

MARKETING FOR JOB SHOPS: STARTING THE PLAN

SUMMARY

This BMA discusses how you can, without too much work, determine the facts pertaining to your business that will permit you to start a marketing plan or improve your present one. It will help you audit and appraise your current situation and start developing the information needed to put together a marketing plan. This is one of the most difficult jobs associated with marketing, and also the hardest to write about because each shop is unique and rules that would apply in one shop may not work at all in another.

Auditing your current situation requires absolute honesty, total commitment from top management, and lots of hard work. But without diligent attention to this step, a plan would be useless. Just as you would not start drilling and boring on a valuable casting until you had first milled or ground a qualifying surface, so you must first develop a marketing plan before you start on other tasks. You've got to know where you are now and where you want to go; then you can select a route.

HOME IS A GOOD PLACE TO START

Since most people know more about themselves than about others, start with a detailed analysis of your own company: its people, capabilities, facilities, equipment, specialties, and financial situation. Be brutally honest and direct in this study and don't list anything you really don't have in place. For example, if you plan to hire a sales manager but haven't done so yet, don't include that title in your list. Use real names where you can, because that will make it easier for you to think about the capabilities of the person.

Consider when, why and how your company was founded. Contemplate the conditions in the marketplace that allowed your company to become successful when 80 percent of your competitors didn't quite make it. Think of things you might have done differently, and better, when faced with adversity or with positive situations in the past. Write down your thoughtful analysis of those beginning days. Include the names of the people who made it all work and the special skills they brought to the party.

Now, reflect upon the significant events in the life of the company: the recessions and boom times, the new machines and facilities, the tooling breakthroughs, the new blood that came in with needed talents, the big customer you lost or gained, the most profitable jobs you ever had, the times you had to absorb a big loss on a job, the failures and successes that put the temper on your business to make it what it is today.

Write down the whole list, plus an analysis of those items that impact most on your present situation.

THE SITUATION ANALYSIS

The next step is a tough one. You, or someone you trust, must be totally objective about the business and its people as of today. If you feel that you cannot step back to take such an unbiased view, then you might have someone else do it for you. At the very least, make sure this part of your study gets picked over by other knowledgeable people - your accountant, lawyer, personnel manager, plant manager, and others.

One approach is to make a two-column list with your strengths on one side and weaknesses on the other. These factors should cover the whole gamut of your business, from profit margins to cleanliness, from CNC machining centers to employee training programs. If you evaluate the item as a "positive" one, list it as a strength, if you feel you are weak in that area - or lacking altogether - list it as a weakness. At this point, try not to think about what actions you might take concerning any item.

In a service industry like ours, it sometimes helps to look at this piece of the puzzle from the outside. One way to do this is to ask yourself questions as though you were your own closest competitor. Questions like:

- How did they take that account away from me?
- What prevents me from getting it back?

- What have they got that I need?
- What are they doing that gets them all that new business?
- What things do I do better than them?

You might also ask some questions from the point of view of a customer you know well, one of your major suppliers, or a friend. Each differing approach will reveal more data.

THE SALES ORGANIZATION

Although this is by no means the most important part of your situation analysis, don't forget to look at your present sales organization, by name, and your advertising, brochures, publicity, community service, or other interactions that your company has with the outside world. Take a fresh look at any printed material from other job-shops and from similar industries, like foundries or die-casters or powder-metal houses. Make written observations.

Write down a list of pluses and minuses about your sales staff, phone handling, receptionist, or others who come in regular contact with the marketplace. Again, resist the temptation to make immediate changes; you still haven't set new goals for your company.

At this point, write down thoughts about our industry as a whole. You may, after all, decide on a course that leads you out of this crowded job-shop business altogether. Knowing what you presently think about our industry can help you make the right decision and can firm up your resolve to develop a strong marketing program.

The American Medical Association, recognizing that the glut of doctors is outpacing the nation's population growth,

says that "Forty percent of physicians have adopted marketing techniques to cope with a more competitive environment" Doctors are advertising, studying population trends, sending newsletters, writing marketing plans, even making house calls. They are doing this to respond to the needs of the market.

While you are thinking about the machining industry, consider the complete environment in which your company exists and write down the favorable or unfavorable business and labor climates that you must live with. This would include the competition, OSHA, rules of local governmental units, and so on.

This is a good item to discuss with your key people. Determine if your managers' attitudes about the future of your business are generally positive. Find out why they feel that this is a good business to be in over the next five or ten years.

Now you have quite a list of information about your company, and you are ready to start the next phase of your analysis - a consideration of the marketplace. You may wish to pick up a copy of Peter Drucker's "Managing in Turbulent Times" at your local bookstore or public library. It is a book that deals with the critical decision-making processes faced by today's executives and will be helpful background for the future tasks we will be discussing.

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