

STRATEGIC MARKET MANAGEMENT APPROACH FOR LEADERSHIP CONSULTING

COMPONENT ONE

by

Paul L. Gerhardt

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32131 19th Lane SW Apt. 162
Federal Way, WA 98023

Phone: (253) 661-6375
pgerhardtjr@hotmail.com
Instructor: Dr. Judy Forbes
Mentor: Dr. Rebecca Rehfeld

Abstract

Developing a marketing strategy for a leadership and management consulting agency or any business is very complex. It is essential to build the framework for marketing around a solid business strategy that is customer-centered. Product-market scope, investment, long-term planning and external and internal analysis are key components of the complex task of developing a well-designed marketing strategy.

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Business Strategy

Marketing services and products for an independent leadership and management consulting agency requires extensive knowledge of the products and services being offered and also a broad understanding of marketing principals. A business strategy is required to better determine the specifications of the components of the business processes. According to David A. Aaker (2001), there are six elements or dimensions to business strategy. Four of them apply to any business and two are introduced to businesses when a business exists within other business units (p.4).

The first component of the business strategy gives an understanding of the product market. There is numerous independent leadership and management-consulting services around the United States, in which compete against each other. Today's newly redesigned retail market opens up a need for increased leadership and management consulting due to a increased need to be even more competitive and have stronger teams. Aspects of this first component are deciding on what products to avoid and level of products to offer.

David Aaker (2001) suggests that the second component of a business strategy is the level of investment. Factors in this decision making process include entering into the product market, investing for growth, investing only to maintain existing position, minimizing the investment and letting the business grow on its own. The final factor of level of investment to consider is recovering as man of the assets as possible by liquidating or divesting the business (Aaker, 2001, p. 4). With a start-up leadership consulting agency, a minimum investment should be used for marketing materials. Person-to-person marketing could prove to be the best investment for this type of business.

The third area of the business strategy to be considered is the functional area strategies needed to compete in the selected product market. Product line strategy, communication messaging strategy, pricing, distribution, manufacturing, information technology, and segmentation strategies are considered in this area. A leadership consulting agency's products are analysis, consultation, training, teambuilding and speaking packages. Included with these packages are presentation and training materials, which are customized for individuals, business units and companies.

The strategic assets or competencies that underlie the strategy and provide the sustainable competitive advantage is the fourth business strategic element (Aaker, 2001). According to Aaker, "A strategic competency is something a business unit does exceptionally well, such as manufacturing or promotion, that has a strategic importance to that business. A strategic asset is a resource, such as a brand name or installed customer base (p.5)." In a leadership consulting agency, the strategic asset could be the personalized customer service and attention given to its customers. Also, knowledge of industry practices is another asset of effective consultancies.

Multiple businesses within a business share framework and assets. Component five of a business strategy focuses on the allocation of resources to the other business units. Included in this segment are financial and non-financial resources, such as equipment, facilities and people. In a start-up consulting agency, this area of business strategy would not be considered.

Likewise, segment six of a strategic business plan would also not be considered. The development of synergistic effects across businesses. This segment plans for getting business units working together and providing an advantage over its competition by doing so.

According to Gary Hamel and C.K. Prahalad, managers should have a clear-shared understanding of how their industry may be different in 10 years and a strategy for competing in

that world (Hamel & Prahalad, July-August, 1994). Likewise, in a business strategy for a leadership consulting agency this must also be true. All members of the agency should sit down and look at market trends and possibilities.

Other things to consider in creating a strategic business plan include communication technology and modes, accounting systems, economics and marketing. A leadership consulting agency is a business like others that require tools and systems that help it to sustain normal operations and grow over time.

Strategic Market Management

According to David A. Aaker, strategic market management is designed to help management make better strategic decisions and create strategic visions, which involves creating, changing or retaining a strategy (Aaker, 2001, p.18). The process of strategic market management includes both external and internal analysis.

External analysis involves taking a look at outside areas of the business that have an effect on the way the business is run and operates. Areas that need to be considered when doing an external analysis include a customer analysis, what are the customer segments, motivations and unmet needs? A competitor analysis also should be done. This includes identifying who they are, how they perform, their image, objectives, strategies, culture, strengths, weaknesses and cost.

Marketing Analysis

A marketing analysis is also an important part of the external analysis. It includes size, projected growth, profitability, entry barriers, cost structure, distribution systems, trends and key success factors (Aaker, 2001). A leadership consulting agency should highly consider these factors when considering strategic market management.

Likewise, the fourth component of external analysis, an environmental analysis is important too. Environmental analysis includes technological, governmental, economic, cultural, demographic, scenarios and information-need areas. All together these four segments of external analysis help ascertain areas of opportunity, threats, trends and strategic uncertainties that allow decision makers to put an educated foot forward when planning.

An internal analysis in strategic market management has two primary parts. These parts are performance analysis and determinant of strategic options. According to David Aaker, the performance analysis should evaluate profitability, sales, shareholder value analysis, customer satisfaction, product quality, brand associations, relative cost, new products, employee capability and performance, product portfolio analysis (2001, p.19). A leadership consulting agency may be made up of only one to a handful of people, however, these named components of performance analysis are the cornerstone of the business and should be examined carefully.

Determinants of strategic options, the other part of the internal analysis, evaluate past and current strategies, strategic problems, organizational capabilities and constraints, financial resources and constraints, strengths and weakness (Aaker, 2001). These can be measured by asking the questions of how the company is doing in building loyalty from satisfaction. Are the products and services delivering value to the customer as intended? Is there a cost disadvantage in production, design or wages? Do we have the type and enough of the right type of people to support our goals? When these questions are answered to show that the company is not missing any opportunities, then the internal analysis can be finalized and resumed at another time.

Sometimes it may be advantages for an organization, such as a leadership consulting firm to look for other strategic alternatives for better strategic positioning. Some ways of doing this include considering future scenarios, pursuing a sustainable competitive advantage that exploits

organizational assets and competencies for the purpose of neutralizing weakness. Also, it is important for businesses to be consistent with organizational visions and objectives and be feasible and practical. The company should make decisions that it could afford and will work within the foundations of the organization's existing culture and structure.

Conclusion

A start-up leadership and management consulting agency has the luxury of looking at all the criteria of developing a business strategy and strategic analysis and laying down a foundation from scratch. It may be a little more difficult for larger-more established companies to un-do elements of existing strategies and make the necessary alignments. Internal and external analysis should effectively uncover areas of opportunity and strengths to aid in the process of creating a stronger strategic business-marketing plan. Decision makers should also consider their vision, making sure it specifies core values of the company, goals and reason for being in existence. Above all else, business decision makers should not forget their customers when creating a marketing plan. Customer satisfaction should be the underlying principal in every decision.

References

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