SHOULD YOU OUTSOURCE YOUR MARKETING?

WHY YOU GET THE BEST VALUE FROM YOUR MARKETING BUDGET THROUGH OUTSOURCING

A Xander Marketing White Paper
Marketing a SaaS business is not a luxury, it is an essential. Small businesses and SMEs (Small and Medium sized Enterprises) often operate in competitive marketplaces and keeping up and standing out with the market needs a strategic, integrated and consistent approach.

Small businesses and SMEs tend to have smaller sales teams than their bigger competitors so marketing needs to work as hard as it can to win new customers, generate more leads and build brands.

Adding to this, marketing today is complex and multi-faceted, in part driven by the proliferation of digital channels such as web, email and social media. Today’s professional marketers need to integrate activity and demonstrate savvy across media channels and embrace the business, technology or creative aspects of the craft.

SaaS businesses need to decide whether marketing is best undertaken as an internal activity, in-house, or outsourced to an external agency. In this paper we explore the arguments for and the benefits of outsourcing marketing to external agencies.
INTERNAL ACTIVITY

The marketing function may be run as an internal activity by an in-house team. As an internal function there is a need to permanently hire salaried staff with the right skills; it is also essential to provide the right tools and manage and direct marketing effort.

OUTSOURCED

The marketing function may be handed over to an external supplier or marketing agency. With this approach there is the need to find and hire the right expertise for your business and sector; because of the close working relationship that tends to develop between agencies and their clients, it is essential to qualify potential candidates by asking yourself whether an agency is one with which you can partner.
For the vast majority of businesses there is a desire for more customers; however it’s not always easy to keep on top of your marketing. It takes time, resource and know-how, and requires on-going training if you want to get it right and stay current.

Rather than trying to absorb the marketing function across an existing workgroup or recruiting marketing personnel to form an in-house team, there are a number of compelling reasons why outsourcing your marketing to an agency is advantageous:

**A TEAM IS BETTER THAN AN INDIVIDUAL**

Outsourcing your marketing to an agency means that a creative team work together on promoting what you offer. Each individual brings their skills and experience to the table; established teams frequently demonstrate highly developed creative understanding and synergy. Bouncing ideas off others on the same wavelength means they are well equipped to do the best they can for you.

‘Flying solo’ with marketing - handing sole responsibility to one internally based individual - is an approach adopted by many SaaS businesses; however even the most highly skilled and experienced marketer may have limitations.

**ACCESS THE SKILL SET YOU NEED**

Successfully executing the individual processes necessary to deliver marketing efficiently and effectively from end to end covers a range of business, technical and creative disciplines. Outsourcing marketing to an agency provides access to the skills and depth of knowledge required.

One alternative to outsourcing is hiring a marketer, ensuring there is a constant focus, day-to-day. However marketing is a diverse, multi-faceted activity and it is rare, if not impossible to find someone with all the skills the marketing function requires these days.

These skills include:

- Defining the marketing strategy and backing it with a tactical methodology to deliver its objectives needs management level thinking
- Writing marketing copy requires a flair for written language
- An eye for sharp design requires creativity
- Coding a website and optimising SEO requires technical skills and understanding
- Getting coverage in the press requires relationship building skills and an address book of contacts
- Understanding the numbers requires an analytical mindset

Although many individuals have a broad understanding across these elements, few have the expertise to bring it all together to drive marketing month after month to deliver consistency and the highest standards, as well as keeping up to date with new tools and best practice.

Outsourcing marketing to an agency allows you to obtain the combined minds of experts.
PAY ONLY FOR WHAT IS NEEDED

With outsourcing, you pay for marketing, and you get marketing. What’s more it’s easy to scale up or down depending on your budgets, results and seasonal demand for what you offer.

With an in-house team there are many support costs that ‘just keep the lights on’. Such costs include overheads like office space, committing capital for equipment and perhaps paying for people not working during absences or ‘down time’.

When you outsource to experts you do not bear the hidden costs of recruiting, training, furnishing an office, holiday and sick pay and employee benefits. Salary is just a fraction of employment costs. If one month you require an advertising campaign, the next month an email marketing campaign and the next nothing, with outsourcing you only need to pay for what you use.

JUMP-START AN ONGOING AND CONSISTENT MARKETING PROGRAMME

With an outsourced marketing department you fast track to an integrated and regular programme of marketing activity. Practised expertise in starting up projects rapidly means that outsourced marketing partners are well geared to meet your marketing needs on demand.

Recruiting and getting an in-house operation up to scratch and ready to take your offer to the market may take many months. Outsourcing gives you instant access to experienced marketing professionals who can quickly develop plans and campaigns on the tightest of schedules.

Run as an internal process, either across existing staff or individuals wearing more than one hat, marketing may be characterised as inconsistent. This may be patchy in terms of quality, messaging, periodicity, and ultimately, results. An outsourced team gets you in the game quickly, keeps your marketing consistent in look, feel and tone across your messaging and provides you with regular updates.

ONE POINT OF CONTACT

An outsourced agency provides a single point of contact across all your marketing channels. If you need content added to your Facebook page, you know who to call. If you need someone to provide lead generation, you know who to call. If something goes wrong, or a new marketing buzzword is on everyone’s lips, you know who to call. You keep all marketing in safe hands, with one person to call whenever you need support.

EXPLOIT AND DEVELOP YOUR MARKETING

Outsourcing offers the fastest route to exploiting new marketing practices and developing your approach. If you want to exploit a new marketing technique, you won’t need to spend time or money on training to put it into action.

If you’re wondering whether a new method would work for your business, you won’t need to set aside days to find out. Your marketing will be handled by experts that keep on top of the latest developments and in a position to consult and offer you the best advice. With such knowledge on tap, you won’t find your valuable budget soaked up by heroic marketing experiments!
YOU CAN FOCUS ON RUNNING YOUR BUSINESS

Outsourcing lets you concentrate your efforts on core competencies. The pressure of running a business means that spending time on non-core business functions is a luxury few of us can afford. Marketing is an area of some complexity; if it is to be executed efficiently and effectively it needs to bring together a variety of skills and experience. Much of the detail takes senior executives outside of the management zone.

Why retain the burden of marketing when you can offload it? Leave marketing to experts and you can focus attention on the aspects of your business that really need direct control and cannot be outsourced experiments!

FRESH IDEAS AND INSIGHTS FROM OTHER BUSINESSES

An external agency provides insight and the opportunity for cross-fertilisation of ideas. Partnering with an outsourced agency also brings fresh perspectives and ideas without baggage such as internal politics or a ‘we’ve always done it this way’ mentality. When you go it alone much of what you learn comes from your own experiences. Learning in isolation leads to gaps in knowledge and practice.

The experiences of other businesses and industries offers much insight from which you remain largely blinkered when you take marketing on in-house. When you outsource marketing you are in the hands of people who’ve learnt from working with a wide range of clients all of which had different marketing requirements.

RAPIDLY SCALE UP OR DOWN

Outsourced marketing services provide a key element of business agility - the capability to scale business activity up or down at short notice. Fixed size in-house teams have little flexibility to adapt to changing demand for marketing from within the business; even in times of low demand for marketing the business is bearing the cost of the in-house marketing resource. Outsourced marketing better fits the demand from within your business by scaling up or down as required.

IN TUNE WITH THE TIMES

Outsourcing allows a business to put more focus on product development, operations and sales, usually where the businesses strengths lay. It eliminates the delay in needing to hire full-time staff and avoids over tasking existing staff.
There are of course alternatives to outsourcing your marketing.

**HIRE AN IN HOUSE TEAM**

Opting to create a full in-house marketing team provides the best like-for-like comparison as an alternative to bringing in an external agency; correctly managed and resourced an in-house marketing team would provide a consistent and sustained marketing effort and should ensure good quality output and results.

The cost implications of an in-house team are, however, substantial as we shall discuss.

**HIRE A DEDICATED MARKETING PERSON**

This person would look after the marketing on a day to day basis and ensure there is a constant focus. This may be more applicable to small and SME organisations; however with increasing size the volume of work exceeds the capability of a solo in-house marketer. As detailed above, one person is also unlikely to have a full marketing skill set and outside support is often required.

Essentially with either high costs or reduced or incomplete skill sets, for many, the shortcomings of these options leave something to be desired.
OUTSOURCING OPTIONS

The shortcomings of these alternatives suggest that it is important to consider outsourcing very closely to see if it is a viable option in terms of fitting with the needs of your business. If we examine the possibilities a little closer, there are three ways to outsource your marketing:

HIRE A MARKETING CONSULTANT ON A CONTRACTOR BASIS

Consultants engaged on a contract basis may bring a fresh viewpoint to your marketing and only need to be brought in when required. However they may not have an end-to-end marketing skill set and are likely to need support with additional resource; sometimes this option may result in a failure to implement the full marketing mix down all relevant channels.

This approach is not integrated and this may undermine your results as a consequence.

HIRE SPECIALIST FREELANCERS

Hiring specialist freelancers as and when you need them is another approach. This lets you bring in expertise to look after separate parts of your marketing such as design, copy and SEO as required.

This way you get access to a full skill set but may end up spending a lot of time managing marketing activity, educating freelance staff about the business and co-ordinating their efforts to get them to work together as a team. Furthermore, would you know what to look for when hiring freelancers to work on marketing projects? Can you evaluate the relative merits of SEO consultants or easily identify the best copywriter or designer for your business?

PARTNER WITH A MARKETING AGENCY

Partnering with a marketing agency provides access to the full skill set of a well drilled team; frequently the team has strengths that come from working together on many projects.

A ready made team with a deep understanding of the technical and creative facets of marketing, and whose members are on the same wavelength, is readily put to work for your business straightaway through outsourcing.
IN-HOUSE VS. OUTSOURCED: COSTS, COMPLICATIONS OR SIMPLICITY?

THE LONG LIST OF IN-HOUSE EMPLOYEE RELATED COSTS

Whether we like it or not salaries are usually the largest overhead we carry in a business. However, consider how employee costs accumulate across areas including recruitment, training, staff management; office space, furniture, specialist IT kit such as Macs equipped with Adobe software; PAYE salary, overtime, NI, pensions, company insurance, sick pay, holiday entitlements, maternity or paternity leave and redundancy or dismissal.

THE COST COMPLICATIONS THAT MAY ARISE FROM EMPLOYMENT LAW

Employers frequently characterise employment law as complicated and indeed some identify it as a barrier to job creation. There is a perception that the law hampers business agility by throwing up obstacles for employers that need to respond to the changing staffing needs of their businesses.

A business on the losing end of an Employment Tribunal adjudication risks winding up with a hefty legal bill, and paying for the complainant’s legal expenses as well as any compensation. Ouch!

In the example of an organisation that needed to slim down or discontinue in-house marketing, it may prove difficult to modify the workforce quickly, or costly if procedures and the letter of the law are not followed. It is a far simpler proposition to terminate a contract for outsourced marketing services than it is to end the employment contracts of an in-house marketing team.

THE COST SIMPLICITY OF OUTSOURCING

Generally, the cost of outsourcing is determined by an agency assessing your needs and providing a detailed proposal including the pricing for the supply of any services. Underpinning this should be a contract for supply of services. Contracts for services may be tailored to ensure that specific needs are met.

A time limited contract is a popular option for defining the commercial basis of working with an external marketing partner. Minimum terms of contract may lock you in as there may be start up costs, but once this is over contracts often run on a rolling monthly basis. Clear metrics should be provided that enable you to easily determine ROI or the cost per customer acquisition.
BUSINESSES FOR WHICH OUTSOURCED MARKETING IS AN ATTRACTIVE PROPOSITION

GOOD FIT FOR SMALL BUSINESSES AND SMEs

Many small and mid-sized businesses choose to outsource to a marketing partner. Smaller businesses simply cannot go it alone and hope to obtain effective and efficient marketing; getting outside help when you need it is the best option. Coupled to this SME scaled organisations also find outsourcing utterly compelling because it represents the most cost effective approach.

PARTIAL OUTSOURCING FOR LARGER ENTERPRISES

Many larger enterprises choose to hand over some aspects of marketing to external specialists and co-ordinate activity with internal marketing management. This partial approach to outsourcing is effective in helping to supplement a core marketing function, plug gaps in capacity or bridge while permanent recruitment is in progress.
In some ways, working with a marketing partner is much the same as working with any outsourced service provider; combine your instincts with business best practice to guide your decision making.

WHAT MARKETING CAN YOU OUTSOURCE?

All elements of marketing may be outsourced. From the Marketing Strategy where you think through competitors, target markets and your USP before mapping out strategic plans and defining objectives, through to tactical elements that plug together to deliver the plan - design work, copywriting, website development, campaigns, search engine marketing, social media, advertising and direct mail. Some agencies are full service agencies and will take care of everything, others will do part of the mix.

TRUST AND CONFIDENTIALITY

There are other ways where working with an external marketing agency is quite unlike working any other service provider. Effective and meaningful marketing goes to the heart of your business. This requires a degree of trust that is probably unique in business.

Combine best business practice with your instincts to find someone you can work with and trust working with a marketing partner is a two way street and your attention and input is required. You may have to reveal confidential information to tell the whole story of your business. If you are uncomfortable with the prospect of ‘baring your business soul’ to new found marketing professionals, a NDA (Non-Disclosure Agreement) is a useful tool to ensure that your confidential business information stays just that way.

LET THE RELATIONSHIP FLOURISH

To ensure that you get the best value from marketing, you need to give your marketing partner the best opportunity to provide it. It’s useful to remember the following points:

- Select an agency that is right for your business. Marketing strategy and tactics should be based on your organisation’s unique needs - not driven by your marketing agency’s specific expertise. See what results they have achieved and read case studies of their relationships with businesses similar to your own.
- Once you are happy with your choice of marketing partner, let them help you and trust their advice.
- Trust in your marketing partner’s knowledge. Don’t let internal differences between decision makers in your business come between you and good advice. Let the professional marketers guide you.
- Take your own advice. When you are invited to provide a professional opinion, you expect your customers to listen and, if necessary, act upon it. How many times have you thought “I am giving you sound advice. Why aren’t you following it?”
- Don’t be discouraged by a few bad results. Results often don’t meet expectations, especially for those that are commissioning marketing services for the first time; it’s a long game that delivers over time.
- Understanding the numbers requires an analytical mindset
- If results are good, ask them to deliver more. If results are bad ask them to change the approach or come up with new ideas. If it’s lots of excuses, deaf ears, or evasiveness, it’s time to change your marketing partner…
SUMMARY

Marketing is a non-core activity for many SaaS businesses; there is a mix of technical and communication disciplines that sit behind a well integrated marketing function that make it an area of considerable complexity; consequently, marketing is an ideal candidate for outsourcing.

The benefits of outsourcing combine to provide a simple, pragmatic proof and there’s no trade-off: Better results at a lower price. Small Businesses and SMEs get the best value from marketing budgets through outsourcing.

No mess. No fuss. No arguments. Best value, fastest ROI.

OUTSOURCING YOUR SAAS MARKETING WITH XANDER MARKETING

Xander Marketing was established to enable small and medium sized SaaS businesses to get their marketing right. The agency works with many businesses as an outsourced marketing department, and our experience shows that outsourcing puts effective marketing within easy and affordable reach of businesses that lack in-house resources. For more information on outsourcing your marketing contact us.

ABOUT XANDER MARKETING

Xander Marketing has worked with and looked after and performed the marketing function for a number of SaaS companies. We are the outsourced marketing partner of choice for SaaS businesses that need more customers, leads, website traffic and to build their brands. We work in partnership with SaaS businesses around the world to deliver fully integrated online and offline marketing services that help you grow and:

- Win new customers
- Increase and improve leads
- Generate more website traffic
- Build brands and become industry leaders
- Reduce churn rate

It’s this experience, and experience with SaaS businesses that makes Xander Marketing a great choice for businesses that value marketing but don’t have the time, resource or know-how to do it themselves.

T: 0330 223 2770
E: hello@xandermarketing.com
W: www.xandermarketing.com