



How Virtual Marketing On-Demand (VMOD) Could Save You Over 50% of Your Direct Marketing Costs & Deliver Better Results

© JPE Inc. Consulting. All Rights Reserved.

Every ambitious, innovative, young company that comes along realizes that **effective marketing** will be the key to their product and services becoming recognized in the marketplace, and, even more importantly, it is what will ultimately produce new clients, revenue, and success.



However, there are but a few proven ways to achieve effective marketing and clearly many, many ways not to.

One way to produce very effective marketing is to have unlimited access to funds, hire the best PR and Advertising Agencies in the world, recruit a world-class marketing management team, and then surround them with best-of-breed marketing experts in all the various disciplines that are needed to execute a well-thought-out and comprehensive Marketing Plan. This is the preferable route, but if and only if you can achieve revenue results sufficient to cover the cost of all the effective marketing. Otherwise, you may end up spending a fortune, but have nothing to show for it—which *isn't* very effective and can be very detrimental to one's career.

Unfortunately, most young companies don't have access to unlimited funds, so this route isn't really an option for them.

Another route to effective marketing is Guerilla Marketing, done by a very small marketing team, possibly as few as one single individual, or even none if others in the company do double-duty with the marketing activities. In this vein, the marketing budget is virtually non-existent, and the bulk of the activity is a function of tedious persistence, availing all marketing-related activities to public venues and resources, counting on a "lucky break" to serve as the catalyst for a falling domino chain reaction of events in a viral fashion to generate any broad impact.

This approach has been known to work, but with a "stroke of luck" being one of its critical path elements, it represents maximum risk, with no predictable probability for success.

What is, therefore, far more common is an approach found somewhere between these two extremes – where a company has some funds slated for marketing, so there are some things that can be done, just not the full Madison Avenue path.



JPE Inc. Consulting

And this is where in an early-stage company's lifecycle that the most common strategic mistakes are made. The CEO, supported by the board, hires a VP of Sales and Marketing (or perhaps even one of each) and they set about coming up with their Marketing Plan. Nothing wrong with that, so far. And in the course of their planning, they realize that they need a lot of intricate pieces to complete the marketing puzzle. So a marketing "team" is created/hired.

They first realize that in order to make informed strategic and tactical decisions that they need detailed market analysis information about who they'd like to sell to. And they also need to know who their competition is and what they're up to, plus stay current on other industry trends and developments. So someone on the team needs to be able to do market and competitive research, so they hire someone who is good at that.

They know they need a website, and a good one, so they get a good web person, too. They also realize they're going to need graphics, not only for the website, but also for all their collaterals and artifacts. So some creative arts talent is hired.

PR is important, so they get someone who can write good Press Releases, and knows how to distribute them on the wire services, or possibly work with a formal PR agency, if they can afford to do so.

Trade shows and events are important, too, so they hire a trade show coordinator.

Then, they realize they need Product Marketing Managers with specific business and technology domain knowledge who can also serve as copywriters to actually create all the copy they need for their brochures, presentations, data sheets, white papers, backgrounders, corporate info, the works.

And lastly they recognize a need for a "Gopher" to make copies, go the print shop, etc.

And so, here you have this young company, a company that may or may not even have a revenue-producing product or service launched yet, and is still living off of investment dollars being burned through every month, but they can now say they have a pretty impressive fledgling marketing department assembled:

Role	Annual Salary	Monthly Burn (with Benefits)
VP of Marketing	\$150,000	\$14,375
Market Researcher	\$50,000	\$4,791
Webmaster	\$80,000	\$7,666
PR Mgr.	\$45,000	\$4,312
Trade Show Coord.	\$40,000	\$3,833
Product Manager	\$60,000	\$5,750
Content Writer	\$50,000	\$4,791
Mkt. Support	\$30,000	\$2,875
Totals	\$505,000	\$48,393

That \$505K for this eight person team just represents target salaries. When you take the full monthly burn rate times twelve, the real total personnel cost alone for this team is \$580,716.



And that's before a single penny is spent on any actual Marketing Campaigns or before one single marketing artifact is produced.

So almost \$600K a year is being spent just to have these people show up every day – i.e. this cost has no correlation whatsoever to actual productivity. Now, presumably, any organization with a team like this would naturally expect to get a lot for that size of investment.



But is this efficient marketing?

Depending on the maturity of the organization, and the scope of all the required marketing activity, it might be just right, it might not be enough, or it could be an incredible waste of money.

How does the composition of your marketing team compare?

If there really exists at least 40 hours of required activity in each of these roles, then the team is just right. However, if there aren't enough hours in the day for them all to complete their tasks and the rest of the company is being hindered by waiting on them to produce, then they probably don't have enough.

On the other hand, if the company is relatively young – a start-up not yet to revenue yet with its products or services – or even an early-stage company with only a very limited offering of products and services, then chances are an incredible waste is occurring.

Think about it: For a young company, or one with limited offerings, is there really 40 hours of graphics design work needed every week? How many Press Releases are really being written and distributed each month? Is new copy/content being generated every day? What does the trade show coordinator do between events? Is the management team constantly revising or coming up with entirely new marketing plans every day?

Of all the major marketing elements needed, like designing a logo or defining branding themes, how many of those items are in fact, onetime or rarely-changed events? That is, by way of analogy, if you need a dead tree cut down in your yard, which option of the following two makes more sense? 1) hiring a tree service to come out, cut it down and haul it off in an hour or two, or 2) go buy an expensive chainsaw and do it yourself, risking injury and creating a big mess.

It's understandable to feel the need to hire various team members who are proficient in different marketing disciplines and skill sets; and, likewise, it is certainly reasonable not to expect any one person or a few people to be able to be an expert at everything that needs doing.

Nevertheless, the business dilemma and a source of great waste when it comes to marketing is hiring anyone to do a fulltime job and then only give them part-time or infrequent responsibilities.



JPE Inc. Consulting

You may think they all have plenty to do, but Parkinson's Law will always apply: *"Work expands to fill the time available for its completion."* Everyone may look busy. But never forget: Activity does not equal Productivity, despite illusions to the contrary.

In fact, your graphics designer could probably be designing images for a half a dozen different companies at any one time, and still not take up all of his time. And yet, you keep him on staff fulltime simply because no one else can do what he does. And, of course, you're not about to let him freelance for anyone else while on your payroll.

But what if he didn't work for you fulltime? What if he worked for a 3rd party, and you only paid for the actual amount of his time you really needed? And in that scenario, you also wouldn't have to pay his benefits, or manage him, or fire him if he doesn't perform, or have to recruit and hire his replacement.

What if some, most, or even all your marketing deliverables could be purchased purely as a service deliverable, via an expert professional marketing services and consulting firm? What economies might be enjoyed there?

This is the fundamental concept of Virtual Marketing On-Demand (VMOD), from JPE Inc. Consulting. VMOD is ideal for young companies, who need a lot of marketing help at that early stage in their lifecycle, but who may not have the \$600K a year to build out a large in-house team to do it all for them.

But JPE, Inc. Consulting can do it for you.

We offer three comprehensive **Marketing Solution Packages**, based on what stage of corporate development you are in.

Each package is designed to give a company exactly what it needs most in a particular development phase, for only as long as you need it, and to be priced at far less than what the same deliverables could be produced via an in-house team. In nearly all cases, it would be drastically less expensive.

The most basic package is VMOD for Start-Ups

This package is for brand new or pre-revenue companies, whose greatest need is to establish their basic corporate identity in terms of defining and refining their corporate vision, strategy, value proposition, branding, and then creating all the proper collaterals and artifacts needed to credibly and effectively do business. This package also includes a starter website, its content creation, and maintenance.





JPE Inc. Consulting

This package's main benefit is all of the up-front consulting provided by successful business leaders, who have years and years of successful start-up and enterprise market achievements. It's the new ideas, strategies, and planning that is ultimately the most valuable.

How much does VMOD for Start-Ups cost? Only \$2,500 per month for a minimum commitment of just 3 months. So it's a total of \$7,500 to get far more in terms of substantive consulting and marketing deliverables than the cost of one low-level fulltime person.

It includes:

- **New Client Engagement Assessment (a \$2,500 value by itself)**
 - **Includes MS Project Plan**
- **Branding Development (Corporate and Product/Service)**
- **Value Proposition and Market Differentiation Definition**
- **Pricing Strategy & Pricing Tool Creation**
- **Revenue Plan**
- **Corporate Executive Summary (Printing not included)**
- **Corporate Background Paper (Printing not included)**
- **Corporate Brochure (4-Color) (Printing not included)**
- **10 Slide Corporate PPT**
- **Logo Design**
- **Letterhead Design**
- **Business Card Design**
- **Corporate PPT Theme Design & Templates**
- **Website Design (Theme and up to 20 pages)**
- **Website Content Creation and Maintenance**
- **Flash Development for Web**
- **Product/Service Data Sheets (1-2 page)**
- **Product/Service Solution Profiles (2-5 pages)**
- **Product/Service PPTs (Up to 25 slides)**
- **New Article Authoring**
- **Promotional Items Design (Items sold separately)**
- **White Paper Authoring**
- **Twitter Account**
- **Target Market Analysis**

JPE's commitment is to deliver a minimum of 20 hours a month as part of this package for at least 90 days. This is because all the things you need done in those first 90 days listed above, on average, really only take about 60 hours total labor to produce – not 480 hours (i.e. 40 hours per week x 4 weeks per month x 3 months) for one single person, or worse, 3,840 of seven or eight people standing around during the same time period.

That right, the eight person sample team illustrated above would cost a little over \$145K in a 90 day period for payroll alone. So if all you really initially needed was \$7,500 worth of work to get your company off the ground and going, if your marketing team looks anything like the sample team, then you could have just wasted \$137K.



Now JPE isn't going to use just one person (and you can't have less than one get anything done) as part of this package to get it all done. That's the direct benefit. No, due to all the many different skills required it would in reality be a myriad of people – but only as needed, an hour of one person's time here, two hours of a different person's time there, four hours of yet another, etc. You receive the minimum 20 hours of work performed per month, but you don't pay for a cast of thousands, just for the actual work and the deliverables.

The second package is VMOD for Early-Stage Companies

This package is for companies who have a product and/or service ready to go to market, or are in the market in the early-adopter stage. Thus, the emphasis of services in this package is on the key issues of that particular phase of marketing development: i.e. market penetration, creating clients, capturing success stories and references, and putting the infrastructure in place to manage the overall sales process.

This package includes all of the items in the previous Start-Up package, but each one at this stage is addressed on a "review and optimize if needed" basis, assuming that many of these things will already have been created and be in place. It also includes e-commerce integration to the website if your products and services can be purchased online (you don't physically need that until you have something you can sell and deliver).

In addition, this package also includes:

- **Planning and Execution of Product/Service Launch Campaigns (service only, materials extra)**
- **Campaign Monitoring and Analytics**
- **A series of Market Penetration Campaigns (service only, materials extra)**
- **Lead Generation & Qualification Campaigns (service only, materials extra)**
- **Press Releases**
- **Ad Campaign Planning, Budgeting, Ad Buys (Ad Costs Separate)**
- **Publishing a Company Newsletter**
- **Performing a Competitive Analysis**
- **Building Prospect Database**
- **Proposal/RFP Support**
- **Pipeline Management/CRM**
- **Trade Show Booth Design (Materials not included)**
- **Trade Show Support (Travel & Materials not included)**
- **Sponsored Events (Travel & Materials not included)**
- **Client Case Studies**
- **Project Cards/Database**

The cost of all of these services (which also include all of the previously listed ones in the Start-Ups package), is only \$9,000 a month for a minimum commitment of 6 months. The JPE commitment of hours escalates to 80 hours a month with this package, (which is two full weeks FTE per month), or a total of 480 hours over a six month period.



JPE Inc. Consulting

Total fixed cost: \$54,000, as compared to \$290K for the eight person team over the same time period. But why pay almost \$300K if all you need is only \$54K worth of work? Looking at it another way, if you don't currently employ a full staff of marketing experts, you could be enjoying the benefits of a full staff for a lot less than you might think.

Please note that \$9,000 a month is less than 3 Fulltime Equivalents (FTE), of just about any personnel other than the lowest-level/skill role. A strong marketing resource, let's say, making \$60K a year, costs you over \$5,000 a month. Two of them would cost more than this package. Could only two people possess all the skill sets required to do all the work listed in both the Start-Ups and Early Stage Company Solution packages? Not likely. If they could, they'd be worth a lot more than \$60K a year!

Finally, the third package is **VMOD for Growth Companies Package**



This package of services is intended for the established company, regardless of age, with real deliverable revenue-producing products and services, whose top priority is seeking to displace major, well-entrenched, better funded competitors, and to gain significant market share.

This package recognizes a greater quantity of service hours required over a longer period of time, primarily in the planning and execution of a methodical series of market penetration and competitive displacement campaigns.

This services solution package also includes services related to helping raise additional capital, if needed.

So in addition to everything the previous two packages contain and lots more of it, this one also provides for:

- **SEO Optimization for the website**
- **Video Production**
- **Planning and Execution of regularly scheduled targeted Competitive Displacement Campaigns**
- **Annual Report (Publishing extra)**
- **Investor Business Plan for Funding**
- **Investor Executive Summary**
- **Investor Private Placement Memorandum (PPM) Preparation Support**
- **Investor PPT**

This package is tailored for that company that has moved past the early-adopters stage and is really gaining noticeable market traction—or would like to.



JPE Inc. Consulting

JPE's minimum commitment for this package is 160 hours per month for a minimum of one year. This is your fully-functional Virtual Marketing Department.

It's cost? Only \$17,500 per month. That's \$210K a year, not \$600K.

In fact, with all three of these packages, the potential savings over the fulltime staff is greater than 50%, if in fact you have a fulltime marketing staff, or are contemplating buying one.

The Option of Efficiency

Of course, you may want to have your own marketing leaders and keep specific key roles in-house. That's perfectly understandable. The important point to realize here is that you don't have to if you don't want to. The option is now 100% yours what marketing functions you choose to do in-house with a fulltime resource, versus what functions can be performed purely as a service.

We've crafted our Solutions packages for exactly what you need at the time you need it, no more, no less.

Now should your needs go beyond the scope of these three packages described herein, that's fine. We're flexible. We can tailor a custom plan just for you.

Likewise, if one of the plans is close, but not quite exactly what you need, i.e. you might want one or more of the services from a larger package, but don't want to upgrade to the next level, those additional services can be added to a lower level package on T&M basis, or added to a base rate for a fixed monthly expense. Just ask us for a quote.

So hypothetically speaking, if you were spending anything in the neighborhood of \$600K on personnel alone for an in-house marketing team, and could effectively reduce that amount by up to two-thirds down to around \$200K a year (and that's after a 9 month ramp up, from around \$2K a month for the first 3 months, then \$9K for the next six), how much more effective might your marketing efforts be with an extra \$400K shaken loose to spend on promotion campaigns, lead generation, competitive campaigns, advertising, PR, bigger trade event participation, better and better website, etc.?

Contact JPE Inc. Consulting today for a free consultation, and we can help you quantify that question much more accurately.

JPE Inc. Consulting

info@jpeinconsulting.com

Telephone: (239) 247-3213

FAX: (239) 542-0080