

Marketing & Sales for the Market Research Firm:

PART 2—HOW TO BUILD AN EFFECTIVE BUSINESS DEVELOPMENT STRUCTURE

A PUBLICATION BROUGHT TO YOU BY



HARPETH
MARKETING

THE COMPETITIVE ADVANTAGE.

Marketing & Sales for the Market Research Firm: *Part 2 - How to Build an Effective Business Development Structure*

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THANK YOU

a publication of



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THANK YOU

Thank you for downloading our second in a series of eBooks on marketing & sales for firms in the market research industry.

As I've been out talking with owners and managers of firms in our industry, one of the questions I hear more than almost any other is, "What's the right structure for our marketing and sales efforts?"

Unfortunately, the answer's not easy. Because every company and every situation is different, there is no silver bullet for building out your team. For example, the structure for the marketing and sales functions at a 100-person panel provider with a 15-person sales team would be much different than a 35-person full-service research firm which would be different than a 10-person qualitative boutique. And let's not forget about the very small shops and the solo-preneurs.

To help with all of those possibilities, this eBook provides a number of ideas and asks a lot of questions to help get you thinking about what's best for *your* firm... to make sure that you consider *all* possibilities... to help you look at *your* specific situation through a different set of lenses so that you can build the marketing & sales structure that meets your specific growth goals.

I hope it helps.

Good luck and good marketing,

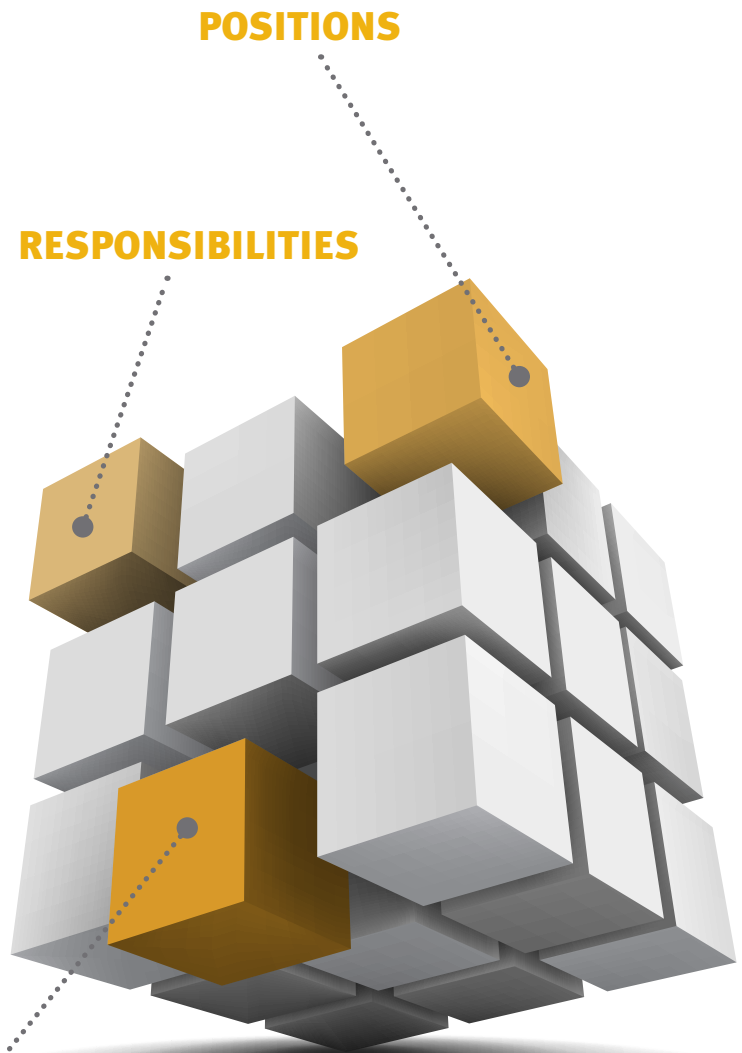
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Introduction

Building out the marketing & sales structure for your firm isn't just about drawing-up an org chart and filling in the little boxes. Before you can think about structure, you need to understand the goals of the marketing and sales functions, as well as the actual responsibilities that employees in those roles may be asked to take on. Then, when you understand goals and responsibilities, you start thinking about the positions you need... and from *that* comes structure. This eBook is laid out in that same logical order.

GOALS



Goals: {a.k.a. “the what”}

Of course, the overall goal is to **grow revenue**. *But it's not that easy.*

‘Grow revenue’ is not really **actionable**. Your *real* goals should be those things that you can actually DO that will help you to realize the goal of revenue growth.

And while there are many goals that could be listed, we have whittled the list down to a manageable few that are appropriate for most any firm.

MARKETING GOALS

- › **To build awareness** for your firm and its products & services among your target audience; a firm can't do business with you if they don't know you exist.
- › **To enhance the perception of your firm** and its products/services in the marketplace. This relates to brand, positioning, credibility, etc... but it all boils down to “perception” – what clients and prospective clients *think* and *feel* when they hear or see your name.
- › **To provide sales support...** making sure the people responsible for selling at your firm have the tools they need to be successful. This could include everything from the basics like business cards, sales collateral or a booth for exhibiting at conferences to content development and lead generation.

SALES GOALS

- › **To establish and maintain relationships.** “All things being equal, people do business with people they like. All things not being equal, people *still* do business with people they like.” And relationships are the purview of the people in sales roles.
- › **To move prospective clients through the buying-selling process.** However you define the sales process (a.k.a. sales funnel), it *is* a process. There's a beginning, a middle and an end... and sales reps are responsible for continually moving prospects toward the ultimate conclusion (not just buyer, but *repeat* buyer!).
- › **To provide support to clients...** providing information, being the go-to person for questions from clients and prospects, stepping in when there's a problem and being the client *advocate* back at the office.

Responsibilities:

{a.k.a. “the how”}

If the Goals previously listed define *what* the marketing and sales functions are trying to accomplish, the Responsibilities listed below outline *how* they will do it.

MARKETING RESPONSIBILITIES

- › **Market Analysis...** before a business can make decisions on where it wants to go, it needs to understand where it's *been*. Marketing has responsibility for researching and developing an understanding of the 3 Cs:
 - » Company – a look inside your firm
 - » Clients – understanding who really buys from you and defining your target audience
 - » Competition – learn how to differentiate your business from others
- › **Strategy Development.** Based on the insights learned during the Market Analysis, you need to set your marketing strategies... that is, the “direction” you want to go to help achieve your marketing goals and the “position” you want to *own* in the minds of clients and prospects.
- › **Planning & Execution.** Then, based on the direction you want to take your marketing efforts, you get into all of the details - crafting the marketing plan, detailing which tactics will be used, creating timelines, budgets and measurement guidelines... and then executing according to the plan.

SALES RESPONSIBILITIES

- › **Verbal skills...** talking with clients and prospects in person and on the phone. This is where the ‘rubber meets the road.’ Without excellent verbal skills, there isn't much chance for success.
- › **Writing skills...** in today's world, much client communication is conducted via email. Without solid writing skills, much opportunity can be lost... or significantly slowed down. In addition, sales reps might be involved in social media, creating proposals or developing presentations – all of which require strong writing skills.
- › **Presentation skills...** as some point in the buying-selling process, your sales rep will need to stand in front of a room full of prospects (or in front of a monitor for a virtual presentation) and deliver a capabilities presentation. Even with a well-formed powerpoint deck, the presenter still needs to be engaging, compelling and know how to “work the room.”
- › **Organizational skills...** sales reps have a lot to keep up with – calls, emails, presentations, lead follow-up, meetings, etc., etc. Having strong organizational skills – and the help of a good CRM system (yes, this is a necessity) – will maximize their productivity.
- › **Selling skills...** does your sales rep understand the stages of the buying-selling process and how to move the prospective client through them? Does he/she know how to ask probing questions, uncover needs, respond to sales objections and close a deal? Even with excellent verbal skills, this layer of knowledge is required to be successful at sales.

Positions / Structure

Now that the goals and responsibilities of both the marketing and sales functions have been covered, it's time to establish the positions (and related job duties) that fit with your needs and your budget. Here are some to consider that are common in the Market Research industry.

MARKETING POSITIONS/STRUCTURE

Generalist	Most firms have someone like this on board, who can do a little bit of everything listed below. If you're hiring your first marketing person, this is a good place to start.
Creative	Designing ads, websites, collateral pieces, report covers, etc.
Writer	Marketing material, blog posts, articles or eBooks (content marketing), sales proposals, etc.
Marketing Management	Responsible for creating the marketing plan, timeline and budget... then keeping track of the plan execution.
Social Media Specialist	Making sure you're engaging clients and prospects on your Blog, LinkedIn, Twitter, FaceBook, etc.
PR (Public Relations)	An old-school term, but there is still immense value in getting press releases, announcements or articles published in industry magazines and websites.
Technologist	Helpful for analytics, SEO, website and blog development, social media management, etc.
Product Manager	They wake up every day thinking only about one specific product/service and how to make it better and grow revenue from it.

ON HIRING THESE POSITIONS:

OK, so you've thought about the role(s) your marketing person needs to serve... and now it's time to go find them. Like many non-research roles in a research firm, the question often is, "Should you hire from within the MR industry or not?"

We suggest that you choose marketers from the "outside." Here's why... a marketer with broad experience, a diverse skill set and perspectives established in other industries brings ideas to the table that aren't there now. You might not accept all of his/her outside-the-box ideas, but at least you'll be getting that chance to hear them. Our industry is rife with too much "me too" marketing... hiring from the outside may help you to breakthrough that "sameness" and stand out.

Positions / Structure

SALES POSITIONS/STRUCTURE

<p>‘Hunter’ or ‘Farmer’?</p>	<p>That is, do you want your sales rep(s) focused on sales from new clients (the hunter) or maintaining and growing sales from existing accounts (the farmer)? Or both? And here’s the thing... <i>both</i> are important!</p>
<p>Key Account Management</p>	<p>Imagine you have 3 or 4 clients (or less!) that account for more than 50% of your annual revenue. How do ensure that you not only keep that business, but expand it? <i>That</i> is the role of a Key Account Manager.</p>
<p>Lead Generation</p>	<p>That is, spending all of their time on the phone, much of it cold calling, as a means to generate interest and set appointments for more seasoned sales reps or senior executives from the firm.</p>
<p>Seller/Doer model</p>	<p>The other role regularly seen in our industry is that of the Seller/Doer – most often associated with independent moderators – who not only search out new business, but actually moderate the focus groups associated with what they sell; this also applies to the solo-preneur.</p>
<p>Inside or Outside sales reps?</p> <p>There are plusses and minuses to both.</p>	<p>Outside reps command a higher compensation package plus the added expenses of travel but often, they come with more experience. In addition, relationships – particularly with key executives at large firms – are best developed in person, and it’s those relationships that lead to higher revenues.</p> <p>Inside reps, on the other hand, are generally less expensive, can talk to more clients on a given day and – thanks to technology – can also do online presentations and talk to people around the world. But they generally have less experience and may be looked down upon as ‘telemarketers.’</p>
<p>Setting Sales Territories: Who do you want your sales reps calling on? ‘Everybody’ seems like the right answer. But it’s not, really. To provide focus and to ensure that multiple reps aren’t tripping over each other, sales ‘territories’ have to be established.. and there are multiple ways to do that:</p>	<p>Location of clients – define a rep’s territory based on a geographic area to cover.</p> <p>Size of the clients – where do you want your reps spending their time? Generally, larger companies represent larger opportunities.</p> <p>Quantity of clients – that is, how many clients can a rep reasonably be expected to manage? Because of the structure, inside can manage more than outside.</p> <p>Verticals served – perhaps your reps should be specialists... each focusing on just one or two industries served – like technology, CPG or education.</p> <p>More than likely, though, your territories will be some combination of two or more of these; e.g. you have three outside reps that each cover a third of the U.S. (geography) calling only on Fortune 1000 firms (size of firms); in addition, you have two inside reps calling on hundreds of smaller companies.</p>

Positions / Structure

COMPENSATION FOR SALES POSITIONS

One of the most difficult things in building out your sales structure is deciding on the compensation plan for your sales team, specifically, the “sales commission.” Why is it so difficult? Simple... because in the history of recorded time, no one has *ever* created the perfect commission plan. Don't believe me? Ask *anyone* who has ever tried! But you *will* need one. And as you go about the task of crafting it, here are a few things to think about:

- ▶ **Basic structure...** salary only, commission only, salary plus commission? Most MR firms subscribe to the ‘salary plus commission’ model.
- ▶ **How to set goals...** goals can be built around overall revenue, number of clients, revenue by product line, revenue by key accounts and so on.
- ▶ **Who sets the goals?** Is it senior management, the sales reps or a negotiation between them?
- ▶ **An accelerator?** That is, are commissions a flat percentage or do they escalate the more that the goals are exceeded? Do you cap them? (‘No’ should be the answer here.)
- ▶ Do you build in ‘**sales contests**’ to help motivate and reward your sales reps? Maybe something like, “The first rep to sign three projects this month wins a flat screen TV!”
- ▶ If the **sales function is new to your firm**, then paying commissions is also new and often a difficult pill to swallow for some employees outside of the sales department. Get ready for some anger.
- ▶ **Plans drive the behavior of your sales team...** to change behavior you need to change plans – which could happen often.
- ▶ Successful sales people should be among the **highest compensated people** in your firm... are you OK with that?
- ▶ You usually end up with **different plans for different positions**; e.g. paying inside reps differently than outside reps or account managers differently than account executives. And that means more to manage.

But find the right plan... one that motivates and rewards your sales staff appropriately, while at the same time aligning with your corporate goals and significant revenue growth is likely to follow.

ON HIRING THESE POSITIONS:

On hiring from inside vs. outside the industry, our recommendation for sales positions is a little different than with marketing. First of all, the most important thing is hiring a great sales person, regardless of the industry they come from. The fact is, teaching them the research industry isn't all that difficult. However, the one ‘plus’ on a sales rep coming from inside the industry is their “rolodex.” That is, who do they already know that will help them to open doors faster and might even lead to some *immediate* revenue?



MARKETING + SALES

GENERAL NOTE...

if at all possible, have separate positions for your marketing and sales functions – with at least one person focused on marketing and another focused on sales. Too many firms try to compromise (a.k.a. save money) and have one person do both. We advise against this for two reasons:

- » **The positions require two different skills sets**
- » **The positions require drastically different mind sets**

Together...

Because the marketing and sales functions are so intertwined and work so closely together, they must report up through the same person (President, VP Business Development, etc.) at some point to align focus and manage their working together.

The person, where the marketing and sales reporting lines intersect, has several responsibilities:

- » They are responsible for **strategy** (and perhaps planning), if the people reporting to them do not have the experience or skills to do it.
- » They are responsible for the day-to-day **directing and managing** of staff, reviewing analytics, doing reviews, etc.
- » They are responsible for **coordinating** efforts *between* marketing and sales; for example, if you are launching a new service line, marketing needs to be working on the website, collateral materials, updating the capabilities presentation while the sales team needs to learn about the features and benefits of the new service to be able to sell it. And both need to be prepared for a “launch” on the established date.
- » As part of management, they are also responsible for running the **marketing & sales meetings**. It is important that the two groups meet together to ensure open communication.



】 **Integration.** If the sales function (more so than marketing) is new to your firm, it will come as quite a change for *everyone* at your firm. Your admin and operations staff might be asking questions like, “What does our rep do all day?”, “Why should she get a commission when I do all the actual work?”, “Why do we need sales – we were just fine before?” So make sure to integrate your new sales rep into your firm as soon as possible. Introduce the position to everyone before he/she is hired and make sure your staff understands how important the role is and that you – as the owner or senior manager – are supporting it 100%.

】 **Grease the squeaky wheel.** Consider this... there is sometimes friction between the marketing and sales functions – marketers wondering what salespeople do all day and salespeople wondering why they can’t get the new sales collateral any faster. One way to ensure this doesn’t become too big of a problem is to have the marketing people “ride along” or “listen in” on sales calls; it helps to enhance their relationship with one another and provides the marketer some insight into what sales does and how marketing can support them.

- 】 And it’s not just that the ‘left hand’ needs to know what the ‘right hand’ is doing. It goes deeper than that. They each need to truly *understand what the other is doing*:
 - » Sales needs to know more than the services they offer – they need to understand their company’s brand, product positioning, marketing/promotional campaigns and the value proposition that marketing has put in place so they can live it and breathe it when out with clients.
 - » Marketing needs to learn first-hand what the sales team is hearing from their clients and prospects. No one has a better handle on what’s happening in the marketplace than sales reps... and marketing needs to use that insight as they establish their plans.

By working in unison with this better understanding of each other’s roles and goals, they can take advantage of each other’s talents to help drive the company forward.

Inside the Small Firm

If you work for a small shop – just two or three employees – or if you are a solo-preneur (independent moderators and consultants... we're talkin' to you), the 'structure' of the marketing and sales functions doesn't really apply to you... but, the *functions* themselves certainly do.

So the question really isn't about *who* is going to be responsible for business development, but rather, "**How** do you get it done?"

THAT ANSWER FALLS INTO TWO CATEGORIES:

PRIORITY	FREQUENCY
<p>You get busy and seem to run out of time to do anything other than project work (clients come first, after all)... and before you know it, you haven't done any business development in a couple of months. And when the project work comes to an end, there's nothing in the pipeline because you haven't had the time to go after any new clients. If marketing & sales are <i>not</i> a priority, you will consistently fall into this feast-or-famine trap. Spending time on business development must be as important to you as responding to bid requests, meeting payroll and getting your taxes done.</p> <p>MAKE IT A PRIORITY!</p>	<p>Part and parcel with feast-or-famine is that business development activity comes in waves – <i>none</i> when you're busy with projects, a <i>flurry of activity</i> when you're not... which only exacerbates the situation. What the most successful small firms do is to make sure that some level of <u>marketing & sales is getting done every day</u>. You need to be <i>consistent</i> and <i>persistent</i>. As an example... Harpeth Marketing is a small shop, but every morning, we set aside 7-9am to focus on business development... whether that's Tweeting a comment, following-up on inquiries, writing a blog post, reviewing the pipeline report or keeping an eye on the competition. And two hours a day – every day – really adds up. So commit to a certain level of business development activity every day... and STICK TO IT!</p>



NOTE: Even if you set your priorities with an emphasis on marketing & sales... you simply might not have the bandwidth to get everything (or even *anything*) done – at least not on a consistent basis. At that point, you may need to make the decision on whether or not to outsource some of your initiatives. And if so, which ones?

OK, you've read through this eBook and now have a basic understanding of the marketing and sales functions, the goals of each, the different types of positions that exist and how they work together.

Now what?

Now it's time to take that knowledge and set aside some time to look at your firm through the lens of this eBook.

- ✓ Define what you are trying to achieve with marketing & sales.
- ✓ Decide on which roles you want to have in-house and which ones you will out-source.
- ✓ Make sure you have someone in place who can manage both marketing and sales.
- ✓ Consider all of the financial implications – potential new revenue gained vs. the expense of the positions.
- ✓ Think about your firm's culture and integrating marketing & sales into the organization.

Finally, make the commitment to do what's necessary to grow your business.

Good luck!





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ABOUT HARPETH MARKETING

Harpeth Marketing works with firms in the market research industry and their business development personnel to put in place marketing & sales systems that improve outcomes and increase revenues. We do this through three primary types of process-based engagements— Planning and Execution Management, Marketing & Sales Audits and Coaching & Consulting.

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