

MARKETING FOR JOB SHOPS: SETTING GOALS AND DEVISING STRATEGY

SUMMARY

If you stay close to your customers, you understand their businesses and how you can fulfill some of their needs. You know you must keep your own business lean and action oriented and encourage your people to be creative, innovative and involved. If you are successful, you make sure your own values for quality, delivery and productivity permeate your organization.

Now its time for setting goals and objectives, and for developing strategies to implement those goals.

“In Search of Excellence” by Peters and Waterman, published by Harper and Row, is a popular book that would be worth studying in preparation for this difficult job. A readable analysis of what America’s best managed companies are doing right, it explains, from several points of view, why it is absolutely necessary to run your company in response to the needs of the market segments you serve. This philosophy cannot be developed from reading a magazine article, or even from a book, but this book will help a lot.

PLAN FOR YOUR FUTURE

Managers in job-shops generally fill several positions and must wear different hats at different times. It is easy to become so busy doing things that we forget to plan and thus misjudge the needs of our customers. We tend to think more of the need to convert our staff hours and machine time into cash. But we must also constantly check our actions to see if they are really fulfilling the customer’s needs, or if they are just keeping our people busy and our machines running.

Keep this as a primary objective when you set goals. Remember that you must meet your customer’s needs now and in the future, and that you must be able to provide new machines and must train people to perform well in the future. Successful job-shops consider expected replacement costs for facilities, equipment, materials and people. They remember that, as Peter Drucker says, “Profit is the cost of staying in business.” Planning for profit is planning to meet your customer’s future needs.

The American Management Association and several universities offer courses ranging from a few days to several weeks on the subject of establishing goals and objectives and developing strategies. For example, Northwestern University offers a week-long program called “The Industrial Marketing Strategy Program.” What most such programs teach is the need to take the time to audit your company, industry and markets and to use simple common sense in developing

detailed plans. Northwestern uses case studies to help you gain confidence so that you can then do it for your own company.

Planning is an ongoing process; you never get done because the assumptions you make as a basis for planning are constantly changing. The job-shop business today depends on high-tech customers, and they are rapidly changing their products to respond to fast changes in technology. If you stay close to your customers, and listen to them, and respond to changes in their environment so you can meet their changing needs, then you will constantly update your goals and your strategies.

So make your goals precise for the short term, and monitor progress with an eye toward needed changes. Long range goals can be more fluid, with alternatives defined, and subject to major revision on an annual basis. Each goal should be written in clear language, using measurable terms, and outlining specific courses of action to be taken by responsible individuals in defined time frames. Make each goal somewhat optimistic so that you must stretch to achieve it, but don’t be unrealistic - you will only become discouraged when you miss it by a mile.

Let’s assume that you have mastered the task of making an extremely difficult sub-assembly for one of your customers in the medical equipment business. You know that his final product, a machine that will accurately diagnose and treat a problem that has previously required chancy treatment, is an

important new device and has an excellent potential. Your contribution is to machine some close-tolerance parts, attach leads, solder, assemble and test a sub-assembly for the machine. Your price is within the customer's budget and makes you a nice profit.

Your customer agrees to relieve you of product liability exposure and to provide a long-term contract. You have in-house technical capability to inspect, assemble and test this difficult unit, and you feel that your abilities to do so are somewhat unique. This project will employ twenty percent of your staff. Confidentiality is not required by your customer.

In such a situation, you might decide to pursue more business from manufacturers of medical machinery, to seek manufacturers in other industries that build machines requiring similarly complex sub-assemblies, to make more components for this same customer, to develop a product of your own based on this technology, or to do something else. So your first decision is one of selecting your company's objective relative to this project, and then to state your goals for the future achievement.

You might write a statement something like this:

OBJECTIVE: To double our sales of machine components, either parts or sub-assemblies, to medical machinery and devices manufacturers, within two years. This will be accomplished by a joint effort of the sales organization, the estimating group, and the manufacturing engineering department led by J.P.J., who will make monthly reports to the president.

The goal, or objective, is clearly stated. Your people have supported this particular goal in preference to the others that might have been selected, and they will waste little time chasing additional business from your existing customer.

Twenty percent of your shop is probably enough to devote to one customer anyway. What if something happens to him or to his market?

THE TOUGHEST CREATIVE JOB

Now comes the opportunity to be creative. The strategies for achieving the goal must be created, defined, developed, written down, and applied. Maybe you don't know where to find the other medical machinery manufacturers. Maybe you don't know how to approach them. Maybe you don't have sales support in the areas where it is needed. Your strategy must deal with all aspects of solving the problems associated with reaching your goal.

In our example, you might start at your public library or your local university library. Just ask the librarian to give you a directory of such manufacturers and a directory of the trade journals and magazines in that industry. You might go to a trade show, or join an association, or contact your local commerce department small business officer. You might do all of these things and more.

In any case, the strategy should be defined, monitored, and followed carefully. Don't be sidetracked because an order for transmission cases for a defense industry contractor comes in. That's great, but it does not help you meet this particular goal. Persistence and determination will be needed if your goals are properly optimistic.

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