The ABC's of Scaling Startup Marketing

Markodojo Marketing Management Process Series

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Startup marketing is incredibly challenging. Finding product-market fit, building a brand from scratch, and ramping revenue from zero to millions, these fundamental startup marketing problems are absolutely daunting. As if they weren't enough though, the difficulty of scaling startup marketing is compounded by incredibly tight marketing budgets, changing market conditions, rapid organization growth, high expectations and an uneven understanding of marketing's role in the business.

As a career CMO and now CEO of my own marketing management startup, Markodojo, I've repeatedly confronted the startup marketing challenge. Yet, it doesn't get any easier. Every startup is unique and the individual startup marketing challenges vary accordingly. However, there are some common themes that startup CMOs and CEOs can rely on as the business scales from A-round to B-round to C-round and beyond. These are the ABC's of scaling startup marketing.

Adapt or Die

Scaling Startup Marketing in Round A

The point of the A-round is to go from proof of concept to proof of business. From a marketing perspective, you are searching for the elusive product-market fit, or rather the minimum viable product to early customer fit. The salient fact here is that there are two sides to this equation: product and market. As such, the primary marketing challenge is to align your product's value proposition with a lucrative market segment of potential customers. This can be accomplished by altering said value proposition or by altering said market segment.

Startup Marketing Math **A-Round**

Congratulations! You're funded. Time to ramp marketing and make some money. Hold on a minute; let's do the math. A typical A-round startup might bring in $5M in funding on top of a revenue run rate of about $500K. Assuming a two year ramp and a 10% marketing spend, we're left with an A-round startup marketing budget of...drum roll...$300K. Let's call it $250K to $500K, depending on sector. Once you hire a marketing person or two, you'll probably have at most 50K-150K per year to spend on programs, and it goes fast.

Realizing Repeatable Revenue

Achieving initial product-market fit usually requires multiple adaptations to your marketing mix: promotion, product, channel and price. However, regardless of the marketing mix variables you tweak, the overarching A-round startup marketing goal is to realize repeatable revenue. You are looking for a marketing recipe that that sells your product again and again, and puts your startup on the path to sustainable revenue growth.

Make Your Own Luck

> **“ You can’t drive A-round revenue with quantity, so your best offense is to focus on quality. ”**

Our startup marketing math clearly shows that you don’t have much money with which to work in round A. As a matter of necessity, you will have to focus on marketing channels that are cheap or free, such as SEO, content, email, social, affiliates, speaking, public relations, product trials, viral features, and referrals. Paid channels, such as advertising and events, are cost prohibitive until you establish a solid revenue base. The worst thing you can do is blow your entire marketing budget on one or two bad, paid marketing ideas.

Since you can’t drive revenue with quantity, your best offense is to focus on quality. Place lots of little bets in order to find what works, then double down. Get your target right. Get your message right. Get your channels right. Get your product right. Make your own luck through a combination of creativity, agility, and a voracious appetite customer feedback. You don’t know what will work, so you must try many different ideas, adapt quickly and work your way into that very first sweet spot.

Let Your Customers Be the Judge

Once people really start responding to your marketing and using your product, everything changes. What you thought was great might not be so in the eyes of your customer. Customer focus is a good thing for any marketing organization, but in A-round startup marketing, it is a do-or-die proposition. If your customers can’t find you, don’t understand your value, or aren’t motivated to buy your product, then your startup will fail.

Chances are you’ve spent a lot of time thinking about your product, your website, your promotions, etc. It’s time to let your customers be the judge. In fact, there is no better time than the A-round to begin building a customer-centric marketing culture. As you scale your startup marketing organization, it will become harder and harder to hold onto that ideal. It’s best to develop the habit of making the customer the center of everything you do from the very beginning.

Build a Foundation for Growth

Scaling Startup Marketing in Round B

In the B-round, the rubber really meets the road. Revenue expectations are high and forgiveness is scarce. The business has proven that there is money to be made, but doesn’t have an entirely clear picture of how to make it. The customer base has a handful of strong buyer segments with inklings of others that hold great promise, provided marketing can get to them. The challenge is to scale a couple of things that work, while mining for new revenue streams to meet aggressive revenue growth goals.

Startup Marketing Math — B-Round

The average B-round startup is doing $5M in revenue on top of a funding infusion of about $10M. With a 10% marketing spend over a two year ramp to a C-round, we get an annual marketing budget of about $1M, give or take $500K depending on industry and whether your startup is B2B or B2C. Typical B-round marketing headcount will range from 4-8. While there is considerably more breathing room in series B startup marketing than in series A startup marketing, the marketing goals are also commensurately higher.

Once Is Never Enough

Having discovered at least one vein of repeatable revenue in the A-round, the B-round startup marketing challenge is to do it again, and again, and again. A classic B-round marketing strategy is to map out each potential market segment and attack them one after the other. This approach was popularized by Geoffrey Moore as the 'bowling alley' strategy in his classic 'Crossing the Chasm.' However, industry segmentation is just one way to divide and conquer the marketing mix. You may find that new marketing channels, new product capabilities or new pricing plans also provide access to new revenue streams.

The Marketing Innovation Engine

> **“ To meet B-round goals, you must forge a marketing innovation engine focused on discovering and optimizing new sources of revenue. ”**

B-round startup marketing is a game with constantly moving goal posts. The biggest risk is that you will run out of energy before you reach the C-round. New marketing ideas must be constantly collected, brainstormed, prioritized, tested, measured and assessed or you will not discover the new marketing programs you need to take the business to the next level. A typical B-round marketing team consists of marketing managers with very different skill sets, for example a product manager, a content marketer, an online marketer, and a public relations manager. It looks like several departments of one person each. It is essential that it does not behave as separate departments. To meet B-round goals, you must forge a coherent marketing innovation engine focused on discovering and optimizing new sources of revenue.

Moreover, each successful marketing program must be quickly operationalized, so that your small team can move on to the next great marketing idea without getting bogged down by the last. Each marketing success must be piled upon the last to maintain growth. If you move on to the next big thing without locking down what is already working, you will simply churn your marketing programs without any discernable revenue growth. By the same token, you want to fail fast on programs that are not working, so they don't eat up precious marketing resources. The good news is that with each successful jump in revenue, you will gain more headroom to increase the size of your startup marketing team and marketing programs spend.

Streamline the Customer Journey

It is during the period between B and C rounds that the true market potential of your business comes sharply into focus. You will start mapping customer segments, buyer personae, pain points, purchase funnel stages and the like to create a clearer picture of your customers and their needs. As you discover the target prospects, marketing messages, communication channels and product capabilities that count, you can begin to construct a coherent customer journey. More importantly, you can begin to automate that journey through marketing, because it is the only way you can lever up.

With your marketing innovation engine spewing out one successful marketing program after another, you run the risk of marketing program proliferation, and an equally complex proliferation of marketing processes and technologies. B-round marketing innovation must also lay the foundation for C-round scaling and production efficiency. Enterprise marketing processes and systems that operationalize cross-functional marketing processes, such as prospect databases, website publishing, marketing automation, content management, and marketing project management should be built to scale. Otherwise, you will waste precious C-round cycles cleaning up B-round messes

Create a Marketing Machine

Scaling Startup Marketing in Round C and beyond

The C-round is all about scale. Having successfully crossed the chasm in the B-round and proven that your product is useful to a broad audience; it's time to ramp it up and capture the full potential market. Expectations still run high, but you have a track record on which to build. Marketing goals are more achievable and success is more certain. That doesn't mean you can't screw it up.

> **Startup Marketing Math — C-Round**
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> By all marketing budget measures, C-rounds are nice. Let's be modest and say you are doing \$20M in annual revenue with a \$20M funding round, giving roughly \$30M per year with which to work. That's a \$3M marketing budget at 10% of total spend. Call it a range of \$2-4M based on sector and given that this is a modest scenario. Headcount will be in the range of 10-30, and your marketing department is really taking shape. Plus, you have more than \$1M to spend on programs, maybe a lot more.

Time to Grow Up

C-round marketing is all about harvesting the crops that you've sewn in the B-round. You know what works and you are ready to step on the gas. A-round and B-round marketing investments are risky long shots to discover what works. In the C-round, money pours into blue chip marketing programs where you expect a healthy, predictable return. From a marketing management perspective, it's time to grow up. Not just good marketing, but good management will determine your success of failure.

In the A-round, marketing management consists of talking to the marketer next to you. In the early B-round, you can manage by walking around. By late B-round, C-round and beyond, management-by-walking-around doesn't scale and can become a critical point of failure. Complexity quickly turns controlling managers into bottlenecks. Loss of a key marketing manager can bring an entire function to a halt and put revenue at risk. To scale marketing in the C-round, you must weave marketing management processes into the very fabric of the business.

> **“By the late B-round or early C-round, management-by-walking-around can become a critical point of failure.”**

Operationalize Marketing Management

Most [marketing departments]() gravitate toward a functional structure as they mature. Early stage marketing generalists give way to marketers with specialized skills, such as product management, product marketing, content marketing, online advertising, community marketing, field marketing, public relations, marketing ops, and so forth. The marketing organization begins to look less like a nimble work team and more like a factory composed of many different types of machines. To get anything done, these machines must be linked together assembly-line fashion. Consider the number of people that might touch a simple email before it ends up in the hands of a customer: a product marketing manager, a copywriter, a designer, a web developer and an online marketing manager would not be unusual. In the B-round, we figured out what kinds of email campaigns work. In the C-round, we have to send out 1000's of emails per week, while increasing marketing ROI. And by the way, it now takes five people to do it instead of one.

Innovation is still an important element of C-round marketing management, but the focus shifts away from discovering entirely new marketing programs to optimizing current marketing programs. Your marketing management processes should produce consistent, timely, high quality results and no single component should be able to bring down the line. You can't just send out those emails. You must define your marketing management processes, codify best practices, automate routine tasks, enable cross-functional collaboration, establish performance benchmarks, continuously improve and integrate programs to present a seamless experience to your customer.

Make Marketing a Hub of Expertise and Enablement

As a discipline, marketing is the process of aligning customer needs with business capabilities to create value and drive growth. That's quite a statement. In reality, only about half of marketing the discipline occurs inside marketing the department. Every time a sales rep speaks to a customer, she is delivering a marketing message. Product managers might be in a separate group, dispersed among divisions, or sit inside engineering. Marketing creative might be outsourced to agencies. At scale, marketers must reach well outside the marketing department to enable marketing as a discipline throughout the company.

At the highest level, marketing must offer strategic leadership to the business grounded in solid marketing expertise and an unparalleled understanding of customer needs. The marketing department cannot allow itself to become isolated. It must reach out to customers, sales, product, finance, vendors, industry influencers, and the like to communicate marketing plans, collaborate on marketing programs, and enable marketing the discipline outside marketing the department. Finally, marketing must strive to make customer knowledge the life's blood of the marketing organization through pervasive customer feedback and customer-centric performance metrics.

In the End, It's All about Leverage

The most straightforward way to grow revenue in any business is to sell every deal directly: prospecting, qualifying, educating and finally closing. Unfortunately, 100% pure direct selling doesn't scale well for things like chewing gum, smart phones, software, automobiles and office equipment. Without marketing, most products would never make it to market. There is really only one reason to rely on marketing over sales: it's cheaper. That's marketing leverage.

Financially, marketing leverage can be defined as simultaneously increasing both revenue and marketing ROI. Sell more for less. Increasing marketing leverage over time requires a balance of ongoing innovation and increasing production efficiency in your marketing management process. Ongoing innovation sources new revenue streams and optimizes existing marketing programs. Increasing production efficiency improves marketing ROI. In the end, scaling startup marketing is just the endless quest to increase marketing leverage.

A Startup CEO Primer for Scaling Marketing

Startup CEOs are notoriously birdbrained when it comes to marketing. There, I said it. Now that I have your attention, let's do something about it. Marketing done right can be a powerful engine of sustainable revenue growth and competitive advantage. Marketing done wrong leaves you with a handful of pretty Web pages and predictable CMO turnover: such a waste. The choice is largely up to the startup CEO, because the startup CEO defines the role of marketing department. The startup CEO sets marketing goals. And, the startup CEO hires the CMO.

Marketing the Discipline vs. Marketing the Department

The root cause of many startup CEO marketing misunderstandings is confusion over the role that marketing plays in a business. Many people, including most startup CEOs, think marketing is synonymous with advertising, branding or demand generation. The reason for this is that marketing communications is the most visible aspect of marketing to non-marketers. However, marketing communications is only one component of the marketing mix.

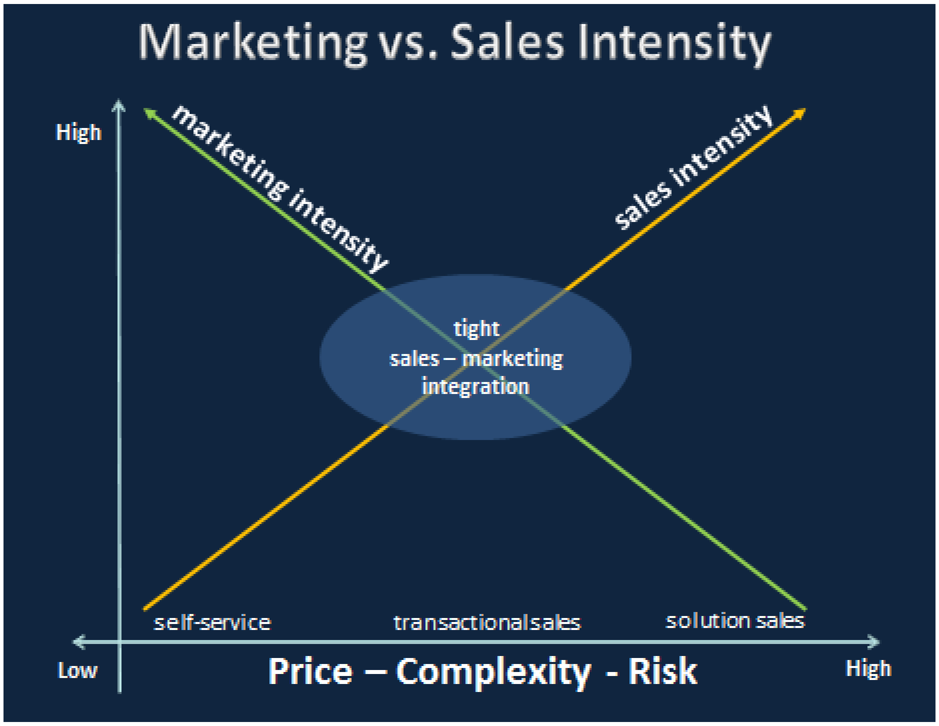
> “Marketing is a process that every business must do, whether or not it has a marketing department.”

Marketing is first and foremost a process that every business must do, whether or not it has a marketing department. In plain English, marketing is the process of getting the capabilities of the company aligned with customer to deliver value and make money. The [marketing management process] consists of optimizing the four components of the marketing mix: product, pricing, promotions and channels, to achieve this end. Since promotion is the most visible marketing activity to the outside world, non-marketers tend to equate marketing solely with promotion. Startup CEOs should not.

As much as 50% of marketing as a discipline may happen outside the marketing department. Any marketing mix activity can be done by the marketing department, facilitated by the marketing department or done by a separate department altogether. Should product management report to the CMO? Should the business model tilt toward marketing or toward sales? Should marketing managers be compensated on revenue? The design, role and goals of the marketing organization are critical startup CEO choices. They should not happen by accident.

The Marketing—Sales Continuum

Certain marketing activities almost always reside outside the marketing department, the most obvious one being sales. From the marketing discipline perspective, selling is one-to-one marketing. It requires entirely different resources and skills from say online advertising, a kind of one-to-many marketing. Depending on your business, direct sales and online advertising might be highly interchangeable. How much you spend on each is a marketing mix decision: a decision made by the Startup CEO. The quality of that decision relies on an understanding that sales and marketing are two flavors of the same thing: the marketing mix. From a departmental perspective, marketing and sales look like apples and oranges. From a strategic business perspective, they look like two different kinds of apples.



Price, complexity and risk define a spectrum of marketing vs. sales intensity.
High price, high complexity, high risk products entail greater sales intensity.
Low price, low complexity, low risk products entail greater marketing intensity.

Most startups will find themselves spending more than 50% of revenue on sales and marketing. But, how much should you spend on sales versus marketing. And, how tightly integrated do these two functions need to be? Should you have a VP of Sales and a VP of Marketing, or a VP of Sales and Marketing? As our little advertising example showed, sales and marketing are often interchangeable. This interchangeability goes well beyond promotion to every element of the marketing mix. For example, do you have standard pricing or negotiated pricing? Do you deliver a standard product to every customer or do you propose a custom solution?

Where your business falls on the marketing-sales continuum depends on a combination of price, complexity and risk. High price, high complexity, high risk purchases entail more sales intensity. Low price, low complexity, low risk purchases entail more marketing intensity. Purchases that sit in the middle require a balance of the two and need tight sales-marketing integration. In any event, these are not simply questions of how much to spend on marketing versus sales. These are questions about what kind of business you want to be. Something only the Startup CEO can decide.

Product Starts with a P

Product is easily the most important marketing mix P for most startups. In a technology startup, product is the startup's reason to exist. As such, the tech startup CEO will often designate roles like VP Product or Chief Product Officer. Make no mistake; this is a marketing role, regardless of the organizational structure. Consciously or unconsciously, a startup CEO who designates a Chief Product Officer is making the decision that product is such an essential element of the marketing mix that the success of the business depends on it; therefore it should report to the CEO. The reporting structure, however, does not change the nature of the role. Whether Chief of Product reporting to the CEO or VP of Product reporting to the CMO, this executive is responsible for making sure the product is aligned with the needs of customers to deliver value and make money, i.e., marketing.

Invariably, the most difficult challenge of scaling the product organization in a software startup is the required mix of marketing, technology and domain knowledge. It can be extremely hard in some sectors to recruit product managers that have all three, forcing you to compromise one for the other. This issue does not arise in say consumer packaged goods, because pretty much everyone understands potato chips, so the only skill required of brand managers is marketing. However, aligning business capabilities (technology) to customer needs (domain) to deliver value and make money (marketing) requires all three in a technology startup.

> “Perhaps the most difficult startup CEO marketing challenge is patience.”

The organizational choices of the startup CEO and CMO to strike the right balance between marketing, technology and domain knowledge are among the most important strategic marketing decisions. When one dimension significantly outweighs the others, the entire product organization gravitates toward it. For example, enterprise business process solutions such as ERP and HCM require extensive domain knowledge and often force the creation of a Chief Product Officer. Simple productivity apps, games or apps targeted specifically to marketing or sales are likely to gravitate toward the CMO. Finally, cutting-edge infrastructure and platform offerings can even cause the product organization to gravitate to the CTO, because the customers themselves are engineers.

Another common compromise found in technology startups is to split the technology-centric product responsibilities into a product management group and the marketing-centric product responsibilities into a product marketing group. This approach is often characterized as ‘inbound’ vs. ‘outbound’ product marketing. However, the startup CEO and CMO should never lose sight of the fact that this is an organizational compromise made to simplify recruiting. It’s always better to have a product manager who can walk and talk, i.e., who has marketing, technology and domain knowledge. They are just hard to find.

The Long vs. Short Game

Perhaps the most difficult startup CEO marketing challenge is patience. Startup CEO’s are incredibly impatient animals. Everything needs to be done yesterday. When you hire an engineer, new product features start materializing almost immediately. When you hire a sales rep, you see immediate activity. And depending on your sales cycle, the connection between sales activity and sales results can be very short. Business results are quick and tangible. This is not always the case with marketing.

Even the promotional marketing mix P, which tends to be the quickest and most tangible of the four, presents serious challenges to startup CEO impatience. For example, content marketing, seo, and social media all have very slow burn rates. They are incredibly powerful once you have them on your side, but they require up-front investment and take months, if not years to scale. Paid marketing channels, such as advertising and events are much quicker to ramp, but they can be prohibitively expensive to a startup. Alternatively, if you don’t invest in marketing with a certain degree of faith in the future, your startup will not accrue marketing leverage. Acquisition costs will be high, capital requirements will increase, and you will have fewer dollars to invest in product development and infrastructure as you scale.

Most startup CEO's have no problem playing the long game when it comes to the product P. But if you have created a great product and no one knows about it, then it is worth exactly as much as the code it is written in. Think of it this way: marketing mix elements have a diverse spectrum of timelines, product being one of the longest. To manage the product timeline, we speed things up with a minimal viable product. Then, we use methodologies like agile development to improve the product incrementally. You should take a similar approach to every long term element in the marketing mix. Lastly, revenue is the final measure of success. If we can tie revenue to a particular upgrade or feature, that is fantastic. If we can't, we can't. Short term wins like paid search where you get immediate results and can tie them to specific marketing decisions are great. But, if that is all you do because you are too impatient, then your long term goals, like revenue growth, competitive advantage and company valuation will suffer the consequences.

Hiring the CMO

The CMO hire is a tough startup CEO decision. Not only is it difficult to determine what kind of CMO to hire, but it is also difficult to determine when to hire a CMO—the right timing being clouded by the short game versus long game fuzziness of marketing. CMO requirements change dramatically as a startup scales from A-round to B-round to C-round and beyond. Albeit possible, it is rare to find one individual that can span the entire range.

The Doer

A-Round CMO Considerations for Startup CEOs

As pointed out earlier, the A-round startup CMO is likely to oversee a marketing budget of $250K-$500K in the beginning, possibly approaching $1M by the time a B-round is raised—including the CMO. This simple financial constraint implies that the A-round CMO must be incredibly hands on: a doer. Pure managers need not apply, because the CMO alone will comprise 20-50% of your marketing capacity.

As the startup CEO, you might think "Why bother to hire a CMO at this stage?" You might be right in this regard, but you should also consider the long game. Achieving product market fit, creating your message, bootstrapping demand generation and evangelizing your product to the industry: these critical A-round marketing challenges are not junior-level.

The primary hiring criteria for the A-round CMO should be how well the person complements the rest of the executive team, particularly the startup CEO. If the startup CEO's background is pure technology with limited sales and marketing experience, then it's probably a good idea to find an experienced A-round CMO. If the startup CEO is the de facto chief product officer with solid experience in marketing, then you might be able to get by with a marketing director focused on the promotional marketing mix P.

The Thinker

B-Round CMO Considerations for Startup CEOs

The main marketing challenge of the B-round CMO is the discovery and development of new revenue streams to drive growth. Backed by a small marketing team and budget to do the actual work, the most important B-round CMO skill is creativity and strategic marketing leadership: the thinker. In most cases, tackling the B-round growth objectives without a marketing leader is startup suicide. Even if the startup CEO has the proper marketing skills, he will not have the time to develop and implement the marketing strategy.

B round CMOs might just be the hardest to hire, because marketing, technology and domain knowledge are all in very high demand. If you need to give on one of them, technology is probably the best candidate, because marketing expertise and domain knowledge are essential to developing a sound market expansion strategy. Whatever skills the CMO is lacking should be filled in by key marketing directors the next level down in the marketing organization.

The Builder

C-Round CMO Considerations for Startup CEOs

By the time you reach the C-round, the marketing organization will have grown to the point where it needs serious parental supervision. The C-round CMO should be a manager first and a marketer second with particular skill at managing high growth environments: the builder. While the A-round and B-round CMOs can get by with 'management by walking around,' the C-round CMO needs to be thinking about marketing process, organization structure, collaboration and alignment inside and outside the marketing department.

Ideally, the B-round CMO has laid a solid foundation on which to build: engines of marketing innovation, core automation of the customer journey, low-overhead marketing management processes, and the like. The C-round CMO is tasked with taking it all to the next level with a much stronger focus on marketing ROI. Revenue growth is essential, but the C-round CMO will be hiring lots of people and spending buckets of cash. It must be spent well to maximize marketing leverage.

The Top Ten Do's of Startup Marketing Management

Increase Marketing Leverage
Startup Marketing Do #1

In order to make money, you have to spend money. However, it's very easy to waste a lot of money on marketing. As you scale your startup marketing effort, you should strive to increase both revenue and marketing ROI simultaneously, or more simply increase marketing leverage. Marketing leverage builds through methodical innovation to discover new marketing programs and optimize existing marketing programs, while simultaneously increasing marketing production efficiency to reduce unit costs. Marketing leverage accelerates growth by freeing up spend on existing marketing programs in order to invest in new ones. Without marketing leverage you cannot scale, because revenue stalls as your marketing resources are absorbed simply to maintain the status quo.

Lead from Behind the Customer
Startup Marketing Do #2

Everyone seems to have an opinion about marketing, but there is really only one opinion that counts: the customer's. A difference of opinion in the A-round can mean life or death for your startup. If your prospective customers don't agree with your value proposition, then they will not buy your product. As your startup marketing effort scales, you must also scale the customer-marketer relationship, or you will soon find that marketing's opinion on marketing is no more credible than anyone else's. Build a customer-centric marketing culture. Put in place marketing processes and feedback mechanisms that stay on top of customer needs and motivations. Look for opportunities to collaborate with customers on marketing programs, such as case studies, events, focus groups, etc. Don't just measure clicks, connect to real people. Marketing success, value and credibility all derive from the customer. Always lead from behind the customer.

Adapt Quickly and Fail Fast
Startup Marketing Do #3

There are two certainties in every startup marketing department: things always change and you never have enough money. In order to insulate yourself from this reality, you should develop marketing management processes that enable you to adapt quickly and fail fast. It is this startup marketing necessity that has given rise to modern marketing management methodologies like agile marketing and growth hacking. Methodologies aside, you should always favor small, incremental marketing projects and incremental marketing mix improvements over large risky ones. You should put in place strong marketing metrics that provide immediate feedback on your marketing programs. And, you should constantly source and experiment with new marketing ideas. Create a fast, flexible marketing innovation engine that operationalizes continuous improvement and fuels revenue growth.

Invest Heavily In Free
Startup Marketing Do #4

The less a marketing program costs, the higher the leverage. Free marketing programs, such as organic search, guest blogging, earned media, product placement, and word-of-mouth have the highest leverage of all. For an early stage startup with a tiny marketing budget, they may be the only options available. In the later stages, they still offer the most bang for your buck. You should continue to invest heavily in free marketing programs as you scale your startup marketing effort.

It's worth pointing out, however, that these ostensibly free marketing programs are not really free at all. They all require the creative minds of hard-working marketing managers and marketing managers are actually quite expensive. What they do avoid is direct costs, such as advertising and list fees. Instead, they employ the marketing tactic of leveraging other people's stuff: someone else's audience, someone else's content, someone else's platform, etc. Generally, to get access to someone else's stuff, you have to offer something in return. To be successful in the free marketing barter economy, you should take an inventory of what you have to offer other than money: your expertise, your content, your product, your customers, and so forth. Then, target the other people that have the stuff you need and value the stuff you have. Don't show up empty handed.

Constantly Seek New Revenue Streams

Startup Marketing Do #5

Startups are all potential. By the time you have 30% market share, you aren't really a startup anymore. Getting from 0% market share to anything substantial is the fundamental goal of any startup marketing organization. It is so much easier said than done. It is also not a smooth mathematical curve where you simply add another percentage point per quarter. Startup revenue growth comes in many fits and starts as you make improvements to the marketing mix.

Each new promotion, each new channel and each new product capability has the potential to tap into new revenue streams. By the same token, every element of your marketing mix has decreasing returns to scale. Email marketing will only generate a fraction of your leads. A particular message will only resonate with a fraction of your prospects. A certain product feature will only appeal to a certain market segment. And, so forth. You must constantly seek new revenue streams to drive sustainable growth.

Improve Continuously to Maximize ROI

Startup Marketing Do #6

Startup Marketing Do #1 claims that you should strive to increase both revenue and marketing ROI simultaneously to increase marketing leverage. Marketing innovation to discover new revenue streams is not enough. When you stumble onto a new successful marketing program, it's usually pretty rough. To get the most for your marketing dollar, further optimization is required.

Maximizing marketing ROI from current marketing programs requires a marketing management process that drives continuous improvement. First, you must benchmark current performance. Then, you must brainstorm and prioritize improvements to the program's marketing mix. Then, you must test each change to see if there is a positive impact. Wash, rinse, and repeat. You can't just move from one disconnected marketing project to the next, you must manage the marketing process to discover and codify best practices, so that you continuously improve.

Facilitate the Customer Journey with Automation

Startup Marketing Do #7

As your startup marketing effort scales, you develop a much stronger picture of the journey your customers take as they find, try, buy and use your product. You should understand why they buy, how they go about making a purchase decision, and what they need to get the most out of your product. Ultimately, every single marketing program is directed at facilitating the customer journey by aligning the needs of your customer to the capabilities of your business.

In the early days, you will hand-craft every message and campaign, tweaking here and there to find the perfect marketing mix combination. However, as your marketing programs mature, these tasks become routine. It is a complete waste of time to automate marketing programs prematurely or to automate marketing programs that simply don't work. Alternatively, codifying best practices and automating marketing programs that do work dramatically increases marketing ROI and hence marketing leverage. Deploying new automation takes time and energy. Don't blindly automate every marketing program; automate the marketing programs that truly facilitate the customer journey.

Upgrade Marketing Management with Automation

Startup Marketing Do #8

Marketing managers tend to pay much more attention to marketing than they do to management. This predisposition can be fatal in the late B-round, C-round and beyond. There are two core business processes that define every marketing organization: 1) the customer journey and 2) the marketing management process. The marketing management process can be thought of as the meta-process of the customer journey in that it creates the customer journey for your business. Put this way, the marketing management process sounds pretty darn important in that the customer journey is entirely dependent on it.

Just as the customer journey becomes clearer and more routine as you discover best practices and scale your startup marketing effort, so it is with your marketing management process. In fact, given that the marketing management process precedes the creation marketing programs, you should be zeroing in on it even faster. Like the customer journey, your marketing management process may take many paths. For example, your process for global campaign execution will clearly differ from your process for content creation. Regardless, codifying marketing management best practices and automating routine marketing management work has a big an impact on marketing ROI and marketing. The largest investment in almost every marketing organization is its people. Maximize your return.

Enable Marketing Outside of Marketing

Startup Marketing Do #9

In most companies, only about half of marketing actually occurs inside the marketing the department. The classically defined marketing mix of promotion, product, price and channel spans the entire value chain of the business. Sales reps promote. Manufacturing makes product. Purchasing managers affect price. External influencers and factors have an enormous impact on channels.

Early stage startup marketers must reach opportunistically outside marketing to leverage other people's stuff. Later stage startup marketing departments cannot function at all without systematically engaging sales, engineering, finance, vendors, industry influencers and customers. The more you scale, the more each marketing manager should be an enabler of marketing outside of marketing, not just an agent of marketing within marketing.

Present a Unified Front to the Customer

Startup Marketing Do #10

Marketing at scale is a very complex beast: multiple segments, multiple products, multiple messages, multi-channel campaigns, and cross-functional if not cross-divisional marketing management processes. As marketing complexity increases internally, so does the need to re-integrate and simplify it externally to present a unified front to the customer. Frankly, your customers don't care about your problems. They want what they want, when they want it, and where they want it. How much simpler could it be?

Presenting a unified customer experience is so critical that we've even given it a name: integrated marketing. However, mastering integrated marketing entails a lot more than presenting a consistent brand image. It requires the coordination of marketing programs and customer touch points both inside and outside the marketing department. In fact, consistently presenting a unified customer experience requires the integration of the marketing teams, marketing management processes, and marketing systems that create and deliver those marketing programs.

Ten Don'ts to Avoid when Scaling Startup Marketing

Manage Projects over Process

Startup Marketing Don't #1

Marketing is a long game. It goes without question that as a marketer you would like every blog post, email campaign, advertisement and product upgrade to be a revenue generating success. But, they won't all be; that's how you improve. The most important marketing wins, such as brand awareness, competitive advantage, brand loyalty and sustainable revenue growth accumulate over time as you pile one successful marketing program on top of the other. The long game is not won by any individual project. It's won by instilling a superior marketing culture, building a superior marketing organization and developing a superior marketing management process. If you envision every marketing project as an entity unto itself and you don't actively develop the marketing management process by which you select, plan, execute and assess said project, then your marketing will not scale.

Spread Yourself Too Thin

Startup Marketing Don't #2

No matter how big your marketing budget, you will always have more marketing projects than marketing resources. There is constant pressure to take on more than you can possibly do. If you spread yourself to thin, the result will be bottlenecks, project delays and poor marketing results. Draw a clean line between what you would like to do and what you are actually going to do. Focus clearly on marketing programs that increase marketing leverage and build sustainable revenue growth. When you allow your eyes to become bigger than your stomach, you choke.

Lose Focus on Marketing Strategy

Startup Marketing Don't #3

The marketing manager role is unique in that marketing managers must often decide what to do before they can decide how to do it. It is one of the fuzziest responsibilities in any company. As such, it is very easy to get lost. A good test of the scalability of any marketing organization is the degree to which marketing managers make sound business decisions without assistance. Scalability fails when they need to ask the boss or consistently make a poor business decisions. Strong organizational alignment around marketing strategy allows senior marketing managers to delegate with confidence, because marketing strategy provides a framework for making sound business decisions. Don't lose focus on marketing strategy. Build strategic goals and principles into your marketing management process to connect marketing strategy to everyday work. Keep your marketing organization aligned.

Waste Time on Rework

Startup Marketing Don't #4

There is no more wasteful drain on your limited marketing resources than rework. Not to be confused with experimentation or adaptation, rework is change without any gain in knowledge or performance. Rework happens when marketing managers miscommunicate, neglect important handoffs, get interrupted, or attempt to implement half-baked ideas. In short, it is a failure of your marketing management process and the result is negative marketing leverage. Don't make the common mistake of blaming rework on individuals. Take a closer look at your marketing management process, and make improvements that help marketing managers avoid it altogether.

Scale Up Prematurely *Startup Marketing Don't #5*

It's easy to waste a lot of money on startup marketing, so don't ramp a new marketing program until you are relatively certain of the results. This is particularly true for A-round and B-round startups, because it is not simply a matter of whether or not you are ready to go to market. The market may not be ready for you. Both supply and demand need to be aligned. You should have the right target customer, the right message, the right channel and the right product. And, your customer needs to be in the right state of mind to take the next step along the customer journey. Better to spend tomorrow and get results, than to spend today and have no tomorrow.

Forget what You Did Last Quarter *Startup Marketing Don't #6*

Those who cannot remember the past are condemned to repeat it. These famous words of philosopher George Santayana are as applicable to marketing as they are to political history. Without a marketing memory, you have no foundation on which to build. Your marketing effort will not scale, as you are consumed with rework and re-inventing the wheel. Marketing memory comes in many forms: customer knowledge, competitor intelligence, marketing program best practices, marketing management processes, branding standards, reusable assets, performance benchmarks, historical metrics, customer relationships, influencer relationships, vendor relationships, and so on. Save them. Remember them. Build on them.

Neglect to Market Marketing *Startup Marketing Don't #7*

Half of marketing happens outside the marketing department. By the same token, everyone wants to put their fingers in the proverbial marketing pie. CEOs have their pet marketing programs, CFO's want to see concrete financial results, sales managers and reps want leads, tools and field support, and even HR wants a beautiful website to attract the best candidates. Don't neglect to market marketing and co-opt your critics. First, they are likely to have lots of great marketing ideas. And last, nothing will bring marketing performance to a halt faster than unproductive, internal politics.

Forget that Customers are People *Startup Marketing Don't #8*

Modern marketers have access to oceans of customer data. Some marketing managers think that marketing success is just a matter of crunching the numbers. If this is the case, then why do we still see so many misguided marketing campaigns? Why do so many new products still fail? And, why is the average tenure of CMO's so short? Didn't they do the math? Good marketing metrics will tell you what customers like, but they won't tell you why they like it. And, they won't tell you how to improve it. Sometimes click-streams just don't cut it. Any significant marketing innovation requires real feedback from real customers to understand their needs and motivations. Give numbers, strategy and process their due, but never forget that your customers are people.

Become Isolated *Startup Marketing Don't #9*

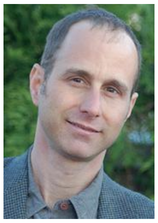
As marketing scales, it increasingly becomes an entity unto itself. Organizational hierarchy, functional divisions, automation and simple geography all conspire to separate marketing managers from customers, from other areas of the company, and from the industry at large. It becomes very easy for a marketing manager to focus on the work and relationships that are in closest proximity. Do not let marketing become isolated, or it will become irrelevant. Marketing managers should make it a habit to get out of the marketing department to meet customers, sales reps, industry influencers, vendors and the like. Moreover, marketing management processes and systems should be inclusive by design, helping marketers connect to customers, collaborate on marketing projects with outside parties, and build a network of industry relationships.

Stop Innovating

Startup Marketing Don't #10

In the early days, marketing innovation is a matter of startup life or death. In the A round, you have to find product-market fit. In the B-round, you have to expand your markets, you channels and your product to create sustainable growth. As you're your startup marketing effort scales into the C-round and beyond, the focus naturally tilts toward marketing efficiency and ROI. Here it is easy to become inflexible and set in your marketing ways. If you stop innovating, you stop growing. It's as simple as that. Every market segment, every marketing program, and every product has as natural limit. Sustainable revenue growth requires ongoing innovation to find new markets, new programs and new products. The final limit is your marketing imagination.

About the Author



Joel York is the CEO and founder of Markodojo and a respected thought leader in the software community. He shares his knowledge on the popular blogs Chaotic Flow and Cloud Ave. Prior to founding Markodojo, Joel was a career CMO and built multiple marketing departments from startups to hundreds of millions of dollars in revenue. Joel got his first exposure to agile at Deloitte Consulting. A lifelong student of agile principles, Joel has applied agile methods in marketing, engineering and manufacturing. Joel holds a BS in Physics from Caltech, an MS in Engineering Physics from Cornell and an MBA from the University of Chicago.

About Markodojo

Markodojo marketing management software helps marketing managers lever up by empowering marketing teams to be more strategic, more creative, more focused, more productive and more agile. Markodojo scales where spreadsheets and project management tools fail, providing an integrated platform for marketing planning, marketing project management, marketing team collaboration, marketing relationship management and online feedback tools that bring marketing closer to customers and sales.

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