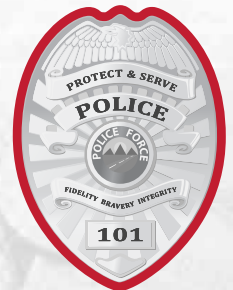


Hope for the Best... Plan for the Worst

Mastering your Marketing Budget
for the Public Safety Industry

By Jake Knight and Jeff Berend



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You know the saying, "hope for the best, plan for the worst?" It reminds us to be cautiously optimistic about an endeavor that can have a significant impact – like preparing your organization's marketing budget.

How should I plan my marketing budget with so much uncertainty these days?
Where can I get the best return on my investment in marketing to public safety?
What activities should I focus on, and what can I forego?

Our new Ebook, *Mastering Your Marketing Budget for the Public Safety Industry*, can help leaders of organizations serving public safety answer these questions.

You'll learn proven strategies to master your marketing budget, including:

- Where the economy is going and how it impacts public safety marketing
- Defining the elements that make an agile marketing budget
- Best and worst case scenarios for contingency planning
- Maximizing marketing dollars with digital strategies

How should I plan my marketing budget with so much uncertainty these days?

Where can I get the best return on my investment in marketing to public safety? What activities should I focus on, and what can I forego?

This Ebook attempts to answer these questions and provide leaders of organizations serving public safety with proven practices to plan your marketing budget. Creating viable budgets, developing the right strategies and expertly executing tactics is a challenge in the best of times. But in times of economic uncertainty, the stakes are even higher.

We hope these practices, tips and ideas will not only help you survive—but thrive in 2021, and beyond.

Where's the economy going and what does that mean to public safety and my company?

If you're like most companies, you've taken a hard look at your marketing budget and already made some difficult choices in response to the current economy. Typically, boom (expansion) and bust (contraction, or recession) cycles average about five years for an expansion and around one year for a recession. That said, the expansion cycle that lasted from 2009 to February 2020 was the longest ever recorded—and most economists are anticipating a longer than average recession in 2021 and beyond.

The good news is public safety is a resilient market

In our long-standing experience working with organizations serving public safety, we've observed that it's an industry more resilient than most. While public safety budgets can be affected in a downturn, the impact typically lags commercial sectors and is not hit at the same level.

Here's why public safety typically fares better in a down economy:

- **Government funding** often increases during market downturns to support the economy. The recent global crisis has [led to a steady increase in federal spending topping billions](#) and provides relief to state and local governments and, in turn, public safety.

- **Local and state spending** can anticipate some budget cuts, but even so, a recent survey of 2,100 cities reveals some of the resiliency of the market. For example,

**73% of cities surveyed
planned no salary
reductions**

and

**nearly 50% said there
would be no impact
on local police**

due to forecasted revenue shortfalls.

- **Budget shortfalls at government agencies are typically delayed compared to the commercial side.** Taxes and state aid are not always immediately affected. The same survey notes that revenues based on consumer spending such as sales tax, fees and permits are projected to fall further, but will fall later than other sectors.
- **Essential services** include various public safety disciplines. Often quoted in the media, 911, EMS, fire and law enforcement agency budgets are a major spending area comprising as much as 60% of city budgets. We're seeing some agencies starting to cut budgets, but one thing is certain—the public's need for health and safety services will go unabated.

Even though there will be some belt tightening for public safety budgets, these factors help prop up spending for the public safety market as a whole and build resilience to potential economic impacts down the road.

Ask the right questions.

As you build your 2021 marketing budget, you and your colleagues need to ask questions tailored to your business and how it serves public safety:

- **What type of company are we?** If you're a software as a service (SaaS) company with a high degree of operating leverage, you can justify spending more because your ROI is greater.
- **Where are we in our company life cycle?** Startups will need to spend more than mature companies just to penetrate the market and will look to burn rates and breakeven analysis as a guide, rather than relying on typical marketing spend benchmarks which are based on percent of revenue.
- **Where are we heading in the industry?** Gaining market share and achieving category leadership may require greater spending for branding and thought leadership initiatives.
- **What is our current objective?** If your marketing and sales teams are gearing up to launch a new product or service and focused on maximizing lead generation, this too will lead to an increase in spend.
- **Are we investing in new tools?** Implementing new marketing solutions like integrating a marketing automation platform with your sales funnel are large spend areas to consider as well.

Do the research and answer the tough questions with your team. Doing this upfront will allow your organization to tailor the budget for your unique needs and set achievable goals.

Why the old budgeting model doesn't work.

What is agile budgeting? Simply put: it's setting a course and being prepared to adjust as market conditions change, and sales and marketing campaign results are measured.



The typical budgeting process goes something like this: You start with last year's results and budget, since we know those costs with high degree of confidence, and make adjustments either up or down to both revenue and related expenses.

But we've all faced problems with this type of budgeting because it's often difficult to anticipate changes in the coming year, or we have new initiatives or campaigns that have no baseline from previous results as a guide. Consider that when we forecast 12 months in advance, we're trying to predict what will happen in the third and fourth quarters. How can we expect any accuracy with this method?

A more agile approach is to

estimate the budget and course-correct at quicker intervals, like in three month or six month sprints.

This allows better tracking and allows you to be more nimble to ensure your financial objectives are met.

So why is this important now? Uncertainty in the economy, and the public safety industry, means maximizing every dollar spent.

How do your marketing plan and budget align to larger company goals?

First, we need to make sure the overarching business plan is in place. The marketing budget is subservient and must be in alignment with the overarching business plan, sales goals and related budgets. The broader plans are based on strategic analysis of factors such as positioning of the firm, product offerings, growth strategies and capitalization. Only after those plans are set can you turn to the marketing plan and budget.

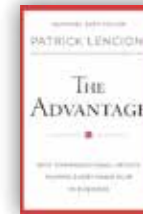
For example, if the company decides to defend market share over the next few years, do marketing efforts need to have a greater focus on customer retention? If the company decides to grow market share against weakened competitors, branding and awareness will play a larger role.

The agile budgeting approach aligns nicely with a more simplistic (and agile) business planning approach. Agile business planning is heralded by leading business consultants such as:



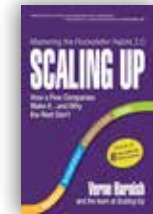
Daniel Harkavy

buildingchampions.com



Patrick Lencioni

tablegroup.com



Verne Harnish

scalingup.com

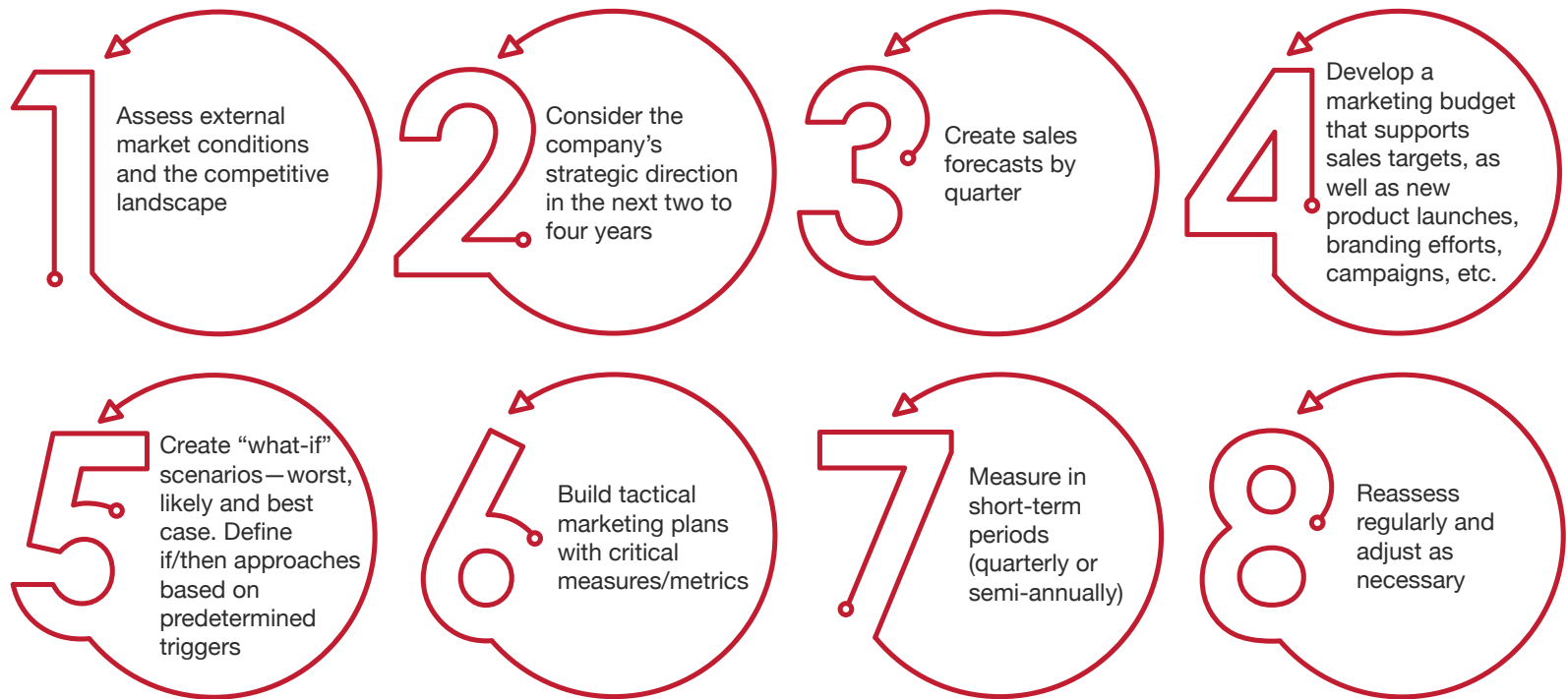
These business experts recommend doing away with the 500-page business plan that gathers dust on the shelf. Rather,

focus on the essentials and distill your strategy and goals down to a one-page business plan.

Clearly, that is an advantage when trying to course correct and pivot—especially in uncertain times.

During tough economic times, companies tend to look to trim costs by cutting marketing budget and staff. The agile approach sets predetermined actions, prioritizes spending, tightly aligns to sales goals, and should give company leadership confidence in the marketing strategy and future activities.

Steps for Agile Budgeting



Do you plan for the worst and hope for the best?

In these times it's more important than ever to be clear on what we're asking marketing to do to support sales and lead generation under various scenarios. Your sales and marketing budgets should not be created in isolation. If sales and customer retention is forecasted to be the down, the same or up (and by how much), then what options are best for marketing to support those sales efforts?

You need to plan for three budget scenarios:



Worst

The worst-case budget is designed to take actions in deteriorating conditions. It helps give leadership the confidence that no matter how bad things get, they've thought through scenarios and have a plan. At the same time, this thinking helps prevent irrational decision-making that may occur under crisis and heightened emotions. Your worst-case scenario may be just short of shutting down all operations. Considerations will likely include staffing levels and operational and discretionary expenses.

Action: *Marketing spend in the worst-case scenario is almost exclusively in lead generation to drive sales.*

Likely

Plan on some reduction in revenue, potentially in the 10-20% range. For some, the likely scenario is a continuation of the status quo. Their thinking is that our past results are the likeliest indicator of our future results. It's lazy thinking. In good times you can get away with it, but now that is a dangerous assumption. It would be more prudent to assume your likely plan will include some percentage decline in revenue and/or customers, and plan accordingly. The likely plan should include options for cutting costs that aren't related to revenue enhancement.

Action: *Lead generation should be complemented by branding/education/awareness activities to ensure you maintain share.*

Best

This assumes a return to pre-pandemic, pre-downturn and a rebounding economy. You're going all in to gain market share and separate your organization from your competitors. Marketing efforts to grow long-term share include more top-of-funnel brand awareness activities (e.g., educational/awareness campaigns). In the best-case scenario, you're making investments and stepping up spend to capitalize on the complacency or trepidation of competitors.

Action: *Spend on partnerships and sponsorships that distinguish you in the eyes of public safety. Campaigns and efforts will include digital, PR, media spend, events (virtual/live), video, lead generation, etc.*

Your If/Then Plan

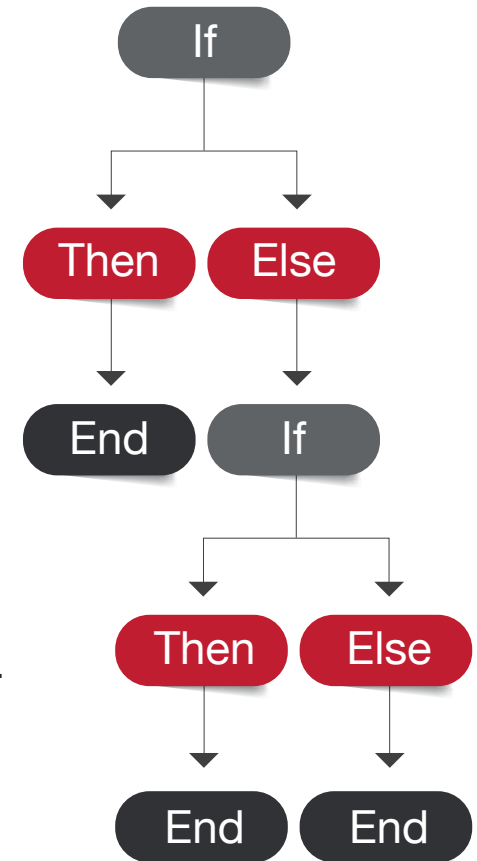
It's important to commit to action plans for each scenario. Again, doing this will ensure that when faced with crisis, you can calmly turn to your plans and think through the options with a clear head. Examples of anticipated if/then actions include;

- **We will not** travel until....
- **We will not** attend conferences until...
- **We will** reinvest profits into marketing and sales at X%
- **We will not** upgrade technology until...

Test and recalibrate

Regularly assess what's working and what's not. What are the short-term implications of decisions vs. long-term? How will those decisions impact customers and staff?

Commit to short-term action plans and regularly assess the results. Recalibrate. Don't commit blindly to a year of activity while you stubbornly bleed red ink. By making incremental plans, assessing and pro-actively adjusting, you'll be ahead of the game.



OK, the first dollar on strategy, second on digital.

It's easy in tough economies to want to bypass strategy and go straight to tactics. That's a sure-fire way to waste money. It's vital to have a comprehensive marketing plan in place so you don't waste effort on 1) going in the wrong direction and 2) spending on marketing tactics that are not complementary or additive to overall goals.

In other words, [having a plan](#) will make sure that the finite resources, talent and energy you expend can be repurposed, reused and redeployed. For example, your strategy may be to gather compelling customer stories/case studies. Once you have them, you can use them in myriad ways—on the website, emails, social, videos, webinars, etc.

Your marketing plan should blend of top-of-funnel tactics versus lead generation. Determine where you're going to put your emphasis and resources.

Once you have the strategy in place, your first move and spend should be on digital.

Digital is more quantifiable, so it makes sense to focus efforts here if you have limited funds or need to drive lead generation to support sales. With less spending on traditional marketing (e.g., conferences and events) you may have additional room to focus on digital.

Have an integrated digital approach

Does your inbound marketing (methods you use to draw visitors and potential customers) take advantage of all available channels, like social, videos, etc.? Where are you weak? How can you leverage what you're already doing? Where are your greatest opportunities?

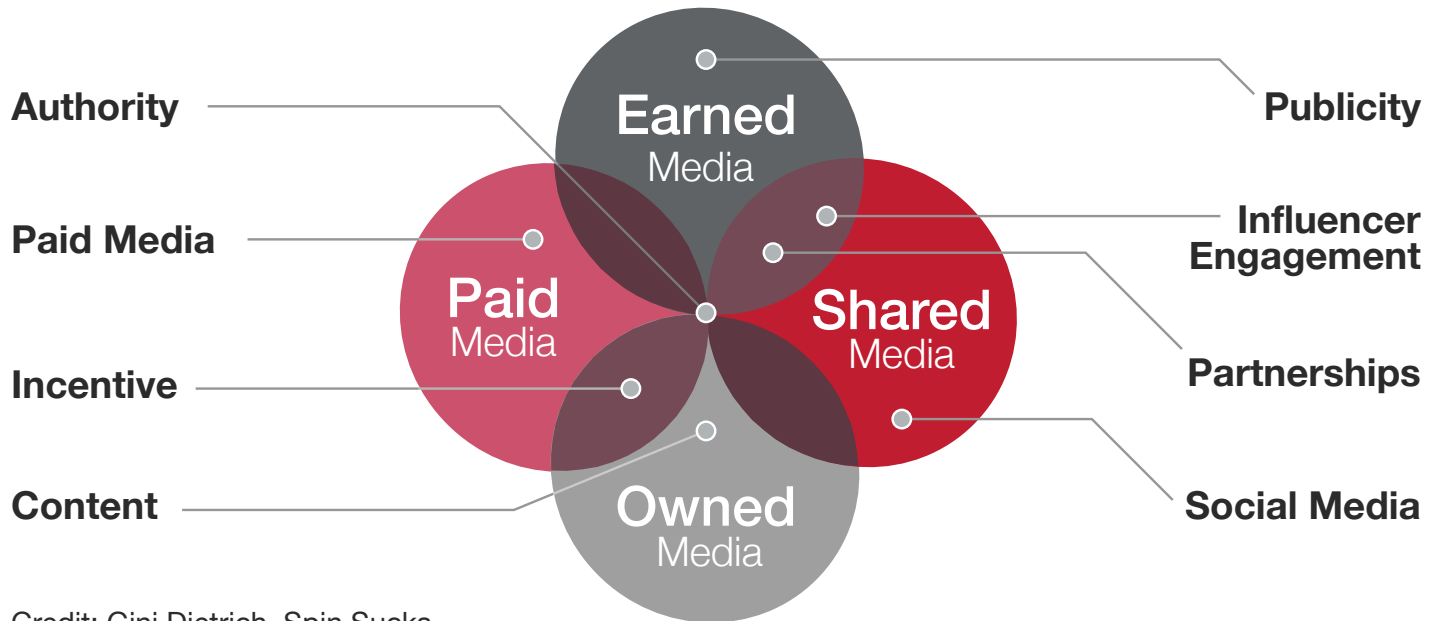
One valuable framework is called the PESO model, which comes from the 2014 book *Spin Sucks* by Gini Dietrich. PESO is made up of *Paid*, *Earned*, *Shared* and *Owned*, and is a way to segment and organize your marketing channels. We feel it can be a good guide in your digital marketing budget planning and execution.

Here's a description of each area, as published on the site [Iterative Marketing](#):

- ***Paid***: Exchanging money for distribution, whether an ad or content
- ***Earned***: Trading valuable content for an established authority's audience
- ***Shared***: Amplifying content through your own audience
- ***Owned***: Aggregating an audience that seeks you out for content and then distributing your content to that audience

See the illustration below from Iterative Marketing to understand the key elements of the PESO model.

How to make *Paid, Earned, Shared, and Owned* media work together for maximum effectiveness and cost-efficiency.



Credit: Gini Dietrich, Spin Sucks

Using the PESO model as a guide will help you think through the key segments, channels and platforms at your disposal.

The Core Four

Especially in the worst-case scenario, you're going to need some minimum marketing at the lowest price. We think the recommendations in the book *The CEO's Digital Marketing Playbook*, by Thomas J. Donohoe, give great guidance on what you should be doing at a minimum (really, in any scenario). Again, this can be a good guide on what to prioritize in your budgeting and planning.

1. Tradename search engine advertising on Google

This ensures prospective customers can easily find and get to you. For minimal dollars, you can ensure you're not missing any prospects who are looking for you. Obviously, the next step is to purchase other keywords, which is also recommended.

2. Retargeting ads

Retargeting your prospects across the websites they visit is a simple way to make sure your message is seen by your best potential customers. This is also a great way to “recapture” those interested prospects that intended to purchase, but got busy or distracted and just never followed up.

3. Landing pages

You want to drive people to product specific pages they're interested in—not your homepage where you make them work too hard. Wasting your inbound traffic by making people click on multiple pages is a great way to scare off your best prospects. Also, if you have gated forms (requiring registration before downloading a white paper, Ebook, etc.), make sure those are located on direct landing pages and drive traffic there.

4. Smarter Social Media

You've been cultivating your customer and prospect list for years. You can put that list to work via LinkedIn and Facebook targeted campaigns. You'll upload your list and be able to better target right-fit prospects.

The Core Four is also a good guide to use in your budget planning and execution. Each area is easily trackable and measurable, so you can assess performance and switch gears if needed.

Improve your technology?

As you build your digital efforts, you'll also need to consider technology and platforms in your budgeting. Do you need technology or platform enhancements? If you have staffing resources available, now may be a good time to consider upgrading your digital marketing technology. Weigh the pros and cons of a completely integrated platform (like Salesforce) versus a la carte, best-of-breed solutions. Areas you should consider and plan for in your budgeting efforts are:

- CRM (Customer relationship management) platform
- Measurement/metrics tools
- Content platforms
- Marketing automation
- Social media tools



Staffing and outsourcing



Obviously, staffing levels and outside contractors are a key element of your budgeting and planning. In worst/mid-case scenarios, you may be working to justify certain positions. Keep in mind that those positions that keep your brand front and center in the minds of public safety officials—the ones that drive your digital efforts and lead generation—are key to keeping your sales engine running. Your scenario planning should take staffing and outsourcing into consideration. If you're considering outsourcing/contracting marketing and communications, make sure what you budget for that support is separate from your direct marketing expenses (e.g., advertising, events, SEO/SEM, etc.)

[Here's an article](#) that can help you as you evaluate outside firms, along with a list of interview questions you can use in vetting potential partners.

Meeting the Challenge

With uncertainty...brings opportunity

Uncertainty can also bring opportunity—if you plan ahead and bring the right mindset. Fortunately, while public safety is susceptible to weakness in the economy, it's more resilient than most sectors. By planning for worst-, mid- and best-case scenarios, you won't be scurrying when things change direction. And by using an Agile budgeting method, you'll prioritize areas with the best return on investment, and be ready to switch gears as needed.

Finally, if you've been holding back on your commitment to digital marketing and the technology/platforms to run your organization's marketing and sales, now is the time to make the move. Those investments will be measurable and can help ensure your brand stays top of mind, you protect and grow market share, and develop a steady cadence of right-fit leads to support your sales efforts.

For leaders of organizations serving public safety, creating realistic budgets, developing the right strategies and expertly executing tactics is a challenge in the best of times. We hope these practices, tips and ideas will not only help you survive—but thrive.

Interested in learning more?



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