NATIONAL DISABILITY SERVICES

MARKETING GOVERNANCE

MODULE 1

PART 1 – OVERVIEW

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Hello. You are viewing the online webinar content and training materials for marketing governance. This content has been prepared to assist disability service providers in becoming market-facing due to the changes and reforms of the National Disability Insurance Scheme.

My name is Alex Maken and I'll be your facilitator through each of these modules. The first two modules explore key marketing concepts, and these are designed for Board members, members of your Executive and Management that may not necessarily be familiar with key marketing terms. Following the first two introductory modules, we'll be exploring each of the five pillars of the marketing governance framework in detail. Please also ensure that you have your workbooks available as we'll be referring to the workbooks as we explore a number of the activities and concepts within this series. Thank you for your participation, and we look forward to building your marketing capabilities and capacity through marketing governance.

As mentioned, this is the first module of our marketing governance series, and this module is designed to provide some key learning objectives to build a common base and understanding around key marketing terminologies, theories, and its application in practice. Through this session we're going to be exploring an overview of what marketing is and how it should be applied within your organisation. We're going to explore the definition of marketing and how that impacts you in terms of the activities and approach you should be undertaking in regard to marketing. We're going to be exploring the application of marketing within the National Disability Insurance Scheme, and making sure that you have the capability and capacity to become market-facing. We're also going to delve into your stakeholders, understanding their needs, and why it's important to take a market-facing approach in determining how you interact and engage those stakeholders. We'll also be exploring competitive pressures, and why this has an impact in needing to become market-facing, and the role of marketing within your organisation.

This webinar content is best undertaken in conjunction with the accompanying workbook. So as you open the workbooks, please have a look at the first series of questions. Discuss:

* How you would define marketing?
* How does your current role in your organisation undertake marketing?
* How does your role interact with the role of marketing?
* What is the vision and mission of your organisation?

These questions will help set the scene and provide the context as we explore marketing under the NDIS environment.

Marketing is in fact one of the most misunderstood terms in the not-for-profit sector, but also within businesses as well. This is because often when we think about the term "marketing" we'll consider words such as sales, promotions, or communications or advertising, when in actual fact marketing is a lot more.

Marketing, fundamentally, is about the mutual exchange of value, and it's around understanding how you can coalesce your internal capability and capacity and ensure that that faces relevant markets so that you can provide value to those stakeholders, in the same way that they provide value to you in the use of your products or services. So marketing is in fact a lot more broad and a lot more involved than just some key terms.

When we explore some key definitions, it's worth taking into account some of the peak industry bodies. I'm a former State Chair of the Australian Marketing Institute. The AMI tends to have a fairly lengthy definition of marketing, but one of the key elements of this is the fact that it creates value, both for your customers but also for stakeholders and society as a whole. This is where marketing can be critical for a not-for-profit organisation, because ultimately, while you do need participants who undertake your products and services, there's often a broader societal impact as well. The role of marketing is to provide value for not only your own organisation and your internal stakeholders, but your external stakeholders as well, and this is where we need to provide an alignment between what your external stakeholders value and what it is that you provide as an organisation.

That definition is consistent with the American Marketing Association, but also the Chartered Institute of Marketing in the UK. It's quite a contrast to the standard dictionary definition, as evidenced here through the Oxford, that cites marketing in terms of being "The business of promoting and selling products or services." As we've explored, marketing is in fact far broader and far more involved, and it's on this premise that we're going to be exploring how marketing needs the capabilities and capacity to enable your organisation to help fulfil its mission and purpose.

So we've seen the formal definition, but what does this actually mean? Well, fundamentally, marketing consists of strategies that create value, and as we explored, that's value to your stakeholders as much as it is value to your organisation, and that means you're able to create that value by understanding your organisation's context and how to reach, influence and engage those stakeholders. But fundamentally, marketing is about building your capacity so that you can achieve your goals. That's why, once again, it's important to understand the mission and vision of your organisation, because it's marketing that looks at how you achieve that aim.

Now that we've explored the formal definition of marketing, it's worth considering that marketing is more than elements like logos or brands or advertising or searches and optimisation. Each of those, and many others, are examples of tactics, and they are tactics that help achieve a marketing outcome and the aims of your organisation. But they're not marketing in amongst themselves. One of the main issues when we explore marketing in the not-for-profit context is an over-reliance of tactics without an understanding of the strategic direction and how marketing helps achieve your direction. So remember that marketing is in fact the activities that help achieve your outcomes, and they should be activities that create value for your organisation, just as in turn that they should be creating value for your stakeholders.

Similarly, when we explore what marketing is there's a lot of misconceptions, but the reality is that marketing is in fact measurable and accountable, and you can measure outcomes based on the inputs and outputs that you deliver through your marketing actions. Marketing needs to encompass a whole-of-organisation approach. Marketing works effectively when you coalesce your internal capabilities and capacity, and we'll be exploring the marketing mix that explores the breadth and depth of marketing very shortly.  Marketing will require a mix of tools to achieve your results. Very rarely will you be able to rely on one tactic or one activity alone to achieve the outcomes that you wish to see for your organisation.

And finally, marketing is both the combination of science and art. The art of marketing, in the form of creativity and content, is only as effective as the science of research and insights that you place and put into place through marketing.

One of the fundamental changes of course in the provision of disability services, as many of us are well aware, is the introduction of the National Disability Insurance Scheme. Fundamentally this will direct funding to individuals rather than organisations. What this means is that organisations now need to engage and retain individual clients rather than necessarily just receiving funding directly from government. It's anticipated that the NDIS will reach approximately 460,000 people under the age of 65, targeting people with a permanent and significant disability.

And most importantly, the NDIS is about being goal-focused. The core aim is to ensure that people with a disability are able to participate in the community, in employment, and achieve other aspirations, so under an NDIS model there'll be a configuration of services that help achieve those goals. This has a number of significant ramifications, because as an organisation you need to articulate your value and what that provides to your target markets. You need to be able to demonstrate how the value you provide helps NDIS participants achieve their goals. And you need to be able to do so in a context where there'll be complementary organisations, and in fact organisations that may be providing similar services to you and trying to compete for the same clients. As a result there's a need to become market-facing. To become market-facing you need to understand your core strengths, be able to manifest that self into a marketing approach, and identify and engage those target stakeholders and potential participants.

Marketing is fundamentally needed because there's a requirement to become market-facing. Organisations going forward through an NDIS model will only receive funding for services that are directly provided to participants, and of course, participants are able to choose what services and organisations they require. Remember, however, that participants may be influenced by families, by carers, by other networks around them in terms of the services that they choose, so as we delve through the marketing content, we need to remember that while participants and client acquisition retention is one of our core focal points, that there'll be a number of reference points that participants may use to determine what services are suitable for them.

Due to the need to become market-facing, you need to develop your relative advantage, otherwise known as that competitive advantage. What sets you apart relative to other organisations? Being able to develop, articulate and demonstrate the value of that advantage will be critical to the success of your organisation going forward. There's a need to engage your target markets and stakeholders, not just participants, but the broader networks, reference points, influencers, and even in some cases decision-makers, that are around them.

And you need to be able to mitigate uncertainty. One of the functions of marketing is to provide certainty around revenue. Providing that certainty around revenue helps mitigate risk, and helps you navigate what can be quite uncertain times going forward.

It's worth taking a moment to look at the accompanying workbook, and as we go through this content please do work through the information in the workbook. The workbook is designed to take the content that's being delivered here and enable you to apply what we learn into practice. So as we work through the workbook, bear in mind the context of your organisation and its role going forward under an NDIS-enabled environment. As we begin in the workbook and turn to page 2, feel free to enter in those details around:

* how you currently define marketing
* how your role involves marketing
* the vision that you have for your organisation, and its mission.

And consider:

* why does your organisation exist, and
* the value it delivers.

It's worth bearing in mind these elements as we work through the rest of the content.

Good marketing is about consistency. Being consistent allows you to demonstrate your relative value, so ensure that everything you undertake from a marketing perspective is consistent to who your organisation is, what it does, and where it's actually identifying those target participants and stakeholders. So, consider, why does your organisation exist and the value it delivers, and that content's available in page 2 of our workbooks.

As we explore the concept of marketing, we need to begin with your business or strategic plan. Once again, good marketing is about being consistent, and that consistency needs to stem from your strategic direction.

* What has been identified within your strategic plan or business plan?
* What does it wish to achieve in the next 12 months?
* Where will your organisation be within the next three years?

It's understandable that there's a degree of uncertainty due to the introduction of NDIS and other factors, but what you want to use your business or strategic plan for is to navigate that uncertainty. It provides a whole-of-organisation direction to help you navigate that uncertainty and mitigate potential risk. So, on page 3 of the workbook, we're able to identify whether you have a current business or strategic plan, and you'll be able to identify the aims of those plans, and what it is that you wish to achieve.

So page 3 of the workbook, you're able to answer that question:

* Do you have a business plan?
* What are the aims of that current business plan?

Make sure you complete that section, as this will help inform the direction of your strategic marketing plan. The aim, once again, is to reinforce a consistent direction for your organisation.

Now that we've briefly considered the context of your business or organisational plan, we can now look at your strategic marketing plan. A business strategic plan looks at what you want to achieve. An effective marketing plan looks at how you achieve that vision. So out of that marketing plan you'll have a series of objectives that help you fulfil that direction. Out of those objectives will be actions that enable you to measure progress towards achieving those objectives. Once again, your strategic marketing plan needs to be consistent with the direction of your organisation. So as we continue through page 3, you're able to identify whether you do have a current strategic marketing plan, and be able to articulate what the current goals are. Out of those goals there should be a series of strategies or objectives that enable you to support that direction, and there's an opportunity to work through and enter each of those in the workbook. Pay particular attention to making sure that your strategic marketing plan is consistent with your organisational plan. If you have targets around growth, for example, or client retention, how does marketing help achieve that? That's the level of consistency you should be exploring.

As we explore the concept of marketing, we need to identify who it is that we wish to engage as part of our marketing plan and part of our marketing direction going forward. The reality is, in a not-for-profit context, and particularly in the provision of disability services, there are a number of stakeholders that you need to engage, influence, persuade, to a point of action. Marketing in the not-for-profit context is actually a lot more complex than the commercial world, and that's because we have a multitude of stakeholders. So we need to identify not only the participants we wish to engage, but also their families and carers, other organisations and the roles that they may be playing in service provision, or in influencing the decisions that may be made by those participants.

Similarly, the role of intermediary networks: education providers, health providers, employment providers, recreational providers, that may actually have interaction with the participants that you're trying to reach and may once again be a point of influence; other funding partners and the roles that they play in supporting the aims of your organisation; the differing levels of government; business sponsors; business partners; philanthropic trusts; other areas of funding that may be supporting your organisation. You need to consider them as part of your marketing context as well. And of course, your internal stakeholders: staff, volunteer, board members, other people that are engaged in your organisation internally.

Each of these stakeholders are important from a marketing context, the reason for that being is, once again, we need consistency in terms of how we engage each of those stakeholders, and we need to understand the outcomes that they're seeking to achieve. When we look again at that core definition of marketing, it's about the mutual exchange of value, so you need to be able to articulate the value that your organisation provides and how that aligns with the values, and the value, that participants wish to receive. That alignment of value is why we need to understand each of those stakeholders. Marketing is actually far more than just identifying who the end-user is. It's around identifying each of those stakeholders that will be interacting in some shape or form with your organisation.

Obviously there's a number of stakeholders that you'll be identifying, and when we look at participants as one stakeholder group there's obviously a number of segments in there, depending as to what services you provide and the outcomes that each of those stakeholders may be seeking. So as you've looked through stakeholders, start to group them based on the outcomes that they're wishing to achieve. As an example, if you provide support around employment readiness, there's obviously a group of participants, or a segment of participants, that will be seeking employability outcomes. If you're also providing accommodation services, there'll be a segment of stakeholders that will be seeking independent living or supported independent living. So segment your stakeholders based on the outcomes that they're seeking. The way to do this is by looking at:

* What are their common attributes?
* How can you naturally group some of those stakeholders together so you can start to identify what their core aims and what core outcomes they're trying to achieve?

So now we can look back at our workbooks and start to fill in the next section on page 4. So look at who your stakeholders are.

* Who are your current stakeholders? What outcomes do they seek?
* What is it that they wish to achieve by engaging and interacting with your organisation?

Start to segment those stakeholders as well, so look at how you can group those stakeholders based on the outcomes that they're seeking. Once you've completed that section, we can look at:

* Why are they important?
* Why is it that your organisation needs to engage those stakeholders?
* What would happen if they didn't engage?
* What state would your organisation be in?

And then we can answer the question around:

* Why should they engage?
* What value do you provide which aligns with the outcomes that they're seeking?

Once we've identified our stakeholders and the segments we're exploring, we can then look at the external market context. This involves understanding who else is in the marketplace, the other organisations that may be competing, or could in fact be potential collaborators or partners in terms of our service delivery. The external marketplace and those organisations within it tends to be categorised into three areas. The first are your direct competitors, and they're the organisations that will be offering the same or similar product or service as to what you offer, and are also servicing similar market segments, and this is why they compete with us directly. A participant may be considering either that organisation or our organisation, but very rarely would they actually engage both of them at the same time. As a result, there's a potential choice there on the part of the participant over which of those service providers they would use.

Your indirect competitors are those that offer a differing product or service but fulfil the same need. An example might be that if you're providing support to a participant to build employability skills, you could have informal training as part of that program, but an indirect competitor could in fact be a registered training organisation that provides accredited training. You're both providing pathways potentially into employment, but there are differing products or services that ultimately could fulfil the same need. There can in times be scope for collaboration between indirect competitors, assuming that there's a complementary fit in terms of the product or service offering. It's worth bearing in mind that while we may use the term "competitor," it doesn't necessarily mean that it's you versus them. There could in fact be opportunities to collaborate on certain aspects, but also to compete on others. As you develop your capabilities and capacity it is worth understanding that context of where is it that you want to compete, and where may opportunities for partnerships and a broader, cohesive service offering be warranted as well.

Your other competitors are those that offer products or services that fulfil a related need, and the reality is with other competitors this can actually be extremely broad. It effectively looks at the opportunity cost of a participant using a service versus other alternatives. This could be everything from self-help books, other materials, training content, that could actually help fulfil that ability to achieve an employability outcome. When you explore other competitors, it's worth considering the other alternatives that exist to using your product or service. Obviously the broader you explore that service provision, the more potential competitors may exist in the marketplace, but this is critical to understanding the value that you provide and coalescing that back to the stakeholders and participants you wish to target, and understanding the context of other organisations that may be targeting similar segments.

So, as we explore our workbooks, we can start to identify who those competitors are. So begin by exploring your direct competitors.

* What are their names?
* What areas do they compete within?
* Are there areas that they may not be servicing?

Identify each of those direct competitors, and also why they are competitors. And then we can do the same for indirect competitors.

* Who are they?
* What areas of competition exist between you and them?
* Could they potentially be moving in to the services or products that you provide and therefore potentially becoming direct competitors as well?

And then those other competitors.

* What other alternatives exist?
* Why are they alternatives to your products or service, and hence why are they potential competitors?

Understanding that external market context enables you to firstly explore the intensity of competition, secondly try and determine whether there is scope for collaboration, and thirdly explore whether there may be other areas or whether there's other messaging that could help develop and engage around the value that you provide.

It's also worth exploring areas of your organisation that may be more likely to experience those competitive pressures, and why is that the case. So as you work through identifying and determining those competitors, also consider:

* What is our scope for collaboration?
* Are there potential options that could potentially be explored?

And then:

* How are those competitors reacting to the changing environment through the NDIS?
* Is there opportunities based on the way that they're reacting to the changing market conditions?

And then more broadly in your industry, what changes are occurring? Obviously the NDIS is one of those changes, but are there broader changes that are taking place that you need to be aware of and develop from a marketing perspective?

With the preceding content we've explored some core fundamental elements of marketing, beginning with the definition of what marketing should be and how that differs in terms of its application within not-for-profit organisations, but also society more broadly. We also explored who our target markets are, the stakeholders that we wish to engage, and how we segment each of those groups. And we've begun to explore the external market context: the competitors that we need to consider and those external organisations, whether there's scope for collaboration, but also how we can start to differentiate ourselves from others who may be servicing similar needs that we fulfil on behalf of our participants.

As we continue, it's worth exploring the current state of marketing, and the current issues that marketing is typically seeing as being execution-led. As a result, there may be roles and organisations that look at communication, look at fundraising, look at sponsorship, membership, events, but there may be the lacking of a marketing position that actually ties those tactics together. As we explored, one of the fundamental needs or outcomes out of marketing is the need for consistency. Tying together each of those elements is where the strategic intent of marketing delivers results. So if you have a communications role, how does that ensure that it integrates in with fundraising or sponsorship? Or if there's events, how does that help fulfil the aims of your organisation? Not having that marketing layer, the layer that should be providing those strategic insights, means that there's a lack of cohesiveness and consistency towards your strategic direction, and ultimately this may result in missed opportunities.

An example can be where there's differing packages of sponsorship or business support, and where that means that different sponsors may be treated differently and as a result there may not necessarily be a consistent approach in how to actually deliver the value required to maintain and sustain those sponsorships. Or where there may be active participants who could in fact become supporters of your organisation, but that may not necessarily be identified because that strategic insight layer through marketing hasn't been fully developed. What this means: there's ultimately gaps in performance indicators and the ability to evaluate outcome, and this is why marketing needs to begin with that strategic direction, and why marketing needs to be consistent with the direction of your organisation. So, once again, we always want to make sure that what you do from a marketing perspective is consistent with the direction of your organisation.

As a result, we ultimately need to elevate the level of decision-making and understanding of marketing, and this is why we need to explore the concept of marketing governance. Marketing governance explores the coalescence and the consistency of your external capabilities and capacity to the external marketplace. It does that by ensuring that key personnel from the Board through to the Executive, Management and Operations understand their responsibilities from a marketing perspective.

So the marketing governance framework, which we'll explore in the latter modules, looks firstly at alignment between strategic and marketing planning. It explores the need to manage risk, and unfortunately risk and marketing tends to be an area that is considerably underdeveloped. Understanding risks allows you to respond to them accordingly, and it's critical that marketing, as that external facing element, is able to understand, manage and account for risks.

We explore financial management, so identifying the return from marketing activities, as well as the resources that are required to deliver those returns. Effective marketing should be able to demonstrate the return that it generates to your organisation, both from a financial perspective but also in terms of broader resources in terms of personnel, volunteers and other participants within your organisation.

We look at human resource planning. What roles and responsibilities do you need to discharge those marketing functions, and what areas of delegation and authority are appropriate for each of those positions? One of the challenges in marketing is that the strategic layer and the execution layer tend to be blurred. As a result, those who are developing the plan may also be implementing and executing the plan, and there isn't necessarily the accountability and metrics to identify and analyse those results.

And that brings us to the fifth pillar, which is accountability and metrics.

* How do we measure the activities that we're undertaking in terms of marketing?
* What inputs do we require to undertake those activities?
* What outputs do those activities create?
* What outcomes do they fulfil in terms of meeting the objectives that we've identified through our strategic marketing plan?

Ultimately marketing governance is about embedding good governance within your organisation, and this is the piece that enables your Board to fully understand your marketing direction and how that helps achieve the strategic direction that they work through and they have identified in their remit as Board members, and your organisation more broadly understanding how marketing contributes to those goals.

Inevitably in a not-for-profit organisation many staff members, many volunteers, will be involved either directly or indirectly in marketing-related activities. Good marketing governance ensures that they understand how those activities help achieve those marketing objectives that you have identified. Ownership of your strategic marketing plan and the direction that you've identified is critical, and this is where you need to take the time to ensure that your staff, volunteers, Board members, understand what marketing should be achieving for you, because ultimately your external market presence will only be as effective as your internal capabilities and capacity. That doesn't necessarily mean that you need additional resources, although of course it would certainly help. It's about utilising those resources, the people, budgetary allocations, time, as effectively and as efficiently as possible, and that's why that ownership across marketing is required. Furthermore, that helps reinforce consistency across each of your marketing activities.

Part of the way that you can embed ownership around the marketing direction is by taking the time to engage and report on findings. So if you are delivering and undertaking surveys, take the time to report on the results of that feedback and demonstrate what changes may be taking place accordingly, or explain why some changes may not necessarily be practical. Providing ownership around your marketing direction helps embed that need for consistency in terms of the delivery of marketing activities.

It's worth remembering that marketing is in fact a profession, and one of the challenges is that there's very low barriers to entry for someone to actually call themselves a marketer. A professional marketer is someone that actually understands the full scope of marketing, and we'll be exploring in the second introductory content the concept of the marketing mix, decision-making models, all those elements that should be fundamental to the knowledge of any professional marketer. A professional marketer realises that marketing is an enabler for organisational success. They won't necessarily just suggest a tactic without understanding how it helps achieve your organisational direction, or they'll identify that there may be a combination of tactics that will deliver those results.

One of the ways of exploring whether someone is a marketing professional is by checking their membership of professional institutions. I'm a former State Chair of the Australian Marketing Institute, so you can certainly check for membership of the Australian Marketing Institute, which is the industry body representing professional marketers. But there's also, from a communications perspective, the Public Relations Institute of Australia, PRIA, ADMA, which explores direct mail and digital, particularly in terms of agencies. Do undertake the due diligence and check for membership of those associated organisations. In terms of the Australian Marketing Institute, the professional standard is the Certified Practicing Marketer, so if you are engaging, whether it be internal or external marketing support, check for that accreditation. It identifies that the marketing resource has both the academic knowledge but also the professional experience in being able to achieve marketing outcomes, and marketing outcomes that help organisations deliver upon the vision that they have identified.

So as we reach the conclusion of our first training component, it's worth beginning to explore how marketing governance is defined in your organisation. So on page 8 of the workbook there's a series of questions looking at whether your current marketing plan aligns with your business or organisational plan, and also the scope of your marketing plan.

* Does it consider risk?
* Does it assess the budgetary requirements and anticipated return?
* Does it explore the roles and responsibilities in terms of discharging the marketing activities that have been identified?
* Does it include reportable metrics, and not just the inputs, or even the outputs, but the outcomes that that ultimately helps achieve?

So as we reach the conclusion of the first part of our training content, it's worth remembering some of the key learning outcomes. The first is that consistency is critical. Marketing is about being consistent in how you articulate your value to the stakeholders that you've identified, so make sure that the marketing activities you undertake are consistent with each other, and consistent in terms of clearly articulating stakeholders that you're attempting to reach, influence and persuade into a course of action.

Marketing ultimately explores how you achieve your strategic vision, and as a result marketing needs to begin with strategy. It's the strategic direction that you identify through marketing that then identifies which tactics are required to achieve that direction. We also explored the internal and external stakeholders that exist in your organisation, and the value that you need to be able to articulate and demonstrate to those stakeholders. Through an NDIS environment, you will need to become market-facing, and it's about ensuring that you're able to articulate that value and demonstrate why that matters to your internal and external stakeholders.

And we also, of course, started to explore the external market context. Competitors, both existing and potential competitors, exploring the services and products that they provide, the stakeholders or markets that they're reaching, and whether there may be collaboration opportunities in terms of demonstrating a broader service offering.

My name is Alex Maken. Thank you for participating in this training module. Look forward to further exploring marketing concepts in the second introductory content module, and then we'll be exploring the marketing governance framework and those five pillars that we explored just previously. Thank you for your time, and look forward to continuing the journey of building your marketing capability and capacity.