

Hiring the higher-ups: When to invest in marketing and communications experts

By [Ottawa Business Journal Staff](#)

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It's a chicken-and-egg riddle: Should a start-up company hire a marketing and communications team early in the business cycle to drive sales? Or, should it wait until it has the sales to justify the cost of marketing and communications experts?



Chris Johnson, CEO of DNA 13. (Darren Brown, OBJ)

Chris Johnson is president and CEO of dna13, which develops and sells communications and stakeholder management software mainly in the financial sector. Mr. Johnson recently made the decision to hire in these areas after his company landed a \$5-million round of financing in 2007. As he explains, his company knows all too well the value of having both marketing and communications experts, but when to invest in them is a difficult question.

OBJ: What has been going on at dna13 lately?

JOHNSON: We closed a deal with the biggest bank in Saudi Arabia about a month ago. Most of our clients are global in nature and they have large brands. When I say large brands, I mean most of them have a lot of brand equity built up in them. For instance, Royal Bank is our customer here in Canada. Companies like Dell, Starbucks, Mercedes Benz – they all have very valuable brands in the market. We focus on protecting those companies with large amounts of value built up in their brands.

OBJ: Tell me about these new hires.

JOHNSON: It was a new position as a result of the fact that the company is growing and the workload is increasing. Alecia (O'Brien) was hired at the beginning of last summer as our manager of product marketing and communications.

Andy (Church) is the VP of marketing, so he takes care of the go-to-market strategy, branding outreach efforts. Alecia is doing a lot of the tactical, hands-on implementing of the strategy. That would be some outreach to media, working directly with vendors, search engine optimization, design teams to web development companies.

OBJ: why did you decide you needed someone in communications as well as marketing at this point in your growth cycle?

JOHNSON: For us, we got to the point where we needed to accelerate our marketing efforts. Prior to the capital financing round, we just didn't have the capital to finance it in our budget. Prior to financing in March 2007, we were bootstrapping along the way. We didn't have a full-time marketing function and the majority of the marketing job was to find leads.

We had worked really hard on working our product up and from a sales perspective to close the types of clients we needed. So up to the financing round, we were working on developing our product and on getting clients within our target market.

OBJ: What has having these two separate positions done to refocus your company's marketing and communications strategy?

JOHNSON: What it has really done is it has given us the ability to execute faster. As you know in startups, speed to market is key, and when you have investors who expect you to accelerate the company very quickly, splitting up the roles is key to that. Andy does all the vigorous thinking in terms of what we need to do to drive leads. While he's doing that, Alecia is in a much more tactical implementation role. The dual role allows us to speed up the times of our marketing plans and push more down the pipe.

OBJ: What would be your advice for a company in a similar situation as yours, who might be wondering if it's time to invest in these roles?

JOHNSON: For us, you have to be able to get to a point where you have built the business up. Companies have to get to the point where they have enough revenue coming in from sales. Also, they have to have a product that is sellable before they can put a good marketing program in place. So it's a bit of a balancing act. You have to get yourself to the point financially where you have sales and at a point where they can invest in marketing.

OBJ: But some would argue that marketing and communications are what will drive sales to get you to that point.

JOHNSON: I agree. It's a tough question. When we were starting up, we did some marketing on our own, but we didn't have a functioning department in place. We focused on building a very strong product. If you have a strong product, the existing clients that you do have will help to sell your product, they will help to do the marketing for you. That's really what we did. We worked really closely with our clients and we made them very happy because we built a product that met all their requirements.

That was great for us because the two companies we were working with got us to a point where the viral nature of that marketing helped us sell to other clients within the sector, so we were very successful very quickly in the financial sector. My advice would be focus on having a great product first and focus on closing deals on a niche vertical, like the financial sector with us, and those companies will help push your product out the door for you.

That will bring you to the point where you can hire a marketing person.

THE EXPERTS SAY

For me, you can't help but have to deal with communications no matter what size your organization or what type of business you're in.

There is a confusion in which people think that communications is public relations or the delivery of marketing; it's not. We've seen lots of organizations who have communications departments that are focused on internal communications or a tight group of stakeholders, while others

depend on being able to deliver a message to a wide audience. It depends on the nature of the business.

You do see some organizations, especially in high-tech startups, that focus a lot on marketing to get their revenue stream going. I would argue that marketing people truly do deliver communications, but they might be focused on promoting one particular item or service to sell, as opposed to a communications person who is going to think about all forms of communications.

Some high-tech startups need to develop their concept or product for delivery before they can start marketing. Others have a concept that they need to start marketing right away with the idea that they will be able to raise the money to allow them to finish developing it. It depends on where you are in your life cycle and what your approach is to developing it.

Kudos to any organization that recognizes the importance of communications, that would be a true consultant's advice. Most companies I would say don't perform as well as they should in communications.

Ken Davies, chair, *Canadian Association of Management Consultants*

Marketing can be as simple as a company putting out a brochure, but it's also what's your brand, what's your position in the market place, what are your distribution networks.

Communications is where the message of your core marketing position and brand are transmitted to your target market. In most cases, those roles are combined because it's hard to think about one without considering the other.

In big businesses, when they separate those two roles in different silos, they don't talk to each other. So the communications people responsible for taking the theory and turning it into reality and getting it to the people don't understand what the marketing people are trying to do.

Small companies understand that communications is part of what you do in marketing. There's no point in having the message, having the brand, if you don't get those out.

Very large companies that do divide those two positions do so at the risk of failing at both. You can't just have communications because you need to know what you're communicating, why you're communicating, to whom you are communicating to and what you want as a result. Communications just for the sake of communications is an error that some small companies make. They think all you need to do is put the facts down, stick a pretty picture in and get that out to the people – they're not understanding the needs of marketing. They are not and they never should be separate silos; they work hand in hand.

Keith Thirgood, president, *Association of Independent Consultants*