

Metalworking MARKETER

Insights, news and strategies for marketing decision makers in metalworking and manufacturing and moldmaking



Modern Machine Shop

Production
Machining

MOLDMAKING
TECHNOLOGY
Engineering Solutions Magazine

Part 1 of 2 Parts

Does your company need more marketing? Or just better marketing?



The marketing functions within your company that support why customers do business with you can be divided into four main areas: strategic marketing, product management, product marketing, and marketing services.

By Mitch Goozé, CSP, President
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Many sales problems can only be solved by improved marketing—selling harder is often not the solution. More...or perhaps just better...marketing may be what's needed. Marketing, however, presents a special problem for any company that has not yet developed a professionally staffed marketing department in that marketing is both unfamiliar and too often confused with simply advertising and promotion. This article looks at the spectrum of marketing functions, and it describes some successful approaches to determining when to add "more" marketing to your company.

In the beginning

Most successful companies grow from a small enterprise based on the founder's idea or vision. In the early stages, the founder usually plays many roles. It's common to see a founder handling engineering and/or sales roles. As the company succeeds and grows, these tasks are often (rightly) delegated to others.

However, the one area most often key to the long term success of the company is the function of marketing. This article discusses:

- The marketing functions
- The problems marketing can prevent or solve
- The contributions you should expect from marketing

Marketing: The difference between buying and selling

The definition of marketing has been attempted by many authors. It is commonly referred to as the process of relating the potential customers' needs and wants to the company, and then addressing the company's solutions to meet those needs and wants back to the marketplace.

We have described marketing as the process of focusing on Who the customer really is, and What the customer is actually buying from you...rather than what you're selling. What customers can buy from your

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firm...that they cannot buy (or don't think they can buy) from another...is the real reason they do business with you.

The marketing functions within your company that support this work can be divided into four main areas: strategic marketing, product management, product marketing, and marketing services. All of these functions are necessary to have

MARKETING: (*noun*) process of relating the potential customers' needs and wants to the company, and then addressing the company's solutions to meet those needs and wants back to the marketplace.

an effective marketing effort. However, they are distinct. How much of each you need...and who should perform these duties...are important issues.

Strategic marketing

Strategic Marketing is the future component of the marketing problem.

Strategic issues include:

- What business is your company in?
- What business should you be in?
- What products or services should be designed and offered?
- What technical capabilities need to be developed within the company or acquired from outside the company?

Other related strategic issues include:

- Marketing channel strategies (How do you reach your customers, then sell and deliver the goods?)
- Competitive positioning (What sets your company apart in the minds of your customers?)
- A complete understanding of, and the ability to communicate to customers, What

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August MODERN MACHINE SHOP Special Issue— Machining for Tomorrow, Cutting Tools and Grinding

In August, MODERN MACHINE SHOP (MMS) will offer a look into the future. More specifically, MMS editors will examine technologies and trends likely to affect metalworking business in the coming years in a special feature—"Machining for Tomorrow: Forward-looking views on manufacturing."

Complementing August's special emphasis on the future of manufacturing is a Better Production on **Cutting Tool** technology. Projected tooling spending is expected to reach nearly \$3.5 billion in 2007. With distribution to more than 102,000 subscribers, August MMS is an ideal environment to reach the active metalworking buyers investing in new tooling technology.

MODERN MACHINE SHOP August's Modern Equipment Review will explore new **Grinding** technology. One of the most fundamental metal cutting operations, nearly 65,000 MMS subscribers indicate the application of grinding at their facility.

Along with providing a look into metalworking's future, MMS August will offer Bonus Distribution at EMO, September 17-22, 2007, Hanover, Germany.

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they can buy from your company that they cannot buy from any other company.

The strategic role requires a person who is a generalist, with a broad view of the market, the industry, and the company. This is usually the role of the Marketing Vice-President, but often maintained by the founder/CEO...and sometimes this is a good arrangement and sometimes it's not. Where the CEO holds this responsibility and is not fully capable, portions of the strategic function may be provided by a senior marketing manager or by outside consultants.

Product marketing vs. product management

The classic definition of marketing comprises the issues of product, price, promotion, and sales channel (place). This concept of marketing holds true whether your company is a "product" or a "service" company. In the case of a service company, your "product" is the service provided.

To succeed, these marketing issues (product, price, promotion, and place) must be handled so they are effective from the customer's point of view. In the beginning, these issues are usually a key part of the founder's vision. When the company succeeds, they often become too complex...and too important...to be handled part-time, by the chief executive.

Marketing, from this perspective, works over two different frameworks, each important, and fundamentally very different: Product Marketing and Product Management.

Product management

Product Management is the part of marketing typically devoted to working with the New Product Development (NPD) function to select and develop new products/services. Typically product management persons are on the technical side, although they have a fine business and marketing sense. They are involved in the selection of NPD programs that support marketing strategies and target markets that leverage the company's capabilities. They are the customer-facing part of NPD that refines the product for market fit as it migrates through the NPD cycle, and they are deeply involved in the market strategy for the new products. Usually, there is a

product responsibility handover period to Product Marketing during the product's introduction.

Product marketing

Product Marketing deals with issues that relate to the success of current products or services. These include:

- New products/services introductions
- Promotion of existing products
- Development of marketing programs and literature that are effective in reaching the customer
- Communicating the unique position that separates your company from your competitors
- Ensuring that the sales channels are being used effectively to reach customers. Supporting the sales effort with field programs

The development of tactical plans is also a product marketing function. The execu-



The classic definition of marketing comprises the issues of the 4 Ps—product, price, promotion, and sales channel (place). To succeed, these marketing issues—the 4 Ps—must be handled so they are effective from the customer's point of view.

tion of some of these tactical items may be accomplished by Marketing Services, as described next.

The product marketing role requires a person with the desire and skills to "get it done." All three of the above roles require great communications skills, and the ability to deal successfully with a wide range of people, both inside and outside your company.

To be continued next month...

Need more information?

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