

## The Business Case for Marketing Services

So, you need marketing services. Should you hire, use existing internal resources, or outsource the project? Every company's needs are different, and no matter what your decision, there are several factors to consider, including cost, expertise, keeping up with new technologies and methods of delivery, and the true bottom line—do you have the time to get it done?

Here are a few points to consider when evaluating your marketing needs and determining how to meet them:

### The Cost of the Right Marketing Staff

Good marketing professionals can be hard to find and harder to keep. That's because demand—and salaries—are rising. According to AQUENT, the total compensation package for a mid-level marcom professional in the U.S. rose almost 10 percent between 2005 and 2006<sup>1</sup>. FastCompany ranked marketing manager and advertising and promotions manager as two of The 25 Top Jobs for 2005-2009<sup>2</sup>.

Hiring any marketing staff, let alone great marketing staff, involves time, often a search service, incentives, benefits, office space, training, technology equipment, vacations, and, of course, salaries and bonuses. According to Salary.com, in July 2007 the median base salary for a marketing manager in San Jose, California was \$94,441, or \$145,492 including bonus and benefits. Marketing professionals with specific expertise—such as media planning, direct marketing, or industry knowledge—cost even more. A marketing manager in the top 90th salary percentile in San Jose can earn up to \$123,422 in base salary alone. And, the price of supporting a permanent marketing staff is fixed and non-negotiable, as well as subject to annual increases such as cost of living, incentive raises, and bonuses.

Using an agency means that you pay per-project or by the hour, offering flexibility and scalability. Companies can choose to spend more during peak times and cut back when projects wind down. Agency pricing is often negotiable, allowing companies to pay the right price for the right person, only when he or she is really needed.

 **Using an agency dramatically reduces the time, overhead, and direct costs associated with finding the right person.**


1 <http://www8.marketingsalaries.com/aquent/Report.form?func=33a88b2a647c&locType=0f78a940265c&loc=1d9b8d6699a1>  
2 <http://www.fastcompany.com/articles/2005/01/top-jobs-main.html>

### Expertise: Rent or Buy?

Effective marketing demands many talents: planning, project management, writing, production, video, events, and direct marketing. The decision to hire someone with one or more of these talents depends up on your unique value proposition and offerings. Sometimes you need ongoing access to specific skills, but other times you may only need those skills periodically. When you only need a skill part of the time, it makes sense to "rent."

That's what you're doing with a marketing agency—renting skills that you don't need all the time, or, renting the right skills at the right time. An agency can offer strategic thinking during planning stages and perfect execution when it's time to deliver a finished campaign. An agency can extend your team, with the right people, and meet your changing needs throughout a campaign or initiative.

Some companies use temporary agencies to provide full-time contractors who act as employees. These contractors aren't permanent employees, but they are supported with budgets that come out of headcount dollars. Headcount dollars are more expensive than program dollars and have hidden overhead allocations. Long-term contractors are as expensive as permanent employees, but you forgo the control afforded to you with true employees. Working with a marketing agency to rent the right expertise uses less costly program dollars while offering greater flexibility, knowledge, and skills.

 **Using an agency as a "rental" resource lets you use different skills at different times. For the cost of a single employee, you can get multiple talents from multiple experts without the burden of headcount.**

### Technology: Keeping Up

Marketing has become highly specialized, technology-based and results-driven—and agencies lead the way. New media offers innovative marketing techniques for more effective targeting, highly refined execution, and measurable results. The message will always be at the heart of marketing initiatives, but increasingly, the devil is in the details—and the distribution. Audiences want more than text and graphics—they want information delivered in a way that is convenient, interactive, meaningful, immediate, and current.

New media marketing methods are often the most cost-effective and efficient way to reach the right audiences. Initiatives that use to cost hundreds of thousands of dollars and require months of planning can now be accomplished in a fraction of the time—with greatly reduced costs—using new media tools. Email blasts, podcasts, webcasts, blogs, and flash demos can all be a part of a marketing arsenal that helps your company to stand out and attain its goals. Many of these methods are already widely used—researchers estimate that US firms alone spent \$400 million on email marketing in 2006<sup>3</sup>. But these methods are new and changing, and companies don't always have the time and expertise to pinpoint the right technologies and know how to use them. That's why it's an agency's job to provide these services.

**Using an agency to plan and execute a new media campaign means getting state-of-the-art knowledge and the wisdom to understand its uses today—not when you've figured out what and who, a few years from now.**

### Time: Do You Have It? If So, How Much?

Good planning is the key to successful marketing—and a luxury in today's marketplace. Most marketing initiatives support critical dates, such as product launches, events, or trade shows. The best planning in the world can't change the fact that everything needs to get done at the same time, usually at the last minute. Deadlines for product collateral, booth or event signage, demos, presentations, channel training, advertising, and direct marketing activities can all hit at the same time.

If you're going to make the date, you need a team to work on different deliverables at the same time. According to *Business 2.0 Magazine*, a company should devote roughly 40 percent of its headcount to management, sales, and marketing during launch time<sup>4</sup>. But even with all hands on deck, there's often too much to manage, create, and coordinate for any single marketing organization. The result? Quality suffers, costs escalate, deadlines slip, and doing the right thing gives way to just doing something, or to dropping activities.

In a perfect world, all resources would be on board, trained and ready to execute launch-critical activities simultaneously. But, since bringing new people up to speed can take months, outsourcing key initiatives can help manage timing, costs, and resources during peak periods.

<sup>3</sup> DMA: "The Power of Direct Marketing: ROI, Sales, Expenditures and Employment in the U.S., 2006-2007 Edition", Direct Marketing Association, October 2006  
[http://en.wikipedia.org/wiki/Email\\_blast](http://en.wikipedia.org/wiki/Email_blast)

<sup>4</sup> [http://money.cnn.com/2006/05/17/technology/business2\\_bullet-proof\\_phasefour/index.htm](http://money.cnn.com/2006/05/17/technology/business2_bullet-proof_phasefour/index.htm)

**The right agency can hit the ground running—it has many people with many talents, who can fill in the gaps when your team can't get everything done.**

### Summary

Companies will always need marketing groups staffed with full-time employees who are focused on understanding their companies' markets, market requirements, and how to translate that information into new products and services. When there are needs that those groups cannot meet, because of time, cost, resources, or technology limitations, "renting" the capabilities you need from a marketing agency can get the job done, on time, within budget, and often, with new thinking and new methods of delivery that can make your products stand out in the market place.

If you'd like to know more about how Envision Technology Marketing Group can help your company execute a large or small marketing project, please give us a call at (866) ASK-ETMG, or visit us on the web at [www.wedomarketing.com](http://www.wedomarketing.com).

*This table summarizes the differences between the kinds of capabilities that marketing departments keep in-house, and the contrasting set that agencies can bring to focused programs and initiatives.*

Marketing Needs Matrix	Agency Capabilities	In-House Capabilities
Depth of knowledge about technology and the industry	Broad, diverse	Market-focused, in-depth
Marketing capabilities	Comprehensive, with new, hard-to-find specialties	Company-focused generalists
New media expertise	Current, diverse	Not always available
Costs	Negotiable, flexible, payable by project	Fixed overhead
Production capabilities	Flexible, economies of scale	Fixed, not scalable
Scalability for large projects	Unlimited	Limited by headcount and long-term budgets
Diversity of marketing disciplines available	Standard and new disciplines always available	Focused on products, markets and standard marketing mechanisms
Time-to-market resources	Available on demand	Limited to staff on hand