



5 Questions CEOs Should Ask Marketing Firms

Introduction

Whether you're hiring a marketing firm or making an internal hire, leaders of business-to-business (B2B) companies need to ask a lot of questions about marketing. Because marketing is a relatively new business function for most B2B companies, the leaders are still learning what they should be doing in marketing, and how. It's important to understand **where marketing can grow your business, and what it will take to become an effective marketer.**

If you're hiring a marketing firm or internal leader, here are 5 questions to ask, and what to look for in the answers.



Question #1: When Will Our Marketing Pay Off?

The top concern of any executive new to marketing is usually how much time it will take to get results. The question they ask marketing firms is often phrased in a more blunt fashion: “**How long will this marketing stuff take to produce revenue?**”

The short answer? It takes *TIME*. The long answer? It really does take time. For B2B companies, marketing doesn’t produce results in a month or two. In fact, it might not produce results (if you define results as revenues) in six months. A lot depends on the purchase cycle of the products and services your company sells. If it takes 9 to 12 months for buyers to make a purchase decision, it will probably take marketing that long to show results.

Most marketing firms take a phased approach to delivering marketing initiatives, which then lead to revenue results. In the early stages of a marketing relationship, here are some reasonable milestones:

- **First 4 – 8 weeks:** Create a strategy, in which the marketing firm clarifies your target market, value proposition and messaging.
- **Next 4 – 8 weeks:** Produce new sales collateral so your sales team can sell confidently.
- **Concurrent 4 – 12 weeks:** Build a website that is based on a keyword strategy, if a solid website doesn’t already exist. Timing will depend on the complexity of your business, though. A company with a single product line should be able to get a good site up in 4 - 5 weeks. A larger organization with multiple product lines and divisions will take much longer.

Question #1: When Will Our Marketing Pay Off?

(Continued)

- **Concurrent 2 - 4 weeks:**

Establish pay per click advertising (if it's appropriate for your target market and type of business).

buying cycle, these prospects might convert to revenue in a few weeks - or in the case of more complex purchases, in a few years.

- **Within first 4 months:**

Benchmark your marketing metrics like leads, size of prospect database and website visitors. Every company will have a different scorecard, and it's important to start measuring at the beginning so that you can measure progress and refine the plan based on results.

B2B companies should expect their marketing firm to produce measureable pipeline growth and be running smoothly within the first year.

Once a marketing foundation is built, most companies can expect growth in their pipeline within 2 – 4 months, meaning they engage prospects and are able to build and nurture leads. Depending on the



Question #2: How Much Time Do Our Executives Need To Commit To Marketing?

Smart executives know that even though they're hiring a marketing firm, they'll have to invest their own time as well. This is especially true in the early days of marketing, where all of the strategy and planning take place.

Curious about what how much time your team should expect to spend on marketing? Here's a quick breakdown of who should be spending time to ensure marketing is effective:

- CEO (or supervisor of the marketing firm) - at least one hour a week (two – three hours per week in the first month) to communicating with the marketing team. This is vital. If the CEO doesn't spend time with the marketing firm, they will not be able to align with management's goals and vision.
- Senior management - 5 to 10 hours in total over the first six weeks to develop and confirm the marketing strategy and tactical plan. Group sessions are a good way to maximize time and create shared understanding among the senior team.
- After the strategy and foundation is complete it's time to start content marketing. The marketing firm will prepare a significant content piece (for example a white paper or some other form of thought leadership) once every few weeks or months. Your technical experts—that is, the people with the greatest knowledge of the subject matter—should expect to spend 5 - 8 hours on a quarterly basis to review drafts and variations of the content.

Managing a marketing effort doesn't have to take up scads of time. However, you should be prepared for your team to devote some time to working with your marketing firm. After all, your involvement is the best way to guarantee your marketing success.

Question #3: Where Should We Start?

Because there are dozens of different things you can do in B2B marketing (everything from traditional tactics like trade shows and direct mail, to newer efforts like webinars and search engine marketing), it can seem overwhelming and daunting to just take the first step.

Instead of blindly picking one or two tactics and dashing forward, it's better to make a plan. Confirm your marketing strategy, decide on the target market you're going after, come up with a value proposition (a succinct "this is what we do" statement) and choose what position you want to take in the market. **Only when you have those things locked down should you start looking at different ways to execute them.**

From there, think about the customers you're pursuing, and what you're promoting. Most people will jump into pursuing new customers and promoting new services to them. The far better ROI, though, is to sell to your existing customer base: upselling and cross-selling is where you should start.

Next up is your tactical roadmap. This is where you decide on things like developing a new website, putting together sales collateral, creating content and the like. Consider what will get you the best ROI; don't go with flashy marketing tactics first if you haven't built a solid foundation. (Building good marketing is like building a house; without a solid foundation, it'll just fall apart.)

Question #3: 'Where Should We Start?' (Continued)

Overall, while the efficacy of different marketing tactics will vary from business to business, there are some that are almost always a good starting point.

- If you don't have a website that represents you well, this should be your first priority. It doesn't make sense to do a bunch of advertising that sends people to a sub-par site. It will just scare potential customers away.
- Sales collateral is important, too. You need decent sales support material to help your sales team go out into the market with confidence.
- Email marketing delivers excellent ROI. While CASL legislation has affected who you can email, if you have a large

customer base or have educational content to deliver to your target market, consider email.

- There's a lot of buzz around social media, but don't jump into social if you haven't built up a thought leadership repository. While many people call social media "free," it really isn't. It takes time and intelligence to do it well.

These four principles will serve you well when deciding where to start. Just remember not to be overwhelmed by your options: it's better to do a little bit really well than to try everything and have it all fall apart.

Interested in more information? Read [How to Choose the Right Marketing Tactics for Your Company.](#)



Question #4: How Will We Know If Our Marketing Is Working?

This question is sometimes phrased as ‘**How will I know if it’s time to fire my marketer?**’ Yikes!



As Question 1 illustrated, marketing does take time to show results, so impatience can seriously threaten success. But at the same time, you shouldn’t have to wait six months to know whether your efforts are making any progress.

The first 4 – 5 months are the most crucial for setting your marketing efforts on the right path. That’s when your marketer or marketing firm should be creating the strategy and putting the marketing foundation (keyword strategy, website, collateral and content marketing machine) in place. If your marketing firm can accomplish these tasks in the first several months of working with you, it’s safe to say you’re on the right track.

But it’s important to note that if a marketing firm *hasn’t* accomplished those things, it doesn’t necessarily mean they’re failing—especially if your company has never done any real marketing before. As long as you see that

progress is being made on coming to decisions and building the marketing foundation (that is, your messaging, website and collateral), you should probably stay the course.

But if after 6 months you have seen no tangible results from your marketing firm - no signs of a new strategy, no road map to new collateral, no work on a new online presence—consider it a red flag. An inability to get *anything* accomplished in the early days is a harbinger for more of the same in the future. Either your marketer is incompetent (what many leaders tend to think), or your company is unable to make decisions. It can be either – so you’ll need to put a lens on your own team to make a fair evaluation. Companies who’ve had a string of marketers who haven’t been able to achieve results often need to consider the possibility that the problem lies with themselves.

Question #5: How Much Does Good Marketing Really Cost?

When you want your marketing to make a difference, you have to be prepared to spend money to make it happen. Generally, the benchmark for a business-to-business (B2B) company is to spend between one and five percent of target revenues on marketing.

The 1 – 5% benchmark is helpful to establish a rough budget. Here are some additional considerations for refining the budget for your company:

- Software and tech companies tend to spend **up around 15% of revenues on marketing**.
- **B2B businesses in industries with tight margins**—such as distributors, or firms in more mature sectors—often spend less than 0.5%.
- Companies planning a product launch should **expect to spend 5% of their Year Five target revenues**—that is, what they expect to bring in five years down the line—in the first year of their marketing budget. So if you're aiming to generate \$10 million in sales five years from now, you should be spending \$500,000 on marketing this year.
- **Very small companies may have to spend a higher percentage** of overall sales on marketing in order to get a return. For example, if you do \$1 million in annual revenues, a one-percent marketing budget only works out to \$10,000—not enough to make a dent. You'll have to spend a higher percentage in order to gain serious traction.
- **The way you position your organization** factors in your budgeting as well. If you're building a reputation as a premium company, you will need to spend more on top-tier marketing that properly reflects your brand. On the other hand, if you're selling yourself as the most cost-effective solution, fancy marketing won't fit your strategy.

Question #5: How Much Does Good Marketing Really Cost? (Continued)

- As a rule, companies who haven't done marketing in the past should expect to spend more than those who haven't, especially in the first year when they're getting things going.

Of course, every company is different, so you'll need to adapt these general parameters to your reality. But these guidelines will let you know, at the very least, whether you're spending more (or less) than you ought to be. And that should put your mind at ease!



Summary

For most B2B companies, marketing is a new initiative that comes with a learning curve. These 5 questions should help you navigate the process of finding a good marketing firm or making a good marketing hire.

Interested in the differences between a marketing firm and an in-house marketer? Read **“Should you Outsource your Marketing or Hire a Marketing Manager?”**

About The Mezzanine Group

The Mezzanine Group is a new kind of marketing company that provides an alternative to hiring full-time marketers or retaining a traditional outside agency.

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