

MARKETING FOR JOB SHOPS: MARKET STUDIES AND ANALYSIS

SUMMARY

Management guru Peter Drucker says that there is no way to make sure that a business will choose the right opportunities for growth, but you can be sure that the right opportunities will not be selected if management's focus is on minimizing risk. The focus must be on maximizing opportunities. Professor Drucker also insists that all major opportunities be scrutinized jointly and systematically rather than in isolation from one another.

You must be willing to accept risk and to invest the time needed to organize your opportunities. Study each one, select the appropriate ones, plan an attack, and pursue success. "Market Research" is a science used by most manufacturers of products, especially consumer goods. But how does a job shop, which doesn't have a product, research and analyze unfamiliar markets? Where do you start?

FIND A QUIET PLACE

Many of us in this exciting business are at least occasional fishermen. There is no better "quiet place" than a fishing spot when nothing is biting. A cross-country ski trail, your living room chair, or your office on a Saturday afternoon might be better for you. But find the quiet place that suits you best and spend a few hours just making a simple list of markets that you think, from your experience, reading and discussions, might provide opportunities.

Make two columns one for new geographic areas where you can serve the same types of accounts you now serve, and one for new businesses or industries that might be worth investigating. You may wish to use a "tickler" to help you think about different prospects, such as a Standard Industrial Classification (SIC) analysis book. A good book for metal-working markets is available from IRON AGE magazine. Other memory joggers might include a directory of corporations, a list of large companies, or the "Company Profiles" book from THOMAS REGISTER.

CULL THE LIST

Your list will probably be quite long, so you must prioritize. Don't just cross out businesses or industries; move the best opportunities to the top and the worst to the bottom, but don't lose any. You may want to rebuild the list later. A few new geographic areas you could serve or a few new industries you could approach will give you a good start on a market study.

Now you are ready to spend some half-days at your public

library. The sheer knowledge of the librarians in a good business library always astounds me. Explain what you are after, show them your list, and ask for appropriate source books and magazines. Like magic, a good librarian will bring you several major reference publications, current magazines serving that industry, a list of trade organizations for that industry, some government data about the industry, and so on.

Bring a small pad of paper with you to use as bookmarks, to mark those pages you need copied. Also, be prepared to make copious notes. As you progress in your investigation, like a detective listing clues for several suspects, you will soon find that one or two of the industries will stand out as "suspects" worthy of further study. Enlist the aid of the librarians again, by showing them what you have developed so far, to find more source data, more magazines, more details.

GOING ONE-ON-ONE

Having targeted the one or two "niches" you want to pursue, you can now spend some time on the phone. Associations serving an industry can usually provide data about members, especially if they feel you might join. Switchboard operators will often provide names and titles, and connect you with secretaries with even more information. Make some personal phone calls to appropriate individuals, using a prepared list of questions for your discussion. If possible, make some personal visits, and get into the factory area so you can see what sort of services your prospect needs.

“Marketing” generally works to provide results two or more years in the future. “Selling” usually handles the immediate problems. If you have a sales force, you can now hand them the ball and expect them to run with it. You have given them an identified list of companies in an industry or a geographic area new to you, and you have reason to believe they need your services.

Perhaps one or more of the prospects you have identified will turn into customers. If they do, you can go back to your notes to see who else fits the same criteria. That may mean another day or two at the library, but by now you are friends with the librarians anyway.

NO STRINGS ATTACHED

Following this procedure is not unique. It matters little if you are a three man shop or have several hundred people. Your location, financial situation, or list of equipment is irrelevant. This type of market study and analysis will provide results for anyone who takes the time and trouble to the work.

Avoid distractions, even attractive distractions. One good way to make sure you do so is to include in your marketing plan a list of markets you choose to NOT serve. You may, for example, state clearly in your plan that you will not seek business from the West Coast, or from the aircraft industry, or from any company with less than a AAA credit rating. Put

your reasons in the plan too, so your people know why you choose to avoid certain types of business.

A good marketing plan will not cure management problems. Excellent market research and analysis will not overcome quality problems in your shop. Identifying market niches is no assurance of new business. But, unless you do these things well, and also perform well in your other management tasks, growth and profit will always remain outside your reach. Besides, you’ll have fun doing it, and you’ll get a real sense of satisfaction from doing it well. You will develop some outstanding people in your organization along the way, and we know the importance of good people in this industry.

Companies that enjoy good management usually recover more quickly from economic recessions and frequently are among the last in their industry to suffer when the next downturn comes along. Preparing your marketing plan will help assure that your job shop will grow and prosper in the future.

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