

Marketing Outsourcing – Demystified

Marketing is a very challenging, but highly misunderstood function. This white paper discusses marketing outsourcing options that a CMO can leverage, talks about what and how to outsource and also talks briefly about how to go about selecting your marketing outsourcing partner



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Introduction

As a chief of marketing staff (CMO) or a marketing leader of a mid-size or large company, you will be worried about the role the marketing organization is playing in achieving the growth objectives set by the organization. Besides growth, you also want to bring in accountability to the function and have plans to scale and align the function with the rest of the organization. Moreover you want to bring in measurement metrics, which can clearly quantify success or failure.

Marketing is a very challenging, but highly mis-understood function. Managing expectations of senior management is usually a challenge and this is why typically it is seen that the average tenure of a CMO is just about 2 years. This, compared to a CFO's average tenure of over 5 years puts the challenge in perspective.

Given these challenges, this white paper discusses marketing outsourcing options that a CMO can leverage, talks about what and how to outsource. It also talks briefly about how to go about selecting your marketing outsourcing partner

Challenges faced by the CMO

The challenges faced by the CMO are the problems increasingly faced by marketing as a discipline off late. It has been long argued that one of the fundamental challenges of marketing that has undermined its credibility and threatened its standing within a company is marketing's failure to quantify its outcomes and justify investments into ongoing marketing activities. Some of the common problems that a CMO faces are mentioned below.

Inadequate budgets

Whether the economy is going through recessionary conditions or through boom conditions, getting the budgets you need approved is always a challenge. Several elements of marketing incur heavy expenses like participation/sponsorship of an event, market research engagements etc. To get the budgets approved in the overall marketing plan, CMO's usually have to fight a tough battle and clearly project the ROI of the investments made.

By engaging a marketing outsourcing firm, businesses can avoid or reduce the cost of additional full-time manpower, office space, team management bandwidth and can get access to specialized expertise in desired outcome areas. This ensures that they can achieve more from their existing budgets.

Marketing outsourcing frees up bandwidth of in-house personnel so that they can focus on their core activities including ensuring an increased brand presence.

Lack of a differentiated brand image

Each CMO battles to create a powerful brand image for the company that they work with. Brand building exercises are usually slow and take its own amount of time. Initially the budgets are available to execute on brand building and development strategies, but if results are not seen soon enough then the budgets start to dry up and it becomes more and more challenging to continue brand development.

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Lack of co-ordination with sales teams

Marketing has long evolved from being a tactical departmental function to an organization wide strategic discipline. Given marketers' knowledge about customers and other stakeholders, marketing plays a central role in leveraging the internal capabilities. CMOs face a tough time trying to assert such a central role within the company. Sales teams as well equate marketing to a department based function and usually fail to leverage the real strengths of marketing in their function.

Staying nimble and maintaining quick response capability requires a commitment to trained manpower. With attrition, and changing teams, budgets for development of in-house specialist's decline. The need arises to leverage outsourced resources that are well-versed in identified areas. The plus factor is also the tools/templates and process metrics that an outsourced agency can bring in, based on their past experience.

Outgrown current marketing programs

Since CMO's have a very short life span in any organization, it gets difficult for them to co-ordinate and balance the currently ongoing marketing programs with the new ones being planned. The true intent of past programs is difficult to interpret and usually hard decisions end up being taken, based on pure quantitative measures.

Outsourcing, based on defined targets and clear plans helps CMO's balance with current and planned marketing strategies, allowing the senior level personnel to focus on the core activities of the organization.

Measuring marketing outcomes

There can be considerable time lag between marketing actions and the intended outcomes (Sales, increased brand presence). Further, measuring these outcomes

will have to involve both financial and non-financial metrics. Given these underlying challenges, it is often challenging for the CMO to convince the top management of marketing's ability to competently allocate resources and significantly contribute to the company's growth.

Marketing Outsourcing as an option

Efficient marketing is at the heart of any successful business. It should remain a priority, regardless of the economic climate. But firms must find alternative mechanisms of achieving their objectives, both to de-risk operations as well as to manage cost. Here we discuss, how you can explore marketing outsourcing as an option, in some of the common functions within marketing, and how this can help you to meet your marketing objectives

Business Development / Lead generation

Any business, irrespective of what stage it is at will lose customers to competition because of a variety of reasons. Also any business usually will lay down stiff growth targets to be achieved.

To achieve all of this with current manpower, who have to keep shifting focus to attend to day-to-day tasks is always difficult. Working with specialist teams with clearly identified targets can ensure that you maintain focus and achieve your set targets.

Marketing Content

To be able to engage meaningfully with your current customers and prospects, you need to equip your sales channels with relevant content. Sales channels can then leverage this content during different stages of customer acquisition and conversion. Apart from this good 'thought leadership' content is also needed to pull more prospects to your business.

Building content with internal teams always remains a challenge, as priorities continue to slip amidst other activities. Ensuring a focused approach through an outsourced agency ensures that you have the artillery that is required to engage in the sales/marketing process.

Event co-ordination/ management

Sponsoring, attending events, organizing roadshows or hosting virtual events like webinars is very common in all marketing plans. This is usually the big-ticket item in marketing budgets, apart from advertising and needs a lot of money. Once the decision for the event is taken, it is imperative that you plan well for the event to ensure quick ROI.

In terms of marketing execution, several activities which can be clearly assigned targets, and have clear scope definitions, and can benefit from specialized expertise in that field can be good candidates for outsourcing.

Doing this with existing teams is usually a challenge, because existing teams are never ready for a heavy rush of activity coming their way. Working with an outsourced agency which can implement the entire plan to defined time deadlines is the need of the hour.

Marketing operations

Apart from these focused activities, marketing is also involved in a variety of other things like website content/navigation management, customer satisfaction surveys, managing newsletters to prospects/customers, executing mailing campaigns to support business development. It is important that these activities as well run to a pre-defined schedule. External help can ensure that there is transparency and accountability in these activities.

Marketing Research

While planning market expansions, companies invest in different kinds of market assessments, surveys and feasibility studies. Buying research is usually the costlier option, doing research yourself is the time-consuming option.

Engaging with an agency, which can define the research plan and execute it based on primary and secondary research seems to be a good option to exercise.

What and how to outsource marketing?

There are usually two elements to the marketing plan,

- the definition of the strategy and
- Managing and monitoring its effective execution in the marketplace.

Definition of the marketing strategy is something which is key to the DNA of an organization and should usually be retained in-house. However having said, that taking external help in consulting, data analysis, that can help arrive at proper decisions should definitely be taken.

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In terms of marketing execution, several activities which can be clearly assigned targets, and have clear scope definitions, and can benefit from specialized expertise in that field can be good candidates for outsourcing. Having an agency manage several elements of the marketing execution ensures consistent focus and undisturbed attention to these activities. This also ensures that senior management staff within the company has more time available to monitor the execution and take appropriate decisions based on data that is being generated.

How do you select your marketing outsourcing partner?

Now that you have reached a decision that it is worthwhile outsourcing several components of your marketing activities, how do you go about selecting your marketing outsourcing partner?

Is the vendor predictable?

Does he have tools/templates and the necessary expertise to ensure predictable response to you. Marketing is all about consistency in operations.

Can you trust the vendor?

When you work with an external vendor, several details of your marketing plan are shared with external parties. In this case, it is better to execute non-disclosure agreements and if necessary, get into some sort of exclusivity with reference to your solution/area of focus. This will ensure that you are not compromising on your market position.

Prior experience/ knowledge

Ensure that the vendor has had prior experience in dealing with something similar to what you want him to work on.

Product understanding

Ensure that the vendor can understand the relevance and other details about your product. If it is not possible to internalize the true essence of your products/services, it is difficult to get into marketing activities related to the same.

Ensure right size.

Ensure that the vendor you are working with is interested in your business and you are not just another customer for him. This will ensure that you get the necessary attention and the success in your marketing programs that you plan with him.

Summary

In today's environment many businesses are downsizing, re-prioritizing their focus or expanding whilst trying to keep costs to a minimum. Marketing outsourcing is a cost effective way to fulfill your business objectives.

Outsourcing frees up bandwidth for the senior management of an organization to focus on core business strategy and function.

About Xenia Consulting

Xenia Consulting is focused on offering outsourced marketing services to technology companies (software products & services) serving the B2B market space.

Xenia uses an optimum blend of marketing automation tools, internet marketing and our own unique methodologies (based on our rich experience) to deliver measurable results in your marketing operations. We understand your tight budget situations and have various engagement mechanisms to meet your budgetary requirements.

Xenia offers services in Demand generation (Lead generation, Nurture, Qualify), Marketing Content Management (Content creation, propagation, analysis). Xenia also offers services in event planning, event management and co-ordination. This is for managing both physical as well as digital events (webinars).

Through our experience, we have successfully handled marketing programs for a variety of enterprise solutions that are targeted at a number of industry verticals.

For more information, please visit

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