



# InGenius

## Review

VOLUME 1, ISSUE 9

A review of  
great thinking  
from

### INGENUITY MARKETING GROUP

*a marketing and training firm that works primarily with professional service organizations and small businesses.*

*We offer strategic marketing planning and coaching, marketing program development, and curriculum and training mainly in the areas of consultative selling, professional service marketing, and customer service.*

Wendy Nemitz



### Professional Service Marketing: A Primer

By Wendy Nemitz  
President, Ingenuity Marketing Group

When I am first invited to discuss marketing with most service firms, they immediately think we will be talking about advertising. Sometimes we do. But marketing is a much larger group of strategies, of which advertising is only one tactic. My working definition of marketing is anything that gets customers to buy from you, buy from you again, or refer others to you. Marketing is a broad range of activities that include your signage and your payment terms as well as your logo and visual identity. It includes how you keep in contact with past customers, your presence on the Internet, and how you and your staff talk about your organization. It includes key messages about your service, your own personal charisma, and the sales techniques you use to close the deal. Marketing involves every activity affecting the way people think about your firm.

One problem in professional service marketing is that it is very difficult to sell your services unless prospects already know they have needs. You can entice a person on the home shopping network to buy a supersonic jewelry cleaner, but you can't get them to change accounting firms if they do not have a reason why. You just have to be in front of prospects and, better yet, have relationships with them when they start to feel a change is required.

Virtually every service firm does some marketing, but with sales cycles at three years or more, it is very difficult to decide which strategies work and even harder to track a return. Most firms end up throwing marketing dollars out the window, picking an ad here and a tradeshow there, and hoping it is good enough.

How can you make wise marketing decisions? Before you say "yes" to some of the persuasive sales people who assure you they can drive clients through the door, take some time to think through your basic marketing strategies. We have developed a simple model for making marketing decisions. As you can see in the diagram, marketing tactics can be

Oxford Square #310    1043 Grand Avenue  
St. Paul MN 55105    Phone 651.690.3358  
Website: [ingenuitymarketing.com](http://ingenuitymarketing.com)  
E-mail: [wendy@ingenuitymarketing.com](mailto:wendy@ingenuitymarketing.com)



© 2004 Ingenuity Marketing Group

divided up into 'hot,' 'warm,' or 'cold.' Your hot market is those who like you, trust you, and want to do business with you. This circle includes your clients and former clients, close alliances, and referral sources. Return on investment marketing to this circle is rumored to run about 15:1.

Your warm circle is composed of people who have some knowledge of you or your firm. They may drive by your office signage each day. You may have met them at a chamber event. They may be in an industry you target. Your long-term return on investment for well-done warm marketing should be about 7:1.

Your cold circle is full of people who have never heard of you and who may or may not need your service. Marketing to these folks is an art. If you are very accomplished, your return may run as high as 1:1. Cold marketing is brutal, expensive, and difficult.

Although the highest ROI is clearly in the hot circle, you cannot live there forever if you want to expand your business. Each year you need to implement some marketing tactics aimed at each of the three circles. You need to introduce people in the "cold" circle to your firm in some way so that they have some awareness of you. You need to support those in the warm circle for a long time, think in years, as they move toward selecting your service. You need to make some of those warm contacts move into your hot circle and get a sufficient number of hot prospects to write you a check.

It sounds simple but rarely is. Being humans, we all have our preferences. Some people prefer hot marketing: they lunch with their best referral sources, fish and golf with clients, and keep in close contact with their inner circle. They send out great client gifts. They know birthdays and the names of spouses. They are excellent at mining their contacts for referrals. They cross-sell new services easily because they know their clients as people and deeply understand their businesses. Hot marketing is a talent that pays off immediately. But focusing only on hot marketing will keep your kids skinny because, due to natural attrition, your close circle will provide fewer and fewer leads over the years.

Many of us, including me, enjoy warm marketing. We like to write articles and send out newsletters that position us as experts. We might speak or be quoted in the media. We are often in networking groups. We enjoy helping people see us as experts and get to know us and our expertise better. Have I used the word expert? Warm marketers like to be known as experts. We frequently have many contacts and enjoy marketing to groups. However, we may have a reluctance to turn those contacts into clients.

Those who truly enjoy cold marketing are few and far between. They like the thrill of a cold call. They plan ad campaigns with relish. They want to make a first impression and consider it a fun challenge if the people they contact know nothing about them. They want to woo and they want to win. The cold marketing part of professional services is really tough. It can take years for those contacts to pay off.

Being humans, we tend to focus on the circle where we are most comfortable. In order to have a steady supply of new business, you need to move out of your comfort circle and work in all three. If you are excellent at cold marketing, you may neglect prospects once they become clients. You are also spending tons of money and time to always get new clients. You need to develop specific programs for hot and warm marketing. If you stay in the warm marketing circle, everyone knows you but few pay you. You need to do some cold marketing and plenty of hot marketing.



If you are having trouble securing a steady and reliable supply of new work, whether from current clients or new ones, it is time to list out your marketing efforts and categorize them. You may find you are focusing too much on one circle to the exclusion of the other two.

As a way to help you think about this model, we have provided you with a list of activities normally associated with the three different circles.

### HOT MARKETING ACTIVITIES

- ~ Sort your clients into 'A', 'B', 'C'. 'A' clients are pleasant, profitable and have other characteristics that make you want ten more just like them. 'B' clients help pay some of the bills. They may pay well and make you suffer or they may not pay well but be pleasant to work with. 'C' clients have a low, if any, profit margin and are usually a pain to serve. Now write the names and phone numbers of your 'A' clients in a visible place. Call them. Talk to them. Take them out to lunch. Tell them you would like more clients just like them — do they know any?
- ~ Write all your 'C' clients a letter advising them you can no longer work with them. Use the freed-up time to work with 'A' clients.
- ~ Set up a contact management system that sends current and former clients updates and information. It can be birthday cards, newsletters, jokes, or case studies of current work, as long as you remain in front of them.
- ~ Have a nice party and invite the hot and warm circles.
- ~ Call your best referral sources. Give them referrals.
- ~ Have payment terms and pricing structures that reward longevity and volume buying.
- ~ Make sure your customer service is excellent.

### WARM MARKETING ACTIVITIES

- ~ Extend the use of your database and keep track of people you meet. It may take years for you to harvest a referral or a new client, but a contact management system is the foundation of keeping track of people for years.
- ~ Be an expert. If you write, write. If you speak, speak. If you can teach a class, then do it. Build recognition as a credible "go-to" person in your industry. When someone who sees you as an expert gets to the point of pain, you will get a call.
- ~ Join a networking group. This is one of the best things for you to do because you build trust in a network of people, you practice how to tell your firm's story, and you meet a wide variety of other business people. I have two articles on our website, [www.ingenuitymarketing.com](http://www.ingenuitymarketing.com), that specifically deal with networking and how to select the right networking group. We also have a spreadsheet detailing many of the ongoing networking groups in the twin cities. If you would like a copy, email me at [wendy@ingenuitymarketing.com](mailto:wendy@ingenuitymarketing.com) and I will send you the spreadsheet.
- ~ Write an article for a trade magazine. After the article is published, send it to everyone in your database.
- ~ Have great signage.
- ~ Good use of media relationships is also a great warm tool. You prove your expertise by being quoted in the media or written about.
- ~ Send out regular communication to your warm circle.

### COLD MARKETING

- ~ The most important thing you can do to make sure you spend cold marketing dollars wisely is tightly define who your target is and demand that any cold marketing you do is a great way to reach those prospects.



- ~ The second most important thing you should know is that you can die of exposure. Lots of firms throw their money at various things because it is “good exposure.” Never do that again! Have an advertising plan and stick to it.
- ~ Advertising usually falls mainly into cold marketing, although it is a positive if your current clients and warm contacts see your advertising as well. Do not bother to advertise in a publication once, unless you are advertising an event. It is just not worth your money. Develop a regular schedule of advertising in a publication that hits your target market.
- ~ The problem with a lot of advertising is that you have to pay to advertise to people who are never going to buy from you. Make sure the amount of money you have to spend per person you actually want to reach is clear.
- ~ Telemarketing is another cold marketing tactic that works if you have low expectations. If someone calls you, they are pretty hot to buy. If you call someone, they are probably much earlier along in the buying cycle and may take years to actually make a change. Telemarketing works best if you are hoping for appointments and you have a plan for working those leads for a while. Telemarketing is one of those areas probably best left to teleprofessionals as most people hate it.
- ~ Advertising your website on banners or making sure it is listed in search engines is one of the cold marketing tactics that is easy to track. However, you can throw away even more money on the Internet than out the window, so stay focused on who you want to get your information. Many professionals are approached by directory services that want to list your firm for a fee. There are two simple ways to check the effectiveness of these directories. First go to [www.google.com](http://www.google.com). If you are a lawyer, for example, and a directory wants you to list with them, type in some of your common search words and see what comes up. If that directory

is not on the FIRST page of Google, forget it. The second way is to look at who is on the directory already and call them. Ask them directly if they are getting results.

- ~ Other cold marketing techniques include direct mail, email marketing, yellow pages, and direct sales.

*As always, we are glad to help.* We can help you focus on prioritizing your marketing activities to produce results. If you are interested in developing a marketing plan, please contact Wendy Nemitz at [651.690.3358](tel:651.690.3358) or [wendy@ingenuitymarketing.com](mailto:wendy@ingenuitymarketing.com).

## DRIVING RAIN

This article covers some of the materials in our opening seminar, “**Professional Service Marketing: A Primer,**” in the Driving Rain™ series. Driving Rain™ is a program of seminars designed to create a marketing and sales culture in service firms through training, skill building, and accountability. Other seminars in the series include:

- **Telling the Firm Story**
- **Relationship Skills for Professionals**
- **Listening Leverage**
- **Nonverbal Communication**
- **Beyond Dress for Success: Professional Image**
- **Building Self Confidence**
- **Cross Selling: The Gold is Under Your Nose**
- **Networking that Works**
- **I Hate to Sell™**
- **Never Bore an Audience Again!™**
- **Building Influence Inside and Outside the Firm™**
- **How to Eat with Three Forks™**

If you would like to book some of these programs to build the skills and confidence of the professionals in your firm, please contact Wendy Nemitz at [651.690.3358](tel:651.690.3358) or [wendy@ingenuitymarketing.com](mailto:wendy@ingenuitymarketing.com).