

B2B MARKETING BEST PRACTICES
for Sales-Driven Industrial and Manufacturing Firms

WHY COMPANIES WITH COMPLEX PRODUCTS AND SERVICES FIND IT DIFFICULT
TO STAFF THEIR MARKETING DEPARTMENT OR HIRE A B2B MARKETING AGENCY

Comparing Options for Building A B2B Marketing Department

2024 EXECUTIVE GUIDE

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The Top 5 Reasons B2B Marketing Departments and Agencies Fail

B2B Marketing agencies and departments fail to deliver for many reasons, but here are the big boulders that wipe out any chances of success for companies selling complex products and services to other businesses. They are, in order:

1. **The company hasn't done it before.** No one at the company has experience selecting and managing an external agency or building a marketing department.
2. **No valid marketing strategy in place.** In its void, marketing is merely a collection of reactionary materials to satisfy the loudest sales rep or reseller.
3. **A misguided perception of the true role of B2B Marketing.**
4. **No sales experience.** The agency or marketing department lacks a basic understanding and appreciation for the sales process and what takes place in the field.
5. **Non-existent techno-speak,** jargon translator who can simplify the most complex technologies so everyone else (like customers) can understand you.

In the next pages, I will share with you some of the best practices for building a technology company's marketing function from the ground up, and in the process, avoiding or minimizing these problems.

Qualifications

B2B Marketing and Domain Expertise for Complex Products and Services

COMPANY	PRODUCT / SERVICE
AccelChip	Embedded Software
Applied Payment Corp.	Online Payment Systems
Automated Concepts, Inc.	Computer Training
Buyer Persona Institute	F500 Buyer Research
Cadant, Inc.	Cable Telephony
Charles Industries, Ltd.	Data Communications
Concretio	Telephony Software
ConnectSense	Consumer IoT Networking Technology
Engineering Tools, Inc.	Industrial Control, Automation
Grid Connect	Industrial and Automotive Networking Technology
Informance International	Manufacturing Analytics
Installshield Software Corp.	Installation Software
iTracs Incorporated	Asset Management Software
Kudoz.com	People Performance Mngt.
LAC Group	Legal Research
Lightwave Crossing, LLC	Data Protection Services
Mercantec, Inc.	e-Commerce
Novarra, Inc.	Internet Content Transformation
OpTelCon	Telecommunications
Orbit Commerce, Inc.	Online Storefronts
Painters USA	Industrial and Commercial Painting, Cleaning and Flooring
Productivity Point International	Computer Training
QVtech, Inc.	e-Mail Encryption & Privacy
Scala, Inc.	Digital Display Control
Tele-Comp Inc.	Personal Productivity
U.S. Robotics	Data Communications
Unitrends, Inc.	Data Protection Software
Verascape, Inc.	Voice Automation
XNet Information Systems	ISP, Hosting

Not B2C Marketing

Before we dive into the problems and how to fix them, let's make sure we have our terms straight.

B2C Marketing (or Business to Consumer Marketing) accounts for something like 90% of all marketing dollars spent in this world. If a company is appealing to you as an individual buyer, that's B2C Marketing. For example, Apple®, GM®, Target® and Coke® directly reach out to consumers to influence purchase decisions, hoping you will open your own wallet and buy their products or shop in their stores. They even hope to do such a terrific job servicing you that you will tell others about your positive experience. B2C Marketing relies heavily upon transactions, brand, impulse buying and highly automated marketing systems.

Because of the raw power of B2C Marketing, individuals are often attracted to the field of Marketing in their pursuit of a degree and employment. This is true for graphic designers, product managers, journalists, artists, and web programmers. That said, there is an abundance of highly-regarded top-talent in B2C marketing.

**In B2C Marketing, the customer relationship is owned by
the Marketing department.**

And within B2C Marketing departments and agencies there is a sense of well-being and power because it is their sole duty to manipulate their marketing and advertising messages in such a way that buyers will buy something. In B2C Marketing, the customer relationship is owned by the Marketing department. In the case of Target, for instance, they're not expecting any of their store sales associates to forecast business, deal with customers' sales objections or to sway the buyer's decision in any meaningful way. Nope. Marketing is fully in control here and the marketing staff and the marketing agencies relish the power to drive top-line revenue through a complicated matrix of advertising and media events that operates like a well-oiled machine.

B2B Marketing Is Different

Business-to-Business Marketing (or B2B Marketing) is unlike B2C Marketing. This escapes most people. But take a moment and look at the differences I've summarized in the table below. I'm not passing judgment, just stating the facts as they are. I believe you will conclude, B2B and B2C Marketing are worlds apart.

But here's where it gets tricky. Both B2B and B2C Marketing employees come from the same talent pool. The great majority of B2B Marketing staff were attracted to *Marketing* because of the allure of Consumer Marketing not because of their desire to bring an industrial widget to market. While these employees may be currently working in marketing departments for small and midsize industrial firms today, it is not what most of them were thinking about when they went to school. For some reason beyond my comprehension, the majority would rather work on the next "New Coke" than trumpeting the engineering marvel of a new digital signal processor capable of processing hundreds of millions of floating-point operations per second (*I say this rather tongue-in-cheek*).

“When we get the opportunity to sit down to meet with a Prospect,
we win 4 out of 5 times. Our problem is that we're not getting enough
of those kind of face-to-face meetings.”

On the other hand, companies who go to market through B2B channels find that revenue is driven by high-touch relationships, long (and oftentimes protracted) committee buying processes and rock-star field sales personnel. Unlike B2C Marketing, B2B Marketing departments struggle for respect from their field sales counterparts.

Further fueling the rivalry between these two departments is the fact that most B2B marketing personnel lack a fundamental understanding of the sales process (few have a background in sales) or indirect channels and spend an unhealthy amount of time trying to shoehorn B2C marketing tactics and strategies into their limited B2B budgets.

B2C MARKETING	B2B MARKETING
<ul style="list-style-type: none"> • Marketing owns Customer relationship (<i>singular</i>) • Low cost per impression • Individual decision-maker • Tons of ad agencies, education and resources • Highly repeatable results • 10,000 gurus • Buzz • Marketing is a science • Measurement: # of transactions, store and web traffic • Executed at corporate on a highly complicated activity matrix • Influence the masses • Marketing gets budget 	<ul style="list-style-type: none"> • Sales owns Customer "relationships" (<i>plural</i>) • High cost per lead • Decision by committee • No known textbooks, only 3 colleges teach it (PSU, GSU, ASU) • Complex sales cycle • A few gurus • Endorsements • Marketing is "good enough" • Measurement: # of face-to-face meetings with qualified Prospects • Executed in conjunction with the Field Reps, much of it ad hoc • Influence a few hundred • Rock star sales execs

TABLE 1: COMPARISON OF B2C AND B2B

Yes, there are the occasional converts from Sales and engineering (like me) who want to see what life is like on the other side of the fence in marketing, but again, for the most part, Marketeers come from non-sales-oriented fields. Carrying a bag and selling something is not something most have spent much time thinking about, nor do they relish it today.

Not A Bad Thing, Just A Misunderstanding

It's not that any of these differences are bad. That's not my point. My point is that many B2B Marketing people have been heavily influenced by Consumer Marketing and at times may get into wars with Sales because of a misunderstanding of the role of Marketing in B2B channels.

The Role of B2B Marketing

“It’s just a numbers game. Our marketing is all about creating leads for our reps to qualify. Most of them are junk, but a few do become hot leads. The reps get a couple of meetings, find out what the customer needs, make a proposal and we get the business 20% of the time. The more leads our marketing creates, the better we’re going to do.”

Here’s another classic example of Consumer Marketing’s influence over B2B Selling. Spend money to bring in unqualified leads, let the sales reps sort it out, and life is good.

So, now let me ask the question: What IS the objective of your marketing? And for that matter, what is the objective of all B2B Marketing?

For B2B Selling, there is only one objective. And that is to **get your sales team in front of decision-makers**. That’s it. If I can get you a meeting with a qualified prospect, defined as a person with the **authority, budget, need, timeframe** and **desire**, and whose potential business **can be profitably serviced** by you, then I’ve done my job.

All too often, I see companies—even large companies—put all their faith, confidence and budget into creating marketing programs and sales training initiatives to get more activity at the top of the funnel. While there certainly may be a euphoric feeling from seeing thousands of unqualified leads come in through tradeshows, e-mail blasts and other outreach activities, it’s a trapdoor. You’re buying into the promise of Consumer Marketing and missing the whole point of what B2B Marketing can and should be doing for you.

Definition: A qualified prospect is a person with the authority, budget, need, timeframe and desire, and whose potential business can be profitably serviced by you.

B2B Marketing Is Not A Top-Down Process

So many companies make the mistake of building their marketing budget from the top-down. They start at figuring out how many newsletters they're going to send, how many emails, how many tradeshow, etc. I should know, I've made this mistake for years. By the time they get to the really important Marketing—the stuff that gets meetings with decision-makers—they've run out of money.

Throw out the notion of filling the top of the sales funnel with a bunch of junk and start your planning in the right place...in **the middle of the Sales Process**.

B2B Marketing Begins With The Middle In Mind

You heard me right. Don't start at the beginning. Start in the middle, that is, the meeting with the decision-maker. That's the objective, right? You want your field sales reps to have a face-to-face conversation with the decision-maker. Yes, you do have to know and respect the other people in the food-chain in your client's organization, but the objective of your marketing is not to load up your CRM system with 500 names at IBM. Besides, when you meet with the decision-maker at IBM, he or she will tell you who you need to know in the organization.¹

Internal Staff vs. External Resources

Now that we've established the role of B2B Marketing, let me discuss the various ways fast-track technology companies go about putting muscle behind their own outside sales personnel as well as their indirect (reseller) field reps.

What may appear as a very simple, binary decision between internal staffing and external agencies, consulting firms and contractors, the reality is that there are many sub-decisions that go into the mix.

Most companies with complex products and services prefer to insource as much as possible because of the fast-changing nature of their business. The pace is moving at such a rate that outsiders find it challenging to simply keep up, not to mention getting any real work done. As the company grows, internal staff can more

¹If you want to see a really terrific movie that demonstrates this point, rent or buy the movie, *The Pursuit of Happyness*, starring Will Smith. The entire movie turns on one key event when Will Smith's character, Chris Gardner, gets an appointment with the top dog Decision-Maker at a prospective firm.

easily manage projects, separating strategic from the more tactical or time-critical projects. At least that's what they prefer to do.

As you might suspect, the challenge comes when you have to actually go out and find people to be on your internal marketing team. As I've discussed earlier, the talent pool has an overabundance of consumer-oriented people, most of whom will struggle to work with your field sales personnel, not to mention the difficulty recruiting staff who may not find your particular technology interesting.

The talent pool has an overabundance of consumer-oriented people, most of who will struggle to work with your field sales personnel...

First-hand experience

My first wake-up call to this reality was when I joined U.S. Robotics, then a start-up company which was making the transition from modem and printer distributor to modem manufacturer. I was hired to lead sales and marketing—a team of 24 individuals. While Casey Cowell, my boss and president, had hired a small group of salespeople (run by his kid brother, no less—a story for another time) there was no marketing “department” in place. Our industrial design was done by the Beda-Ross agency in Chicago and Casey had put Burson-Marsteller (a PR agency) on retainer to give us a professional face to the editorial community. There was one marketing person on staff, a fellow by the name of John Cleave—a young Northwestern grad who had made up for his lack of marketing communications (Marcom) experience with raw enthusiasm. Along with an occasional contract graphic designer or writer, each of these people and firms were hired by Casey and reported directly to him (and now, reported to me).

Applying all I had learned in my MBA and from my former employer, Intel, I set out to create a cohesive sales and marketing team. It wasn't easy. USR did everything ad hoc. There was no process in place for sales and marketing to follow. No rules.

I made a lot of mistakes along the way, for sure, but one of the best things I did early on was to fire our PR agency—not for their lack of expertise or understanding of our business. I gave them their walking papers simply because they were too big for us. We needed a SWAT team and they were a battalion.

How I wish I could have known then what I know now. What follows is what I'd consider to be Best Practices—a summary of what I learned as a senior sales and marketing executive for high-technology firms over the past twenty-plus years since that job at U.S. Robotics in the 80's.

Building Your B2B Marketing Department in 5 Steps

There are five main functions in a B2B Marketing Department, which I've sketched out for you in **Table 2** at the end of this section. They are:

1. Customer & Market Field Research

This is where you get first-hand insight from all the influential people who use or talk about products in your field. Marketers refer to this list of influential people as your *audience*. You must do this at least once a year in order to properly gauge and adjust your marketing spend to what is needed in the field in order to get the outcome you and your executive team are expecting. Field Research is a non-negotiable.

Your research audience includes:

- a) Current customers
- b) Past customers who haven't purchased from you lately
- c) Prospective customers
- d) Buyers who didn't select your product (lost business)
- e) Trade editors and journalists
- f) Industry analysts
- g) Competitors

Options:

- **Internal resources:** Staff or contractors
- **External Resources:** Market Research firm as an ad hoc project or as a component of a larger engagement with a Management & Messaging Consulting firm, B2B Marketing Consulting firm, a Virtual Marketing Director or a Full-Service Agency

Guidance: When I was the person inside the company running marketing for technology firms I was never able to bring field research inside my organization. And it wasn't for lack of trying, either. The problem was human nature—people just wouldn't be as candid with me or my staff as they'd be with an unbiased third-party. Plus, outside firms provided something I couldn't give—anonymity.

2. Strategic Messaging

Strategic Messaging has three components. Each component should be summarized on a single PowerPoint slide. If you can't boil it down to three PowerPoint slides you've got a verbosity problem. Your Strategic Message is what I often refer to as the most expensive and valuable 3-page marketing document you'll ever create.

At a high level, the three components of your Strategic Message are:

- a) Buyer demographics (gender, age, education, geography, budget, average spend, prior experience, etc.)
- b) Rational and emotional decision making criteria (the checkboxes and the aspirations of your customers and their process for making buying decisions)
- c) Key Promise and Net Impression (what you're promising and the desired customer net takeaway)

Options:

- **Internal resources:** VP Marketing
- **External Resources:** A component of a larger engagement with a Management & Messaging Consulting firm, B2B Marketing Consulting firm, a Virtual Marketing Director or a Full-Service Agency

Guidance: Here again, like Field Research, I've found it nearly impossible to be objective about my own company and our products. Even agencies who do this work for a living hire outside professionals when it comes to developing the Strategic Message for their own firms.

3. Game Plan Development

So you're not confused, the term "Game Plan" is my own creation. And while you won't find it in any other literature, the concept is simple. Your Marketing Game Plan is a one-page snapshot of all your marketing activities for each quarter. More or less, it's a calendar that links marketing activities (in the first column) to specific target audiences (e.g., inactive customers, current customers, prospects). A quick glance at your quarterly Game Plan shows you where you're allocating marketing resources. All too often, organizations hand me stacks of paper and invoices so I'll know where they're spending their time and resources, but I never get the clarity I need to make important marketing decisions. The Game Plan encapsulates it into one page.

Whether you use my Game Plan format or someone else's, you need a visual tool that becomes your marketing dashboard.

Options:

- **Internal resources:** VP Marketing and Director of Marketing
- **External Resources:** A component of a larger engagement with a B2B Marketing Consulting firm, a Virtual Marketing Director or a Full-Service Agency

Guidance: This is clearly something that requires both an internal and external relationship. It's a collaborative effort. Managing this task internally without outside assistance won't get you the fresh perspective you need. Outsourcing all of it will prove to be expensive and will likely cause a disconnect within your own staff—especially your marketing operations project manager. The perfect-world scenario for me is when my client has an employee do the administrative work (i.e., maintaining the Game Plan form) and I provide periodic input on which activities make the cut.

**Staying on top of all the marketing activities has become
THE biggest challenge facing B2B marketing departments and agencies.**

4. Marcom and PR Project & Program Management

Staying on top of all the marketing activities has become THE biggest challenge facing B2B marketing departments and agencies. The pace is practically out of control. Fueling this has been the integration of all global marketing media, which puts a heavy burden on project managers (and the traffic departments, as they're known) to coordinate input and schedules. Even the smallest of companies find the most simple campaign now involves many more inputs, crossing all corporate boundaries.

A case in point is a weekly newsletter featuring new product pricing. Pricing involves the finance department and sales departments. The newsletter content is a collaborative effort between the product engineer (who happens to be a contractor in India) and marketing. The newsletter will be sent out electronically to a current list of customers and recent web visitors, which involves the web team to post (the web is contracted to a team in South Carolina and the artwork is on the company's collaborative intranet/ asset management portal. The list of recipients has to be merged and purged and may have to undergo some level of list hygiene for deliverability. And since there are product claims in the newsletter, the legal beagles need to sign off as well. And that's a relatively simple project that doesn't require a new layout or artwork and it's not coordinated to a trade show or other public event where missing a physical deadline could be career-limiting.

Suffice it to say, the same level of project coordination goes on inside a PR firm.

Options:

- **Internal resources:** Marketing Director or Project Manager (Marcom)
VP Marketing or PR Director (PR)
- **External Resources:** Project management firm or as a component of a larger engagement with a Marcom agency, a Virtual Marketing Director or a Full-Service Agency (Marcom)

PR agency as part of an ongoing business relationship (PR)

Guidance: Project or program management is a function that must be staffed no matter how small the relationship. There's no argument on this point. How the task is handled between the client and the external provider is something you'll have to experiment with to see which gives you the best results.

There is some advice I can give you, though. Do your best to agree upon common project management tools. That's where I see things slip through the cracks. It's also a giant time-waster trying to convert one person's Excel spreadsheet to the other's online project management wiki.

5. Marcom and PR Execution

So, after all this planning, someone has to get some work done. It's the great 80/20 rule in the marketing business. The previous sections (1-4) were all about planning and thinking and strategy. Overall, they add up to about 20% of your budget and time. While it may not seem that way in the early days when you're literally slogging it out to hone your message. Execution will consume 80% of your time and budget. Execution is all about making it happen. And if you've done a good job of planning, you will have minimized—not eliminated—the business risk.

Options:

- **Internal resources:** Marketing Director and staff (Marcom)
Marketing Director or PR Director (PR)
- **External Resources:** Design firm or freelancers or as a component of a larger engagement with a Marcom agency or a Full-Service Agency (Marcom)

PR freelancers or as a component of a larger engagement with a PR agency or Full-Service Ad & PR Agency (PR).

Guidance: The key function fast-track tech-savvy businesses need to staff is the Marketing Director position, because it is this position that acts as the principal arbiter of all the rest of the assignments. Reaching this threshold (i.e., when you can afford to bring on a full-time Marketing Director) is similar to bringing on a first outside sales person. Once the Marketing Director is onboard, the business owner(s) can start to catch their breath.

Organizing Your B2B Marketing Department—Internal Staffing and External Options

Organizing Your Marketing—From Strategy to Tactics & Execution	Internal Staffing Options	External Options					
1. Customer & Market Field Research <i>STRATEGY</i>	Staff or contractors	Market Research Firm	Management & Messaging Consultants	B2B Marketing Consultants	Fractional CMO	Full Service Marketing Agency	
2. Strategic Messaging <i>STRATEGY</i>	VP Marketing						
3. Game Plan Development <i>STRATEGY</i>	VP Marketing, Marketing Director						
4a. Marcom Project Management <i>TACTICS</i>	Marketing Director, Project Manager	Project Management firm	Marcom Agency				
5a. Marcom execution <i>EXECUTION</i>	Marketing Director and staff	Design firm, Freelancers					
4b. PR & Analyst Program Management <i>TACTICS</i>	VP Marketing or PR Director						
5b. PR & Analyst Relations Execution <i>EXECUTION</i>	Marketing Director or PR Director	PR freelancers	PR Agency				

TABLE 2: INTERNAL STAFFING AND EXTERNAL OPTIONS

How It Really Works (In The Real World)

You'll find that as your firm grows, you will go through a yin and yang of using internal and external resources. When you're a tiny business with less than 10 employees, you'll need to outsource everything. From 11 employees on (or more than \$5 million in top-line revenue, you'll find it easier to bring a key function inside—like a marketing associate or coordinator. You'll know it's time to do this when your sales team starts screaming for support materials or you need to go to four or five trade shows each year (that's a lot to coordinate) or your resellers are complaining about you dropping the ball.

The main challenge at this early stage is finding employees with experience. As I've mentioned earlier, for companies selling complex products and services to other businesses, it's nearly impossible to find the talent you so obviously lack. From my experience I've found that once you have that first marketing staff member, they'll need a marketing agency with the ability to get the work done to support your field sales reps. Huge bonus points if your external agency is willing to provide the coaching your marketing team needs.

When you grow beyond \$50 million (and likely \$75 million) you should be able to afford a full-time VP Marketing with real domain expertise in your field, and someone with a nice Rolodex of contractors and outside resources they can tap into as needed.

The next milestone is \$100 million. It's this range when you can hit stride and begin to staff a real marketing department, one that includes a heavy-hitter PR Director. And as you continue to grow, don't be surprised to see yourself turning back to outside agencies for the bulk of the work, once again.