

THE KEY FUNDAMENTALS TO MARKETING

by Verne Harnish “Growth Guy“

www.gazelles.com



THE KEY FUNDAMENTALS TO MARKETING

An ignored function in many firms the past few years, marketing is back in vogue.

Years ago I asked the top marketing mind in the country, Regis McKenna, (the marketing genius behind Intel, Genentech, and Apple Computer) what the most fundamental key to effective marketing was. He simply raised his index finger and exclaimed “one hour per week.” He also highlighted the two most important metrics used to measure marketing effectiveness – the number of warm leads generated and the cost per lead. I’ll elaborate in a moment.

The good news is that entrepreneurs seem to be interested in the subject once again. An ignored function in many firms the past few years, marketing is back in vogue. The combination of a recovering economy, the opportunity to grab market share, and entrepreneurs tired of downsizing their way to success has re-ignited the subject. My own indicator of this interest level? Our recent one-day workshop with the famous marketing guru Seth Godin (read all his books!) sold out in less than a week – an interest in marketing I’ve not seen since 1998.

Marketing is about getting the word out, figuring out how to attract attention, getting media coverage, and deciding how to position your product and services against your competitors – it’s all messy stuff that just needs some jawbone time to sort out and be creative. For this reason, McKenna was adamant that the key to effective marketing is getting a handful of the right people in a room for one-hour each week, talk about what you do next to drive your marketing strategy, and then act on your ideas that week.

THE REPUBLICAN'S ONE-HOUR WEEKLY

Not since Theodore Roosevelt had a Republican president gained seats in the legislature in an off-year election. Yet President George Bush did just that in 2002. The key to this enormous marketing feat was a weekly meeting every Tuesday morning at 7:30 am at the Republican National Committee's headquarters on Capital Hill, initiated shortly after Bush's inauguration. Led by Karl Rove, Bush's top political strategist, he and a handful of other individuals used these meetings to analyze polling data, recruit candidates, set themes, and drive a weekly campaign calendar for Bush. And my understanding is that this same approach is being taken in Bush's 2004 campaign.

... we participate in a one-hour conference call together Monday mornings at 10:30 am, brainstorming, discussing, and working through a list of marketing initiatives.

There are many reasons the election went the way it did, but I'm confident an underlying key was the weekly meetings – the jaw-boning time of discussing strategies, looking over data, and sticking to a weekly rhythm of decision making and action.

In my own case, Gazelles' marketing is handled by an outside firm. Even though they're not employees, we participate in a one-hour conference call together Monday mornings at 10:30 am, brainstorming, discussing, and working through a list of marketing initiatives. These meetings keep marketing top of mind and serve to drive some kind of activity or improvement each and every week. And we do real work in these meetings, reviewing new marketing messages, revamping the website, organizing testimonials, and scheduling interviews, just to name a few of our more recent activities this past month.

INFLUENCERS

It was also McKenna that emphasized the importance of influencers within a market – the handful of thought leaders that exist

in every industry (a precursor to Malcolm Gladwell's bestseller **The Tipping Point**). A big part of his marketing discussions each week, for firms like Intel, were spent identifying the appropriate influencers, planning ways to reach them, cultivating relationships and garnering a favorable response from them. Some of the practical ways to nurture these influencers include inviting them out to visit your firm, serving as a resource of information and help to them, including them on your advisory board, and keeping them in the loop to receive your newsletters and announcements.

Whenever he would meet someone he considered key, he would invite them to visit his manufacturing facility and pay whatever fee they asked to consult with his firm for a day.

A close friend, Gene Kirila, named one of the "Heroes of Manufacturing" by **Fortune** magazine a couple years ago, is brilliant at identifying and nurturing influencers in his market. Whenever he would meet someone he considered key, he would invite them to visit his manufacturing facility and pay whatever fee they asked to consult with his firm for a day. Besides learning everything he could, he would turn around and sell them on his firm, entertaining them at his magnificent lake retreat a few miles from the plant. He would also get them to introduce him to other key influencers. It wasn't surprising to any of us, then, when he showed up on Fortune's radar screen for their annual "Heroes" honor—where do you think **Fortune** gets their nominees but from the influencers in the market!

MEASURING MARKETING

If the sales function is measured by its ability to close deals and generate revenue, then marketing is measured by its ability to find the right deals to close i.e. generate targeted warm leads. Running focus groups, designing ads, garnering feedback from existing customers, feeding ideas into R&D, and the myriad of other marketing activities all have one function and that is to ultimately generate interested customers. Keeping it that simple and focused will keep your marketing function effective. Measuring cost per warm lead will keep it efficient.

In summary, do you want to dominate your market? Pick a handful of key people, a time each week to meet, and get your brain trust focused on how you're going to do it. Now is the time to trump your competition by out marketing them – it just requires discipline and rhythm.