



# COMPLIMENTING SALES WITH MARKETING

# MARKETING

## THE KEY COMPLIMENT TO SALES

### EXECUTIVE SUMMARY

The majority of technology companies follow a typical life cycle – they start off, experience growth, plateau, and then fail to keep up momentum, which eventually leads to the end of the business. Many experts and case studies point to the main reason being the lack of an effective marketing strategy. Marketing is a key ingredient for growth, but many business owners don't realize the need. Some businesses would argue that with a sales team, there is no need for marketing, but sales teams on their own without a supporting marketing strategy is an inefficient way to drive sales. A lot of energy is spent with disproportionate growth for the company. This whitepaper will cover the common failures of technology companies, pitfalls of having a sales team without a complimentary marketing team and inbound strategy, and simple strategies that drive synergy between both business functions.

### CONTEXT

The number of technology companies in Canada is seeing explosive growth ever since Nortel Networks Corporation's bankruptcy in 2009. Investors are keeping their money in Canada and are shifting their focus to information and communication technology (ICT). This has led an increasing number of technology firms to grow, to the point where a whole new wave of IPOs is expected to occur in the Canadian sector.

The forecasted amount of money spent on raising capital for technology firms has been reported to be in the range of USD \$400 million for 2014<sup>1</sup>. Despite the large invest capital available, small businesses struggle with growth while facing stiff competition. They need to find ways to keep their growth rate strong.

### WHY ARE TECH COMPANIES FAILING TO GROW?

Tech companies fail to reach their market potential or leave themselves in a state of stagnation primarily due to three mistakes:

1. The problem they are trying to solve in the market is not clearly defined<sup>2</sup>, or
2. The product is revolutionary and there is not yet a market for it<sup>3</sup>, or
3. Their selling strategy is aimed at a wrong target audience.

<sup>1</sup> <http://business.financialpost.com/2014/03/13/canadas-tech-stars-poised-to-lead-new-ipo-boom-for-sector-as-investors-more-and-more-hungry-for-growth>

<sup>2</sup> [http://www.huffingtonpost.com/joseph-parker/3-reasons-why-tech-startu\\_b\\_6395130.html](http://www.huffingtonpost.com/joseph-parker/3-reasons-why-tech-startu_b_6395130.html)

<sup>3</sup> <https://hbr.org/2011/04/why-most-product-launches-fail>

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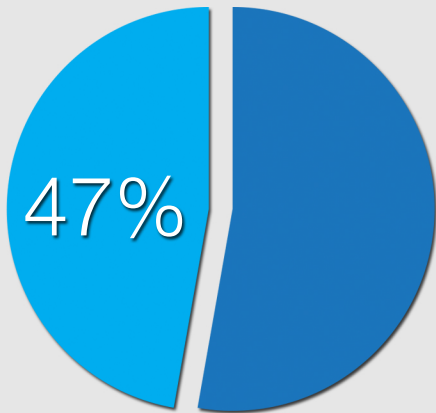
Imagine an example of Company John Doe, who has grown from \$0 to \$5M over the last 3 years selling their software services. They have built 5 different products and spent over \$0.25M in development, but their return on investment is negligible due to the product not resonating in market. Furthermore, their primary service is reaching a flat line in sales, which only further highlights the need for a new strategy.

A lot of tech companies get a revolutionary idea and race into development with the anticipation that their products will sell off the shelves.

The flawed line of thought, “If you build it, they will come” has been debunked many times, but yet still many businesses fall into this trap. Neglecting marketing and sales strategies and how they interact with one another leads to money quickly drying up, and eventually to the closure of the business.

## FACTS SURVEYED FROM SUCCESSFUL BUSINESSES

From a survey completed, over 43% of successful businesses have stated that their priorities are to better target their products towards their customers.



47% of businesses have also stated that improving marketing and sales campaigns will help them achieve growth<sup>4</sup>.

A sales person is a really important piece in a company's outbound campaign, but inbound marketing is equally crucial for a company's growth.

## THE SOLUTION

Upon further inspection, John Doe's lack of marketing focus in the organization was an apparent issue, which translated into poor financial performance for their product. Although they were in the business of selling services to two tier-1 companies, which consisted of 90% of their revenue, their B2B mass-market facing product was inherently missing a communication medium. And although the client had great sales people, who conducted a lot of cold calling and attended tradeshows, there weren't enough leads converting to customers.

Based on the successful tech companies of today, what this company was missing was an inbound marketing strategy to generate a greater number of leads, thereby increasing the pool from which a sales person could attempt to convert.

The business had neglected inbound tools such as:

1. A website showcasing the product
2. A blog about their products, possible use cases, and other relevant information
3. Social media (Twitter, LinkedIn, Facebook, etc.)
4. Online presentations, guides, or any collateral for the product

After implementation, these inbound marketing tactics led to general market awareness of their product. Brand awareness coupled with product testimonials helped the sales team get qualified leads, increasing the number of converted customers.

## THE SOLUTION DOESN'T STOP AT ONLY MARKETING

If a company has a marketing department and a sales department, there are a lot of intricacies to consider when developing an optimal growth strategy. There is a lot of nurturing of the customer that is required prior to and beyond contact with sales. At both points in the process, there needs to be constant dialogue from the brand to the customer. Webinars, blogs, and a social media presence are needed to support sales and eventually influence the customer's buying decision to adopt a product. Furthermore, after the customer acquisition, the marketing department's responsibility is to continue to translate benefits to the customer as the product evolves.

Use the tips provided in this whitepaper to reinforce both your sales and marketing strategies and create synergies between the two.

*The Markitech team brings over 30 years of experience in commercializing technology products with over 25 product launches, serving over 5 top tier industries. Visit [markitech.ca](http://markitech.ca) to sign up for a free consultation and find out how we can help you bring your next big IT idea to market.*

<sup>4</sup>[http://read.ca.pwc.com/i/410738/2?utm\\_source=3-elements&utm\\_medium=social&utm\\_campaign=pcs-sponsored](http://read.ca.pwc.com/i/410738/2?utm_source=3-elements&utm_medium=social&utm_campaign=pcs-sponsored)