

Chapter 4

Vertical Industry Awareness

How many companies have you worked with that proclaim they are dedicated to and focused on a vertical market?

Then you ask them a few questions about their chosen vertical and realize that they know squat.

They can certainly expound on their product or service offering; however, they know little about the vertical market, the key drivers, and the makeup of the customer set.

Many companies (even large firms) embark on a journey to build a position, an opportunity base, and a potential revenue stream in a vertical market without doing their homework. Usually, a corporate marketing stud has the charts and graphs to sell the opportunity to the company, or an initial order from a new prospect suggests that the rest of the market belongs to the firm.

These approaches are ineffective.

There is no substitute for doing the spadework.

Consider what you need to know to attack complex industries like defense and military, medicine/healthcare, semiconductor yield management, homeland security, telecomm, bioinformatics, or geosciences. You just have to get out there and engage with the real world.

Investigative work is the first step in evaluating and selecting the right vertical to focus on. (Don't be surprised if you come up empty-handed. Rejection can be a good thing on your quest to find and select the right choices.) If your team members decide to resort to reviewing only trade studies and published research works as their primary approach to identification and selection, then either find someone else in the organization to do the job or hire a domain expert.

Acquiring the research fuel to eventually shape and mold your strategy and game plan is essential; however, few published research works will hit home with your business. Most, by design, are generic, to appeal to a wide, diverse audience.

Part of this mind-set of externalizing your view is the Vertical Industry Awareness Program (VIA) at work. Let's describe it as your launch platform into the vertical.

Companies get really excited about gearing up for entry into a new vertical or target segment of the business. The marketing team will get juiced up about laying out the big-bang campaign to support the launch into the vertical.

Trade-press activity, spawning ads, generating PR, and conducting key interviews get everyone excited, but scrap those activities. This is all remedial work, and it has been done by other companies, including your competition. Many companies expect the big campaign to do it for them, only to discover there is little to show for their investment and effort.

Instead, seek out the industry trade associations that "own" your selected vertical. They know more about the vertical and have connections and relationships that will take you years to duplicate (if you are able to duplicate them at all).

Get close to the key players in these groups. They thrive on helping new kids on the block succeed. It's part of the reason they do this kind of work. Pick their brains and their pockets for anything that they will provide you, especially access to high-level members, who will be the primary decision makers and influencers for your products and services.

These groups also have the best contact lists available to fuel your campaigns. In some cases, they will even co-fund your efforts and provide advice on the marketing mix and the most effective vehicles to reach their membership base.

Now, back to your big-bang marketing campaign.

Initially, make it small.

Walk before you run.

Remember: No matter how sure you are, this is just a test-and-validation phase. Minimize your expense and effort, but be effective. Target a limited number of selected accounts (based on predefined criteria), get in their shoes, and learn from these interactions.

From this preliminary work, develop a number of tools that clearly define what you are bringing to the party. Show examples of use and solutions to problems, not product capabilities and features.

Avoid the “killer company” pitch that involves twenty-five or more slides.

Ho-hum. Old school. A sleeper.

Your prospect audience can tolerate about six minutes—max—of hearing you blab about your prized company. Keep it short, compact, and hard hitting. Force yourself to express the whole story in three slides or in a simple, one-minute, “elevator ride” pitch. Make it real and believable. It cannot sound like a pre-canned script or something that was whipped up in a high-powered seminar.

(On the flip side, take great interest in your prospects’ company overviews. They are proud of what they have created, and their presentations will be filled with valuable information—the fodder you need to fuel your sales campaign.)

At this point, you are ready to define the makeup of the VIA and move into the launch phase.

One of your most powerful tools is the Internet, a vehicle to reach, inform, and promote your capabilities to the target audience (but avoid spam).

The best approach is to develop a themed “series” campaign that provides useful information to the target audience, consistently, from month to month. This could focus on key industry challenges, project or applications profiles, and so on. However, take the focus off of your company and products and put it on the interests of the target vertical or target audience. That includes varying the approach and message based on the position, role, and interests of the audience. We deal differently with a janitor than with a CEO, although depending on your business, both can be the buying audience.

For several clients, I have developed industry guidebooks that have been effective in positioning the company as a qualified expert and authority in its field. Each guidebook is written to speak the language of the target audience. One example was a specialized guidebook showing various waveforms generated by a medical diagnostic system for the healthcare field. The system was designed for cardiologists and Holter technicians, and it helps interpret life-threatening arrhythmias and other heart abnormalities. The guidebook was not trivial or glitzy. It was an eighty-two-page guide that illustrated a range of conditions and provided full explanations to interpret them. It was clinically accurate and sound.

This kind of guide is valued by an industry and rapidly becomes a standard of doing business. It allows you to set the standard that everyone else follows. One guidebook, developed for a firm concentrating on the defense and military market, discussed critical industry challenges in applying commercial off-the-shelf (COTS) technologies to complex platforms and applications for the program life cycle. This guide tackled the tough industry balancing act, highlighting the disparities between the government and military, defense integrators, and COTS providers. Each had a divergent view of the life-cycle proposition. The guidebook provided a framework for doing business and included a companion implementation workbook that defined a process for the various entities to work together and implement solutions. This particular guidebook has been adopted as a standard by agencies, program offices, and selected defense integrators. It has been leveraged as an instructional tool and a guiding light. It was one of the key weapons that catapulted the client’s position and put it in a different league than the rest of the competitive wolf pack.

A guidebook can be introduced through e-mail direct response to set the hook. However, to obtain the guidebook, the prospect has to respond and sign up on the company’s Web site. A

guidebook gives you instant credibility, and it hits home with your audience. It also puts you in the driver's seat from the get-go by positioning your company as an added-value problem solver.

Your competitors likely have not taken this approach, so it's a great way to leave them in the dust.

You will find that prospects are quick to respond to your campaign (willingly), or that this approach sets up easy access and entry for your follow-up call. Using this simple approach, your hit rate on securing appointments that result in productive meetings could be 90 percent or better. Compare that to other approaches your company has tried as a way to get prospects' attention and time.

No contest.

The following are two examples of VIA at work.

A SUPPLIER OF LARGE COMPUTERS was gearing up to target the retail industry for its products, with particular emphasis on the top-ten major accounts worldwide. Although the company was an expert in its technology-based products, it lacked experience and expertise in the target industry and market. As a further challenge, the company's major competitor was entrenched in the market and had a dominant position in the corporate computing segment. Front-end market research defined customer requirements and pinpointed opportunities that fit the company's capabilities. This resulted in identifying an opportunity at the warehouse/distribution level and the store level that fit the company's products and allowed it to flank the competition. Furthermore, industry associations and added-value consultants were leveraged and brought key relationships and software products to the mix. This enhanced the company's offering and broadened its capabilities. The company generated in excess of \$10 million in revenue within the first year. This resulted in a profit before tax (PBT) of 16 percent.

A SMALL MANUFACTURER was recovering from a downturn in business. Its historical formula was to provide general-purpose products for a variety of industries, with no specialization. The company decided to focus on the defense and military market, although it had little or no expertise. It developed a program called Mission-Ready COTS. This represented a methodology and approach to the target market and positioned the company uniquely as a flexible, life-cycle partner. The value-added program featured elements that were not matched by the competition. The company's sales/support team and third-party distribution network were also trained on the fundamentals of selling to the target audience, including defense-program selling and agency marketing. The program is still in full operation and has generated thirty-four new customers within this target market segment. The design wins realized by the company represented \$44.8 million of future business value at full deployment and production.

A guidebook is just one of the effective tools that can facilitate your entrance into the new vertical. Many other VIA approaches and elements can support building your position and business base. The following are some examples:

1. Industry-specific seminars and workshops
2. Vertical-market e-casts and other forms of live-audience programs
3. Collaborative marketing with key industry groups
4. Leveraged partner/alliance programs
5. Industry days (real-world problem solving) at selected target accounts (on site)

VIA can also be combined with other programs outlined in this guide. A powerful combination is VIA, TOP, and POP (which will be discussed in Chapters 5 and 6).

Do your homework at this level, because VIA is the foundation for the scope of the programs you will spawn. Get it right and you can carry it forward with confidence and effectiveness. VIA is a way to distinguish your firm and outpoint your competitors and drive them to their knees. They won't know what hit them.

Remember: Anything goes—and it's warfare.