





Strategic Marketing

By Lynda C. McDermott

In today's competitive business environment, a sophisticated, proactive approach to marketing your HRD services is crucial. That involves a lot more than putting out a brochure; it requires a well-designed, strategic marketing plan.

As most human-resource professionals know, the field is dynamically changing, especially in the area of "marketing" their HRD services. The changing demands of internal and external clients and the business environment are bringing about changes in the ways that HRD specialists present themselves and their services. The following factors are influencing that process:

- More and more, clients are recognizing that people issues are critical to competitive success.
 - The pace of change and the complexity of people issues force clients to seek timely, innovative, and practical solutions.
 - Clients expect specialized competencies and value-added services from HRD professionals.
 - Clients are more sophisticated and more cautious in buying professional services.
 - Downsizing of organizations has led to increased pressure on internal HRD professionals to deliver needed services.
 - Competitive bids and "price-shopping" are becoming more common; line managers will often bypass internal HRD groups and seek outside help.
 - The length of time it takes to sell an HRD project or program has increased dramatically and more decision makers seem to be involved in the process.
 - Clients expect more than just project results for fees paid and time spent; they want consultant-initiated personalized service and attention.
- The marketing of professional services used to be considered unethical

for HRD

Make or buy? Must we choose?



For years people have faced the question of whether to make or buy products. Of course, we haven't always had an option. For example, when our grandparents wanted a suit, they had only one choice, to have it tailored. This was time consuming and costly; however, the suit typically fit quite well and styles could be created to meet individual tastes.

With the advent of mass production came off-the-rack clothing. Now, individuals could buy premade clothing at a greatly reduced price. Of course, the garments never exactly fit, but the savings in time and money offset the inconvenience of an imperfect fit.

Today, when it comes to a quality purchase, most of us have found a way to enjoy the best of both worlds. We purchase a high quality garment, and then have it altered. The product is 90% completed before we purchase it, allowing for the economies of scale of factory production. The final 10% is completed to our exact demands by a local tailor.

And so it should be with training materials. You shouldn't have to make a choice between producing materials that fit your company's exact needs, and purchasing off-the-shelf materials that offer high production quality, but may not match your culture. You should be able to enjoy

Off-the-Shelf Tailoring.

and unnecessary. Now that image is changing, but many HRD professionals still resist the idea of having to "sell" their services. Others believe that "marketing" means simply preparing a brochure or writing a newsletter. But successful HRD marketers are initiators of change—that's what they have to sell their services.

As the competitive environment changes, the need is emerging for proactive HRD marketing. Evidence of that comes from internal and external HRD professionals who were recently asked to identify their biggest marketing challenges. Their responses included

- how to develop client relationships that will result in new or follow-up projects;
- how to gain credibility with prospective clients;
- how to gain visibility in the market place;
- how to better focus products and services for specific groups;
- how to gain confidence in dealing with large clients or high levels of management;
- how to identify target markets;
- how to maintain the budget or cash flow while targeting new markets;
- how to divide time between the roles of salesperson, staff manager, and hands-on consultant;
- how to get into companies or divisions where they have no presence;
- how to gain a better understanding of clients' business issues, such as strategic plans, trends, and problems.

HRD professionals seem to recognize the need for better marketing and the difficulty of the marketing process. Faced with a complex environment, they are realizing that they must become more sophisticated and disciplined in the strategic marketing of their services.

What is strategic marketing?

Some HRD professionals still think that marketing plans are unnecessary. They'd like to believe that their expertise and accomplishments will speak for themselves. And even among those who recognize the need, the concept of strategic marketing is often misunderstood. It is equated with brochures, speeches, or the selling process itself.

Strategic marketing, however, is a conscious and systematic process that involves the following steps:

- selecting target market segments using such classifications as industry,

readiness for HRD programs, company or division size, function (MIS or operations), or issues such as productivity and retraining;

- analyzing the specific needs of those market segments;
- developing the capabilities to address the target markets' needs with staff expertise, training programs, and assessment tools (that includes determining prices and delivering service options);
- designing visibility and credibility strategies to increase recognition and reputation in the selected marketplaces;
- identifying prospects and making sales presentations to specifically address prospective clients' unique interests;
- providing the highest quality of professional services on client projects;
- managing professional/client relationships to ensure ongoing mutually beneficial partnerships.

Keys to marketing success

As you begin to use a strategic marketing process, how can you improve your chances of success?

First, you have to begin to think like a marketer. Become familiar with marketing terms and use them. Internal HRD practitioners, especially, tend to reject marketing ideas as having no relevance to them. Don't fall into that trap.

Know your marketplace. It is important to understand not only the needs, perceptions, and attitudes of clients, but also the strengths and weaknesses of internal and external competitors. Get a handle on general business and social trends.

When going through the process of identifying target market segments, select those

- with people-related business issues that need to be addressed;
- in which you have some level of experience;
- where HRD is not a totally foreign concept.

It is no longer enough to be a good generalist. Your clients are looking for genuine understanding of their organizations and "end-user" solutions. You cannot be "all things to all people." Distinguish yourself by specializing in meeting a discrete number of segments' needs. For example, become an expert in performance appraisal, not just a stand-up trainer.

But resist the temptation to look only for ways to sell what you know; that's the classic product-looking-for-a-market approach. Instead, look for opportunities to help your clients solve problems. To do that, you'll need to know who and what influences the buyers of HRD services in your target markets. Look for ways to develop strategic alliances and a referral network in the marketplace. For example, taking a line manager to lunch could help you gain access to buyers. Live in your markets. Go to clients to find out what their needs are; work on developmental projects together.

Find out what your image is in the marketplace; only then can you develop tactics for enhancing or changing it. You can do that by creating advisory councils or focus groups to gather information about HRD needs;

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have them learn about clients' perceptions of your performance in meeting those needs and providing services. Once you know how people perceive you, you can differentiate your group from your competitors and create a unique position in the marketplace. For instance, you could make a name for yourself with industry or functional expertise, technological innovation, or service and reliability.

Being good isn't enough. You have to create a marketing plan and use it as an integral part of managing your HRD practice or department.

Managing the client relationship

This stage of the marketing process deserves special attention; it is a critical step in determining whether a particular marketing effort will be deemed a success.

Repeat or add-on business directly from current clients—and the potential for referrals—provides marketing leverage with relatively low marketing costs. Because regular customers can

be vital to the success of an HRD group, the ongoing client/professional relationship is critically important in the marketing of HRD professional services. Unfortunately, it is not usually seen as a direct step in the marketing process.

The HRD professional should establish a relationship with a client as early as possible in the marketing cycle. The better the initial relationship, the greater the chance that a project will result. By getting close to a prospective buyer, you can learn about the buyer's specific issues, resistance, personal styles and preferences, purchasing process, and organizational culture.

Strengthening your relationship with the client—not just delivering on the work proposed—will build an important marketing foundation. That is true throughout the sales cycle and after the project is sold, as well as into the service-delivery phases. It is not enough to schedule progress-review meetings only to explain schedules, deliverables and budgets. As a marketing-oriented HRD professional, you should assume responsibility for initiating face-to-face informal meetings to discuss such questions as

- Are you satisfied with the way our professionals and your staff are working together?
- Do you have complaints that you haven't discussed with us?
- Can we provide you with any additional information?
- What work do you see us doing together in the future?
- Have I told you how much we appreciate your business?

The bottom line

In this increasingly fast-moving, complex, and competitive world, the HRD professionals who will be able to leverage their marketing success are those who

- stay close to their clients;
- work with them in business partnerships to anticipate needs and develop demand-driven solutions;
- create distinctive advantages in the marketplace;
- use marketing plans to run their HRD businesses.

For those who are willing to commit to the discipline required for a strategic-marketing approach to HRD, the payoffs will show on the bottom line—and in increased satisfaction for clients and HRD professionals.

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