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Mergers and Acquisitions: Creating the Ultimate Marketing Team from the Aftermath

By Brian Solis

Everyday businesses increase their value by fusing new capabilities and products under the corporate umbrella and by consolidating, merging, and/or acquiring competitive and complementary companies. After the agreements are signed and finalized, an incredible amount of change ensues; the department heads are left to pick up the pieces and put it all back together in the most efficient way. Other than the obvious IT, CRM, HRM and other day-to-day business infrastructure acronyms, MRM (marketing resource management) is usually under-analyzed in the overall scope of integration and alignment for future success. The real issue is how to create a solid marketing team that can deliver visibility for the new, distinct product divisions as well as the overall corporate brand.

The lead company usually employs a well-oiled marketing machine. It assumes that any new internal marketable elements that are the net result of a merger can be easily managed by the existing marketing communications (MARCOM) infrastructure. However, processes and intellectual property are usually lost in the fray, ultimately impacting internal enthusiasm and priority in day-to-day marketing. And if the acquired company depended on the talents of external consultants, specialists or agencies, those assets would usually vanish as well. The net result is the increased risk of faulty marketing execution and the ultimate loss of visibility among prospective customers.

Marketing Leverage

Budgets aside, corporate and marketing executives need to truly analyze the strengths and weaknesses of the incumbent MARCOM organization and compare and contrast it to the incoming team. One commonly overlooked component of any marketing analysis is whether or not either team offers unique market expertise, industry alliances and a successful track record in order to make sure the

 -Saving Money,
 Saving Trees:
 Creating a Win-
 Win

best person or team gets the job.

 -MACPA Task
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 Investigates
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 Issues

The acquiring company typically scrutinizes the numbers, headcount and redundancies in key positions, usually awarding job security to those with seniority; thus potentially eliminating valuable intellectual resources and perspectives. Among those usually hit the hardest are the MARCOM managers, the communications/PR team, and external consultants. This usually places the MARCOM function with the central team of marketers who may or may not have the vision and capacity to properly "sell and spin" the new additions to the existing company product portfolio. While on paper, the company is potentially saving money by consolidating; however, this strategy could induce a drop in consistent public visibility and brand resonance, potentially setting the stage for the company to miss its quarterly numbers or revenue targets.

Words from the Wise

"When dealing with people, remember you are not dealing with creatures of logic, but creatures of emotion."

- Dale Carnegie

Is it possible to build an all-star team from each product marketing group, including consultants and agencies, in order to maximize the opportunity for each product line, without overspending? The answer is yes.

New Paradigm: Increasing the Marketing Budget Increases Sales

In today's economy, e-staff, investors, and any other influential groups guiding the direction of the company may wish to consider the advantages of creating a workgroup of marketing entities to mirror the infrastructure of the product management/marketing organization. Creating a MARCOM lead for each product category enables existing, already proven and trained internal and external teams to be leveraged with very little downsizing. This leaves the experts in place and prevents the overburdening of incumbent marketers with the required additional knowledge gathering necessary to become experts in a new field. This approach also empowers the evangelists within each category to properly support each product from launch to end of life.

Prior to the merger, if the businesses were independently profitable with the current sales and marketing budgets, then merging them together could be seamless. Each group can simply report to the overall chief marketing officer whose management is based less on product category specifics and linked directly to standard business metrics.

On the other hand, there are occasions where the acquired company's infrastructure is inadequate; and by merging the weaker team into the mix, goals can continue to go unmet. But this is where

executive-level analysis is critical. A more powerful and proven marketing organization could absorb a new product line or family and effectively brand and increase sales over a weak team any day. In doing so, the company is grooming market experts without losing traction.

I have been on both sides of the equation. On several occasions, we have acquired companies and let go of valuable marketing professionals. Unfortunately, I have also been part of numerous teams that were given notice simply because it seemed redundant to have more than one MARCOM and PR entity within an organization. The common mistake in each of these experiences was that executive management did not first assess the strengths and weaknesses of its existing and incoming marketing teams in order to make the best decision for its short and long-term future. I believe that even today, marketing and especially the value of PR is largely undervalued and misunderstood. It is treated more as a function than an art; more of an overhead function akin to accounting, HR or finance departments, rather than as a revenue generator. Again, money aside, a solid marketing team can do just as much for the bottom line as an aggressive sales force. In a capitalistic economy, savvy decision makers who actively market business units as well as the overall company brand will vastly succeed over its competition by creating resonance, preference, demand and loyalty.

About the Author

Brian Solis is founder and president of FutureWorks, located in San Jose, Calif.; an organization that specializes in partnering with market leaders and emerging companies to increase their visibility and customer-pull, cultivate existing markets and create new opportunities that are necessary to expand their businesses. Brian can be reached at brian@future-works.com.

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