

Next Year's Marketing Budget

By Kimberly Kayler

For the past few years, our industry has been bombarded with news stories about the troubled economy. The downturn caused many companies to shelve initiatives, especially marketing programs, in the interest of weathering the storm. Now that we are finally embarking on better economic times, many companies are beginning to ponder what is next. But, is it as simple as just pulling out the shelved plan from yesteryear and recommitting dollars to marketing? Experts state that 5 to 7% of your total company revenue should be spent on marketing; however, after doing little or nothing for an extended period of time, many feel lost as to where to start. Properly budgeting for marketing is a large task, but could provide tremendous dividends and ensure that your company is not left behind during the economic recovery.

Preparing for the New Year

If you are being asked to fill in the line-item on next year's budget for marketing but don't know where to begin, go back to the basics. Too often, when tasked with assembling a budget, businesses estimate their overhead, salaries, and then their gross profit. Anything left over is fair game for technology upgrades, capital expenditures, and marketing. This method, however, does little to correlate the tactics needed to fulfill your marketing objectives to support your sales or branding goals. Setting budgets should really be more about market opportunities—identifying the target audiences you need to reach and the anticipated cost to reach them. By determining this number—a number that is realistically tied to your objectives—you can lump it in the budgeting process from the beginning and treat it with the importance it deserves. Further, with this approach, you have the opportunity to develop a baseline to present in defense of your marketing goals. This baseline serves as the means to identify the mandatory elements of the marketing plan that simply must be funded, allowing for choices on other tactics to be made based on desired results, not merely dollars.

Begin by identifying what you need to do to accomplish your sales goals in support of your business plan. This involves identifying between

three and five major goals and outlining the tactics needed to create success. Be sure to only identify reasonable, tangible tactics that can be considered not only in terms of dollars and staffing, but also your corporate culture. For example, if improving customer satisfaction is a goal, outline how you are going to measure that goal. Begin with an assessment of the current satisfaction level, which should include the steps necessary to improve in this area and the means to measure satisfaction at the end of the year. Then, conduct a gut-check on all tactics by reviewing whether or not execution is probable. Too often, ideas presented in the marketing plan are solid ideas that have worked for others, yet they simply don't fit your corporate personality and therefore lack in execution. For example, a marketing plan calling for a personal visit by your CEO to each client, with the hopes of improving customer satisfaction, is a solid tactic and little argument can be made regarding the benefit of such a program. If history shows that the CEO would prefer to stay in the office and leave the customer contact to the project management and sales team, however, adjust the tactic to better reflect your corporate personality and culture.

Collaborative Budgeting

Probably the most overlooked means of saving money in the marketing budget of a design or construction firm is the opportunity to collaborate. Although we have heard this suggestion before, few firms take advantage of the chance to share in marketing expenses with other members of their team. Begin by looking for ways to collaborate with your vendors, associates, or other members of your project teams through joint sponsorships, co-op advertising, or even shared marketing staff. One example that is easy to implement is project photography. Few firms have the dollars to spend, or the desire to spend them, on professional photography of their projects. If all members of the project team were to share in this expense, however, all would benefit from professional images that could be used for marketing efforts at a reasonable price. This effort could also extend to areas including award submissions, project press releases, event sponsorships,

and joint presentations at association meetings. Be creative in your approach and conduct a brainstorming session with key members of your team to identify other ways to share in expenses.

Final Thoughts

Experience has shown that those who fail to plan, especially when it comes to marketing, often fail. At the very least, they probably spend more money with fewer results because of last-minute marketing

programs and rushed implementation strategies. Marketing plans, by their nature, will be modified throughout the year. The effort of budgeting, based on actual goals, tactics, and a means to measure results, helps guide efforts and increases the probability of success. Diligence in marketing planning and budgeting results in knowledge. And though results are not guaranteed, the knowledge of where you have been and where you are going is priceless.



*With a journalism degree and a decade of high-level experience serving engineering, architecture, and construction firms as a corporate marketing executive, as well as experience working for a full-service advertising/marketing communications agency, **Kimberly Kayler** started Constructive Communication in 2001 to serve the needs of technical and professional service firms. She is the author of more than 500 published articles on a variety of concrete, construction, design, and other technical subjects. Kayler can be reached at kkayler@constructivecommunication.com or 614-659-9988.*