

## The marketing sins of senior management

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Every year thousands of businesses close their doors. Why?

Research on business failure consistently shows that poor marketing and leadership are among the chief culprits. But what exactly are the marketing mistakes that business leaders make? What specifically are they doing that hurts their businesses, and what aren't they doing that could help?



Chief executives face an unforgiving range of challenges. That they can miss marketing opportunities and preside over marketing failures goes with the territory. That's why it's important to learn from these "marketing sins."

The biggest sin: CEOs don't understand what marketing is, or what they should demand from their chief marketing officers.

This sin, like most of the others, is particularly acute in high-tech companies, and especially those that sell to other businesses. Countless executives view marketing as the part of the organization that "does the brochures and trade shows."

Thinking that marketing is about data sheets or trade shows is like equating the development of a movie script with typing. Marketing is not about trade shows or Twitter. It's about driving profitable growth.

It's about figuring out who you'll target, who you'll ignore, and what you can do with your products, services, pricing, sales channels and brand to create loyalty.

In "The End of Marketing as We Know It" former Coca-Cola executive Sergio Zyman argued that marketing is everything we do to get more people buying more of our products or services more often for more money. Here's a great example:

Author James Drummon tells the story of a company looking to buy software. When the company's team of executives visited XYZ Software, one of the finalists among potential suppliers, it was pouring rain on a cold December day.

The parking spaces nearest the door were reserved for XYZ's executives. The buyers circled the building, finally locating a spot about 200 yards from the entrance.

One of them recalls, "As we were gathering up our umbrellas and buttoning up our slickers one of my partners said, 'What are we doing? If these blokes care so little for their customers that they will not even provide convenient parking, what kind of service can we expect if we buy their software?' Whereupon we pulled out of the business park, canceled the meeting by cell phone and went on to our next appointment."

That blunder cost XYZ Software a \$1.8 million sale, not to mention the ongoing service and upgrade revenue stream that software companies get from customers.

Was that a marketing mistake? Absolutely.

That parking lot was part of the “everything” Zyman mentions. Even if it wasn’t part of the marketing budget, it was part of the customer experience. No doubt the CEO established or at least tacitly endorsed the company’s parking policy. That CEO was asleep at the switch. So was the chief marketing officer.

Peter Drucker, the renown management thinker, observed that, “Marketing is so basic that it cannot be considered a separate function. It is the whole business seen ... from the customer’s point of view.”

This is Marketing with a capital M. You may need data sheets and you may get something from Twitter, but those are marketing with a lower case “m.” Advertising, social media, and all of the other hyped-up stuff is subordinate to that Capital M Marketing.

The strategy firm Booz Allen found that business success was tied to how executive leaders defined marketing. Booz Allen characterized types of marketing organizations.

1. Service providers. These are marketing departments that execute routinely well on basic outbound marketing activities. They do trade shows and data sheets. They’re service bureaus. They do what they’re told.
2. Brand builders. These marketing organizations do all of the above. Moreover, they are efficient promoters of a consistent image and message. They’re smart and disciplined about the position they create in the market.
3. Best practice advisers. These marketing teams do Nos. 1 and 2 above. But they go beyond. They are smart marketing people who counsel their organizations well. They know best marketing practices, and they have the organization’s respect as advisers.
4. Growth champions. These rare marketing groups perform everything above, and they heavily influence the company’s growth agenda. They are business leaders who occupy marketing roles, and are savvy marketers as well.

Which of these is your marketing organization?

If you want to stay out of the business graveyard, and instead create prosperity for your investors and employees, the first marketing step to take is building and empowering a Marketing team, with the capital M. You’ll be more successful as a CEO if you create a Marketing team of growth champions, give them the rope they need, and then hold them accountable for driving results.

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