

# Chapter 4

## Anatomy of a Marketing Plan

*The aim of marketing is to make selling superfluous.*

—PETER DRUCKER<sup>1</sup>

### ■ WHY YOU NEED A MARKETING PLAN

In his classic book *Ogilvy on Advertising*, David Ogilvy, founder of one of the world's largest advertising agencies, reproduced an ad that speaks volumes about the challenge of marketing consulting services. The full-page ad shows a scowling, bow-tied executive with his arms folded across his chest, seated stiffly in his uncomfortable-looking wooden office chair, apparently addressing a salesperson. The ad copy displayed next to the executive reads:

*I don't know who you are.  
I don't know your company.  
I don't know your company's product.  
I don't know what your company stands for.  
I don't know your company's customers.  
I don't know your company's record.  
I don't know your company's reputation.  
Now—what was it you wanted to sell me?*<sup>2</sup>

That is a dead-on description of the uphill battle consultants face in marketing their services, but it is not the full story. Clients are so

buried in the constant avalanche of marketing hype that they pitch most of it into the trash without even a glance. And, they are usually indifferent to your business proposition unless it offers them *exactly* what they need at *that* moment. So the odds of your marketing messages getting through to your targets are probably less than the odds of hitting it big at a Las Vegas roulette wheel.

To attract the right clients precisely when they need your help, you must have a well-planned marketing strategy. Some consultants run their practices with no marketing plans at all. That is a mistake. Your marketing plan is more important than your business plan; it can mean the difference between building a successful practice and finding yourself in the unemployment line.

A comprehensive marketing plan is mandatory for you to thrive in consulting, which is an unpredictable, cyclical business. The consulting industry has a 75-year history of peaks and valleys. When times are good, clients hire consultants in record numbers. But when fortunes dip, discretionary spending on consultants often gets the ax.

Even in the best of times, consultants are faced with cutthroat competition and can lose longtime clients to mergers, takeovers, leadership changes, and corporate whims. To counter these uncertainties, guerrillas continuously maintain a creative, proactive, and systematic approach to marketing. And that begins with a solid marketing plan.

## ■ WHAT IS A MARKETING PLAN?

You can find various definitions of a marketing plan in any resource you check. For guerrillas, the marketing plan and the business plan serve the same purpose: to attract and keep profitable clients. The marketing plan articulates *how* you will get and hold on to those profitable clients.

Of course, the act of planning is based on the flawed assumption that you can see the future with clarity. In military circles, war planners bemoan that the best-laid plans rarely survive first contact with the enemy. Guerrillas embark on the planning process expecting that the path will take twists and turns along the way, but they also realize that they will never reach their goals without a guide.

## ■ WITH NO DESTINATION, ANY ROAD WILL DO

Duke Ellington, the celebrated composer and holder of the Presidential Medal of Freedom, once remarked, “A goal is a dream that has an

### SIX QUESTIONS TO JUMP-START YOUR MARKETING PLAN

Begin to think about your marketing plan by answering these questions about your practice:

1. What kind of consulting do you provide (i.e., strategy, financial, operations, technology, or health care)?
2. Why are your services needed?
3. What is the competitive situation in the market(s) you want to pursue?
4. Why should clients pick you instead of a competitor?
5. What substantial benefits do you bring to your clients?
6. Who cares whether you are in business?

As you address these questions, reflect on your personal and professional goals, the markets you'll serve, the industry contributions you'll make, and how you'll distinguish yourself from the crowd. Only then can you create a custom marketing plan for your practice.

ending." To create your marketing plan, first identify the dream for your practice and then work backward to plot your route. The result should be a series of steps that you can take to make your dream a reality. Each step will be an intermediate goal and will precisely describe what you must do to reach that level.

Business literature stresses the need for goal-oriented behavior to the point that many consultants have become desensitized to the idea. Before you start laying out your marketing route, set the foundation with a few powerful goals that drive your decisions.

The power of your marketing goals and your ability to achieve them depends on their simplicity. A few well-honed goals will take your practice further than an encyclopedic list of aims and objectives. You may choose to create goals in areas such as new business development with existing clients, market visibility, and professional development. As time goes by, you should revisit these goals to validate, challenge, and revise them. But you will have a starting point and that puts you ahead of most consultants.

## ■ CHOOSING YOUR GOALS

Consider the following ten marketing goals:

1. The specific clients you hope to attract
2. Ideal projects you'd like to complete
3. The steps you should take to become a better consultant
4. Your charitable contribution or pro bono goals, such as volunteering to serve on a committee for a community service organization
5. Your industry contribution goals, such as writing a topical article for an industry newsletter, speaking at industry conferences, or helping to organize a seminar in your field
6. The number of new relationships you want to forge
7. Improvement of your market visibility by developing a new publicity campaign, updating your Web presence, or undertaking a survey or poll on a topic of interest to your clients
8. Your financial goals, such as revenue, profit, and growth
9. Your life/balance goals, such as scheduling nonnegotiable vacations, setting a monthly limit on client service hours, or starting a new hobby
10. New service areas you'd like to develop, which might mean expanding the scope of a service you currently offer, adding capabilities to your practice by hiring new people, or building new services

Powerful marketing goals are inspiring. What's even more important is to confront the question: How will these goals help serve clients more effectively and profitably?

## ■ WHO ARE THEY GOING TO CALL?

It is a myth that consultants can be all things to all clients based on their wits, experience, and consulting process. Clients are not buying that anymore. Guerrillas know that you must be the leader in an area of expertise that is in demand. An example of this principle is firefighter-extraordinaire, Red Adair. For more than three decades, Adair battled the worst wildcat fires on remote offshore oil rigs and oil fields. In 1991, when hundreds of oil-well fires burned out of control

in Kuwait and threatened the global environment, the U.S. government knew exactly whom to call.

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#### GUERRILLA TIP: YOU CAN'T DO IT ALL

You can't be an expert at everything, so don't try to be all things to all clients. Focus on doing a few things and do them exceptionally well.

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To deal with that crisis, the government didn't call just any firefighters; it called the undisputed authority on handling such emergencies, Red Adair. Although his firm probably wasn't the only one with the ability to control the menacing blazes, it was considered the best of the best. Adair and his crew might not have been called for every emergency, but you can bet they were paid well for the assignments they received. Like Red Adair, consultants who have recognized competence and strong results in a specific area can achieve consistent paydays.

### ■ STANDING OUT IN A CROWD

In side-by-side comparisons, most consultants look pretty much the same to clients because consultants tend to mimic each other's marketing identities. Differentiating your practice from the competition, even slightly, can bring you more clients, higher fees, and lower cost of sales. Too often, consultants attempt to distinguish their practices in ways that have little or no influence on the reasons clients hire consultants. As a result, clients have come to view consulting services as a commodity like winter wheat or pork bellies. They have also put the commodity label on legal, medical, and financial services.

In his classic 1986 book, *The Marketing Imagination*, Theodore Levitt reminds us, "There is no such thing as a commodity. All goods and services can be differentiated and usually are."<sup>3</sup> No matter what service you provide, you must convince clients that you have more to offer than the norm or they will view you as a mere commodity.

If your services are considered to be a commodity, you will face severe price competition—if you even get called. Although no two consultancies are identical, the staggering numbers of consultants out there and their marketing efforts have created the perception that most consulting firms are indistinguishable from each other.

It doesn't help that many consultants cast a wide marketing net to snare any and all potential clients. In some cases, their marketing pitches reach a level of abstraction that makes it virtually impossible for clients to understand what the consultants actually do.

A typical Web site states, "Our service offerings are designed to help our clients generate revenue, reduce costs and access the information necessary to operate their businesses on a timely basis." Sounds good, but how are they going to do that? Check out 15 other consultant Web sites, and you'll find lots more of the same. Not only do the sites look alike, they all make equally ambiguous, noncompelling claims.

Fuzzy marketing communications are guaranteed to result in fewer sales, lower fees, and anemic profit margins. Consultants who compel attention can easily eliminate competition from me-too firms. Prospective clients often call me-too consultants simply to create the illusion of competition. The me-too firms then squander their precious resources chasing sales opportunities they never had a chance of winning.

Guerrillas seize on the consulting industry's lack of marketing differentiation to produce precise, cogent statements of their specialized expertise—that's what makes the telephone ring. For example, one firm states, "We help nonprofit organizations strengthen donor loyalty, enhance board dedication, and expand community commitment."

A clear statement of your firm's uniqueness simplifies the marketing challenge by informing prospective clients exactly who you are. It separates you from the pack. It also saves you the time, energy, and expense of educating prospects who may not understand, or need, the services you provide.

## ■ EIGHT DIFFERENTIATORS THAT DON'T WORK

You can start by avoiding the following eight mistakes. Using any of these trite, overused, ineffective pitches will show clients that you are not creative and are living in the past. Clients don't have the time or patience to dig deep to identify what differentiates you from other consultants; don't expect them to do so. Jettison these surefire losers when you explain why your practice stands above the crowd:

1. *Quality service.* Every client expects consultants to provide "quality" service. Every competitor will make this claim, thereby neutralizing its impact.

2. *Best price.* Most clients do not hire the cheapest consultants to handle their toughest problems. A study on the impact of varying pricing methods showed that almost 50 percent of the professional service firms trying this strategy reaped no measurable increase in sales.<sup>4</sup> Clients rarely choose the lowest-price candidate or the one with the most pricing options. Some clients, such as those in the public sector, are exceptions: Lowest price may always be their primary criterion.
3. *Methods, tools, and approaches.* If you hire a carpenter, you expect that tradesperson to show up with all the tools needed to complete the job quickly and efficiently. Clients expect the same from consultants. A study on effective differentiation strategies of professional service firms showed that 40 percent of firms that boasted new techniques and tools to deliver services ended up with dismal marketing results.<sup>5</sup>

Trying to sell services based solely on your consulting prowess is foolish. Competitors with newer and ever more complex tools will pop up every time you take that approach. Clients expect every serious competitor to have the proper tools.

4. *Service responsiveness.* It is a waste of your breath to promise clients quick responses to questions or on-time and on-budget project performance. Clients who pay high consulting fees expect quick service, and they will pressure you to provide it. Unless you can move quickly, they'll find firms that can meet their demands.
5. *Credentials.* Many firms stress the academic pedigree of their team to show why they are special. However, most clients couldn't care less where your team was educated; they want to know what your team has done that relates to their project.
6. *Importance of the client.* Some consultants stress how important clients are to the firm's business and promise them special attention. Clients will shrug off this offer as hype unless they have a special status with your firm that confers benefits to them not extended to others.
7. *Testimonials and references.* Don't provide clients with testimonials. Instead, show them your complete client list and invite them to call whomever they wish. Clients will contact the firms they know and put more stock in the opinions of their trusted network members than in praise from unknown clients.
8. *FUD.* Consultants often try to convince clients that there is an urgent need for a specific service by instilling fear, uncertainty,

and doubt (FUD) in their minds. Clients routinely see through this ploy and will stop listening if you try it.

## ■ NINE DIFFERENTIATORS THAT DO WORK

Distinguish yourself by focusing on how you will provide benefits and insight for clients. Zero in on clients' needs and give them solutions, not slogans:

1. *Category authority.* Nothing trumps the power of undisputed competence. The market embraces experts far more quickly and rewards them with higher fees than jack-of-all-trades consultants. Most people don't call a general contractor to fix a plumbing leak—they call a specialist, a plumber. Similarly, a client who wants to develop a plan for employee retention is more apt to look for help from a consultant with relevant expertise than from a generalist consultant.
2. *Simplicity.* Some consultants get so enamored with the elegance of their solutions that they fail to make sure that clients understand the offering and feel good about buying it. If you are proposing a complex service, show it to the client in small pieces, instead of in one overwhelming chunk. Support each part of your proposal with white papers, in-person meetings, and case studies. Recognize that it may take clients time to comprehend the brilliance of your ideas. Be patient, expect multiple interactions, and educate clients at their speed, not yours.
3. *A real guarantee.* As suggested earlier, offer your clients a tangible guarantee such as that turnover will decrease by 10 percent or that production capacity will increase by 7 percent. A few words of caution: If you offer a guarantee, make it simple and easy for all parties to understand. A guarantee that looks like a piece of congressional legislation loses its punch.
4. *Giving something away.* In the early stages of relationships, clients continually size up their experience with you. Move relationships forward and demonstrate the power of your practice by offering a complementary seminar, a telephone briefing, or a research report that could benefit the client.

A wine industry consultant periodically holds an open house for wine company executives, where they discuss pressing issues. The consultant does not charge for this service, and

clients and nonclients can attend. Studies have found that consultants' one-on-one interactions with clients are the most effective way to reduce clients' perception of risk; flashy marketing materials are considerably less effective.<sup>6</sup>

5. *Honesty.* Clients are ultrasensitive to overblown claims about results. They sense fact from fiction in marketing communications, so report only honest results and tell clients what they can realistically expect if they work with you. Reality wins and hype loses in the era of guerrilla clients.
6. *Highly recognized, third-party testimonials.* Clients are more likely to react favorably to testimonials from respected, well-known authorities in their fields. If your firm has an active, productive alliance with a university, think tank, or other well-known institution, an endorsement from that organization adds credibility to your marketing message and provides an additional measure of security for clients.
7. *Being first (at something).* To emerge from the pack, stress one benefit that you are the first or only one to offer. You may need to search through past projects, but after some digging you'll find it. For example, your firm may have been the first to increase a client's profits by reducing sales.
8. *Innovation.* Consulting firms tend to hawk similar services. A few firms innovate boldly and bring new ideas that change their clients' competitive positions. You will also find fast-follower firms that develop practices around a set of client services only after demand has been established. Being regarded as an innovative firm will inspire forward-thinking clients to call you. You'll be the first one in and will set the agenda for your competitors.
9. *Defying conventional wisdom.* A herd mentality dominates the consulting business. When a new service is hot, firms rush to clients with marketing materials and aggressive sales campaigns. This has happened repeatedly with the Y2K scare, reengineering, e-business, and outsourcing. When the tide of a new service seems to be rising, most consulting firms say, "jump in the water." Others, however, take a reasoned, but contrary view of megatrends before entering the fray.

Focus on bringing original, independent, and insightful thinking to clients on trends and developments, not the latest babble. In the long run, you will gain clients with your balanced and independent approach.

## ■ WHAT ARE YOUR STRENGTHS?

To discover the areas where you can stand out in the crowd, you must identify your strengths. What are you really good at helping clients achieve? What can you help them increase, reduce, improve, or create? Maybe you can help clients create new products or services, improve the quality of the information they use to make decisions, or reduce employee turnover.

When thinking about these questions, you might find it useful to look at the list of possible drivers of consulting value in Chapter 17 (see Table 17.1). Reflecting on your strengths will help you differentiate yourself from the competition. It will also help you clarify the specific clients you want to target in your marketing.

## ■ HITTING YOUR TARGETS

Carefully choose the market(s) you wish to serve and those you will ignore. Then relentlessly pursue the market(s) you select. Some consultants try to be all things to all clients and end up squandering their marketing resources because they lack market focus. The guerilla aims, not at a mass market, but at targeted markets that use consulting services.

It is easy to target too broadly. Some consultants serve the small business market, but find it impossible to provide compelling offerings to so broad a group of clients. If you target small businesses, narrow the field to a few segments and build your presence with those segments.

Other consultants choose to serve an industry like health care and then narrow their focus, say, to life science companies. You can also target specific companies within an industry.

Some firms specialize in addressing particular functions or problems that are not industry specific, such as employee diversity. They choose target organizations based on functional knowledge of human resources instead of relying solely on industry knowledge.

## ■ HOW TO COMPLETE A MARKETING PLAN

For more than 50 years, Mr. Potato Head, the world's first "action" figure, has been sparking the imagination of children. His mock-potato torso and pile of accessories give a child's creativity free rein to invent distinct characters from an assortment of eyes, ears, limbs, and outfits.

For guerrillas, Mr. Potato Head epitomizes the creating of a customized marketing plan: Sort through a variety of options to create a unique blueprint that will attract profitable clients to your practice at the least possible cost. Keep in mind that a primary objective in working with clients is to make their complex problems or issues simple to understand and solve. The same logic applies to the creation of the guerrilla's marketing plan—you want to simplify a complex task.

To focus your thinking on the plan's most critical elements, first write a one-page marketing plan. Show the plan to others for their feedback, and expand the plan once you have refined your main ideas for reaching your markets.

Guerrillas build their plans around seven sentences:

1. Sentence one explains the purpose of your marketing.
2. Sentence two explains how you achieve that purpose by describing the substantive benefits you provide to clients.
3. Sentence three describes your target market(s).
4. Sentence four describes your niche.
5. Sentence five outlines the marketing weapons you will use.
6. Sentence six reveals the identity of your business.
7. Sentence seven provides your marketing budget.

The following three sample marketing plans illustrate how to incorporate these seven points in your plan.

### ► **Sample Marketing Plan 1: Spinnaker Consulting**

The purpose of Spinnaker Consulting's marketing program is to make Spinnaker the leader in selling high-profit services to the world's major boat manufacturers and boating suppliers. This will be accomplished by positioning Spinnaker as the industry expert in helping clients accelerate manufacturing operations, improve sales processes, and boost product profitability.

Our target market is the chief operating officers, sales executives, and manufacturing executives of the 50 largest boat manufacturers and their suppliers. The firm's niche is to provide practical, action-oriented advice that guarantees clients will achieve improvement in profitability that exceeds Spinnaker's professional fee.

We plan to use the following marketing tools:

- A Web site that promotes Spinnaker and provides resources for our clients

- A free monthly electronic newsletter (zine) on topics of interest to clients and prospects
- Presentations by our consultants at targeted trade shows
- Direct mailings to follow up on contacts made at the trade shows
- Publication of articles four times a year in industry trade journals
- Sponsorship of one regatta each year, for which we will seek free publicity
- Semiannual seminars on profit improvement strategies for boat manufacturers
- Promotion of seminars on our Web site, in our zine, and with paid advertising in industry publications

The Spinnaker team will be seen as creative, collaborative, highly competent, results-oriented, and easy to work with. The marketing budget for the practice will be 20 percent of fees.

### ➤ **Sample Marketing Plan 2: FairPay Consultants**

The purpose of FairPay Consultants' marketing program is to establish FairPay as the premier firm in designing and implementing equitable executive compensation programs for clients in the Financial Services and High Technology industries. We will do that by positioning FairPay as the market leader in developing compensation programs that are market based, equitable, and highly tailored to the needs of the individual client.

FairPay will target human resources executives, compensation specialists, and board members in the Financial Services and High Technology industries. The firm's niche is to use data-driven analysis and the expert judgment of its consultants to create equitable executive compensation programs that save up to 15 percent of the client's total compensation.

We plan to use a variety of marketing tools to reach our targets:

- Yellow Pages ads in major metropolitan areas
- An annual 80-page guide to executive compensation
- A paid subscription to a review of the latest trends in executive compensation, published three times each year
- A free, quarterly zine covering the latest government regulations on executive compensation

- ▶ Speeches at annual conferences of human resources, financial services, and high-tech industry associations
- ▶ E-mails delivered after every speech informing our contacts that summaries and slides from the speeches are available on our Web site
- ▶ Publication of annual articles in *HR* and *CEO* magazines
- ▶ Use of the firm's Web site as a repository for information on executive compensation
- ▶ Development of a continuous search engine optimization program that will attract targeted clients to our Web site
- ▶ Two pro bono projects for charitable or civic groups each year

FairPay will have a reputation for using fact-based analyses with strong business judgment to prepare recommendations for client consideration. The marketing budget will be 15 percent of fees.

### ▶ **Sample Marketing Plan 3: TechNot Consulting**

The purpose of the TechNot Consulting marketing plan is to make the firm the leader in helping clients capture the return on investment (ROI) for their existing technology investments. We will do this by positioning TechNot as a technology-savvy, but not technology-dependent, firm that focuses exclusively on helping clients get a higher return on their information technology investments.

TechNot will target executives in the health care provider and insurance markets who have responsibility for the budget and performance of their organizations' information systems. The firm's niche will be to guarantee technology-operating improvements, such as lower cost of operating computers and better-trained employees, without spending additional money on hardware or software.

We plan to use the following marketing tools:

- ▶ Distributing to targeted clients the results of a satisfaction survey of technology performance and effectiveness
- ▶ Conducting a direct mail campaign to 20 top health care CEOs after our speech at the annual conference of health care CEOs
- ▶ Developing a Web site diagnostic tool that will allow prospective clients to rate the effectiveness of their existing information technology
- ▶ Hosting a series of teleseminars entitled "Before You Spend More on Your Systems"

- Publishing articles in the three major health care and insurance journals each year
- Producing a monthly zine on how to get the most from your information technology investments.

Our consultants will be known for educating clients on how to achieve swift, excellent results; helping them do that; and then getting out of their way. Volunteers from our firm will give back to the community by participating in a local hospital's technology training program. The marketing budget will be 12 percent of fees.

The marketing plans for these three consulting firms are short and to the point. They state the purpose of each business, how the purpose will be achieved, the target markets, and the tactics each will use. The plans differentiate the practices by focusing on their competencies; one adds a guarantee. The plans highlight the precise niches the firms will serve and describe the firms' cultures so clients will know the kind of people they will be working with, from the start to finish of projects. Most important, these brief plans show how the firms will make multiple impressions on clients and the market to generate sales leads.

#### GUERRILLA INTELLIGENCE: DIVVY UP YOUR MARKETING RESOURCES

The preceding examples illustrate the basics of designing a customized marketing plan. Now add one more layer to the plan—how you will allocate your marketing budget and other resources (time, energy, and effort) to target three groups of clients:

1. *Current clients.* This is the smallest of the three groups but, as mentioned, existing clients should generate the largest percentage of your profits. Plan to devote 60 percent of your marketing efforts to these clients.
2. *Prospective clients.* Your goal is to convert prospective clients into clients—if they fit your client profile and have problems that you can solve. Commit 30 percent of your marketing resources to win work from this group.
3. *The broader market.* This includes everybody in the business world not represented in the first two groups. Invest 10 percent of your marketing resources in the broad market. Devoting resources to this group is less efficient, but it has the potential to generate important contacts and leads.

## ■ IT'S ALL RELATIVE

The 60/30/10 percentages are rules of thumb, not gospel. The one size fits none principle of guerrilla marketing applies. Every consulting practice is different and must customize its marketing approach. And how you combine tactics and decide to allocate your resources among the three groups of clients will change from time to time. The preceding marketing plans are intended to spark your creative ideas and keep them rolling until you arrive at your destination.