Why investing in marketing is more important than investing in your staff?

Hi, this is Rhys Jones. Welcome to my latest podcast.

Today's title of my podcast is ‘Why investing in marketing is more important than investing in your staff’ which I would assume you've guessed is a bit of a hook to get you into listening by podcast. It is obviously a controversial title, but it is born of some truth.

Marketing can transform your business

I’m not saying it is more important than investing in your staff because your business is your staff; but in saying that, marketing can make a transformative difference to your business, your growth model, and your saleability of the business. The reason for that is, having a killer marketing strategy for your business will amplify the efforts of your staff. It'll make your environment an easier place to make money.

Why does it do that? Well, if you get your marketing strategy right, you'll get more incoming inquiries from your clients, you get more in incoming inquiries from your candidates, you obviously raise the brand awareness of your business which makes the sales calls, and the candidate calls from your staff a lot easier. Also, it can quite often give you a much bigger return in your investment than paying for staff. With your staff, if you work on the general average for a commission structure for the recruitment industry, you'll tend to get three pounds return for every pound you spend on wages on your staff. Now with your marketing that can be considerably more. Some of the strategies that we have with the partners within the Davidson Gray model, we are returning twenty pounds for every pound spent, which is ridiculous. Clearly that has a finite limit otherwise we spend twenty million in every business to make a fortune, but you can get a much bigger return from your marketing if it's done well. That isn't really the mainstay of the reason for this podcast.

The point of marketing is to make your environment an easier place to make money. Now that to me is a key part of any strategy for building your business because, within the recruitment industry, we all know it's incredibly competitive to get experienced recruiters. If you go to a recruitment company or rec2rec rather, you will know it's a battle to compete with other recruitment companies to get the best staff. If you make your environment an easier place to make money, what you will do is make average recruiters good recruiters, good recruiters great recruiters and great recruiter to bill a shitload of money. In doing that it'll be easier to attract staff, your staff retention will be far better, and it'd be easier to grow your business because you can attract staff, you're going to keep your staff and also clearly, you're going to make more profit, which then makes growing your business much easier. It's like a snowball effect.

Your marketing strategy stays with the company

As I said earlier on it amplifies the profitability of your staff but also amplifies the growth of your business and makes it a lot more secure. Good staff can walk out the door; a marketing strategy can't and that's another reason why it's of more value. So, if you are looking to sell the business and you've got a fantastic brand and a great marketing strategy then the person who's looking to buy the business will value it more because that can't walk out the door. If you're looking to grow your business to sell it's important, well it’s critical you get your marketing right.

So why doesn't everybody do it? Well, to me it is baffling why it's so misunderstood, the recruitment industry. Why it's done so badly and why recruitment business owners haven't cottoned on to how important marketing is within the business. I looked at that and I needed to just crack why people aren't cottoning on. I think what it is, is recruitment business owners don't necessarily have the respect for marketing that it deserves. There is a saying that if you can't sell your market, well that is tripe because marketing is very difficult, and it can have huge value to your business if it's done well.

Your website is your most important selling tool

The problem is if you don't really have the respect for it, you can just assign a marketing agency or recruit a marketing manager and just let them loose and don't pay attention to what they're doing. If you do that you set yourself up for a disaster because, quite often with an in-house marketing person or an external recruitment agency they can flatter to deceive with flattering numbers. As an example, if you're getting five thousand visits to your website per month, well that sounds fantastic. But what's the real key performance indicator for your website? It's the number of inquiries coming from your clients and it's the number of CVs that come through from the website that you place business with. So, I can generate five thousand visitors for your website overnight, but is it going to make you money? Well, that's the bit that's important, is converting it into money.

I’ve just written a blog on five tips to make money out of your marketing strategy. One of the things I talk about is the website. Again, it's massively misunderstood that business owners quite often put the most importance on your website of it looking slick, looking sexy, looking expensive, which is great. But if you haven't got any SEO in it and it's not visible on Google, it's like having a really expensive brochure and keeping it in your drawer. The only people that are going to see it are the ones you hand it to, which are your clients. If they’re your clients, then they're already buying from you anyway. What your website is actually for, is for people who don't know your business. That's the whole point.

So, imagine if your client is looking for a new recruitment business and they can go to somewhere and find your brochure so then they want to buy from you. Well, that's Google. I know it's a crap analogy but that's really what it is. Your website is a modern-day brochure, but you've got to make it findable. You've got to allow your clients to find it. It's nice to have a nice-looking website but it doesn't really make you any money and that's another thing that you find with marketing - a business owner's perception of what works is often far from reality.

Measure your marketing

The key to that is you've got to measure all the marketing. You measure everything that you do because if you measure what you do you can see what works and what doesn't. Also, if you measure it properly you can see what your return investment is. There are many ways that you can measure your marketing. Google Analytics is fantastic for analysing the data of your website but, I'll be honest with you, it's bloody complicated. It's not that easy to use. But if you just do something as simplistic as, every time anybody in your business gets an inquiry over the telephone, gets an unsolicited message through LinkedIn, or you get a CV through the website, you just ask the question, 'how did you find us or what made you contact me?'. You make note of that and very quickly you'll see what in your marketing is working because what you're looking at there is incoming inquiries. If they're incoming, why are they incoming? You need to find out why they're incoming. But if you log it properly and then you link it to your placements, you should be able to work out a rough guide of your pound to return of investment.

Again, if you're looking at the website - if you're spending, let's say a thousand pounds a month on Google Ads and you're making five thousand pounds a month each month from the website - let's say for arguments' sake, one candidate with average fees five grand. You're making five thousand pounds; you're spending a thousand pounds but you're making five pounds for every one penny spent. Well imagine how much gold that is for you as a business leader to understand how you can make an investment and know what the return is going to be.

Because if you're hiring staff, experienced staff or rookies - it is a certain degree a punt, but if you've got the science behind understanding what return you get on investment for your marketing, you can imagine how much easier it is to grow your business. You just turn up the stuff that works. That's where you invest the money which then goes right back to the beginning what I was saying, which is it amplifies the hard work and the effort of the staff because getting good staff, holding on to good staff and giving them an environment where they're not going to leave is difficult. If you can then amplify the results, it then makes everything so much easier.

The thing with marketing, as I said it is a bit of a science, and it's something, as a business leader you just got to try and upskill in or have somebody within the business that can upskill on it, so if you do use a marketing agency then they understand that the results are and if you're using a marketing manager, you understand what the results are. But if I can give you one big tip is that any data that you get from your marketing manager or any data that you get from your recruitment agency, is drill it down to the real key performance indicators, the things that really matter, the things that give you the results. So, it's not the number of website visitors it's not how many impressions that your LinkedIn advert gets on LinkedIn. It's not how many likes your content gets. It's not that. It's how does it turn into really important money-making situations, such as good candidates applying for jobs; clients that are ringing you, incoming inquiries of any form. It's measuring what the real results are. With your website, it's not how many people go to your website, it's how many people ring you as a result of going to your website and how many CVs you get. That's the key. So, in managing your external recruitment agency or your internal recruitment manager, measure them in a similar way you would with a staff member, which is drilling down to the results of their work that's of value.

So, you don't for example, say with a recruitment consultant, it's not how many dial spins that's important, or - that's an old term - how many calls you actually make a day. It's how many candidates they get to interview and how many interviews they get and how many placements they get.

Conclusion

So as a as a tip to leave you with is if you look at your marketing strategy, you've got to decide what you want to get from it, work backwards and then work out what are the key performance indicators that are going to give you those results. and then attach that to your marketing strategy so you can measure it. Because if you measure it, you can work out what's working and what's not, and then you'll stick with it. You'll have the patience to see it through because you've got the initial marketing results which is obviously making money but then you've got the longer-term goal, the brand building, which to go back to earlier on. If you get your brand-building right, it then makes growing your business massively easy.

Anyway, I hope you've enjoyed this podcast. As you can probably tell from my enthusiasm that marketing is a big passion of mine. If you speak to me about starting up a recruitment business, I'll be able to tell you how that play into start-ups. It's helped me maintain my record of every single start-up I've had was a success.

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I hope you've enjoyed this podcast, look out for that new blog, five tips on how to write a killer marketing strategy, and hope you listen again to my next podcast.