

# Marketing Strategy Meeting Local Needs and Delivering Value for Money 2012-2017

Marketing is not a single function in a business or service organisation. It is a business philosophy, a business way of life. Traditionally, many companies used to be process led and product oriented; having a predetermined product or service, they found customers and convinced them to want their product. The approach is 'This is what we've got – now sell it'. Local government services in particular have often worked in this way. For example, facilities are built, equipment is installed, markings are put on to the floors, programmes are devised, times are decided, charges are determined, systems are established, and the council will proudly announce that the facility is open. The marketing approach reverses the process and starts with the customer. It is market led. It requires the manager to find out what the customer wants and then design, produce and deliver what is required to satisfy customers, and achieve the organisation's objectives.

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## 1. An Introduction to Marketing Strategy

- 1.1. 'Whenever possible we are increasing choice by giving people direct control over the services they use.'<sup>1</sup> We will open up public services to new providers and new ideas, it should not matter if those providers are from the state, private or voluntary sector-as long as they offer a great service.
- 1.2. For the purpose of this strategy the definition of Marketing is 'assessing the needs of the population in an area, designing and then securing the delivery of services to meet those needs.' Marketing, in this sense is the way the whole organisation works and specifically how it uses its resources to best effect to meet local needs. For example, this could involve a decision to move to a new business model. A commonly used definition is, 'The process of securing services to meet the identified needs of, and improve outcomes for our residents and visitors. This is done through the ongoing arrangements and procurement of services, and the reviewing of these services following need'.<sup>2</sup> For clarity the definition of procurement is about the purchase of goods, works and services to enable the council to deliver services to its residents and visitors rather than the manner in which those resources are deployed.
- 1.3. A Marketing based approach will enable us to use the discipline as a tool for designing services around the needs of our residents and ensuring optimum outcomes are achieved. The Council's service principles are based upon exposure to all possible models of delivery to achieve the most efficient, effective and greatest value to the public in providing that service. This means an open market approach as to who may be best placed to deliver the service. Procurement strategy and policy supports this approach and 'value' is seen as going beyond cost and quality. Such value is derived through applying the marketing principles that look at customer need in the broadest sense i.e. wellbeing of communities.
- 1.4. The mindset required to develop publically funded markets is very different to the traditional policy making approach. Market makers need to shift from seeing themselves as deliverers of public services to seeing themselves as stewarding long term developments in the markets. Becoming an expert in this area is a medium to long term aim, it will not happen overnight. It will require a cultural shift to enable us to develop new ways of working both within the council as well as with our communities, partners and service providers. The new approach requires us to recognise when we will not provide the service and when to move to procure an alternative provider. Those officers need to develop into stewards, to ensure that marketing delivers the Five Rights: the right to service, at the right time, in the right place, for the right people, with the right outcomes.

## 2. The Marketing cycle

Marketing is best described as a cycle of continuous activities designed to meet the strategic direction of an organisation.

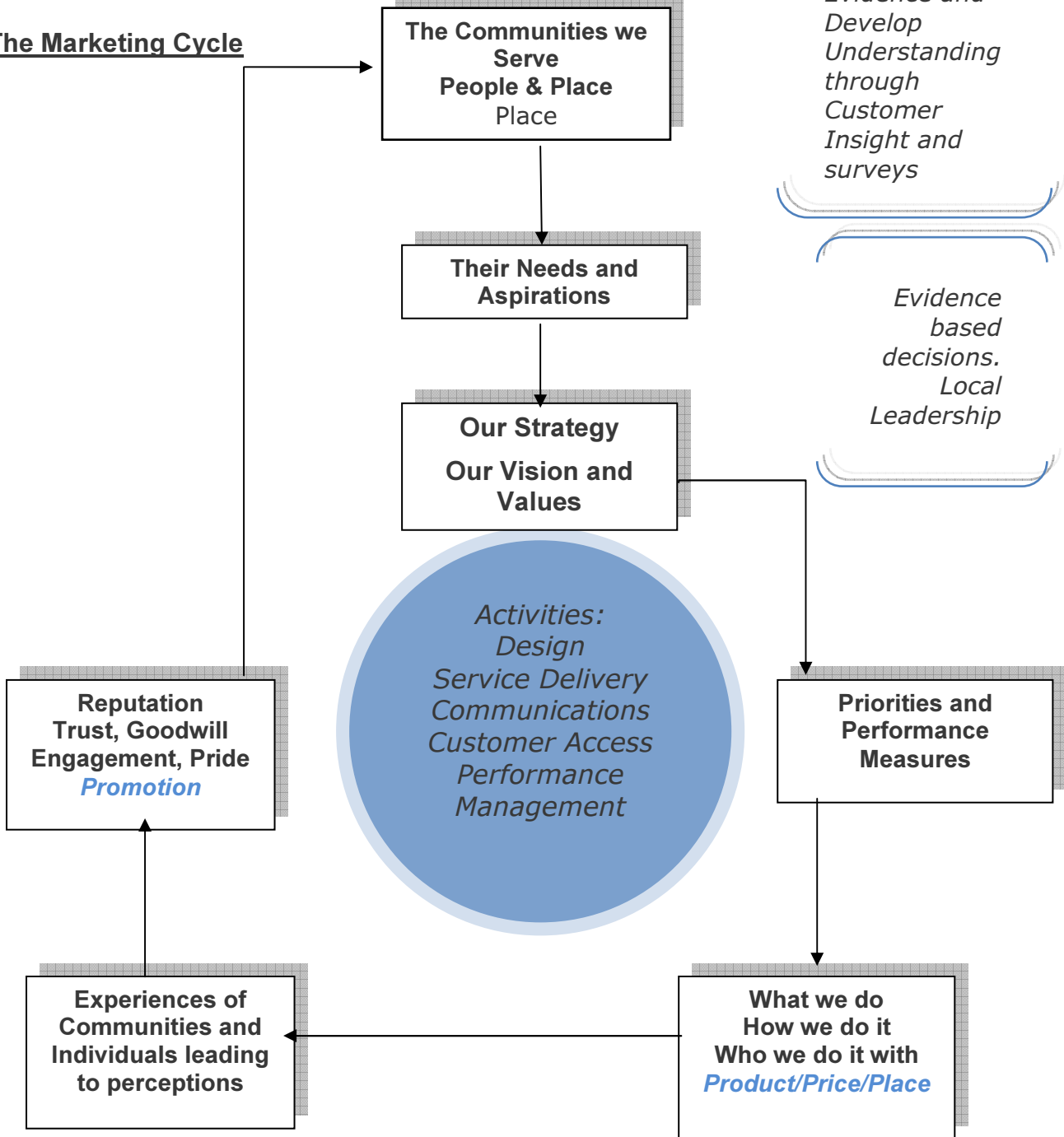
- 2.1 The criteria for successful Marketing can be summarised as;
  - Excellent data and research with a strong performance culture
  - Thorough needs analysis
  - Willingness to shift resources
  - Investment in a skilled Marketing function

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<sup>1</sup> David Cameron. *Testing New Commissioning Models*. July 2011.

<sup>2</sup> Bromley. *Commissioning, Aims, Principles and processes*. 2008.

**The Marketing Cycle**



*Collect Evidence and Develop Understanding through Customer Insight and surveys*

*Evidence based decisions. Local Leadership*

**Reputation**  
Trust, Goodwill  
Engagement, Pride  
*Promotion*

**Experiences of Communities and Individuals leading to perceptions**

*Activities:  
Design  
Service Delivery  
Communications  
Customer Access  
Performance Management*

**Priorities and Performance Measures**

**What we do**  
How we do it  
Who we do it with  
*Product/Price/Place*

**What we already have in place:**  
 Corporate Planning process  
 Customer Insight Approach  
 Business Transformation Team  
 Annual fees and charges  
 Performance Management (Health Check)  
 Customer Access Strategy  
**What we are developing:**  
 Communication Strategy  
 Customer Insight Strategy  
 Procurement Strategy  
 Pricing Strategy  
 Channel Shift Strategy  
 Engagement Strategy

### **3. Marketing Commitment**

3.1 We will become expert marketers of services and a great client who will engage in honest and open dialogue about the future of services. We will support individuals and communities to take a leading role in designing and delivering their own services. We will develop a mixed economy of service providers, marked by fair competition and a commitment to partnership. This commitment is under-pinned by a clear set of principals:

- We will understand the need and priorities of our citizens now and in the future.
- We will take an outcome based approach to marketing.
- We will ensure sustainable efficiencies are the foundation of our marketing solutions.
- We will involve customers and service users in planning, design, monitoring and evaluation of services.
- We will be open and honest about the financial and legislative frameworks as well as the financial constraints in which services can be provided.

### **4. An authority which is good or excellent at marketing does the following well:**

- Understands and challenges needs and priorities.
- Challenges existing services and reviews alternative service delivery.
- De-commissions where appropriate.
- Focuses on outcomes.
- Works in partnership, encouraging diversity of providers, building capacity and sustainability in the third sector.
- Engages in the market, promoting sustainable and responsible procurement.

#### **4.1 Understanding and challenging needs and priorities**

Key considerations include;

- Why do we need this product/service?
- What is happening to local need?
- Who uses it and will the requirement change in the future?
- What are the legislative or regulatory requirements?
- What is currently being spent on the service?
- What resources are available to meet future need?
- Decisions are based on evidence and data.

#### **4.2 Changing existing and reviewing alternative service delivery models.**

Key considerations include;

- Does the current service deliver the required outcomes?
- Does the current service model deliver value for money?
- What is the Councils policy on usage and how consistently is it applied?
- Is there scope to collaborate with others?
- How effective is current service provision?
- Are we best in class, can we provide for others?

#### **4.3 De-commissioning where appropriate**

Key considerations include;

- Is the service still required?
- If the service is required, by whom?
- How effective is the current service provision?
- Does the current delivery model provide value for money?
- Have the alternative service delivery model been identified?

#### **4.4 Focuses on outcomes**

Key considerations include;

- Agreed outcomes need to be set out at the tendering stage and considered at every stage of the procurement.
- Where is the council now? Where does it want to be?
- How will contract or provision be designed to meet future changes in need?
- How can specification be designed to enable the council to secure service improvement and efficiencies?
- How can outcomes be measured and contract performance managed?

#### **4.5 Working in partnership, building capacity in the voluntary and third sector**

Key considerations include;

- Build on the work already undertaken by the Communities Team.
- Timescales set by authorities can be problematic for smaller third sector organisations.
- Should the community play a role in providing the service for themselves?
- Is the procurement process proportionate to the service being commissioned?
- Does the marketing process allow for innovation and creativity?

#### **4.6 Engaging in the market**

Key considerations include;

- Improved Marketing and procurement requires a good understanding of what the market can offer.
- Maintaining a dialogue with potential suppliers. (Community/voluntary organisations)
- Supplier diversity is essential - we need to interact with suppliers to encourage diverse parts of the market to bid for work.
- Can we develop the market further to provide increased value for money?
- What capacity is there locally to deliver?
- Ensuring the procurement process delivers sustainability and responsible procurement.

### **5. What Next?**

- 5.1 Ensure internal planning processes are aligned to financial planning processes.
- 5.2 Ensure Insight Data Team is ready to assist in service reviews and business planning.
- 5.3 To embed the strategy through a series of documents and toolkits that make up the Marketing Framework:
  - 5.3.1 Engagement and Involvement: joint marketing toolkit, strategy framework engagement plan
  - 5.3.2 People-skills: organisational development and expert marketing training programme.
  - 5.3.3 Process: channel shift, engagement strategy procurement handbook, decommissioning toolkit, social value toolkit
  - 5.3.4 Performance: contract performance management handbook and strategy action plan.
- 5.4 Establish those areas of market failure/customer need - identify gaps.
- 5.5 Test political appetite on suggested areas of marketing.
- 5.6 Co-design services with service receivers.
- 5.7 Procurement review implemented.

## Definitions

	Framework tool	Description	Target Date
people	Category management handbook	Guidance to category management the key activities should be carried out at each stage of the marketing process. This document also provides more information about the roles of the commissioner and the category manager, setting out the partnership approach and normal expected levels of responsibility for each activity.	Sept 2013
	Expert Marketing training programme	This document looks at what skills and knowledge are needed to be an expert commissioner and a successful provider in Hampshire as well as to ensure effective decision making.	Nov 2013
Process	Procurement handbook	This document provides further information on the procurement process and sets out information around statutory duties and financial thresholds. It also includes further information on the third sector Marketing process.	August 2013
	Social value toolkit	Toolkit designed to provide guidance on how to ensure socially responsible procurement takes place. This document will help commissioners to embed social impact and local investment in the Marketing process.	TBC
	Decommissioning toolkit	Detailed guidance for commissioner on the decommissioning process providing information on process, important considerations, roles and responsibilities and sign posting further available support.	TBC
Engagement	Strategy engagement plan	Plan of on-going engagement and dialogue with key stakeholders including internal, commissioners and procurement professional, local providers and service users.	Ongoing
Performance	Contract performance management handbooks	Detailed guidance for commissioners on contract management that supports them in setting up contract management frameworks. This document also provides more information about the split of responsibilities between the procurement professionals, local providers, and service users.	July 2013
	Action plan	Clear plan of all key deliverables associated with successful delivery of the strategy.	Included in strategy