

Engineering Marketing Strategies, Part IV

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Congratulations!!

Welcome to *Engineering Marketing Strategies, Part IV*, your do-it-yourself guide to creating a Marketing Plan that works for your engineering firm.

Once you've been through this guide, you'll know precisely what it takes to write an effective Engineering Marketing Plan and supporting documentation. More importantly, you'll have a sample of a powerful Marketing Plan to get you started.

This is the next step in your business story. From this point on, you won't have to stab in the dark – you'll have clear direction. You'll start to see some real results for your efforts.

Once completing the on-line course at our web-site www.engineeringbusinesspubs.com, you will be awarded with 2 PDH. The on-line seminar includes reading this guide and passing the 10 question test on our web-site.

Currently 30 U.S States require licensed engineers to obtain continuing education credits (CEU) or professional development hours (PDH) in order to renew their license. The PDH awarded by our seminar will be accepted by your state licensing board. **I personally guarantee it.** If your state board rejects our on-line seminar PDH, please forward us a copy of the board's letter and we will refund to you the cost of the on-line seminar.

How to Use this Guide

Each step covers an important aspect of your Marketing Plan – these are things that you must give special consideration to before implementing your Marketing Plan.

You will be surprised how much this guide will reveal about your business marketing efforts. It will get you to think about important issues that may have never crossed your mind in the past. It may also uncover new issues. But it is never a better time to put together or update your Engineering Marketing Plan than now.

While reading please go ahead and jot down some notes in the spaces provided. It will help to improve your Engineering Marketing Plan.

Later sections will go into greater depth describing how to develop a Unique Selling Proposition, and Engineering Attire.

Now, it's time to get started.

Developing the Marketing Plan

Writing the Marketing Plan

The Engineering Marketing Plan is a series of daily, weekly, and monthly steps to be followed by the firm's personnel. Yes, everyone has a marketing responsibility. A written plan should be in-place and followed by the staff. When creating the plan keep in mind the individuals personalities and skill sets. What might come natural to one person might be completely intolerable to someone else. The plan should be monitored by key personnel, and when necessary modified to handle changes in the market. The Marketing Plan is simply a road map stating what you know about the competition and their marketing efforts, what strategies you will implement to counteract their marketing, and increase revenues. The basic outline of a Marketing Plan is as follows:

- *Section 1. Overview* – This section should be brief and summarize the overall plan. This section should also include your business purpose, services and products your firm provides, and your strategic goal.
- *Section 2. Company Analysis* – This section is about your business. It should include information on who are your key personnel, the company's history, key partners, your market location, company strengths and weaknesses, and the obstacles the company faces to reach it goals.
- *Section 3. Market Analysis* – This section identifies the challenges and opportunities in your market or the market you want to be in. The analysis should cover the following:
 - *Market Size* – Describe size of the market, and is the market growing, stagnant, or declining.
 - *Market Segmentation* – Where is the market located (Geographic), who is your market (Demographics), and what is the characteristics, behaviors, and lifestyles of your market (Psychographics)
 - *Marketing Environment* – What are the business and marketing trends in your market?
- *Section 4. Customer/Prospect Analysis* – What do your Clients and Prospects want? What are the benefits they want? Why do they chose one engineer over another? Do they make their decision base on price, service, quality, value, credibility, or something else?
- *Section 5. Competitor Analysis* – In this section you will need to do a SWOT analysis on your competitors. SWOT is an acronym for Strengths, Weaknesses, Opportunities, and Threats.
- *Section 6. Marketing Objectives* – What are your company's goals and objectives? Your goals should be in numerical terms, and objectives should be how you will achieve your goals.

- *Section 7. Marketing Strategy* – Now is the time to commit the strategies we have discussed for the four phases of marketing.
- *Section 8. Budgets and Projections* – Show much will it cost to implement this plan for the next year and the following three years.
- *Section 9. Action Plan Timetable* – Show when each marketing strategy will be implemented or improved throughout the year, and when the marketing reports will be due (monthly, quarterly, semi-annually, or annually). Normally marketing reports are done quarterly, but if the marketing conditions are changing rapidly monthly reporting maybe more in order.

See our sample Marketing Plan at the end of this guide.

Implementing the Marketing Plan

Once the marketing plan has been written with the strategies to be implemented in all four phases of the marketing process, the next step is to actually put the plan to work. Since the entire staff is involved with marketing, the first implementation step is the training. The staff will need to be trained on the Marketing Plan. Each phase will need to be described, explaining the strategy, and what is expected by the company.

The second step is to put the plan to action. On a certain date the entire staff is required to implement the Marketing Plan, which will include the timeline for the various strategies. The training should have removed most of the rough spots and misunderstandings with the plan, but expect that there will be some problems to still occur. The problems encountered should be discussed with the team, fixed, and move forward with the plan.

Accountability

Once the marketing plan has been implemented, it will be necessary to follow the progress of the plan and to make changes as necessary. Attending seminars in the local community and sending flyers to prospective clients may seem like the right approach, but it may not prove to be the case. A table similar to the one below should be reviewed monthly to determine progress.

If the strategies are not working, then you will have to examine why. Maybe the strategies are not being implemented in the right way. Maybe your clients do not respond well to the strategies. Maybe the strategies are right, but your competitors are using the same strategies, and your clients don't see the difference between your firm and the competition. In this case, you need to implement additional strategies to win your clients over.

Table 1 - Strategy Tracking Record

Strategy	Leads	Conversion Rate	Number of Transactions	Average Sale	Margins
That have worked					
1					
2					
3					
4					
That have not worked					
1					
2					
3					
4					

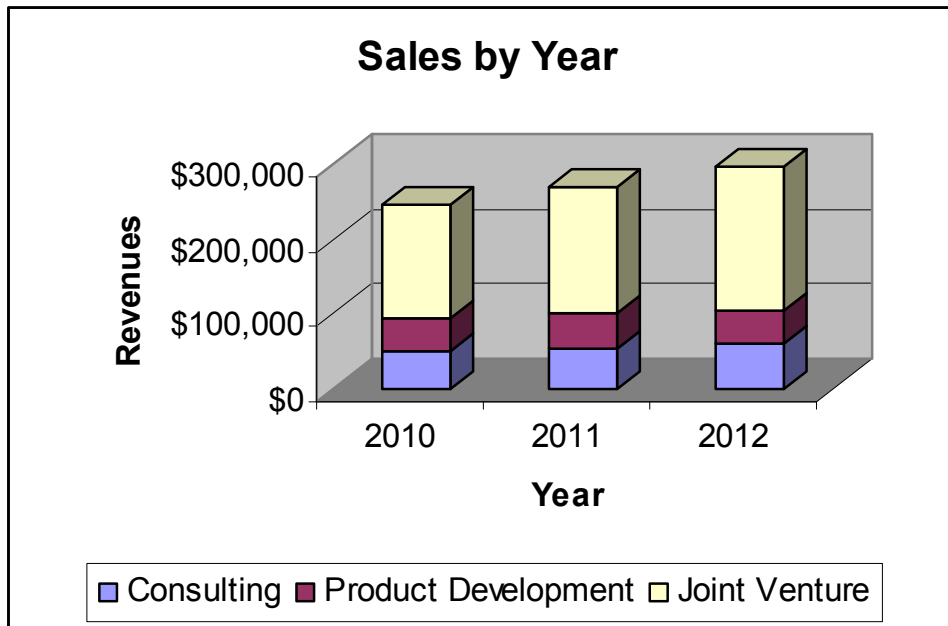
The marketing plan is constantly being revised to respond to the activity of your clients, the competition, and the markets. If you are constantly studying what is happening in your industry you will be able to stay ahead of the competition with the Marketing Plan.

Sample Marketing Plan

1.0 Executive Summary

HAUNTEC Civil Engineering Services (HAUNTEC) provides professional engineering services for land development projects. This marketing plan illustrates our market segments and the strategies we are employing to gain clients and create a solid revenue stream. Our firm has developed a unique relationship with its clients by providing recognized engineering experts in fields of water resources and land development. Our engineers are published in their field of expertise and are often requested to make presentations at several trade conferences in the United States. Our clients benefit by having the profession experts representing their projects.

Although HAUNTEC has been able to maintain market share during the past several years, the recession has significantly reduced the number of available projects. We are continuing to increase our marketing efforts to increase our workload in our existing market and find new markets to increase the company's revenues. Due to the local community business and development forecasts, HAUNTEC anticipates the development market to increase at most by 3% annually if not stagnant for the next three to five years. By seeking to expand into other markets HAUNTEC is expecting an annual growth rate of 10%, with a large portion of these revenues coming from new project joint ventures.



1.1 Vision

Our vision is to provide top quality engineering designs that will reduce design time and save the client money to develop the project. We do this by working with the latest computer software and technologies and following a rigorous Quality Control and Quality Assurance program.

Our marketing challenge is to strength our bond with our existing clients and assists them in creating new projects. We intend to accomplish this by creating joint ventures to develop several community projects including a Medical Office Building, an Art Museum, Independent Living Center, and an Ethnic Themed Center.

1.2 Objectives

1. Generate over \$245,000 in new signed contracts by the end of 2010.
2. Increase joint venture agreements to increase the number of contracts 200% by the end of 2011.
3. To be positioned to take advantage of new projects as the Land Development comes back on line by the end of 2012.

2.0 Target Markets

Our ideal client is a small developer who is looking to develop 20 acres or less for a residential community or commercial center. These developers are usually found through word of mouth or through our network of architectural and surveying firms.

These clients can fit a wide range of age groups. These clients are usually self employed or companies with properties that they want to improve. Our clients that are individuals are usually investors while the company representatives are usually with an real estate investment company or developer.

Our other clients are other engineering companies and architectural firms. The engineering firms are usually seeking a specific service we provide such as Traffic Impact Studies. The architectural firms are usually seeking an engineering firm to form a temporary partnership.

2.1 Target Market Segment Strategy

Our strategy to overcome the reduction in the market is to partner with various firms to create our own projects. This strategy started in the middle of 2008 and was fully implemented in 2009. Those efforts have lead to the possibility of four major design projects to begin in 2010. We are seeking to form similar partnerships with our other clients.

We have also increased internet presence by revamping our web-site and increasing our ads in trade magazines. We are also taking advantage of the slow economy by making additional speaking engagements and publishing articles. By increasing our name recognition we should be able to gain market share and increase revenues.

2.2 Keys to Success

The primary key to success is to keep the name of our business in the minds of developers and architects. Many small engineering firms in our community have closed in the past two years due to the economy. By remaining active in the community and increasing our presence on the internet and in local publications we will be able to attract new business. This can be tracked using metrics such as the number of times we write proposals, and the number of visits and number of request for information on our web-site. Success can also be tracked by creating industry buzz by writing articles for trade publications and making presentations.

3.0 Marketing Plan Strategy

Our targeted clients do read their trade publications and research the internet to keep current with the latest information. In order to keep the company name in our targeted clients' media, HAUNTEC is planning a series of publications and speaking engagements.

In addition, our company web-site is being retooled to pages dedicated to content about the industry. The web-site will invite visitors to comment on our blogs and other current topics. HAUNTEC will respond to these comments as field experts.

3.1 Establishing HAUNTEC as the local community expert in Water Resources

Water resource experts especially engineers are in high demand in southwestern United States. Most consultants in this field are vendors. The engineering community is mostly in the government. Consulting engineers are needed by both the public and private sectors. Establishing HAUNTEC as the local community's expert in this field would be extremely advantage to our firm. The local competition has not penetrated this market. HAUNTEC can take advantage of this young market.

3.2 Establishing HAUNTEC as a local Community Expert in Property Entitlements

Although the local land development market is stagnant, property is being bought and sold. In order to increase land value property owners are rezoning, merging abutting parcels, and filing other land use applications. In our industry these types of land use

application filings are property Entitlements. Many land owners try to process these applications on their own or hire lawyers to prepare, submit, and make the public representations. In most cases a lawyer is not necessary, and an engineer or architect is a better chose for the client.

Our goal is to establish a reputation for our expertise in Land Use applications, and garner a larger market share. In the past this service was not a company priority due to the low consultant fees involved usually \$500 to \$1000.

4.0 Expense Budget Summary

Marketing expenses are mostly for the staff required to do the marketing activities listed, including publication writing, maintaining and updating the website, and speaking engagements. The vast majority of the software tools needed to implement the activities, such as analytics and landing page creation, are available on existing company software.

4.1 Expense Budget by Month - Year 1

Because the staff will be involved the marketing activities, we do not expect an increase in marketing staff during 2010. Once the marketing plan has been updated and implemented, the marketing activities will be monitored by senior staff and all staff members will involved with the marketing activities. Below is a breakdown of marketing expenses by month for 2010.

Figure 1 - Monthly Marketing Budget

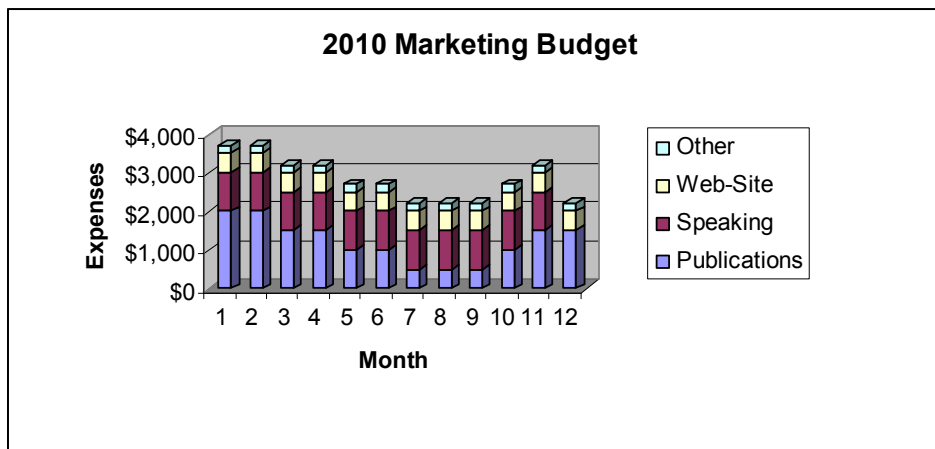


Table 2 - Monthly Budget Expenses

	Jan	Feb	Mar	Apr	May	Jun
Publications	\$2,000	\$2,000	\$1,500	\$1,500	\$1,000	\$1,000
Speaking	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Web-Site	\$500	\$500	\$500	\$500	\$500	\$500
Other	\$200	\$200	\$200	\$200	\$200	\$200
Total	\$3,700	\$3,700	\$3,200	\$3,200	\$2,700	\$2,700
Percent of Sells	18.12%	18.12%	15.67%	15.67%	13.22%	13.22%
	Jul	Aug	Sep	Oct	Nov	Dec
Publications	\$500	\$500	\$500	\$1,000	\$1,500	\$1,500
Speaking	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$0
Web-Site	\$500	\$500	\$500	\$500	\$500	\$500
Other	\$200	\$200	\$200	\$200	\$200	\$200
Total	\$2,200	\$2,200	\$2,200	\$2,700	\$3,200	\$2,200
Percent of Sells	10.78%	10.78%	10.78%	13.22%	15.67%	10.78%

4.2 Expense Budget by Year

We anticipate 2011 and 2012 marketing expenses to slightly increase, again mostly for covering the cost of additional staff to help facilitate the additional requirements for marketing activities. We expect marketing expenses to be around 13% of total sales.

Figure 2 – 3 Year Marketing Budget

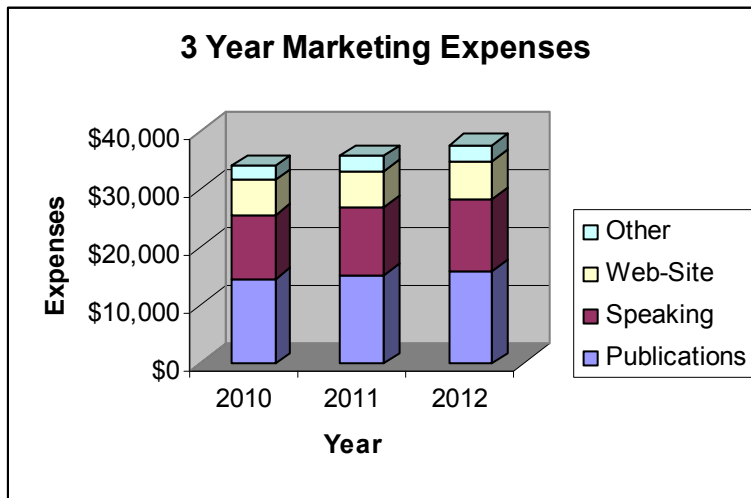


Table 3 - 3 Year Marketing Budget

	2010	2011	2012
Publications	\$14,500	\$15,225	\$15,986
Speaking	\$11,000	\$11,550	\$12,128
Web-Site	\$6,000	\$6,300	\$6,615
Other	\$2,400	\$2,520	\$2,646
Total	\$33,900	\$35,595	\$37,375
Percent of Sells	13.84%	13.21%	12.61%

5.0 Sales Forecast

Sales will come from three sources:

1. **Engineering Consulting** - this includes engineering contracts in the public and private sectors. Most of these contracts will be Entitlements and land Development projects.
2. **Product Development** – this includes assisting companies in receiving certification on new green construction products.
3. **Joint Ventures** - this includes the engineering work generated by partnering with other companies to develop large scale projects.

Sales in these main areas are anticipated to increase gradually over the next three years as shown in Table 3.

Table 4 - 3-Year Sales Forecasts

	2010	2011	2012
Consulting	\$50,000	\$55,000	\$60,500
Product Development	\$45,000	\$45,000	\$45,000
Joint Venture	\$150,000	\$169,500	\$190,950
Total	\$245,000	\$269,500	\$296,450

5.1 Sales Forecast by Month - 2010

Below is our 2010 year's sales forecast broken down by engineering service type:

Table 5 - 2010 Sales Forecasts

	Jan	Feb	Mar	Apr	May	Jun	
Consulting	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	
Product Development	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	
Joint Venture	\$0	\$0	\$10,000	\$10,000	\$10,000	\$10,000	
Total	\$7,750	\$7,750	\$17,750	\$17,750	\$17,750	\$17,750	
	Jul	Aug	Sep	Oct	Nov	Dec	Total
Consulting	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$24,000
Product Development	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$22,500
Joint Venture	\$15,000	\$15,000	\$20,000	\$20,000	\$20,000	\$20,000	\$40,000
Total	\$22,750	\$22,750	\$27,750	\$27,750	\$28,750	\$28,750	\$86,500

6.0 Progress Measurement and Monitoring

In order to make sure that we are on track, we have in the past measured our success by the number of proposals we have written and the number of awarded contracts per month. A normal month usually ran about five proposals per month with an average of 2 becoming contracts. Since 2007 these numbers have drastically changed. The number of proposals has significantly increased, but the number becoming contracts have been reduced (about 10 to 1). The other key is that the dollar amounts of the awarded contracts are much smaller. Hence the metrics to be used in 2010 has been adjusted.

6.1 Key Marketing Metrics

6.1.1 Engineering Consulting - We estimate that we will need to make 7 proposals to win 2 contracts per month. We will reduce the number of proposals by pre-screening our leads to ensure that the prospect is actually looking to hire an engineering consulting and not just researching.

6.1.2 Product Development – We currently work with three clients that are interconnected with five different green products. Our metrics is to increasing sales by 10% per month to these clients.

6.1.3 Joint Ventures – We are projecting to create a new project every 6 months by partnering with other businesses. These are long term projects that should last a period of two years per project.

6.2 Other Success Metrics

Other key metrics we will measure to monitor our success are as follows:

- Number of speaking engagements – 1 every 3 months
- Number of publications (articles) – 1 every 3 months
- Revamping the company web-site by March 2010

7.0 Marketing Organization

HAUNTEC is a small engineering company with a staff of three individuals. Our team is comprised of a professional engineer and a professional land surveyor, and a CAD Operator. In addition, our professional engineer and professional land surveyor are extremely experienced at marketing, and are very connected with the development community.

Mr. Haun, President, established the company in 2005 and oversees the general management and marketing for the firm. Mr. Haun is recognized expert in the field of Civil Engineering especially Land Development and Water Resources. He has written several publications on the subject, and has been a guest speaker at several trade conferences.

About the Author

Joe Alvin Haun, PE, MSE

Joe Haun is a highly experienced Civil Engineer, author, public speaker, and business advisor who have worked in the engineering profession since 1983.

Mr. Haun's early career was in the United States Air Force as an Engineer Assistant. A Desert Storm veteran he has a unique perspective of the Middle East.

Mr. Haun graduated from the University of Las Vegas, Nevada in 1994 with a BS degree in Civil Engineering and in 1995 with a MSE in Civil and Environmental Engineering.

Mr. Haun worked with several engineering firms in the Las Vegas valley until February 2005 when open his own engineering company HAUNTEC, which has grown to a designing multi-million dollar projects in Nevada and Utah and in the countries of Iraq and Costa Rica. Review his growing company's website at www.haunteceng.com to see the firm's latest capabilities.

Mr. Haun has published articles in engineering magazines and has given speeches on water resources, and is currently working on several articles on permeable pavements.

In 2009, Mr. Haun started Engineering Business Seminars and Publications to. His first publication is the "Engineering Business Success." He has created many self-study engineering business seminars for Professional Development Hours credits. Visit the web-site www.engineeringbusinesspubs.com to review the latest seminars and publications.

Recommended Reading List

Engineers are constantly learning about new techniques, products and design methods. Improving your skills as a business leader is no different. Reading books is one of the best ways to improve your skills. Below is a list of books we recommend.

- *Engineering Business Success* by Joe A Haun (book)
 - *Engineering Business Plan* by Joe A Haun (seminar)
 - *Engineering Marketing Strategies* by Joe A Haun (seminar)
 - *Engineering Operations Strategies* by Joe A Haun (seminar)
 - *Engineering Financial Strategies* by Joe A Haun (seminar)
 - *Engineering Proposal Strategies* by Joe A Haun (seminar)
 - *Engineering Joint Venture Strategies* by Joe A Haun (seminar)
 - *7 Habits of Highly Effective People* by Steven Covey
 - *First Things First* by Steven Covey
 - *Awaken the Giant Within* by Anthony Robbins
 - *Unlimited Power* by Anthony Robbins
 - *The E-Myth Revisited* by Michael E. Gerber
 - *Get Clients Now* by C. J. Hayden
 - *Dress for Success* by John T. Molloy
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