



In-House or Outsource?

Finding Your Marketing Formula

For a small business, marketing tends to be a low priority for spending. The instinct is to do everything in house, and just about every business owner starts from this position, at least initially. You have fixed overhead and payroll and not a lot of flexibility in your budget. Why should you devote your limited funds to marketing when you can give this work to someone on your payroll?

Yet in many situations this approach is too cavalier to be effective. Is it better than nothing? Possibly. But is it delivering the return you desire? Almost certainly not.

In this paper we'll look at some cases where assigning marketing responsibilities to existing staffers was not effective and we'll offer a rational formula for evaluating your internal assets and determining what—if anything—can be accomplished with what you already have. From there it's a matter of figuring out how to use those resources to your best advantage and how to supplement them with professional assistance.

Case One: The Cost of Lost Opportunity

Let's assume you run a small software company and you hope to create a presence at tradeshows around the year, selling your wares and generating sales leads. Short on personnel, you ask your office manager to head up these efforts, determining which conferences to attend, getting the organization registered and making sure all of the marketing components—from novelty giveaways to booth to brochures—are all in place.

The office manager is certainly competent. She gets the work done, at least on the face of it. She gets you to the conferences and has created the necessary marketing materials to the best of her ability. But she's not qualified to collect or follow up on leads properly and she doesn't have the time or know-how to run advance promotion to maximize the opportunity.

The company ends up spending a lot of money on these events, and with six to eight such events a year, there are quite a few opportunities for sales growth. But because those opportunities are not being leveraged, all that



money is essentially flushed down the drain. The company comes away from all of these events with nothing to show for them, except perhaps some word of mouth advertising that would have happened anyway. Meanwhile, the office manager who made a valiant effort to do work completely out of her comfort zone, most likely had to neglect other critical responsibilities in the process.

Case Two: The Dabbler

In our second scenario, you run a small tech company with a staff of just ten people—and not one dedicated to marketing. You like coming up with marketing ideas. After all, you're an entrepreneur who has been rewarded for your innovative thinking. You maintain your company website, writing all of the content, including a blog about relevant industry issues. You place an ad in industry publications once or twice a year and you occasionally issue a press release on LinkedIn or Twitter. You've always enjoyed having control over your work, so you're loathe to rely on anyone else and you never delegate to employees. Occasionally, there's a bottleneck of work and you miss getting an important message out in a timely matter.

Your business is doing well, but you don't have the tools to measure which of these tactics has worked, which have drawn notice and which were a waste of your time. In fact there is no systematic approach at all, just a handful of activities that happen on a one-off basis and no one is holding you accountable for them. You're only generating a small percentage of the buzz you could be creating with a holistic, well-coordinated marketing and communications plan and consistent messaging. You haven't spent much money but you're not getting anything tangible in return, either.

Start Where You Are

Your small business only has a finite number and type of resources in house and it's important to be honest about that.

Typically marketing is not a core competency in your business model and that's perfectly fine. You may, however, have some skillsets to draw from. Perhaps there's someone who can manage organic social media accounts, or someone who can



write snappy copy for the company website. Some needed talents and skills include sharp writing, interpersonal savvy, creative thinking, organizational ability, teamwork, business acumen, IT and tech literacy, project management, graphic design and data analysis. Is anyone well versed in trends, strategies and best practices?

Where do your assets reside? Does it make sense to divert internal talents from the work employees are already doing? Will you burn out hardworking employees if you saddle them with too many responsibilities?

Another important question to weigh: Are your skilled employees intuitive or trained? Intuitive talent needs to be managed and guided with a focused, planned approach. Do you have the personnel required to help manage your internal talent?

Look at the employees you have, their total compensation, the time they spend on their given operational tasks and how much money could be lost if they're diverted from them. Factor in any uncertainty about their ability to perform the job and the cost of lost opportunities and compare that to the hourly rate of a marketing firm.

Look Outside

No one wants to use the wrong resources for a job, whether that job is accounting, sales or IT. You wouldn't throw unfamiliar work at a random employee, simply expect them to figure it out and hope for the best, and the same should hold true for marketing.

When it's determined that no one in your company can handle these responsibilities it behooves you to find someone who can. A marketing firm with experience in your industry space can either supplement or take on all of the marketing duties needed within your organization.

There are, of course, many advantages to the outsourced route. Resources don't need to be spent on training or managing payroll or vacation days. There's no investment in equipment, and it's quick to onboard a firm that already specializes in this type of work.

Outsourced work can also be much more efficient. Outsourced workers are more deadline-aware and quick to complete tasks. An outsourced team has an eye to the bigger picture—messaging, branding and a full-fledged marketing campaign and can



keep the efforts consistent and coordinated. It's also a flexible solution—you pay only for what you need.

As a business owner, it may be difficult to imagine creating further investment by hiring a firm to help. But what if spending 15 percent more would achieve 50 percent higher return on that investment? If you're spending that money on qualified professional services, then the results will pay for themselves.

Putting It Together

In an ideal world, you will have a hybrid model, with some marketing tasks handled internally and others handled outside. You might bring in a firm to help develop an overall plan and strategy, create effective and tested messaging and help delegate tactics to in-house staff.

With a hybrid solution, all efforts should be expertly coordinated so that the parties work together and don't overlap or leave gaps in their work. You might be simultaneously running a blog, creating conference swag, running print ads and pitching stories to a newspaper—you want all of these activities to be integrated.

In most cases, management of this process is best left to the consultant who has experience managing multiple resources and can be held accountable for working to a plan. The firm can also be responsible for managing metrics and analytics and measuring your ROI. At the end of the day, your marketing investment—whether in house, outsourced, or hybrid—should be worth the dollars spent.

About Lion's Share Marketing Group, Inc.

Lion's Share Marketing Group, Inc. is a full-service strategic and tactical marketing agency. We offer short-term consulting engagements and ongoing campaign development and execution. Since 2006, we've been helping clients refine and focus their market strategies, maximize their marketing investments to grow sales and revenue, and optimize their websites to enhance service and productivity. For more information, please contact us at mgmt@lionsshare.com. We'd love to discuss your marketing challenges and opportunities.