



CGT MARKETING, LLC

Intelligent Marketing. Profitable Results.

Advertising | Marketing | Communications

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Intelligent Marketing

Beyond fresh paint.

Do you think you need to create a new and exciting ad, update the company logo, or send a new direct mail piece to pick up sales? Think again. Many times these tactical solutions are superficial at best. Why? Because no one has taken the time to look inside the company at some of the barriers that prevent marketing tactics from working. They think that simply giving the house a fresh coat of paint will help it perform better.

Most marketing tactics have been proven to work when used appropriately. The first step in finding the right marketing mix is locating the barriers that inhibit a positive ROI before investing in tactics. Understanding your company's resources and how they are deployed will start to give you a clue.

Let's look at one area that is almost always overlooked as a barrier to a positive marketing ROI – capacity.

How does capacity affect marketing?

Many business owners tend to look at capacity as a non-issue, especially professional service providers. They feel capacity can be expanded at will as the company grows so they hold off till it's absolutely necessary. What they fail to realize is that inadequate capacity can defeat the best marketing plans. Let's look at one common example.

A service company decides to hire a salesperson to increase sales or maybe gives an existing employee this responsibility. Time and effort are spent training, educating and motivating. In six months this salesperson starts to turn leads into profitable business. However, the owner, believing he could easily expand as necessary to accommodate growth, finds himself scrambling to find appropriate talent. The easy answer is he didn't plan appropriately, but this problem goes deeper. The salesperson now finds himself spending much of his time fielding questions about the quality and service they provide – leaving him/her with less time to sell. He also notices his boss devoting more time dealing with this issue. This affects his efforts in getting new business (in many cases unconsciously). This inadvertent slow down in the sales process doesn't affect the business right away. However, by the time capacity reaches the proper level, the salesperson is not bringing in sufficient business. There might even be some loss of existing business. The owner is frustrated, the salesperson is frustrated and the dollars spent on marketing tactics to generate leads is being wasted.

Being aware of the relationship of capacity to ROI will help you structure sales and marketing efforts accordingly and make better, more profitable decisions.

Questions? Comments? We'd love to hear from you.