

Industry: Chromatography – Manufacturing
Business: Analytical Chemistry

Title Director – Worldwide Core Products Marketing
Interviewee Bob

Entering the Profession

18 years ago Bob graduated with Masters Degree in Analytical Chemistry and he joined the company as an application chemist. Soon after, he migrated into a junior marketing role. Once in this role, he also did an MBA program. The “MBA helped me in terms of frame of reference and frame of thinking, which is very different from a scientific background. It also helped in developing the writing skills.”

Once in Marketing, Bob started to train the Sales Force about Product Features and he started to write Journal Articles and participate in a lot of Field Seminars for Customers. As time passed, his involvement in these marketing activities got broader in scope, and about six years ago, Bob was trusted with the responsibility of a Product Management Director. When he first took the job he was managing both the Group and specific Product Lines. Nowadays, he doesn’t do much “Routine” Product Management, and has a larger team of managers to help him do the whole process. Bob reports to the Vice President Sales and Marketing.

Bob and his crew are primarily responsible for launching any New Products, developing and implementing Commercialization Programs, including Pricing, getting the Communication vehicles, including Promotions, Trade Shows, Technical and Trade Journals, Literature and Advertising in place, developing Sales Forecasts to help the factory with MRP, analyze and study market research information, and develop market share growth projections. He also has core involvement in developing training programs for the field sales force. Simply stated, Bob is involved in all aspects of Marketing.

Product Management Group also serves as a Communication Point between the Field Sales Organization and various internal groups like R&D, Manufacturing, Operations, IS etc. For instance, information such as a competitor releases, pricing initiatives, and new positioning strategies that the field sales force provides Bob’s group are used to help Bob and his team develop strategies that will respond to competition, as well as help them define strategies for the company in terms of new products. As Bob says,

*We are a new products-focused organization and we refine our products every 2-3 years. It’s up to us to drive those definitions into R&D. Then, R&D comes back in other directions, along with technical possibilities, and we find a way of blending the two into something that makes the most sense. **A marketing guy touches every part of the organization.***

Bob’s senior level position carries a lot of responsibilities from Managing People, Programs, Projects, and Products to Defining Strategic Initiatives to improve Customer and Shareholder Value.

Recruiting/Training

In a new recruit for a Product Manager position, the company typically looks for individuals possessing strengths in program development and project team leadership, along with the potential to grow revenue for the product line for which the person would be responsible.

Multiple years of experience in marketing role, not necessarily in the Analytical Instrument Industry, is crucial. Bob explains,

People from outside of our industry bring much needed fresh ideas and mindsets to the role. A Product Manager has to be someone who has had managerial experience and who is generally a highly educated individual- we would consider a scientist, an engineer or marketing professional.

A new sales/marketing recruit needs to go through a 3 week New Hire Sales Training program, that exposes the person to the entire range of products in the portfolio. Bob explains:

These 2-3 weeks contain so much information that the person can't retain it all - so they end up with a couple of boxes full of information. But, the advantage of having the new hires here at the facility is, hopefully, they have established contacts so that if they have questions they know whom to call. They get to know the resources available to them, the information center, the product support organization, the service support organization, and the marketing product managers.

Training is an ongoing part of career and brand development. Any new product launch also has training attached to it. This includes a one-to-two day program for the Marketing and Sales force. For new salespeople, there is also a selling skills program, which helps people manage a complex selling process; it trains team members to identify customer needs and not merely presenting/discussing specific product features or capabilities. After the initial training it's mostly on the job training, with individuals mentored by respective managers.

Bob's tip to a person considering a career in Sales/Marketing is:

...to understand what the customer needs and be effective in your communication with customers...Be outer focused instead of inner focused. Be customer orientated instead of just focusing on shuffling paper at your desk.

Bob also urged that a sales/marketing manager shouldn't micro-manage. He/she should identify issues and work through proven processes, implement solutions, and make decisions confidently. As Bob pointed out, the market place is a dynamic environment and you have to be ready to react quickly to change. At the same time, one should always keep senior level management informed so that they can assist in making right choices and decisions.

Performance & Compensation

On the marketing side, it is the performance of product lines rather than performance of an individual manager that affects rewards. At the end of the year, performance of each Product Line is evaluated either on number of units sold or on a revenue basis depending on the product mix in that specific line. Certain product lines are expected to have a percentage unit increase year to year, and certain other product lines target percentage revenue growth. A product line performance matrix is usually set and agreed to at the Executive Committee level.

The product managers who work for Bob are 100% salaried. Each one of the product managers has a product line of their own. Product managers are not necessarily compensated based on the performance of their product line. However, there is an end-of-year bonus pool and performance is one of the factors that Bob considers when he goes through the product managers' performance review process.

Bob is salaried, while also participating in the management incentive plan. He also has an additional piece of compensation that is determined on basis of performance of all the product lines. "A fairly complex calculation!" Bob exclaims.

For salespeople, individuals are given a sales target and they earn commission. Once they achieve set targets, they also have the ability to achieve a bonus.

Greatest Challenges (Difficulties) and Rewards

The biggest challenge for Bob is to develop a really coherent strategic plan. He explains,

I'm very good at tactical and very good at implementation but I also need to develop a coherent and executable strategic plan... with each planning year cycle I get better at it.

While both the market and the technology continue to evolve, Bob also said strongly that **predicting competitors actions consistently and correctly, and forecasting an emerging market are his greatest challenges.**

Having an efficient distribution and dealer network, is also critical to brand success. Bob talked about their European Distribution Center, originally established due to import taxation economics, that has become extremely efficient in terms of scheduling shipments, inventory management, and reducing the need for air - freight bills. The company has also been able to leap frog into new European geographies from there.

Bob suggested that **Product Positioning is absolutely crucial and extremely challenging.** "We maintain a premium performance position in the marketplace with the aim of being very profitable. We have a philosophy that any new product we invest in has to raise the bar of performance over and above not only what we currently sell but competitor products as well."

Bob was extremely appreciative of the harmony with which he and his group coordinate with other groups within the organization, primarily R&D, Engineering, Field Sales, Field Service, Distribution, Manufacturing, Operations, Information Systems. He identified certain issues that are now being addressed in an effort to add to their effectiveness.

- In the past, Marketing would set the List Price, and each individual country had freedom to set the local in country prices, biased towards their contribution goals. But since the introduction of the Euro, there is a need to influence international pricing, to provide consistent prices. "We are working on a program to synchronize the European pricing structure."

- Although the instances are very few, losing Customers because of delays in shipments, failure to deliver on time or failure to deliver a product that meets customer expectations is something Bob thought should absolutely never happen. "Our development programs have been late for a couple of our key accounts... **We simply can not fail to keep our promises to customers!**

Innovations in Communication Technology including Internet have helped eliminate geographic and time barriers to the business. On the flip side, competing in the Global Market place has also seen an increase in the number of competitors being dealt with in local markets. Bob suggests that **there is no such term as a Domestic Market anymore.**

Currency fluctuations can also have a severe effect on dealer networks, especially in regions where these fluctuations result in higher costs to customers. Regulatory requirements for importing into European countries, staying on guard against any environmental issues that our factories may run into (industry is the analytical chemistry business), are just a few of the additional challenges that the company must stay on top of at all times.

Bob's job is complex, with a huge diversity of tasks ranging from keeping abreast of issues both domestic and international, assuring successful product launches and efficiently working to discontinue product lines. Bob can also be faced with working with a diversity of challenges - "anything from a really happy to a really irate customer". All of this he considers greatly rewarding and he thrives on the opportunity to make product/marketing proposals to the executive committee, "sometimes they accept and sometime they don't, that's ok, I still have the opportunity."

Top Insights

The Customer is always number one. That being said, a marketing person obviously has to have a sound understanding of their products and target markets. At the same time one should never lose sight of competition, "Competitors are adapting their product all the time just like we do. You almost have to live with the mindset of constant change."

A product manager should be continuously conscious of quality and of striving for high performance, as well as making sure the company provides high quality after sales service and support. "Quality helps marketing promote a brand and gives us a competitive advantage."

These demands mean that the product manager also has to be willing to push people – sometime push people hard. Bob says, "my boss tells me - if you are product manager and everybody still likes you, you are not doing your job well enough."

Marketing is the window for an organization, into the outside world, that not only helps the organization present its products to the world, but it also helps customers identify the organization's ability to delight them. Sometimes the striving to balance the two worlds can get very frustrating, but that's the challenge and the reward. Bob advises,

Stay tuned-in and focused to the outside, use effective time management tools to help through the routine and the organizational bureaucracies, and you will be a successful marketing person.