

WINNING THE VALUE GAME

A New Marketing Perspective on the Role of the Business Owner

By Donald A. Metznik

Summary

A company succeeds when it consistently delivers value to its customers and employees. This article focuses on delivering value to customers.

To deliver value in today's environment the entire company management team must become increasingly customer-focused. This is best accomplished through a new, broader, and more demanding view of marketing. Because the business owner is the sole individual with the perspective and influence to make this happen, he or she must consider expanding involvement in the marketing process, either personally or through the internal development of high potential individuals. This is becoming increasingly important as inbound marketing and social media, new disciplines that require new knowledge, rapidly expand their impact in today's marketplace.

Introduction: Winning the Value Game Through Vision and Execution

Winning the value game means one of two things; either your company consistently attracts more new customers than it loses, or your company maintains customers at its ideal level. If you are not winning this game you will soon be out of business.

Winning today means the business owner/CEO must become immersed into two areas that may have been largely ignored or assigned to a low level individual on the management team: marketing vision and marketing execution. The owner/CEO must articulate a new marketing vision and then ensure it gets done. No longer can vision and execution be left to your marketing manager, assistant, or a committee.

What does this mean to you as owner/CEO and how does this affect what you do?

A New Marketing Vision

The marketing vision I refer to is not the typical marketing process that deals solely with marketing goals, strategies, and tactics as found in organizations with traditional departments. The vision I refer to is broader, such as found in James Mac Hulbert's new book Total Integrated Marketing—Breaking the Bounds of the Function. To paraphrase Hulbert, this means ensuring that the totality of corporate resources is committed to satisfying and delighting customers. This and this alone has the potential to create the increasing level of value (customer satisfaction) increasingly demanded for success.

Simply stated, customer value is enhanced when all the resources of the company are focused on customer satisfaction. Marketing, by definition, is focused on the customer.

For this reason, marketing is the discipline by which all company resources can be best focused on the customer. As Drucker states, “Concern and responsibility for marketing must therefore permeate all areas of the enterprise.”

This is a task well beyond the capabilities of the typical small business marketing manager, if such a person even exists within a company. It requires an orientation of the entire company to the changing needs of customers, to a changing environment, and to all the resources of the company. Only the owner/CEO has the perspective and ability to fulfill this role.

It takes the owner/CEO to ensure implementation, because only the owner/CEO can ensure departmental cooperation and set priorities under conflicting situations. For example, only the owner/CEO can get the controller to view marketing programs as value-enhancing efforts and not just expenses. Only the owner/CEO can get operations to view better service as a value-enhancement, and not just an intrusion on efficiency. For human resources, the owner/CEO can actively involve the HR manager in member contact experiences so that the hiring process reflects a stronger focus on the attitudes necessary to be member-focused. In this instance, the HR manager can become an important advocate of raising hiring standards with the rationale that better service will justify higher labor costs.

Execution—Getting Things Done

Recent business headlines point to the importance of a new level of getting things done. In an article on the Wharton School website “Knowledge@Wharton,” Michael Useem, Professor of Management at Wharton, was asked the meaning of the ousting of Carly Fiorina, CEO and Chairman of Compaq. He said,

It does appear that the primary issue was all about execution – how she ran the place rather than where the company should be going. It is possible that the board wants a leader with a hands-on ability to execute.

Larry Bossidy and Ram Charan, co-authors of the book Execution, would probably agree that this was a failure to get things done, which they contend is often the difference between success or failure. “When companies fail to deliver on their promises, the most frequent explanation is that the CEO’s strategy was wrong. But the strategy itself is not often the cause. *Strategies most often fail because they aren’t executed well.*” (My emphasis.)

Bossidy and Charan maintain that execution is the major job of the business leader. Within a small business context this means, for example, that the owner/CEO must spend as much time on the marketing plan as on the financial forecast. And, like company financials, the marketing plan must involve extensive review, robust debate, realistic expectations based upon realistic appraisals of resources and capabilities, openly discussed accountability, and tenacious follow-through. The owner/CEO must be the thought leader for

marketing opportunities. Further, the owner/CEO must ensure its execution with the same scrutiny and detail as any major capital improvement.

The Expanding Role of the owner/CEO

To summarize, customer value is produced when a customer-focused strategy is integrated throughout the company and executed with precision. The only individual in a position to ensure the proper strategy and its proper execution is the owner/CEO.

There is an important distinction to be made here. While the owner/CEO has always had the final responsibility of performance or value-generation, we now see that success requires a new marketing vision and a higher level of getting things done.

How does this involve the owner/CEO? Here are several suggestions:

- Every component of the marketing plan must be fully understood as well as how it impacts every department in the company.
- Supported by specific knowledge, the owner/CEO must be able to challenge the marketing manager to create plans that are realistic in their scope and realistic in their ability to be executed by other departments.
- For individual marketing strategies, the owner/CEO must ask for appropriate rationale and analysis and be able to discern between substance and wishful thinking.
- The marketing plan must contain the details for execution with clear responsibilities and milestones. Merely having and agreeing to goals is no longer sufficient. For example, a goal of increasing customers by 3% via direct mail and print ads is not adequate. The strategies to achieve this goal should be identified such as the creative strategy and the media strategy (e.g. seasonality of communication). It is helpful to dig into the tactical side of the strategy such as the size and nature of the direct mail piece, and what assumptions are being applied for response rates.
- The owner/CEO must be absolutely convinced that the plan can be achieved and that by being achieved the company goals will be met.

How can this be done?

Creating vision and getting it done is time-consuming and laborious, and may involve ways of including departments and personalities not practiced before. Rather than take significant time from current owner/CEO responsibilities, here are several ways I've found to support the owner/CEO.

Identify an individual with professional marketing experience. If there is no one with professional credentials within the company, consider hiring someone from the outside who can act as an executive coach. Have this individual work in tandem with the owner/CEO to develop the strategy and points of execution. This person will meet regularly with the owner/CEO, provide a base of knowledge and skills, set the agenda, ask the tough questions and ensure follow-up. Over time, the owner/CEO will gain the

necessary marketing insights and the management team will embrace the discipline of execution so that an extra or outside presence is no longer needed.

A large opportunity presents itself when a company is committed to growing internally. Consider, for example, growing the VP of Sales into a Sales and Marketing position. Hire an interim business advisor who can not only maintain the company's marketing momentum during the growth process, but also actively involve the owner/CEO in the entire marketing process.

Mandate for Change

A new marketing vision coupled with the commitment to get things done holds great promise for winning the customer value game.

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