

Know what your business is for

A purpose and positioning guide and workbook

What is positioning?

Positioning is the place your business holds in your customers' minds, compared with the other choices they could make.

You earn your position by being clear about who you are and consistent in everything you do, and if you get that right, you will thrive.

Positioning comes before everything else. It's what you stand for and who you're for, and marketing is how you tell people, through the website, campaigns, PR, budget and spend. Your position changes slowly while your marketing changes all the time, so you might run dozens of campaigns under one position.

It's also set by the whole business, because customer service, pricing, who you hire and what you say no to all decide it.

How to use this guide

1. Start here: talk to the people you want to serve.
2. Know who it's for: your target customers.
3. Work out who you are: your purpose, mission, values and priorities.
4. Decide what you want people to know: your message.
5. Decide how you come across: your company personality and the benefits you offer.
6. Make it visible: your physical branding.
7. Check it against the market: market research and competitor research.
8. Take it to market: your strategy.

If you're not trading yet, leave the sections at the back under "Once you're trading" until you are.

Start here

Before you write a single word about your business, go and talk to the people you want to serve.

I know that sounds backwards. Most of us start a business because we've spotted something, and the instinct is to name it, design a logo and tell the world. I understand why, because it feels like progress and a mission statement on the wall feels like a business. But a mission written before you've heard from anyone is your own guesses in a nice font.

Do it now, too, because if you don't decide what your business is, it gets decided for you. You take one piece of work because it came along, then another because it was similar, and before long you're running a business you never chose. Every decision you make shapes the next one, and you can't know how, so it's worth knowing where you want to end up before the small decisions start adding up.

The people with the problem have the best ideas about it. You might have the expertise, and you'll need it later, but right now your job is to find out what they know. So before you go any further, write down the answers to four questions:

- Who exactly do you want to serve? Name them as tightly as you can.
- What problem do they say they have? Use their words.
- What are they doing about it now? Whatever it is, that's your real competition.
- How will you hear from them cheaply and honestly?

That last one matters more than it looks. If it takes someone half an hour and a form to tell you something, most people won't bother, and the ones who do will tell you what they think you want to hear. So make being heard as easy as you can, whether that's a coffee or a five-minute call. And go in ready to be wrong, because if you're only listening for proof of the idea you already had, that's steering, not listening.

Then check your answer to the first question. If it's a list of what you can do, you haven't said who it's for yet. Go back and name the people and the problem.

While you're at it, write two more lists: the things you don't want to do and the things you're not very good at. Being clear about what you won't do is what lets people say no to you, and a no is useful. It means they understood what you do and it isn't for them, which beats a yes from someone who's confused about what they've bought.

Do this before anything else in this guide. Your mission, values, message and look all come out better when they're built on what you heard.

A mission written before you've heard from anyone is your own guesses in a nice font.

Focus

What is focus?

Before you start thinking about strategy, tactics or implementation, you first need to understand your own company. You need a focus, and that focus comes from having a brand you believe in.

I haven't called this step 'brand' because there are some common misconceptions of what a brand actually is. Many people think it's a logo, some colours and a tagline. These are some of the outcomes of creating a brand. You need the following:

- Target Customers
- Purpose
- Mission
- Values
- Priorities
- Message
- Personality
- Benefits
- Physical Branding
- Proof

If you define all of these, your company will have focus, and a brand.

Your mission is why your company does what it does, and what it hopes to achieve. Values are how your company operates, its ethics and what it stands for. Your priorities are the things in your company you think are important. Your message is what you want people to know about you.

Your target customers are ... well, they are the customers you are targeting. But you need to understand their motivations, their habits and whether they should even be your customers at all. It's no good knowing one or two of these. Each one is important and should interact with and complement the other two.

A personality is how you speak, act and think in front of your customers - your tone, your style, your voice - while benefits are what they get from you. Finally, your physical branding is how all of these things come together and manifest themselves in things like your logo, your tagline and your company colours.

You may be tempted to move straight into strategy, but your positioning - and your company - will benefit if you take your time and understand the true importance of business self-reflection.

Why do we need a focus?

Marketing is seen by many as a separate function to other departments. There is a common saying that “everyone is in sales”. That’s true. But it’s also true of marketing. Marketing only works if the products and services you promote match up. If your company doesn’t know what its processes are, then it can’t tell its customers what service they can expect.

The worst thing you can do when it comes to positioning is overpromise and underperform. And that’s where focus comes in. With a focus that the whole company understands, you can ensure that your positioning reflects your company and your company reflects your positioning. With your mission, values, priorities and customers aligned, you can home in on what your company needs to do and discard the distractions and wasteful marketing.

A prime example of this is the interaction between marketing and customer service.

Customer service is at the centre of any positioning. Let’s say you spend money on an online advertisement or paid-for social media advertising. It’s beautifully written and is perfectly attuned to what your customer wants.

So they pick up the phone and they ring your customer service team to buy the product, but the customer service team is rude and unhelpful. The customer feels betrayed and doesn’t buy anything. What happens when we evaluate this customer’s journey through the business?

When evaluating any customer’s journey you will need to work out what money was spent on marketing, where it was spent, and how well it fared. At first glance the evaluation is easy. The marketing worked, the customer service failed, and we should improve the customer service, right? Well, yes and no.

Of course the customer service should be looked at, but from a wider perspective the initial premise is an issue. Customer service and marketing have been treated as two separate things. The marketing didn’t work because the focus wasn’t there in the customer service department. With a good mission, a positive set of values, fully understood priorities and well-researched customers, the whole machine would work as one. You would be making decisions based on common ground.

Marketing only works if everything around it makes its promises true. And marketing is only truthful if it is an integrated part of the business.

It’s time to see focus as something more than just marketing talk.

So, what does your company do?

This seems like an easy one to answer. When you first set up your business you will have had a good idea of the kind of products or services that you supply to your customers. That is your interpretation of what your company does. What do the people who use it think it does? A good handle on both these perspectives will help you understand your position, because if they aren’t the same, you need to understand the miscommunication and work out a way to close the gap.

Don’t be afraid to adapt. Bubble Wrap was originally marketed as wallpaper in 1957, before its usefulness as protective packaging became apparent. Have you ever played with a Frisbee? That term was born the very same year, inspired by the fact that children were throwing the Frisbie Pie

Company's tins around as toys. Your customers might not use your products or services the way you expect, so be prepared to change your expectations.

Target customers

Whether you are a new or existing company your next step is to work out whether your current customers fit what you want your business to be. If you don't have current customers, then think of the different kinds of customers you might like to work with.

This means evaluating, assessing and understanding your customers. Be warned, you may find that some do not fit, and then you need to decide whether it's your customers or your focus that's wrong.

When evaluating your customers, data is key. It's amazing how many companies just don't have a handle on their data.

It's very easy to take a gut decision and run with it because it seems right. It's also easy because a gut decision takes no preparation and no research. If it required those things, it wouldn't be a gut decision. And although a gut feeling can have a place in a decision-making process, relying too much on this approach is risky and can have a potentially catastrophic effect on your company.

It's the difference between shooting an arrow blindfolded and shooting with full vision. You're much more likely to hit your target if you can see it.

Working out who your customers are is more than creating an inventory. You should build a profile, understanding their wants and needs. If you create a set of standard information to categorise each customer, you can then start to compare them and rank them on their value to your business. There are several methods to collect information, including:

- Surveys
- Interviews
- Anecdotes from staff
- Existing financial data
- Public domain financial data
- CRM Data

Surveys

Surveys are a great way to get valuable, independent information about your customers. Many organisations shy away from doing surveys, as they can act as a harsh mirror on their own company and can highlight some big challenges that need to be tackled. Like an ostrich burying its head in the sand. Sure, you don't see the car coming, but it doesn't mean it's not going to hit you.

There are many apps and websites that can help you with creating a survey, including SurveyMonkey and Google Forms. The structure of the form is only a small part of the task though. The main factor in whether a survey will provide you with useful information is the questions you

ask. A good question can reveal an amazing amount of information, but a terrible one can be worse than useless, it can provide you with false information that will send your company off in the wrong direction. I could write an entire book on survey questions, but here are a few tips:

- Don't ask open questions
- Avoid biased and leading questions
- Make sure your answer choices provide clarity
- One question should give one answer

And as with all things, you need to take the answers and blend them with other information, such as the other sources in the list above, to get a more widely researched opinion that doesn't rely on just one source.

Customer interviews and anecdotes from staff

Surveys are good, but we find that real, face-to-face interactions with customers yield the best results. Existing customer interviews can allow companies to truly understand their audience. Unlike your surveys, be sure to ask open-ended questions that focus on perceptions and experience.

Personas

Your customers are real people, so they have both positive and negative traits that might be specific to only them. Let's take a bakery, for example. A customer might believe that you should only ever use organic flour, but that doesn't mean every customer demands organic flour. Rather than relying on individuals to shape your positioning, you should create personas.

Personas are not real people. They are a collection of traits and interests that target customer groups of your business might possess. By creating different personas, you can see how different members of your audience might interact with your company.

But first you need to ask yourself several questions.

Why should they be your customers? Not everyone is your customer, why have you chosen your existing ones? Is it by choice or necessity? What should your reasons be? And why have they chosen you? What do you mean to them? Will they advocate for you?

Expertise and good service are reasons for customers to stay with you, but everyone says they offer this. You need to understand what is unique and why your customers choose and stick with you if you are to communicate that to potential new customers. Once you have answered these questions, you can start to work out their motivations and build a set of characteristics that allows you to direct your marketing more effectively.

You then need to think about the customer's problems and how your business helps solve them. Don't focus on your products, focus on their impact. This can be the 'why' of your company. People don't really buy products, they buy solutions, and once you realise that you will change your perception of positioning. This is all about understanding your why, and how that translates to a

compelling reason for a customer to do business with you. Doing business might ultimately mean buying a product or signing up for a service, but that's not what they really need to do, they need to choose YOU and do business with YOU.

Another question to ask is how well the customer understands the problem you solve. Does your marketing need to educate as well as sell? Be prepared for some harsh truths - you know your business and your solutions inside and out, but the better you know it, the harder it is to translate. Be prepared to find out they haven't got it so far. But that's good news, because it means those who didn't choose you before had a reason. Maybe better messaging means they'll choose you this time.

Most people have a good handle on their unique selling points internally, but that's not the same as understanding a customer's motivation. They might have reasons completely unrelated to your USP. If your USP is strong enough, then it's a question of how you articulate it. What you tell your staff and job applicants might make sense to them, but is it clear enough to cut through the noise for a less captive audience?

Once you know the answers to all of these questions you can start to build a persona. Use the following traits to create an idea of what your various customers are like:

- Size of business
- What they're trying to do
- Job Title
- Likes
- Dislikes
- Motivations

Purpose

In the next section I say Microsoft's vision of a computer on every desk is aspirational, but not very useful. I wrote that in 2019 and I've changed my mind, or at least I've worked out what it was missing.

A purpose is a mountain. It's far off, you may never reach it, and that's fine, because its job isn't to be reached, it's to show you which way to walk. Underpin's is "making sure good people win". It tells me what to say yes to and, more usefully, what to say no to. If a piece of work helps the wrong side win, or looks good without doing any good, it fails the test, however well it pays.

Mine costs me something every week. Underpin works on 75/25: I want to be paid for 75% of what I do, so I can do the other 25% for free. A first conversation with someone just starting out is part of the 25%. I couldn't work if all of it had to be paid, because it would just make me sad.

Your mission statement, which comes next, is the route up the mountain. The purpose is why you're climbing at all.

A good purpose passes three tests:

- It can fail. If there's no way to fall short of it, it isn't saying anything.
- It shows the way. When you face a decision, it points somewhere.
- It tells you what to say no to. Like a value, it has to cost you something.

If you're starting a business because you want to do some good, write this before the mission. Keep it to one line. It'll probably sound too big, and that's usually a sign you've written a purpose rather than a target.

Mission

Your company's mission is the reason your company exists. It's the 'why?' that drives you. Many companies turn their mission into a simple statement.

A mission statement differs from a vision statement in that a vision is where you want to be at the end of your mission. One of the most famous vision statements of all time is computer giant Microsoft's original vision:

"A computer on every desk, in every home."

There's no indication of how they will do this, but it's what will happen if Microsoft's mission is achieved. It's aspirational, but not very useful. A vision statement is an outcome and although these are good to have, at the start of your journey you should prioritise how to get to your goal. A vision statement is the kind of thing that you should have in the back of your mind, something to inspire you.

A mission statement should be at the forefront of your mind.

Google's mission statement is: "To organise the world's information and make it universally accessible and useful."

At the start of a company's life, or during a transition or rebrand, the focus should be on its mission and, therefore, its mission statement, because it's a light that guides you on your way, not a distant one on the horizon.

What should a mission statement do?

A mission statement will define what you do to the different stakeholders you interact with: your customers, your employees, your owners and the world or community around you. It will give your company a purpose. All of these things make a mission statement seem daunting, but in reality, it can be very simple. And the effects can be transformative.

A good mission statement will allow you to create your branding, persona, values, priorities, ethics and culture. It will provide you with a star and will allow the rest of your company's solar system to rotate around it. The gravitational pull of your mission will ensure everything else moves in tandem.

Under no circumstances should you create a mission statement just because someone tells you to. A mission statement will have a fundamental effect on your business and if you create one without thought, and then follow it blindly, you could have big problems. To create a mission statement, you need to understand why. Not having a mission statement is bad. Having a bad one is worse.

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I won't go into too much detail here, but a great way to see whether your mission statement is useful is to ask if it could also describe the mission of your biggest rival. If it can, then it's too generic and not personal enough to your business.

If you've built your website with AI, check it hardest, because AI writes the most likely version of everything. Imagine a burger shop with 150 items on the menu, where 149 are beef burgers and one is chicken. Which one do you notice?

To write a good mission statement, you need to understand what your story is. Why did you start your business and what is the reason you think your customers would want to use you? This isn't something that will necessarily go into your written mission statement, it's the kind of thing that comes across between the lines.

Your mission statement should define what you do for your customers, employees, owners and community.

- What does your company do that makes it special or unique for your customers?
- Why is your culture the way it is?
- How do the owners help foster the first two answers?
- What good does it do in the wider world?

Once you have the answers to the questions, it's time to craft a two- or three-sentence statement.

How to use a mission statement

A mission statement is a living thing. It's not something to do once and put in a drawer somewhere. Remember to constantly evaluate, discuss and refine your mission statement.

You need to use it to advise and scrutinise every decision you make in your business. If you plan to advertise, look at what you are doing and see whether it meets all the criteria set out in your statement.

If you want to do something, and you think it would be good for the business, but you don't think it's compatible with your mission statement, it's time to evaluate not only the thing you are trying to do, but also the mission statement itself.

Values

Values are all about your culture. Your company culture is the beliefs and morals that you use when interacting with people outside the business. This can be your customers, your suppliers or the wider community. You do not have to have a written culture for your company or organisation, but it should be reflected in your values. If you're just starting out, your culture is mostly you, so this is about how you want to behave.

When looking at company values, understand that what is done within the company is not always seen the same way outside. Perception is as important as reality, so it's always worth going outside the organisation, to your customers or trusted advisors, to see what the world thinks your values are.

Your values should align with your mission statement. These are two things that need to work together. If your company's mission is to deliver eco-friendly products and one of your values isn't sustainability, then you will have conflicting ideas.

The next stage is to decide what values you want your company to adhere to. They have to be achievable and understood by the entire organisation. Between three and five values is ideal, but don't worry too much about that for the moment. Take a piece of paper, or your phone, and write down adjectives that describe your company's position. It's helpful to follow these rules when looking at your values:

Values must be at the expense of something

This can be a tricky one to get your head around. A value must stop you from doing something you don't want the company to do. It must restrain you. For example, if you wish to be environmentally sustainable, then that may limit your ability to use cheaper materials in your products. If you want to be community-focused, then there might be certain things you are no longer able to do because they would harm the community. Customer-focused means everything has to be done for the benefit of the customer, not the company.

Values must have a purpose

Values are amazing things that can inspire your whole organisation. They are invaluable if everyone in the company, and outside it, understands why you have chosen them. If they don't make sense, and you can't explain it, then they're not values.

Values must be actionable

Make sure your values make financial, ethical and logical sense. An impossible value won't inspire action.

Values must align with each other, and the mission statement

Make sure all of your values interact and complement each other. To be cheap and well-made seems contradictory. If your company can change that equation so you can provide top-quality products for a very small price, then that's a unique selling point. But in most cases having both

those things as values means one will have to be sacrificed for the other, and values cannot be selective.

Defining the meaning of your value is also important. Let's take sustainability again. One person's idea of what this means will be different to another. A sentence after each value, which clarifies your meaning, provides focus and prevents ambiguity.

How to use values

Your values now need to be woven into the very fabric of your business. Your processes and data gathering should all adhere to your values, allowing them to become automatic. When bringing new employees, suppliers and customers into the company, it's useful to bring them up to speed on your mission statement and your values. This will set expectations and allow them to aid you when it comes to turning your values into a unique selling point for your company.

Priorities

You would be surprised how many people do not truly know what their priorities are.

A priority is something that you are focusing on within your company and would put in front of other things lower down your list. You can have priorities for individual departments and strategies, and you should also have an overall priority for your business.

Your number one priority is something that is more important than anything else in the company.

A mission statement is why you are in business and a value is the way you want that business to be conducted. But a priority is different, it's a tangible thing that you want to achieve. It will help you drive business and act as a destination point that you can strive for.

A lot of people will say that money is their number one priority. This is a cute answer, but in reality, money is the outcome of your top priority. A top priority is something that focuses your whole company, marketing included. Without this focus, your company might put its effort into something that isn't going to push your marketing forward.

Your number one priority can take many forms; it can be a specific key performance indicator, it can be getting into a certain market, or getting a certain amount of free advertising for your product or service. The only thing it really has to be is something that you can measure a strategy or tactic against to ensure you stay on track.

For example, if your top priority is to reach the older generation with your product, and your main tactic for doing that is a teen-orientated social media campaign, your number one priority tells you that maybe this isn't a good course of action.

Another example might be that you want your products to be made out of the best possible parts to deliver the best possible product. If you then source your materials based on this priority, you already have an idea of what you are looking for. You are gaining focus. And if you have a focus in your business, you have a focus in your marketing.

Message

A message is an often-unrepresented part of your focus. A message translates your mission statement, values and priorities into something outward-facing. It's nice for a customer to see your values and mission, but they are predominantly an internal function to help guide you. The question when it comes to message is what does this mean for the customer, and what's the best way to explain it to them?

I have a message for my company. It's written in something we have called our 'code of conduct'. We also have an internal mission and values, but these are not public. The code of conduct is. It allows us to shape the customer's perception of us. It allows us to take control of the narrative and deliver something that is easy for them to grasp. We want our customers to be comfortable, to know what to expect. If a customer is confused or irritated, then they are less likely to buy something from us. The message your company gives to its customers should be a reassuring one.

The message of your company is actually a hybrid. It's a mix of focus, strategy and implementation.

The message can be seen across your business. It might manifest itself as an 'about us' page, or a code of conduct. Whatever it is, it should be specifically tailored to your business.

Company personality

Personality is very different from persona. Personas are all about the kinds of customers you want and the traits they have. A company personality is what, how and in what way you should interact with your customers.

When thinking about your focus, you need to decide what character you want your company to have. A company personality is the style, tone and voice your communications will have. By understanding what your customers want, and how and where they like to be spoken to, you can develop a brand that really connects and makes it more likely that they feel the emotions you want them to feel in response to your brand.

Every company, product or positioning strategy has a personality, whether they have developed it or not. Here are a few examples:

Apple

Apple make communication technology such as tablets, phones and personal computers. Their brand is cool, young and innovative. When they speak to their customers it is simple and plain because that is what their target market wants. They are not technical, and they deliver products that are fun, easy to use and well made.

Radeon

Radeon create computer graphics cards. They are seen as cutting edge, technically impressive and able to deliver exceptional performance. Their customers value information and technical specifications. Their personality is one of an expert in their field that can provide you with the specific piece of equipment for your computer. They are not claiming to be easy to use or for every level of understanding.

Dell

Dell provide complete computer products such as personal computers and laptops. Their personality is developed to appeal to the business community and their target customers demand work-orientated products that help their businesses run smoothly.

Apple, Radeon and Dell all provide products in the technology sector. They all have something to do with personal computers and communications, but the way their products have been developed and marketed means they perform very different functions. The reason for this is their focus and their personality.

The three parts of a company personality

A company's personality can be broken down into three parts. The style, the tone and the voice.

Style

The style of your personality is the most visible element of your brand - it's the words you use to communicate.

A good way to understand style is by thinking about how you speak to friends, compared to how you might speak at work. As someone born and raised in Manchester, when I am speaking to friends in the city, I will use local slang, swear words, contractions such as can't and won't, and even my accent changes. This may be something that happens to you. If I speak to someone from my local area, I suddenly slip into a thicker accent, and will start sounding a bit more like Liam Gallagher. If I am speaking to someone whose first language isn't English, I will formalise my vocabulary because I want them to understand me.

When in a formal setting, my choice of words changes. I become more formal, more neutral. Why? Because my audience is different. If I spoke to a prospective business client, an interviewer, or a manager like I speak to my friends then I would create the wrong impression, and they would probably be less likely to work with me.

Style can highlight your company's strengths and weaknesses through your choice of words. And again, this comes back to your focus. If your mission says you want to reach an older audience, using certain words will confuse and annoy. It's all about that gravitational pull, keeping your system in orbit.

Style can create different perceptions. Let's take a look at the drinks market.

This is taken from the website of Innocent smoothies:

> *"Here at innocent, we want to leave things better than we find them."*

> *"We know it sounds a bit airy-fairy, but we strive to do business in a more enlightened way. We want to take full responsibility for the impact of our business on society and the environment, and try to move our impacts from negative to neutral or (better still) positive."*

The first thing you will notice is that Innocent doesn't brand itself with a capital letter - it's innocent. They use words like airy-fairy. They use simple words and relatively short sentences. The words they use can be easily understood by anyone. They come across as positive, happy and engaging. Innocent's brand is based on fun and informality - their style has to reflect that.

Let's take a more formal brand - Langley's Gin. Their target market is more sophisticated. Let's see how they describe themselves.

> *"Quintessentially English"*

> *"Langley's England is the aspirational home to classic, quality gins styled for modern settings. Known for its excellence in craft, quality and tradition, it has an innovative spirit, which challenges conventions."*

> *"With a taste for daring and originality and with exploration and discovery at its heart. Langley's England adheres to the rules of the finest crafted gin. The brand builds on this story by delivering distinct and provocative activities, which illustrate its contemporary relevance and distances it from the expected approach of its peers."*

You can see that the words used are longer - quintessentially, contemporary and provocative. The aim of the above paragraph is to show a sophisticated and knowledgeable approach to their gin. They are also trying to portray a sense of adventure through words like daring and exploration. All of this is done through their style. Langley's is a premium product marketed to a premium audience. If they used the same style as Innocent, would they sell as much gin?

With these two examples, we can see that the words we choose in our communications can have a huge impact on whether we connect with our customers. To get the right style, you need to know what your mission, values and customers are.

Tone

The tone of your company's personality is linked closely to your style, but is more to do with the attitude with which you want to deliver your message. Are you the kind of company that wants to be seen as cheeky, provocative, or passionate? The way in which you speak, or write, to your customers differs depending on how you want to be seen.

Let's go back to Innocent smoothies. Their style is incredibly informal, but their tone is cheeky, funny and subversive. Just take a look at their contact page. One of the best things I knew about Innocent even before researching them is that every bottle says you can drop into their head office, known as Fruit Towers, any time you like. This is part of their attitude and it's delivered on their website like this:

> *"(The entry gate is on Kensal Road. Just in case you thought you had to scale the fence.) We're closed on evenings, weekends and public holidays. If a 9-5 is good enough for Dolly, it's good enough for us."*

Their attitude is more than just the words used, it's part of the way they speak to their customers. This is their tone.

Another example is National Geographic. Their style is more formal and their tone is more passionate and focused on the facts. On their website they describe themselves as follows:

> *"The National Geographic Society is an impact-driven global nonprofit organization that pushes the boundaries of exploration, furthering understanding of our world and empowering us all to generate solutions for a healthy, more sustainable future for generations to come. Our ultimate vision: a planet in balance."*

Their tone here is of supreme integrity and honesty. They tell you their vision, they focus on how they aim to make a lasting impact and they feel passionate and knowledgeable about the work they do. The National Geographic Society is about conservation and that really comes through in their style, their tone, and in the final piece of a company personality - voice.

Voice

A key part of The National Geographic Society's company personality is what they stand for, their opinions and thoughts on subjects.

A voice can be quiet, or it can be loud, and it all depends on what you want your customers to think of you. A quiet voice is subtle about where you stand on certain issues, and those issues might not be very controversial. For example, you might believe that everyone has the right to enjoy high-quality cottage cheese. That's not particularly controversial, but it can be part of your mission, values and company personality, and so your marketing should reflect that. The National Geographic Society believe in the protection and sustainability of the planet, and the plants and animals that call it home. When they speak, they use their style and tone to demonstrate their passion - they use their voice to state something specific.

Other companies make their voice a central part of their marketing too. Lush Cosmetics believe that all products should be natural, sustainable and environmentally friendly. This is something that is widely used in their marketing. People know that if they go to Lush Cosmetics, they will be buying ethical products. This becomes a synonymous part of their brand, all because of their company personality.

The Big Issue is a good one for anyone starting out with a purpose. John Bird and Gordon Roddick launched it in 1991 as a social enterprise. Vendors buy the magazine at cost price and sell it to make a profit, so they're earning their own income. Its line is "a hand up, not a handout", and the whole model comes back to that. It's a business and it has to sell magazines, but its voice is loud about what it stands for.

Different company personalities for different strategies

Your company may have multiple strategies running at once. If you have different products marketed at different target customers, it stands to reason that your personality may also be different. A good example of this is how Strongbow markets its cider in Britain, compared to the United States.

In the UK, Strongbow is aimed at males between the ages of 20 and 40. The drink is always shown in a full, standard pint glass, held by young men in trendy pubs and bars. In the United States, Strongbow targets young, sophisticated women. The marketing portrays well-dressed women, usually at parties, drinking from chalice-style glasses.

The product is the same, but the brand is different because the target customer is different. Approaches can also change depending on the product, the time of year and other factors.

Benefits

Now you have the majority of your focus in place, you need to translate it into tangible things that your potential customers can benefit from. These benefits must match what your customers actually want and be easy to understand. They are the effect of your mission, values and priorities. For example, if one of your values is honesty, then one of your benefits might be that your customers will always receive what they ask for. This benefit is real to the customer and can be physical, or part of a service that they can expect to receive from you.

Another example is having sustainability as a value. The benefit to the customer is that they will have a clear conscience when it comes to the environment, allowing them to buy with confidence.

It's good to write down the benefits of your company. When writing a website or brochure, it's important to highlight these benefits as you go along, because these are the things that will really speak to your customers and put them in a frame of mind to buy your products or services.

Your benefits are also where your price comes from. When someone can't tell what you do or how you're different, the only thing left to compare is cost, and you'll lose that to whoever's cheapest. What you can charge depends on what you're worth to the customer, and they can only see that once your benefits are clear. So if you're struggling to charge what you need to, look at your positioning before you look at your rates.

Your customers don't have to share your reasons, either. Everyone should win, but they don't have to win in the same way. A company might back a charity only so it can tick a box, and I don't mind, as long as the good gets done and someone has shown them how they win by doing it. They don't need to feel good or feel bad about it.

Physical branding

The final part of focus is to turn all of this hard work into physical branding. Physical branding includes the following things:

- Name
- Colour Scheme
- Logo
- Tagline
- Style Guide

This can be subjective and also quite specialist, so it's worth seeking out advice and guidance on this, or even hiring an expert. Here is an overview of the basics:

Name

What's in a name? Quite a lot. Your company name says so much about you and can turn people off if it's not right. Hydrox is a name that conjures up cleaning fluid or chemicals. In fact, it is the name of a biscuit. Invented in 1908, it was copied by a very famous competitor - Oreo. Oreo has now become a global brand, whereas Hydrox was discontinued in 1999 and relaunched in 2015 with little success. I believe that Hydrox failed because of its name - it just doesn't fit. Make sure you find a name that fits. It's worth asking friends and family for their opinions - take them on board, but always remember that it's your business and you make the decisions.

Colour scheme

Humans live in a colour-based world. Red and yellow can mean danger in one situation, or vibrancy and fun in another. Security firms always have blue signs and heating companies usually have orange. These colours are chosen because they elicit a certain response. Blue means police in most countries, and orange represents warmth. Make sure you pick a colour scheme that fits your purpose and values.

Logo

A logo can become a fashion phenomenon. Choose wisely and make sure you do your research. Have a look at what your rivals are doing and make sure you stand out from the crowd. Also make sure you meet expectations. If you are an exciting company that wants to attract younger customers, make it bold, bright and vibrant. If you are a financial company, maybe tone it down a little.

Tagline

A tagline is your message condensed down into just a few words. It's a good thing to have because it's a sign you have everything else right. If you think of the focus section of this guide as a funnel, then the tagline is at the very bottom. You have your mission and values, and that gets translated into your priorities and message. Finally, you condense that message down into a few simple words that mean so much. It sounds hard to do, and sometimes it is. I always find inspiration by not thinking too hard about it and writing down every idea I have. Once you have lots of ideas, you can then pick the best bits of each.

Style guide

A style guide is a nice luxury to have. It is a document that allows you to detail how you want your brand to be used. These usually cost a bit of extra money and aren't always needed if you are doing your own branding and know how you like everything to look. But once you start to grow you might need to let others know how you like your branding, and that's where a style guide comes in. There are some great examples of style guides out there and most of your favourite brands will have one, often available to the public.

Proof

No one believes you when you say you can do a job. They believe the people you've done it for.

When you're new you won't have much, so start collecting from your very first customer. Ask them what they wanted, whether they got it and what changed, and ask if you can use their words. Write it up while it's fresh, even if it's only a paragraph, because a half-finished case study sitting in a folder is no use to anyone.

Underpin has 20 case studies now. There used to be one, and before that there were none. Over time that becomes a body of work you can point to, and once you've got it you don't have to keep telling people what you can do. "I did that" is much easier to say than "I can do that".

No one believes you when you say you can do a job. They believe the people you've done it for.

A solid foundation

When thinking about how we look at focus, we need to understand that the work we do now will help us create everything that comes after. Without a solid foundation and understanding of what your business is, anything you build will inevitably be unstable. Trust me when I say that not having a focus will cost you more time, money and effort than having one. The questions in the steps that follow are easier to answer because you now have a focus. The cost of everything will reduce because you know what you need.

The hardest part of this plan is over - now we know who you are, we can start delivering that message to your customers.

Strategy

Introduction to strategy

Once you have an understanding of your company's focus, you can begin to think about the specific marketing you would like to do to promote your service or product. In other words, you need a strategy. The great thing is you already know your company's direction, priorities, personality and target customers, so you have a massive head start on most companies. But don't pat yourself on the back too hard, you now need to decide what this specific marketing strategy is going to do.

Strategy differs from focus because this is no longer about the big company questions. It's more about the marketing you are going to use to ensure you meet your goals and targets. A lot of companies will bypass this stage and head straight for the tactics, but this can lead to big problems down the road.

I like to play a game at the start of every course or workshop I run. The rules are very simple: everyone closes their eyes and counts to 20 together. But there is a catch - you can only say one number each, and if you interrupt each other you have to start from the beginning.

The aim of this exercise is to demonstrate the futility of working without a good strategy. People will inevitably interrupt each other with the same number and have to start again. You can feel the frustration build as they realise that this simple thing, counting to 20, has become a seemingly impossible task.

Why is counting to 20 so hard in this situation? What have we removed from or added to this situation to turn the simple into the impossible?

Well, the problem is communication and planning. It doesn't matter how confident you are in your focus, if no one knows what the other people in the room are doing (because their eyes are closed) there is no way to collaborate and work together. They just have to try to anticipate everybody else, without any information.

When I tell them they can open their eyes and speak to each other for 30 seconds to come up with a plan, they do it with ease.

Here's another way of explaining this: imagine your priority for the summer is to get from Land's End, the most southerly point in Britain, to John O'Groats - the most northerly. How would you approach this challenge? You wouldn't just set off without a compass, a map, or even Google. Think about the consequences of just walking, without any idea of where you are going. This would be unproductive, a waste of energy, and extremely foolish. And even if you randomly struck on a bus stop, an airport or a train station, how would you know it is going to take you closer to your destination?

This sounds like an absurd thing to do, but thousands of companies are doing the equivalent every month. It seems reasonable at the time - you know who you are and who you want to reach so you just start doing the work. But having something that you can refer back to and keep you on track will improve the marketing you do. Let's take a look at some real-life consequences of not being led by a good strategy.

Building the website

It's always a real disappointment when we meet with new customers and they have already gone out and developed a website. Depending on what you want to achieve, a website can cost anything from a couple of hundred pounds to tens of thousands. The record, from personal experience, was over £600,000. No footballer is really worth £100 million, but if someone is willing to pay it then that's the cost. The same is true of websites. And they cost an awful lot less when you have an idea of what you want, and - just as importantly - what you don't.

Before diving headlong into buying things like websites and brochures, ask yourself: why do I need this? What purpose does it serve? Because the more confident you are of your marketing, the more confident the suppliers of that marketing will be, which will lead to reduced costs, improved service and a better end product.

Whether you are working on your own or as part of a larger organisation, you need to be able to justify your marketing and demonstrate return on investment. It doesn't matter whether it's small or large, long-term or short, you need to be able to answer the questions: "Is it worth it?" and "Is it working?"

How do we justify marketing spend without good evidence?

The answer is simple: we can't. Good marketing needs to be based on fact. You need to be able to create a comprehensive plan, not just for your marketing, but also for how you will collect the data, stories and anecdotes you need to ensure your marketing is working. If you rely just on your gut feeling or the experiences of the past you will find yourself in a situation where you are once again fumbling in the dark. The market moves pretty fast. If you don't stop and look around once in a while, you could miss it.

What is a strategy for?

A strategy is a way for you to turn your focus into tangible ideas and direct them to achieve specific goals.

You've worked hard to create your focus, but without a strategy it will just sit there, unimplemented. A strategy is how you start to deliver on your promises. If you want your company to be customer-focused, this is where you describe how you are going to do that. A strategy can also centre on a specific part of your business.

What should be included in a strategy?

Overview

An overview is important, but I tend to write this last. Once all of the other parts of your strategy are in place it becomes much easier to give a brief summary of what you aim to achieve.

What market are we targeting, and why?

Your company has target customers, but each strategy you put in place should also have a target customer. This should be a more specific section of your audience. For example, if your company focuses on people over 50 who require travel insurance, you may have decided you need a strategy to help you grow in a particular location, or among people who specifically require specialist skiing insurance.

Market research

It's so important to understand the market you are entering. It could be said that it's even more important to understand the market you are already in. You may have noticed by now that I'm keen to challenge assumptions. What you think you know and what you need to know are very different things and market research gives you an honest and objective look at an existing or new market, depending on what your strategy calls for.

You've already done some market research at the focus stage. But this time is different, as it's no longer about your company - it's about the specific goals and objectives of your strategy. If you want a strategy that launches a new product, you need to know what else is available in the market and what your audience needs. Combine this with your focus research and you will be painting a picture of ways to reach your target customer both as a company and through a product.

Competitor research

Why would your customers use your biggest rival?

Looking at this question from the customer's perspective creates a great opportunity for self-reflection, and a starting point for some important research.

Why is this company your biggest rival? Is it because they make more money than you, or do they provide a better service than you? Do they have more products than you? By understanding your rival, you understand yourself. And by asking these questions you can see where you don't quite stack up. Once you know these failings and weaknesses you can then start addressing them to create a more compelling proposition. You should never use this information to degrade or belittle your rivals; use it to make yourself better and to understand your customers better.

Other factors that might be in play when working out why your customers are using your rivals over you include location, ease of website use (the user experience), branding, and the wording of marketing materials. Compare and contrast and get an idea of the true differences between your organisations. When you then come to deliver your new plan, you will have a firm, realistic understanding of your sector. No guessing, just evidence and customer-based research.

Previous marketing efforts

Sometimes there is no substitute for being out there and doing it. And if you have already done it, whether it has worked or not, you have valuable insight into your business, your customers and your industry. Use it!

Goals

Your company has priorities; your strategy should have goals. You need to understand what you want to achieve from this particular strategy. There are two general types of goals:

Number-based goals

These are what you might traditionally call key performance indicators. Things such as an increase in revenue, profit, items sold, customers created and leads generated are all examples of number-based goals. If you want to increase the number (or, in some rare cases, decrease the number) then you have a number-based goal.

Effect-based goals

These are less concerned with numbers, instead focusing on perception and prestige. An effect-based goal could be brand repositioning, public relations reach or customer education. You can't put a number on it, but you want it to happen.

A good rule of thumb is to have two number-based goals and one effect-based goal. This gives you tangible objectives without overlooking the positive effects of word-of-mouth or marketing outcomes. It's also worth noting here that number-based goals are usually seen as investments and effect-based goals are seen as expenditure.

With all of these elements combined into a single document, you now have the makings of a powerful marketing plan that can take your business to new heights.

Once you're trading

Come back to these sections once you have customers, data and turnover.

Existing financial data and public domain financial data

Your company is not a charity. Unless, of course, you are a charity. But even then, you still need to be financially responsible to your stakeholders. If you believe that your current customers are also going to be your future customers, but they are the kinds of companies that don't pay very well, then you are setting your positioning - and your company - up for a big fall.

There is a wide range of financial information available to you, from Companies House and credit-checking websites to your own company's financial data. Use these things to rate your customers, and potentially future customers, to ensure the marketing you do yields actual financial return.

CRM data

Depending on how your company operates, and what you value most in your customers, you may want to weight, or rank, the data sources listed in the Target customers section in different ways. For example, if you are a company that only deals with financially stable customers, then internal and public domain financial data might be more important to you than anecdotes from staff.

You also need to understand the provenance of your data. With something like Companies House information, or financial data, you can be reasonably certain that this information can be relied upon. A CRM system and anecdotes are only as good as the humans who input or create the data. If your CRM system hasn't been updated correctly, then be wary of relying on outdated or unreliable data.

What is a CRM system, and do you have one?

A Customer Relationship Management (CRM) system is a technology that allows you to catalogue and manage all the interactions and relationships you have with your potential, current and past customers. The aim of a CRM system is to improve business relationships and to help understand what is happening within your company.

The benefits of a CRM system are numerous. From a marketing perspective you can create reports that highlight things such as customer habits, which customers are making you the most money, and - most importantly - which ones are not. It can help when it comes to how your business operates and allows you to be data- and evidence-driven over gut instinct and guesswork.

Many people see CRM as unnecessary administration, but it is a fundamental part of good marketing. In fact, it's a fundamental part of your business. If someone is off sick, or on holiday; if an employee leaves and you bring someone else into the role; if upper management wants to see how the company is performing, so they can forecast for the future. All the data they need would be in a CRM - if it was correctly updated and maintained. Without this information and insight, you are just shooting blindly in the dark.

Sunk cost fallacy

One of the major questions we are asked when consulting on a rebrand or realignment is whether we can use the branding, communications, websites and other marketing material the company already has. So much money has been spent, and they don't want to waste the investment. But this can be a real problem, because blindly accepting that all existing materials must be maintained can mean falling victim to the "sunk cost fallacy".

It's human nature to want the work you have already done to be worth something. If you have invested £30,000 into brochures, websites and leaflets, then you expect them to be good and useful. To admit they are not is a big step in admitting that your current strategy is wrong. The sunk cost fallacy describes putting an extreme amount of emphasis and value on work already done. It's "throwing good money after bad" - just because you've invested time, money and effort into something doesn't mean that it's any good. And no matter how good it is, it may not be right for your new strategy.

Reflecting on your previous attempts at marketing can be difficult, but it's a necessary part of changing how you view the long-term success of your positioning and your business. The best way to do this is to remove the cost element and just ask the following questions:

- Does it reflect my mission, values and priorities?
- Does it resonate with my target customers?

If the answer to either of these is no, then it's time to re-evaluate whether you need to keep it or get rid of it. And it's worth pointing out here that it is because we went through the focus section of this guide, and understand these questions, that we can evaluate what our existing marketing is doing for us, and what our future marketing might look like.

This change in mindset is much easier to achieve for a sole trader, startup or small business because there are fewer people to convince. In larger organisations it can be hard to justify to a finance department or a CEO that we took the wrong path and the best thing for the company is to turn around, return to the previous fork in the road and look for another way.

BlackBerry mobile phones are a major example of this. In the early 2000s their products boasted a physical keyboard and they were marketed to business customers. They had invested so much time, money and effort into cornering this market that when the market changed, they couldn't. There was no reason that BlackBerry couldn't have been at the forefront of the new smartphone revolution, but the sunk costs of their research into physical keyboards and business-based positioning prevented innovation and adapting their approach. How many people do you know who own a BlackBerry today?

The keys to moving on from your sunk costs are openness to change, and strong evidence.

Different types of strategy

You do not need to choose just one of these, and you definitely shouldn't choose all of them.

Company strategy

A company strategy is a positioning plan for the whole of your company. The other strategies detailed here focus more on a specific part of your business. A company strategy is good if you have set effect-based goals, or if you have a small business.

The advantage of a company marketing strategy is that it will encompass everything you do through a broad strategy that delivers tangible results.

Rebrand strategy

A rebrand strategy is usually a short-term approach when changing your name, logo or your overall values or business direction. A rebrand can happen for many different reasons, but it should never happen just because you think it's been a few years and it needs an update.

If you believe a new logo, name or mission will help you reach more customers, then great. But make sure you have done your research and asked your existing customers their thoughts. Because while you might think that your current brand is past it, your customers might love it.

A rebrand can also be seen as a way to escape a bad reputation. People will ask questions like "What was wrong with the old one?" "Are you in trouble?" "Why do you want us to forget your old brand?" Any rebranding marketing material should include an honest story about why you want to make a change. If you don't explain it, then people will just explain it for you, and usually in a negative way.

Realignment strategy

A realignment strategy is for when you want to move your whole business from one industry or sector into another. This can be done for several reasons. You may see a good business opportunity in a new industry and believe your company's expertise could be a unique selling point. Alternatively, you could recognise that your current industry or sector is declining and you want to ensure the future of your business.

When developing a realignment strategy, it is important to try to transfer as much of your history and legacy over to the new strategy as you can. If you have 50 years' experience in a certain industry, demonstrate that experience and expertise in your marketing.

Service strategy

Some of the services you supply might have specific benefits for a portion of your target market. If you're already known for design and installation of a product, you may want to focus on the servicing side. This is where a service-specific strategy can be useful. It allows you to promote and market without worrying about covering everything you do. It can be more focused and more relevant to your target customers.

Product strategy

Each product you want to market might need a strategy all by itself. The product might be specifically focused towards a certain target customer, or you might want to draw attention to a new or expanded offering.

Budget

Before thinking about what your marketing budget should be, you should first decide what you want the outcome to be. The standard practice for determining how much a company should spend is based on turnover. The rule of thumb for marketing spend is 2% to 6% of turnover, or expected turnover, for the year. There are some who spend a lot more. Whether you choose 2% or 6% depends in part on the answers to the following questions:

- How much do I want to grow?
- How quickly do I want to reach my targets?
- How much of a risk am I willing to take?

Your answers will determine whether you should pursue a radical or conservative marketing strategy. The more you want to spend, the more radical your approach.

What is your marketing budget?

Perhaps the most complicated question of this whole process is: "How much money do you have to spend on marketing?" The budget for a marketing plan can range from practically zero up to billions of pounds. In 2017, Samsung spent $11.2 billion on advertising alone. Every company's decision-making process should be grounded in fact.

The good news is that if you have come this far then you should be well on your way to having a plan. Knowing your focus and your strategy will allow you to speak from a position of knowledge and ensure your money is spent wisely.

Investment vs spending

There is a big difference between investment and spending. If you invest in marketing, then you expect to earn something in return. If you spend on marketing then you want to see something come of it, but there's no fixed amount you want back. Both investing and spending have their place in marketing, and most plans will have elements of both.

Investing in your marketing is when you put money or effort into your marketing with the intention of getting an overall gain from it. This gain can be profit or an advantage in the market. The way you work out what you expect to get back is through a calculation known as a return on investment (ROI).

Return on (marketing) investment

As part of your overall marketing plan, you are going to need to understand the effects of your hard work. You need to know the return on your investment. Marketing is slightly different from other forms of ROI because most things in your company could have a value if you sold them. Marketing does not. This means marketing is more of a risk and therefore needs to be scrutinised and evaluated to ensure that the risk is as low as possible.

The reason you should focus on Return on Marketing Investment (ROMI) when looking at a strategy is that it shows you how much your marketing is contributing to your company, specifically through profit.

ROMI can be calculated using the revenue that is generated by marketing. For example, let's say you gained four orders that totalled £1,000 and each of those orders came directly from marketing efforts, on which you spent £250. Your ROMI calculation would look something like this:

(1000 – 250) / 250 = 3.0

This effectively means that for every £1 you spend on this specific marketing campaign you will gain that £1 back as well as another £2 - a ratio of three to one.

This exercise could belong in the evaluation phase, but it's also a useful tool for setting goals. If you do your research and understand your customers, you can make an educated assumption as to what you should expect to get back from your marketing. Thinking about your ROMI will help you maintain focus and avoid simply hoping for the best.

A word of warning, however: Return on Marketing Investment is not a silver bullet. As with all ideas in this guide, it only works when paired with other sources of information and other techniques. Never rely on one number or metric to show you how your entire plan is working, especially ROMI. That being said, it's a good sanity check and a way to see marketing in a number-orientated way, alongside impact and reach.

Spending

Whereas investment is easy to explain to others in your organisation, and even the bank, there are benefits to marketing that go beyond direct sales or increases in specific metrics. Creating a buzz or improving recognition of your brand can be a great way to raise your company's profile in the long term. A great piece of PR that highlights your mission and your values might not have a number attached to it, but if it means more customers can find you then it has its own kind of value.

Resources

To make your marketing plan a success you need the resources to support it. If you have a great marketing campaign that generates 50 leads for your business, do you have the customer service, sales and project management staff to handle the influx of new work and enquiries? A great marketing plan can fail on the resources allocated to handling the consequences of the plan. Here are some of the things you should consider:

- Do you have the staff to handle the enquiries that come through because of the increase in publicity?
- If your sales team receives bonuses, do you have the means to pay for the higher conversion rate of better-quality leads?
- Are there any processes or systems you need to put in place if you are launching a new product or service?

Underpin

If you'd like me to go through your answers with you, you can book a workbook review or a free conversation at underpinconsultants.com.

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