



Dark Horse Marketing

Keys to Breakout Growth for Technology Companies

White Paper
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Introduction



The term “dark horse” was first coined back in 1831 by the British novelist Benjamin Disraeli. In *The Young Duke*, Disraeli's protagonist, the Duke of St. James, attends a horse race with a surprise finish: “A dark horse which had never been thought of, and which the careless St. James had never even observed in the list, rushed past the grandstand in sweeping triumph.”

Today we call a little-known person that suddenly emerges into prominence a dark horse. We use the term to describe a competitor that faces very long odds.

Expansion stage companies are today's dark horses in the technology sweepstakes. They operate in crowded markets full of clutter, attempting to reach buyers who are bombarded by competing messages.

Many waste money on hit-or-miss marketing programs, searching for the silver bullet that will propel the growth they seek. Often they get stuck on a plateau, unable to achieve breakout growth.

Meanwhile, their large competitors enjoy the advantages of big marketing budgets and premier marketplace visibility. They have the wherewithal to dominate the dialog and force smaller technology companies onto the defensive.

How can an expansion stage company succeed when resources are limited and competition for mindshare is fierce? By operating like the dark horse that wins the race.

There is a formula for technology marketing success, but most expansion stage companies don't know what it is. We call it Dark Horse Marketing, a proven framework that accelerates growth but costs a fraction of what larger competitors spend on marketing.

You don't have to be the biggest company with the largest marketing budget to win your race, but you do need to leverage marketing in a specific way. Dark Horse Marketing has enabled many companies to own their category, stand out from the crowd, and grow market share.



The Neglected Key

On November 1, 1938, when America was in the depths of the Great Depression, the fabled “Match of the Century” was held at the Pimlico Race Course in Baltimore – a match race between Seabiscuit and War Admiral.

War Admiral was easily the favorite – 1 to 4 with most bookmakers – making Seabiscuit the dark horse facing long odds. According to the entry in Wikipedia:

Head-to-head races favor fast starters, and War Admiral's speed from the gate was well known.

Seabiscuit, on the other hand, was a pace stalker, skilled at holding with the pack before pulling ahead with late acceleration. From the scheduled walk-up start, few gave him a chance to lead War Admiral into the first turn.

[Seabiscuit trainer Tom] Smith knew these things, and had been secretly training Seabiscuit to run against this type, using a starting bell and a whip to give the horse a Pavlovian burst of speed from the start.



When the bell rang, Seabiscuit ran away from the Triple Crown champion. Halfway down the backstretch, War Admiral started to cut into the lead, gradually pulling level with Seabiscuit, and then slightly ahead.

Following advice he had received, [Seabiscuit's jockey] had eased up, allowing his horse to see his rival, and then asked for more effort. Two hundred yards from the wire, Seabiscuit pulled away again and continued to extend his lead over the closing stretch, finally winning by four clear lengths despite War Admiral's running his best time for the distance.

What can this teach us about technology marketing? There are three characteristics of a successful dark horse:

1. Have a great horse.
2. Do the hard work.
3. Run the right race.

Seabiscuit was already a great horse. His team was accustomed to hard work. But in addition they developed a plan to *redefine the race*. By secretly working on his start, they were able to change the race into one that leveraged his ability to accelerate after seeing his rival pull even. In short, they prepared diligently and then ran their own race.

Most technology companies, when they are smaller and entrepreneurial, tend to focus on the first two keys while neglecting the third. They have a great product – perhaps a



technology breakthrough. They work hard. When results are starting to trickle in they work harder. When acceleration doesn't happen, they work even harder.

Along with exhaustion, disillusionment sets in.

Despite their great technology and hard work, traction is hard to find, prospects don't appreciate the strength of the company's offering, and selling is hand-to-hand combat.

If they employed the third key - running the right race - things would change for the better.

But most expansion stage technology companies don't know how to be successful with the all-important third key.

3 Must-Haves

- Great horse
 - Hard work
 - Right race
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Whose Race Is It?

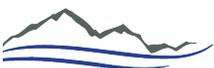
Too often, technology companies allow their competitors to define the race.

How do you know when this has happened to you? Here are a few signs:

- It always feels like someone else is calling the shots in sales opportunities.
- Prospects think you have a “me too” offering.
- You find out about deals after someone else has won.
- You have to fight to get into deals and then fight again to be seriously considered.
- The only way to increase revenue by 30% is to add 30% more sales reps.
- You spend a lot of time countering the competition’s message as opposed to telling your own story.
- There is one key person every sales rep wants on calls because that person tells your story so well.
- You win the evaluation but the prospect does not complete the purchase.
- The prospect says you are “hands-down the best,” but they buy from a competitor.

Of course, you always have to react to the competition during a sales cycle, but when your selling time is dominated by the competition’s message you are running their race.

As long as this continues, your results will be mixed at best. You will win deals but not know why. A repeatable formula will be elusive.



What The Right Race Looks Like

An iconic quote attributed to retail magnate John Wanamaker is “Half the money I spend on advertising is wasted; the trouble is I don't know which half.” Many technology CEOs feel the same way about marketing in general. Every spend seems like a roll of the dice.

But when you are running your own race, you have few misspent marketing dollars. You can win at a fraction of the marketing cost invested by your larger competitors.

In fact, as your success mounts, those competitors – who are not used to running someone else’s race – generally respond by spending even more, a tactic that does not erase your advantages.

Winning technology companies are not just “better” than the competition. They are *different and better*.

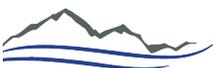
They communicate a more compelling vision that resonates with prospects. They set the agenda in the sales cycle and control the selection criteria.

You
can't be better. You must
be *different and better*.

Here are some of the signs that you are running the right race:

- You are contacted by prospects who are predisposed to buy from you.
- Revenue per sales rep scales. You are an efficient and profitable selling machine.
- Competitors begin to copy your key messages (this is actually a good sign).
- You have positive aura – you project a larger than life company image.
- Your entire team clearly and consistently communicates your key messages.
- Prospects quickly reach “vision-lock” or “aha moments” with you.
- Prospects see your solution’s unique features as essential to advancing their key business initiatives.
- Prospects proceed quickly from selecting to purchase and implementation because the project is considered strategically important.

Of course, this all sounds great – but how do we get there?



The Dark Horse Marketing Recipe

Dark Horse Marketing is all about running the right race. That means *defining the race* to stack the odds in your favor.

There are three major stages to Dark Horse Marketing:

1. Polish the vision.
2. Create the category.
3. Execute the three Ps.

Polishing the Vision

The company's vision is the foundation for Dark Horse Marketing success. This is the overarching theme that describes not only where the company is today, but also where it intends to be tomorrow.

If the vision needs to be restated every year or two, something is wrong – and no wonder if business is hard to win. Executives often believe their vision is clear, but if the rank and file cannot consistently repeat that vision then work needs to be done.

“Big thinking precedes great achievement.”
- Wilferd Peterson

The vision is not a marketing program. Great visions endure; they last for ten or more years and form an ongoing umbrella for the company's major initiatives.

Marketing programs change every six months or so, to keep content fresh and engaging. But these programs should be differing ways of promoting the same vision.

Dark Horse Marketing begins with polishing the vision, which brings great consistency to product direction, services delivery, and sales messaging.

At Technology Marketing Associates, we often find that polishing the vision starts out as a seemingly trivial exercise, but quickly becomes transformative – not because the company is suddenly creating a new vision, but because new insights into *how* the vision can be more compellingly expressed come to the surface.

Creating the Category

After the vision is clarified, it's time to examine the company's marketplace ecosystem. This is typically a workshop-based group exercise that seeks to understand and triangulate three key things:

- Buyer needs
- Competitor gaps
- Your uniques



Again, this often begins as a straightforward exercise but becomes more revealing as the group challenges its assumptions.

A key objective is to clarify the unique ways in which the company is meeting evolved user needs, and to identify the problems it solves that nobody else does.

When done well, it's possible to define a new or evolved marketplace category that aligns to current buyer needs, which are best served by the company's unique solution.

This category provides a foundation for the marketing organization to create thought leadership and content marketing assets that encourage decision makers to view the issues in a new way.

This is the crux of defining your own race. With your category communicated compellingly and the right enablement tools, your sales team has what it needs to set the agenda and stop running competitors' races.

Executing the “Three Ps”

At this stage in Dark Horse Marketing, we transition from planning to execution. The crucial step is *Positioning*, which was begun during category creation but now needs to be translated into good messaging. With the right positioning, well messaged, you can run the right race.

Your strengths are then *Packaged* using Dark Horse Marketing techniques. Packaging involves strategies for showcasing, commercial terms, and sales process leverage. By creating the right packaging materials targeted to the areas where maximum returns can be achieved, you lay the foundation for making effective investment of your marketing dollars, eliminating the “I just don't know which half” problem inherent to a lot of high tech marketing.

With the right positioning and thoughtful packaging, your marketing *Programs* such as inbound marketing, events, and inside sales initiatives have greater odds of success.

All too often, expansion stage technology companies *begin* with marketing programs. They skip over the vision and category steps (because they seem obvious). Their marketing efforts are thus bottom-up, revolving around programs but without the “right race” context that makes Dark Horse Marketing successful.

This is the all too common “spray and pray” approach to marketing programs. Even though individual program results can be measured, the vital dimension of *why* or *how* they could have worked better remains elusive - leading back to the problem of misspent marketing money.



Marketing Acceleration Framework

Maybe you have a great product. You work hard. It's time to get into the right race.

Marketing Acceleration Framework

Strategy	Plan	Enable	Execute
Business Strategies	Market Targeting	Thought Leadership	Website
Vision	Messaging Framework	Content Development	Content Marketing
Strategic Positioning	Buyer Personas	Sales Training Assets	Marketing Campaigns
Distribution Strategy	Buying Process	Lead Generation Assets	Analysts & PR
Solution Roadmap	Content Planning	Lead Nurture Assets	Events
	Demand Generation	Sales Enablement	Social Media
	Lead Management		Measurement

At Technology Marketing Associates, we use the Marketing Acceleration Framework to develop the right messaging framework that uniquely differentiates your company – and then drive topline revenue.

Our programs are practical and emphasize *results*, not just advice. If your company is on a plateau, looking for a way to galvanize your team and stimulate accelerated growth, we can help.

Get more out of your great product and hard work. Bring energized creativity to your strategic marketing programs with Technology Marketing Associates.



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