

MARKETING FOR JOB SHOPS: DEVELOPING STRATEGIES AND ACTION PLANS

SUMMARY

This BMA discusses development of strategies and how to generate actions that accomplish your goals. It also discusses control and review procedures, how they can be employed to help revised goals and strategies, and the need for creativity in this process.

Creativity is not mysterious or impractical for a job shop manager. Creative problem solving and innovative approaches to business can be developed and strengthened in almost anyone. Our turbulent marketplace requires that we maximize our creative skills, as well as our skills in communication. Creativity is basic to problem solving and decision making, and you are probably much more creative than you think.

You can increase creative ability by doing some fairly simple things. Read a lot, especially about your business and your customer's business but also about other, unrelated businesses. Become more curious about things, people, events, technologies. Look for alternatives in everything you do, like new roads to the shop, new machining methods, experimental tools. Listen positively to other people's ideas, and write down your own whenever they occur to you. You'll become more proficient at using the creativity within you, and you'll have more fun.

Strategy is the skillful management of resources to attain a goal. To define a strategy, let's say that every strategy can be stated in a sentence starting with "If" and including a "then," for example, one of your personal goals might be to lose ten pounds. Your strategy can be stated, "If I reduce my caloric intake by 1,000 calories per day and exercise to burn up calories, then I will get rid of about a half-pound per day." You may further specify some of the tactics you'll use to achieve your goal, like parking at the end of the next block, skipping dessert, drinking six glasses of water each day, or playing tennis twice a week.

CONSIDER MARKET CONDITIONS

Any business goal can be established in this "if ... then" way, and a creative strategy can be defined this way. Maybe several strategies are needed, involving equipment, facilities, budgets, personnel, training, advertising, and sales activities. You will see that each strategy requires that an action be taken. Make sure that the actions do not conflict with the needs of the customers in the market segment you are attempting to serve.

Also, make sure you prioritize your list of strategies and that you are realistic about how many you attack. Consider all your strengths and weaknesses, the competition, the environment, and the level of commitment your people have to carry out each strategy. Sometimes an ambitious strategy becomes more palatable if it is taken in steps; reach halfway for the first goal, and then re-state the goal and the strategy.

Dan R.E. Thomas of the Harvard Business School, writing in the Harvard Business Review, points out that managers of service businesses that are based on sophisticated equipment and skilled people must understand that they must develop

strategy differently from managers in product-based companies or other types of service industries. Your job shop fits that category.

JOB SHOPS ARE SERVICES

In a company that makes a product, strategies for limiting competition include making the entry fee high, and developing good brand name identification. Job shops generally can't do these things. "Instead," writes Thomas, "a service business develops a reputation for the type and quality of service it produces. The more abstract and complex the service is, the greater the need and potential for developing a reputation that will serve as a barrier to entry."

Other such barriers might include the use of regional or national advertising, a nationwide sales force, clever value engineering as an added service, more sophisticated equipment, bigger machine tools, and so on. If you employ marketing techniques that make your shop look better to your target market segment, they will perceive your service as being worth more.

This type of information is important in developing strategies, and you must know what barriers you can erect to deter your competition and what kind of competitive barriers you must overcome in order to achieve your goals. Each advantage offered by the competition, and perceived as a value by the market, requires a strategy statement. For example, if your goal is to sell sub-assemblies to a new customer in Pittsburgh, and you have no sales representation there, your strategy must address that deficiency.

A strategy statement might say, "If we are to sell sub-assemblies to ABC Inc. in Pittsburgh, then we must make regular sales calls on Fred Frosty and his design staff. To do this, we will visit his plant once each month until we secure our first order. We will seek a local sales rep and will appoint him at that time." Other strategies involved in this goal might address sample parts, a tour of your own shop by Mr. Frosty, training more people to make these parts and assemble them, a new machining center, more space, or other items.

Writing the strategy statements is the first step toward initiating actions that will lead you toward your goal. Actions, however, require that someone do something. In a small business, in a job shop, it is often the same person that develops the plans and strategies who must carry them out. This can be a problem because he gets so busy doing things that he forgets his original plans. It's easy to prevent that from happening if you plan properly in the first place. If you are the one who must carry out the actions you plan, plan only as much as you can handle.

CONTROLS AND REVIEWS

Set up and schedule controls and reviews at the same time you make your plans and write your strategies. Each time you monitor your progress, on a set schedule, ask if the strategy you are following is achieving the results you planned and is not conflicting with the needs of the market segment you intended it to serve. If you are not getting the results you want at any check point, go back to analyzing the situation. See if the competition, the environment, or the market segment itself have changed. If something has changed, then it is time to change your strategies.

The most common mistake marketers make is to misjudge the needs of the customer. There are hundreds of examples of that in almost any business, the most famous, perhaps, being the railroads. They thought their customers needed railroads, when, in fact, they needed fast, dependable transportation. The railroads were not providing that. This allowed truckers and airlines to take market share, even at inflated costs. And many railroads folded or were merged as a result.

So schedule checkpoints, controls, and reviews when you make your plans. When you review, see if your actions are really fulfilling the needs of the customer, or if they are just keeping you busy.

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