series of events that may include product launches, newsletters, social media and conferences. Your marketing team takes these events and organizes them into an editorial calendar and calls that a “strategy”. It is not. That approach is busy work and it turns the marketing department into tactical order takers who can then avoid responsibility for actually driving the company’s top-line.

Over time your company annualizes this into an uninspired process that builds a new calendar based on the previous year’s efforts. This is what has taken place in the advertising industry. Agencies now look and sound the same while doing the same things to attract the same clients in the same uninspired ways. Agency marketing chases mediocrity and safety in liberal amounts.

A colleague who heads strategy at one of the larger advertising networks told me, “Our marketing is nothing but a bunch of tradeshow. Award shows are tradeshow. Conferences are tradeshow. Our own events are tradeshow. We might as well be hawking car wax or super sharp knives. Name me one recent example of awesomely creative marketing from an advertising agency or show me one consistent plan for targeted sales?”



The fact that many businesses are not even doing basic marketing strategy correctly is too big an issue for this paper. Suffice it to say that marketing strategy involves WHO you go after and WHAT you will sell while “go-to-market” is concerned with HOW your company will make it happen. And to be blunt, I have never seen this take place when it has been tasked to the marketing department alone.

Go-to-market skills are a disappearing art and science. I routinely speak at post-secondary institutions and have discovered that it is often not part of the curriculum or, if present, represents one half of one class in an entire semester. This is a shame because so much of the marketing budget and effort within companies is misspent and results could be much better.



Why Go-To-Market

Before we look at process it makes sense to cover the benefits of a smart, creative and committed go-to-market strategy. Many people are attracted to a career in marketing because they think it is sexy and glamorous. They have visions of television commercial shoots, celebrities, generous expense budgets, cocktail parties and participating in endlessly fun brainstorming sessions catered with sushi boats the size of oil tankers.

Marketing does have its bright spots but like any function with real responsibilities unsexy stuff has to get done. More realistically, marketing is comprised of plain, old grunt work like maintaining databases, proofreading blogs, building Powerpoint presentations, spending six months strategizing and agonizing over the company holiday card, updating collateral, tweeting when you have nothing to say, being the logo cop, and trying to rally other departments to use what you produce. On a related note, I love working with marketers who consider the non-sexy parts of marketing sexy – those are the ones who get stuff done.



Go-to-market strategies are both sexy and non-sexy. They are a lot of work but when they are humming along there is nothing sexier (I am using “sexy” a lot in this piece for some reason). Their benefits are both broad and deep including:

Only the most attractive markets segments are considered which requires quantitative analysis versus vague assumptions and unsubstantiated anecdotes

Intimacy with desired customer wants and needs is required making the work more interesting and valuable. It stops marketing from speaking in generalities and gets the whole organization grounded in facts and real opportunities

Growth with existing customers is part of the plan. A go-to-market strategy helps eliminate the artificial difference many businesses create between new, new business and new business from existing customers

Customer experience is integral to the approach, not just marketing and sales, to ensure customers stick around, buy more, refer more, cost less to service and provide unfiltered feedback

Go-to-market strategies involve all aspects of the organization not only the marketing department so stand a much better chance of making a difference

The approach hinges on authentic, supportable, fast feedback from customers on how the business is doing. There is no waiting till next year or next quarter to adjust one’s marketing for enhanced relevance and differentiator

Management guru Peter Drucker was talking about go-to-market strategies when he said, “The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself.” Such a strategy with its focus on customer intimacy is the way to make this happen not by serving up a calendar of disconnected activities whose only goal is activity for activity sake.

For far too long company leadership has accepted this poor substitute as their “marketing plan” and should now demand that their marketing team be accountable and deliver something more focused, granular and tangible to achieve desired results.

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MANAGEMENT CONSULTANT, EDUCATOR,
AUTHOR



Two Approaches

There are many different approaches to devising a go-to-market strategy. All demand detail and critical thinking but they do not have to be laborious or taxing. The greatest challenge is found not in the model itself but getting the different parts of an organization oriented to working together to get, keep and delight customers.

Given this approach crosses all functional departments and lines of business it makes sense if the Chief Strategy Officer or Chief Operating Officer run or sponsor the process. I found that most Chief Marketing Officers are toothless in comparison and have difficulty rallying all the troops. These folks may have a great title but very few hold purview over such integral components of a go-to-market strategy as pricing, customer experience and product development. Most have sway over only one of the 4P's and that is promotion.

Go-to-market strategies bring together all the commercial functions within a business. Of course sales, marketing, brand management, and consumer insight are integral but in my experience it needs to go further. Human Resources must be involved so employees are schooled and rewarded in how they contribute. Customer Service ensures what is promised is what is delivered. Finance has to understand the investment required to make it all work. It truly is all for one and one for all.

A go-to-market strategy asks five questions. At first glance, these queries appear basic but imagine them posed to your entire organization:

WHO do we actively desire within the market?

WHAT product & services fit each desired customer?

HOW MUCH will we charge by desired customer?

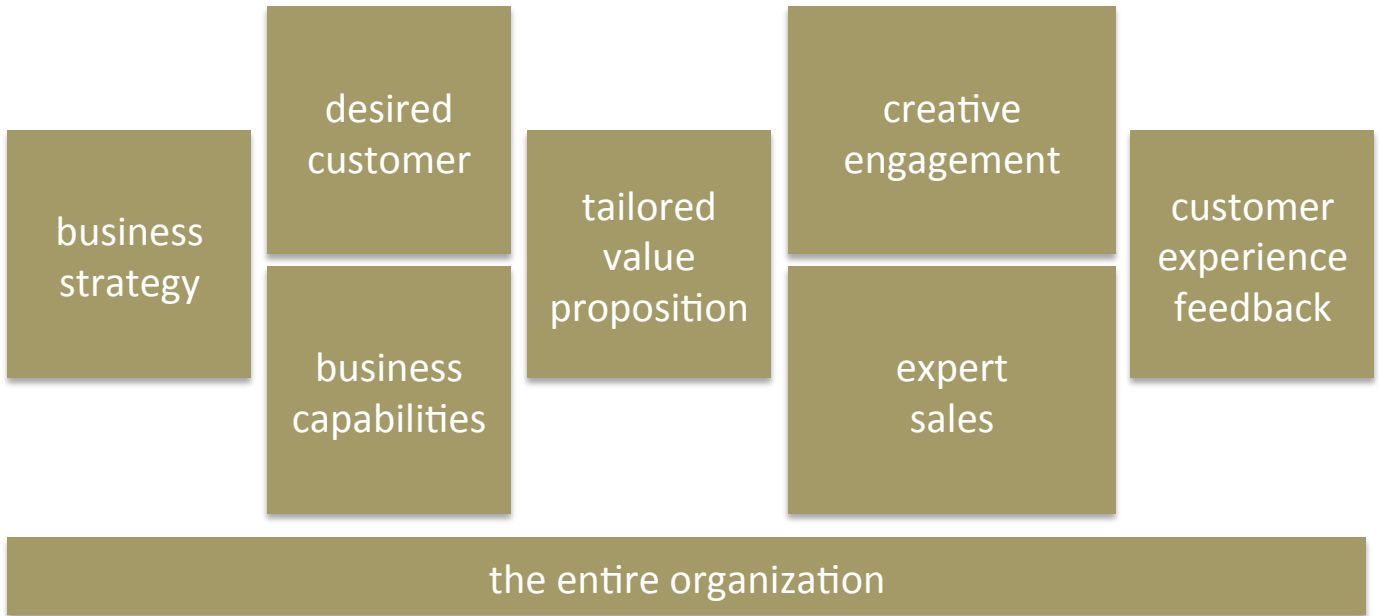
HOW will we promote our brand and products?

WHERE will we promote and sell our products?

Every company professes a process for going to market but these tend to be isolated from critical changes taking place externally. Often marketing is the last to know anything because departments do not talk or collaborate well with each other. The go-to-market strategy's greatest benefit is as company unifier while representing the voice of the customer.



The approach we advocate begins with business strategy. Growth targets and brand aspirations help identify the most attractive and desired segments and customers. This requires insights into the consumer, market and competitors. This then leads to specific value propositions tailored to each segment or right down to the specific desired client. These value propositions are based on the company's tangible strengths and true delivery capabilities. The offering is then brought to market with creative engagement and valuable sales support.



Assuming all this good work fits and convinces the customer to purchase the product or service, the process then relies on the experience a customer has with the company. Given all organizations are fallible it stands to reason there will be good and bad experiences. A go-to-market strategy allows for unfiltered feedback so the business can quickly make and implement improvements. These improvements are the oil in the engine of a go-to-market strategy.

The concept is universal but different industry dynamics may alter the model. While working at Interbrand and DDB I tailored a go-to-market approach for professional service businesses called "Win, Deliver, Capture". The nuances in professional services include high-touch client service, a focus on thought leadership and many more. Each business should customize the process to fit the specific dynamics of the industry and the culture of the organization.



A Way to Win

A solidly built go-to-market strategy can provide competitive advantage and the timing could not be better as marketing continues its transformation to be more customer-centric. It is also a time characterized by businesses focusing more on customer retention rather than one-time acquisition. These trends are impacting everything in marketing from mission to measurement.

Mission



Customer Intelligence



Then

Tactics

Now



Measurement



In the past twenty years marketers became expensive, glorified party planners. Now there is the opportunity to return to the primary purpose of marketing and that is to do everything possible to facilitate a sale. Businesses cannot let their marketing professionals pass off a calendar of unconnected events as a marketing strategy. They need to be advocating, building and executing a go-to-market strategy with their compensation tied to results. If they cannot deliver, it is time for a tough talk and a change.

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