

Companies rewrite marketing strategies for tough times

Recession no reason not to find new ways to tell customers your story

- By [David Hubler](#)
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"We're one of the worst marketing but best engineering companies you've never heard of," said Douglas Smith, president and chief executive officer of Ericsson Federal Inc., the U.S. subsidiary of the Swedish telecommunications giant.

But anonymity won't increase a company's government contracting business, especially during the worst recession in decades. So last spring, Ericsson Federal hired Kristin Oelke as vice president of marketing to make the company's broadband telecom offerings more widely known in the federal sector.

Ericsson isn't alone. The recession is forcing contractors to shed old marketing techniques, which usually include reducing the marketing staff during tough times, in favor of innovative programs and partnerships that go beyond simply selling products and services, marketing experts said.

"People are becoming more aware that marketing is more of a 'must do' versus an option," said Eva Neumann, president of ENC Marketing and Communications Inc., of McLean, Va.

"I'm seeing people being more strategic versus just tactical, and they're looking very carefully at how they are spending their [marketing] budgets," she said. "People may not go to three trade shows, they may go to one, and they might put more money into that one show and do it a little bit more carefully than just going and collecting leads."

Neumann said too many companies believe that one marketing activity is all they need rather than a marketing plan based on outreach and communications built on solid messaging.

"People underestimate the challenges that the government has," Neumann said, because they don't understand the size and complexity of the government market.

For example, a corporate executive might manage information technology for 10,000 or 100,000 employees. "But in the government, including DOD, you have people who are managing IT that is deployed on the back of pickup trucks or tanks in the field in all different kinds of situations," she said.

You can't use standard commercial messaging and commercial relevancy "to address an audience that is completely different with completely different challenges and issues," she said.

"Traditional marketing of government contracting has been very much old-school relationship-based communications," said Gal Borenstein, CEO and chief strategist at the Borenstein Group, a marketing and public relations firm.

Old-school marketing relied on personal relationships with clients and suppliers and knowledge of upcoming government contracting opportunities they perhaps could win, he said. Industry experts call that picking low-hanging fruit.

Experts agree that if contractors want to survive and thrive, they must market themselves strategically and specifically.

"If you say 'we are a solutions provider,' you essentially describe yourself as a fish in the ocean," Borenstein said. "Unless you understand and define your unique value proposition, your chances of success in government marketing are dramatically reduced."



"The government doesn't want to hear about your switch being the most effective or cost-effective," Neumann said. "The government is looking for solutions. So creating messaging that strictly talks about a product isn't going to be appealing or compelling to a government audience."

Government requirements and economic pressures are pushing contractors — and the business community in general — into what Borenstein called "cooperation among 'frienemies.'"

"We're seeing more and more government contractors teaming up together, where only three or four years ago, that would have been like Pepsi and Coca-Cola deciding to market together," he said.

Accordingly, the new marketing model encourages sharing business and market intelligence and rejects the proprietary silos of information that restricted cooperation.

In the past year, contractors also are learning to appreciate customer relationship management and are actively developing relationships with federal procurement officials that go beyond the scope of their contract work, Borenstein said.

According to the new rules of marketing, contractors are looking to educate their customers about the Obama administration's government agenda and help them embrace what is new and innovative, so their clients can capitalize on opportunities that come their way, Borenstein said.

Equally important, the new marketing requires contractors to know their customers's weaknesses and knowledge gaps and help them fill those gaps. "That is what government contractors are supposed to be: service providers," he said.

Perhaps with that in mind, Oelke said one of her goals is to make government agencies more aware of Ericsson's broadband offerings and also call attention to developing communications technologies they will need in the future.

Ericsson is planning to expand its advertising in trade publications. "It's all part of a corporate plan to grow the business," she said. "We believe that once we educate [agencies] about what we have to offer, we'll have more people coming to us."

Bringing clients and contractors together is the goal of a technology leadership seminar series sponsored by GTSI Inc.

"We're looking for ways to create those deeper connections to our customers, and we see marketing as a tool to do that," said Brian Talbot, GTSI's marketing director.

The company's quarterly seminars bring together about 150 government clients and GTSI executives under the rubric "Let's Talk." For example, the October seminar is titled "Let's Talk Cloud Computing: The Essential Steps for Success."

The seminars are designed to create long-term relationships with clients rather than promulgate new business, and feedback has been overwhelmingly positive, Talbot said.

"We'll typically have a customer speaker that might not even be our customer, but it is a government speaker who has deployed a type of solution in a way that has benefited their agency," he said.

"A lot of times, we'll learn things about who is deploying or not deploying a technology that we didn't know about," Talbot said.

David Dacquino, who was named CEO of VT Services Inc. this spring, said his marketing plan promotes the company's reputation as a small-business professional services provider and simultaneously takes advantage of the strong ties to its large British contractor parent, VT Group plc.

"I do not want to diminish that small-business, small-company feel," he said. "I want the benefits of the integrated U.S. and U.K. capabilities but retain that small-company feel," Dacquino said.

VT Services recently consolidated its three U.S. operations into one company, VT Group, to streamline its services to government clients.

Dacquino said that for now, he will continue to pursue Navy contracts by marketing the company's strengths. When the economy improves, he added, he wants to grow incrementally so VT Group can go after larger Navy awards and then perhaps move into health care and other areas.

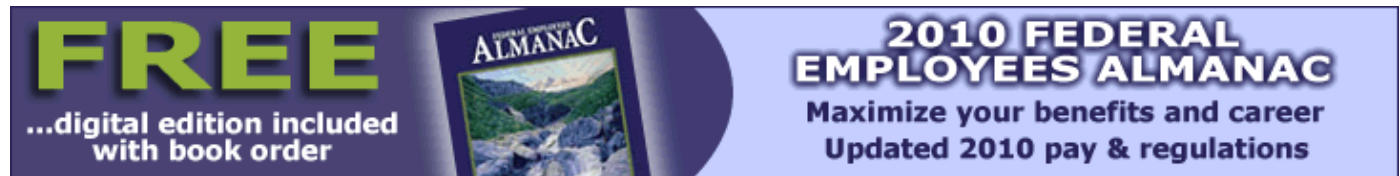
However, not all contractors are tossing aside tried-and-true marketing techniques simply to try something new.

Anne Imrie, vice president of business development at STG International Inc., said the company relies on a strategic plan that has proven successful. "It's where do you get the most bang for the buck? We do that in the good times and the bad times," she said.

"Our business case is always to follow the money," Imrie added. "We're a federal contractor, so we pretty much know where our federal customers, where their emphasis is going to be [and] where the appropriations will be. That kind of drives us."

About the Author

David Hubler is the associate editor of Washington Technology.



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