

# Marketing's Black Box Revealed: Eight Marketing Secrets Every Project Manager Should Know

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## Introduction

Marketing—it's a mystery to most project managers or a headache you don't want to deal with. The key to using the power of marketing in your projects is to understand what marketing can do for you. This paper will unravel the secrets of marketing.

Marketing receives a lot of bad press. It is misunderstood, used incorrectly, and the best aspects of the discipline aren't incorporated into many business strategies. Why do project managers need to learn and use marketing strategies? As project management becomes more mainstream, affecting other business areas, interacting with all kinds of people and throughout all areas of an organization, smart project managers must again learn another new discipline to add to their bag of tricks.

The eight secrets of marketing will give the smart project manager a foundation in marketing. You can apply this foundation in many situations that perhaps in the past you found difficult to deal with. Marketing strategies incorporated at the beginning, during, and at the end of your projects can bring about greater successes and less apprehension about changes, and ensure that the lessons learned are understood and applied on the next project. In short, understanding how marketing works and how to apply some key strategies should make your projects more successful and less stressful.

## Why Does Marketing Have a Bad Rap?

Let's be clear: marketing is not sales. Being a "marketer" does not mean being a "slick salesperson." Marketing is not about "convincing someone to buy." Put simply, marketing is about collecting knowledge about how people identify and solve their problems and meet their own needs. By then using the analysis of this knowledge, you can design a strategy and set of actions, so that your solution does exactly that: solves the right problem and meets the right needs of your carefully chosen target market.

The classic definition of marketing is that it is "both a set of activities performed by organizations and a social process." Therefore, it exists at both the micro- and macro-levels of an organization. (*Basic Marketing* McCarthy and

Shapiro 1983). Sales is a micro-level tactical activity. Marketing strategies govern how sales activities should be developed and executed.

Marketing evolved out of the World War II era when suddenly there were resources to buy and many choices being offered. As economic activity grew, supply of all kinds of products and services materialized. Sales evolved out of the need organizations had to "assist buyers" to make informed choices—or to make the choice to buy that sales person's products over the competition's! As competition grew, so did the idea that the "perfect salesperson" could "convince" consumers to buy and therefore increase revenue. When consumers started to wake up and become more educated, the old manipulative sales tactics weren't working anymore. Organizations reacted to the backlash by employing more "strategic marketing activities," rather than relying on "the perfect salesperson" to generate interest and sales.

However, this evolution from a sales-driven approach to a marketing-driven approach has been slow in coming for many industries. Why? Marketing is complex, multi-layered, more time consuming, in some cases more expensive, and requires access to knowledge not easily gained nor understood. Relying on a sales team to bring home the numbers without giving it the support of a marketing strategy today is like expecting a toothpick to hold up a dinner plate—something is going to break. Why? Consumers are jaded. Today we are informed, cautious, not easily manipulated, and tired of not having our specific needs met in a way that works for us. If someone else down the road can give us what we need in the way we want it, why bother with anyone else?

## Why Should Project Managers Understand Marketing?

Why is this important for project managers to understand? During the course of a project life cycle, there are many stakeholders that have many expectations about the project's results, its team, and how it will use or consume resources. There are stakeholders who are aware or unaware of the project, for or against it, and influenced by or influencing the project. If the project is a

new product, service, or initiative, it is, by definition, an agent of change.

Your project and its outcomes will “affect” everyone in its realm. How the community of past, present, and future stakeholders are “affected” can be managed, or not. We’ve all learned that leaving people to cope with change on their own brings about “mixed” results. Marketing strategies are macro- and micro-management tools that will assist the change process, so that you can make the transition easier for all concerned—including you, the project leader. Less stress is good for everyone.

My definition of marketing for the purposes of project managers is that it is a strategic way of thinking and a step-by-step process that incorporates the needs of all stakeholders. The governing activity that is common to all these steps is two-way communication between stakeholders and project managers.

A marketing plan is essentially a strategic plan with a work breakdown structure that complements and supports your project plan. The strategic marketing plan is designed and based upon stakeholder research, the teams’ new thinking, and all your stakeholder objectives. The work breakdown structure incorporates the tactical plans to fulfill the requirements of the plan.

Market (stakeholder) research must precede any strategic planning effort. Marketing is part science, part psychology, and part imagination. The sum of these parts implemented in effective ways can be incredibly powerful. Strangely, organizations will spend thousands on proving the science in their research and development of new products, but spend less than 10 percent of that number in the science of understanding how the market environment will respond to their research application. They miss the opportunity to adjust their product to meet the needs of the market to which they want to sell it.

Marketing is also viewed as a somewhat mysterious activity. You’ve most likely heard of the “black box” that marketers try to “see into.” The black box represents the mind of the customer, or, in your case, the minds of your stakeholders. The theory is that if you have access to the contents of that black box, then you have the knowledge you need to know in order to relate to them, so that they will “buy.” The science of market research can give us some of that knowledge. The actual testing of the strategy will confirm and add to that knowledge.

As project managers, if you want your project initiatives to be accepted or “bought” by your stakeholders, then you must do the science first. Then analyze the results and use your (and your team’s) imagination to apply this new knowledge in ways that will match the needs of your project to the needs of your stakeholders. This is true marketing, not a manipulative sales technique.

## Where to Use Marketing in Project Management

To place the need for these efforts in perspective, a project manager would use marketing in the following situations:

- **Project Start-up:** To develop and implement a marketing assessment at the beginning of an initiative. This is a valuable strategy to learn what stakeholders require, collect user requirements, understand the barriers to entry, understand the ramifications of uncontrollable variables, discover unmet needs, examine customer concerns, collect data on all issues related to the project, and discover and cultivate project champions internally and externally.
- **Project Communications Strategies:** Marketing information can be used to develop a communications plan (which might have many kinds of action activities and several different kinds of messages) to be used in order to get buy-in, deal with critical conflicts, and deploy project status/results. Timely, educational, and useful communications is the key to leading people through transitions without leaving anyone behind.
- **Maintaining Customer Relevancy:** Marketing information places user requirements and the customer at the forefront of any project. This serves to remind team members what the project’s priority purpose must be when conflicts arise. If the project doesn’t meet the needs of the stakeholders when it’s done, no one will “buy it.”
- **Leading Change Management:** Marketing techniques can be used during deployment to smooth the transition from old methods to new methods, to collect feedback, adjust training materials, and evaluate the project’s success against customer expectations.
- **Benchmark Guide and Tracking Tool:** The marketing plan works with your project plan not as a replacement but as a guide, smoothing the waters so that you know everyone in your project environment is rowing in the same direction, confident that each requirement will be met in a satisfactory way.

## The Eight Marketing Secrets Every Project Manager Should Know

### The Macro-Level

Macro-marketing activities are used to help develop a strategic position. In order to build a strategy, you have to have knowledge of your stakeholders and identify your path of least resistance, which will build a bridge between your project team and each stakeholder group. Such knowledge, when the gathering is complete, should

provide you with a perspective of the big picture of your project environment.

In order to illustrate the use of these concepts, we will visit some “composite” clients with whom I’ve had the joy of working. Their businesses can be thought of as projects. Their efforts to bring new products to the market place are the same as the efforts of you and your project team working together to complete a project on time, on budget.

Before your next project starts, begin it with these first four marketing secrets:

1. Research and know your target markets; seek to understand your stakeholders. Every smart marketer starts with market research in order to understand the needs of their target markets. Your target market includes your stakeholders, customers, team members, executive team, end users, support staff, and other project staff. Each has different needs, expectations, and concerns. The smart project manager discovers what these are in advance of any project start. Here are some marketing techniques and tools that you might be able to utilize to collect your knowledge.

- Use informal interview surveys to collect their concerns about your project goals.
- Use a roundtable format with a mix of stakeholders. Take three relevant topics about which you want feedback, and facilitate the discussion so that you understand what the issues are and what’s important to some people and not to others.
- Remember your goal is to understand how and why your stakeholders will buy-in or accept or use your project. Develop your questions and discussion topics to bring out these issues.

### ***A Case Study—Part I***

A promising new company was hoping to get first-round funding for a brand new multimedia software application. The product development team worked around the clock to build the product. At the end of every week, the CEO would call a meeting to discuss the product’s status. Invariably, the meetings deteriorated into fighting matches. They each had a different agenda about what the product should be and when it should be ready.

The CEO had promised a prospective investor that the product would be ready in two months. The vice president of marketing could open a huge new target market if the product could meet feature requests. The CFO said that they couldn’t afford the overtime going into the product development process. All demands were dumped at the feet of the project manager. In silence, he would take copious notes at every meeting and try and explain to the CEO, the VP of marketing, and the CFO why it wasn’t ready yet. Every meeting ended

the same way: after all the angry words, an extended silence would ensue.

After the third such meeting, I was brought in to see if I could help them unravel “what was wrong” with their product development manager and his process. To begin, I did a little informal market research. I interviewed each stakeholder in the company in front of everyone. The project manager never lifted his eyes off the ground. After many hours, it turned out that the product being built bore little resemblance to the product being “represented” to the investor, and was years away from being the product that the “new target market” would “buy.” The deadline that they all demanded was impossible given the size of the project team, never mind the changing product definition. This time, the meeting ended without angry words, just silence.

So what was “wrong with the project manager’s process”? What was the right solution? The answer to this question was not possible to determine without following the next step in the marketing process.

2. Solve the right problem; collect and analyze your data, then define your project definition. Before a new project begins, each stakeholder and team member has to understand the objective of the project. Does it solve the right problem? Given the fact that each member of your target market has varying needs and possibly conflicting objectives, your project definition may only meet a few of the concerns.

Work must be done, based on your market assessment to determine if you are solving most of the right perceived problems; otherwise, you are just creating new problems, not solving them. This information can be confirmed, justified, or refuted during the focus groups or informal surveys. You are searching for the right combination of value-added results and solutions that match the requirements of all the stakeholders wherever possible.

- If you aren’t solving the right problem for all stakeholders, what else can you add to the project definition that will provide other solutions for these stakeholders?
- If you aren’t solving the right problem in the right way for the market place (the end users, customers, or recipients of your projects’ results), then you won’t have achieved your objectives. You need to survey this group about how its members perceive your project will meet their needs, and to determine what kinds of problems they have now for which they actually want solutions.

### ***A Case Study—Part II***

Back at the new company, what I discovered was that each had different assumptions about what problem the product would solve. The company founder created a superb and ingenious base technology; it solved his problem.

But it needed to be further developed into a context that matched the needs of various target markets, so that their problems would be solved. What would be useful and important for one market would be unimportant to the rest.

The company had to solve one problem—it needed to ensure that the market wanted its solution. So it had started “selling” this “product” before it had done the research to determine which market would need it, buy it, and use it now. Therefore, with every meeting that the VP of marketing had, the product’s characteristics changed. The VP saw potential wherever he went; he thought he was solving the company’s problems. Life was good.

Similarly, the company insiders had different needs and problems as stakeholders. The CEO needed to raise money, so his top priority was to ensure the product was completed on time so that the company would be seen as a credible organization ready for funding. The VP of marketing was fishing to find out which target market would be first to buy it, and every week he’d give the project manager a “prospect wish list.” And every week the project manager tried in vain to solve all their problems, by himself, so that the CFO’s problem of having no money for overtime was also solved. He was rewriting the original specification every week, and the deadline was falling further away. No problems were being solved at this point. He thought it was his problem to solve.

3. Critical thinking; learn how to see what isn’t “there”—yet. Marketing is a critical thinking process. Project management is about introducing something new into something old. Marketing is about educating people so they will accept a change, adopt something new, and see the value of the change as something that solves a problem for them. Learning how to stand in the shoes of those to whom you must introduce the change is a key critical thinking tool.

- Once you have the knowledge of what your stakeholders are looking for, you must build a bridge between you and the stakeholders. To do this, you must lay out the big picture. Draw a circle with your objective in the middle. You should be able to draw a line between your objective and each stakeholder, by identifying how this objective meets her needs and solves her problem. If you can’t, there is a hole in your marketing plan.
- A hole in the marketing plan is actually an opportunity to bring a new element into the project that may actually make the difference between a good result and brilliance, between success and failure, or a working team environment versus a team that produces miracles. Look for the holes.

### ***A Case Study—Part III***

The project manager looked hopeful for the first time in days as I summarized the predicament that they were in

as an organization. How could they expect the product to be finished on time when it was supposed to be three different things at once, and they only allowed one person to do the work? The hole in their plan was that they had no clear objective because they had not done their market research first. No one could clearly articulate what the first iteration of this product should be. No one could say which target market would be willing to buy first.

Where was the opportunity for miracles in this fiasco? There were several. First, we looked at priorities. What was the most important focus of this entire product development exercise—getting funded, finding a first customer, or getting the product finished, I asked. The debate that followed taught this group of individuals how to work together to solve a problem and see through the eyes of the others. They had to use their critical thinking abilities.

The second miracle was that instead of blaming each other, they actually looked for real solutions. If there was no funding for the project manager to work overtime, there would be little funding to market the product, unless they found a prospective customer that needed the product’s benefits so badly that they would be willing to pay to have it completed to their specifications. The mood in the room elevated dramatically. The last miracle was the next step in the process.

4. Strategic planning; the marketing plan emerges. Strategic planning, using your marketing data collected from the assessment process, produces a list of critical success factors that are not function driven but needs driven. Learn how to plan for project success with these key market drivers.

Marketing critical success factors are:

- A project has to solve real perceived problems.
- One project may solve many perceived problems if you have the knowledge and the imagination from the team’s combined efforts to work together.
- Each stakeholder group requires education and consistent communication to buy into the project. This communication strategy must be based on their perceived needs, not on your projects “features.”
- Needs change. Market research must be collected throughout the project duration and after its implementation in order to continue to ensure acceptance.
- Projects bring about change. Change must be led. Left to themselves, most stakeholders will ignore, fight, or be consumed by change. These responses will not provide you with positive project outcomes.

### ***Case Study—Part IV***

The team developed a strategic plan to find a new way to bring this core technology to the market, given their

limited resources. It defined the resources as the critical success factors and suddenly saw that the constraints actually pointed to some very limited but achievable paths to cash flow.

### **The Micro-Level**

Communication is a funny thing. We all think we are communicating clearly; we think we are talking about the same thing, that we have the same or at least a similar perspective. But the truth is, your black box works differently than my black box. When project managers (and human beings) accept this and stop assuming, communication works much more effectively. At the micro-level of marketing, the activities all revolve around interpersonal communications in many forms. The marketing strategy, based on the research, guide the nature of the forms.

1. One message, one communications strategy; design it, train everyone, then use it. Communications is the cornerstone of marketing success. It governs all micro-activities. Without clarity and consistency in your message, communications issues can predict project failure. There is one foundation message but it must be reframed for each of your targeted markets (stakeholders). The rule is to ensure that the right target market continues to hear the same message.

### **Case Study—Part V**

The CEO, CFO, VP of marketing, and the project manager began working together. They took three characteristics of their core technology and asked themselves, “What problem do these features solve for a particular industry.” Then they did their market research to identify which industry had an immediate need to use their core technology, and had an interest in seeing it applied to their situation. They crafted their communications strategy very simply. They said, “This is the problem we see you have; is this true? This is how our technology could solve your problem if we customize it for you.”

2. A promotions strategy: Educate, don’t pontificate. The best promotion strategy in launching a new product or initiative derived from your project is an educational one designed to give each target market a taste test of what the new product/project will provide. Each promotional strategy is based upon the “problem solution” defined by the market assessment.

### **Case Study—Part VI**

They called five organizations. They asked a lot of questions about their work environment. They explained how their core technology was applied. They requested a meeting with each organization, and designed an educational

session for each organization, based upon their research. Each had a problem with which a customized version of the core technology could deal. But each company experienced the effects of the problem in a different way. The promotion strategy and message framework was the same each time; the content shifted with each prospect.

3. Distribution design: pull, don’t push. When it’s time to roll out the new system, don’t push it onto the target market; pull them into the process of designing how the implementation will occur. Yes, it’s about sharing the process, not controlling the audience. Like a car salesman deciding that you won’t leave the showroom without one of his cars, authoritative strategies fail miserably in this situation.

### **Case Study—Part VII**

The CEO just wanted a contract to build a custom version. The VP of marketing wanted to sell the custom version to everyone—no exclusivity. The CFO knew that they needed cash flow soon. The project manager wanted to see his product in action. After arguing about what was the greater priority, I suggested that they let the customer define how their version should be built and sold. The prospect decided that they would enjoy being the guinea pig for the technology, so they could shape it the way they needed it. If it worked, their market opportunities would grow substantially. They had no desire to resell it. They wrote up a contract and agreed on what was proprietary to them and what wasn’t. They developed an achievable estimate, and then added a contingency for changes to the user requirements. The prospect signed the contract and put down a sizable payment to initiate the work. Everyone was pleased.

4. Day-to-day marketing management; it’s the people who make the project office work. Smart marketers continue to evaluate their strategies as they interact with the target market. They collect feedback, develop deeper strategies, design value-added services, and keep tabs on the results. They take what works well in some markets and apply them in others, collecting lessons learned along the way. The smart project manager would do well to do the same even after the deployment is complete.

### **Case Study—Part VIII**

The project manager was then able to outsource the work and spend his time managing the contract, visiting the client, and adjusting the development as needed. The CEO stopped looking for outside funding and started working with the VP of marketing to find other prospective customers wanting a customized version of their core technology. The client became their “testimonial lab,” receiving visiting prospects, demonstrating their

achievements, and increasing their own prominence in their industry.

## **Conclusion**

Marketing is a valuable strategic and tactical discipline that can be learned and adopted by project managers to make their project environments run more smoothly, meet stakeholder expectations, and improve working relations on all fronts. Marketing techniques, when woven into the project plan, can help teams reach important milestones with greater and more lasting results. This presentation was designed to give project managers a basic foundation with which to begin learning more advanced marketing principles in order to help improve their abilities in their work environment.

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