

WHAT IS
MARKETING'S ROLE
IN A BUSINESS?



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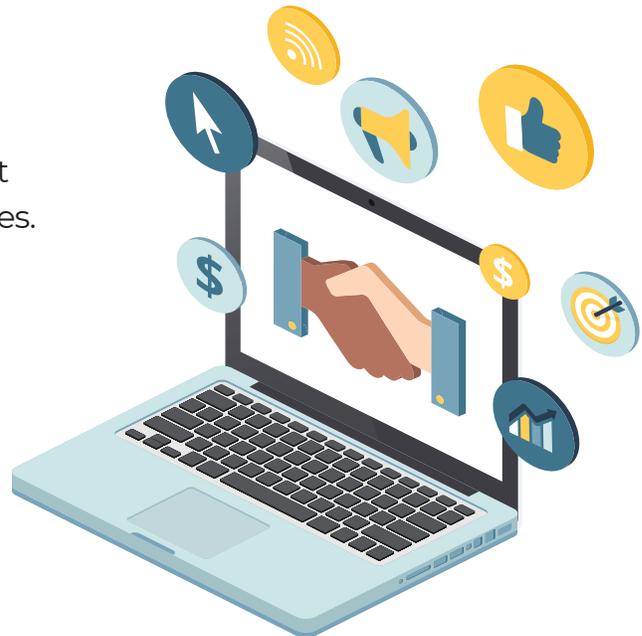
OUTSOURCED MARKETING TEAM

Marketing is fundamentally misunderstood. If you ask your typical business owner or senior executive what marketing is, they'll say things like advertising or 'getting rid of the stuff we make,' or 'all the stuff consumers see.' Try it. Unfortunately, over the past few decades with, first, the explosion of advertising and, second, the explosion of the Internet along with websites and the endless list of online tactics, marketing got lost. Today, what most would define as marketing is actually marketing communications, one of marketing's subsets. Ah ha.

BUSINESS HAS FORGOTTEN MARKETING

Even business has gotten lost. If you ask an owner or exec what a business is supposed to do, they'll say 'make stuff' or 'make money.' Perhaps they'll say 'delight our clients.' Businesses that have been around for a while get trapped. They get trapped into doing what they've done for many years. They start focusing on the wrong things. Not that those things are wrong, not at all. However, they're not first! Fundamentally, they've lost or forgotten marketing.

Apple. Google. Amazon. Watching them is mind-boggling because of all the NEW things they're doing. It's frenetic. But we're not them, right? They're not the best examples. So let's look at smaller businesses. Check out the annual list of Inc. 5000 winners. You'll consistently see traditional businesses... doing new things. In some small or big way, they're doing something different in their category that is being rewarded with rapid business growth. How do companies grow? Well, by adding CUSTOMERS or selling more to existing customers.



THE 3 CORES OF BUSINESS

Business has three core functions. Let's do this backwards. The third is 'finance.' Count money and profits. The second is 'operations.' Make stuff. Provide services. This core has people in it. Machinery. Facilities. Plants. Distribution. It's most of the company, of course, because companies work, literally. The first core? Well, that's marketing. Peter Drucker nails it:



There is only one valid definition of business purpose: to create a customer. (And) because its purpose is to create a customer, the business enterprise has two – and only these two – basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are 'costs'.

Marketing is the first function because 'marketing figures out what the company should provide that customers will buy at a profit to the company.' Read that again. And one more time. Here's a helpful aid: marketing is a NOUN, not a verb. When you start thinking of it as a noun, you will stop thinking about 'all that marketing stuff' and begin to think about the highest focus of any business, and that's the customer (and more of them). What do they want? How do we attain that? How will this change our business?



(Tell you what, as many companies' Outsourced Marketing Department, it's exciting to see clients embrace marketing and witness the transformational impact on their businesses. The stories are numerous.)

Now, what customers and 'your market' want changes. Just ask the dozens of Dow Jones companies that are no longer in business today. Fail to move with your market, and you start to fail, a little at a time. First, it starts with margin erosion. Then it shifts to revenue erosion. The customer list shrinks. The company shrinks.

Marketing embraces innovation and ultimately provides direction to operations: "hey, let's shift a bit." When companies shift with consumers and embrace leadership trends or innovation in their category, margins expand. Revenue expands. The company expands. There's going to be some hard work beforehand, but hey, **"the harder we work, the luckier we get."**

SO WHAT DOES THIS ALL MEAN?

This isn't just business philosophy. We can all use these insights. First, as a business leader, ask yourself these questions:

- 1 Do I have an Unfair Advantage in my business, or am I just slogging it out like I have for years, competing on price?
- 2 Does my business rely solely on the success of our salespeople?
- 3 Do we have a plan that vets and introduces new products and services?
- 4 Are my margins, revenues, customers, and/or company expanding?
- 5 Am I embracing strategic marketing to define and grow my business over the next few years?
- 6 Am I full of hope and faith, or rather scared about the future?
- 7 Do I know how my industry will fundamentally shift over the next 3-5 years and am I preparing now to maximize that shift?



Companies that have a focus on customers and systematically change with them, or ahead of them, inherently are doing marketing. Most middle-market companies don't have true marketing structure. They have marketing communications, perhaps. A way to ensure your company has marketing at the table: use an Outsourced Marketing Department.

Gain an unfair advantage. Contact us today!



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