

Job Shops need SALES!

How to increase sales in Job Shops and Machine Shops

Recently when talking to prospects and customers, we are hearing a reoccurring theme – “We need more sales!”

So, in this email we’re going to talk about what you can do to increase sales in your shop.

But make no mistake, this is not the typical approach you see.

We’re NOT going to suggest you drop in on your customers to look for more work or attend a tradeshow, because those aren’t happening right now. We’re NOT going to suggest you start or increase your social media activity or other suggestions made by well meaning marketing folks who just don’t understand the technical sale that a typical job shop makes.

Your target customers – engineers and/or buyers, are not spending their days on social media. But before we get into how to find and approach your target customers, let’s do a check.

Do you have a target market?

Yes, I know you have a wide range of things you can do. But which types of jobs are your sweet spot? The jobs that you do well, that you make a higher margin on and your competitors don’t like.

The first step in marketing is targeting. What type of jobs do you want more of? Not all jobs are created equal. We must take into account:

- Where is your constraint? Does it move?
- What is your capacity?
- How much of your capacity do various types of jobs consume?
- How much margin do you generate for various types of jobs?
- Which types of jobs are high margin vs low margin?
- What differentiates them?
- Which jobs are you particularly good (or could be good) at compared to competitors?
- Which jobs are the ones that you and your competitors dread? We’ve had a lot of success helping shops love the work their competitors hate. This is a gold mine. See side story.

“Not selecting a target market in marketing is like not cutting WIP in operations.” Dr Lisa Lang



SIDE STORY

We were on a call with an owner and his team doing this market analysis. The owner, and in fact, almost everyone at the shop believed that jobs made from aluminum were MUCH more profitable than jobs made from stainless steel. Aluminum was softer, easier to machine, didn't eat up the tooling, and did not wear on their machines nearly as hard as stainless steel. Aluminum was preferred above stainless steel in almost everyone's mind.

But, we started doing our analysis with them. One thing that became apparent to us was the fact that jobs with stainless steel had much higher profitability than jobs that were made from "plain" high-carbon steels. This was interesting to us and we inquired about what the owner and his team thought of that fact. The owner said (in so many words), "You know, if I didn't have this data in front of me I would have never believed that stainless was more profitable for us to run than aluminum. We've always thought aluminum was more profitable."

The owner, after spending about an hour reviewing the data and doing the analysis with us then called an all-plant meeting, immediately after getting off the call with us. He told his team the shocking revelation that stainless-steel jobs were in fact more profitable than jobs made from aluminum. In so doing, he also asked the shop to get involved and told them, "Jobs made from stainless steel are more profitable for us to make. Now, I know most of us (myself included) have not held stainless steel in very high regard, but that's about to change. What I need to know from you are things like: What tooling do we need to run stainless faster? What repairs, if any, do I need to make to the machines so they can hold the tight tolerances on these stainless jobs? How can we improve our programs to better machine stainless?"

It was amazing to us that in the course of about 2-3 hours, the entire company had a paradigm and cultural shift about how they approached their job mix. No longer did they avoid jobs made from stainless steel. They embraced them. They set their operations up to run stainless. They started quoting more stainless work. They were calling customers asking for jobs made from stainless. It transformed the entire business.

That's one of the unique things about what we do in the Job Shop Pricing System. We don't let the usual definitions define what we do. If we were only looking at market segments based on geography or industry, we would have completely missed this. We have a much broader definition of target markets – one that is defined by the types of customers, markets, and jobs which are

most profitable for your shop to focus on based on YOUR capacity, capabilities, and competitors.

The outcome of this analysis should be your niche, your target market. And the more specific and detailed, the better.

For example, you may currently position yourself as a “fab shop”. But how many of those are in a 200-mile radius of you? Lots! If you want to be the obvious choice for the type of jobs your targeting, we need to be more specific.

If you needed to have a frontal lobe brain tumor removed would you prefer a surgeon or a neurologist that focuses on surgically removing brain tumors in the frontal lobe? The goal is to be the obvious and only choice.

So let’s say that your analysis showed targeting **precision fab jobs that require thick 10 mil or greater powder coating for high-end automotive applications** are very good margin jobs that competitors dread but you do in-house powder coating and do well (but haven’t really liked doing them). The 10 mil and greater jobs are more difficult, but your good at them and by focusing on them you can do them even better and become more efficient with them.

That’s your target market! So where can we find more of those jobs and how to we go about getting more of that business?

Finding and Approaching Your Target Customers

Marketing activities are typically a combination of shorter-term and longer-term activities. Meaning some of our efforts are to get new business in the short term – now or as soon as possible. And some are for laying the groundwork for the longer term. You need some of both.

Let’s start with the short term.

Short Term Marketing and Sales Efforts

It’s typically quicker to gain more business with an existing customer than a new customer. So, one idea (out of many) would be to go through your customer list and see who you do target jobs for now. Do you have 100% of that business? Do those customers have other target parts that you don’t currently supply? Also go through your open and recently completed quotes and look for those target jobs. Make a list of customers who are currently purchasing target jobs from you now and prioritize those that have requested a quote. Also gather the contact information for all potential points of contact – engineers, buyers, purchasing, the owner, whoever is relevant for that particular customer but go beyond your usual point of contact. Information gathered should include – name, title, email, phone, fax, LinkedIn profile, Facebook profile, and address.

There are a number of ways you can approach these targets – email, call, fax, direct message, and direct mail. No matter which way you choose you’ll need some content and messaging.

Document stories about doing these types of target jobs. In these stories, explain the challenges of these types of jobs. Here are some questions to help:

- What can go wrong?
- What is critical for these types of jobs? E.g. What are the challenges in applying thicker powder coatings to this precision parts?
- Which process steps are difficult and why? (probably the process steps your competitors dread doing) E.g. Why is it difficult to hold the tight tolerance required?
- What can go wrong for your customer if the job is not right? How does a bad part affect them? Do their lines go down? Do they incur a cost?
- What do you do to ensure the job is done right?
- What is unique about your approach?
- Do you have any unique equipment or processes? E.g. Are you a [Velocity Scheduling](#) shop?
- Do you have any certifications?
- Does your team have any unique skills?
- Do you do anything in-house that competitors outsource? E.g. Explain this is why you've had to bring powder coating in house. It's a challenge and it's critical it's done right.
- By focusing on this type of work, how have you been able to improve and do this work better than anyone else?
- How have your customers benefited from your focus and expertise on these types of jobs?

Once you have these stories documented, use them in your direct and indirect marketing with the customer contacts you identified.

Direct marketing involves communicating with customers and prospects in a one-on-one manner, while indirect marketing entails all marketing techniques that are broadcast to an audience.

Direct – call, email, fax, direct mail (physical mail), messenger

Indirect – website, articles in trade magazines, banner ads, etc.

For short-term results use a combination of direct marketing methods. You could send an email followed by a LinkedIn message letting them know you just sent an email followed by a phone call. There's lots of possibilities. You'll have to test to see what works best.

Email Marketing

*If you don't have an email system like Constant Contact, Mail Chimp, etc. We use and recommend the [Groove Family of products](#) which includes funnels, pages, emails, autoresponders, webinars, surveys, and much more. Right now and until **Oct 19th at 5 am ET** they are offering their entire suite for **\$1397 LIFETIME** ([← click to get the deal](#)). So even if you only need GrooveMail it will pay for itself quickly by replacing Constant Contact or whatever you're currently using. And, you can also take advantage of*

Long Term Sales and Marketing Efforts

As we discussed at the beginning of this article, times have changed since COVID-19. This means that engineers and buyers are using internet search more than ever.

There are many ways, but the two most common ways to find leads in the long term are:

1. Ads - You try to get in front of prospects by purchasing ads in places where they might visit, see the ad and click to learn more. Typically, you pay per click or pay per impression. You can advertise on all the search engines, in YouTube videos, in various social media and on just about any website you desire. The trick is to get ads in front of your target market – prospects looking for information and suppliers for your target type of jobs.

You can get started with ads fairly quickly but to generate an ROI you need:

- to target prospects who purchase your target parts;
- several ads to test;
- a landing page (the page prospects land on when they click your ad) that gets them to take the desired action; and
- tracking so you can track your ROI and improve where needed.

You can also waste a lot of money quickly if you're not careful.

Then, you also need to determine what you're going to do with these leads. These are not customers that know who you are, they are prospects that clicked an ad. You have to move them to a position where they eventually request a quote. Sometimes you can get a quick win but many of the leads you generate will need to be nurtured.

2. SEO - You enhance your web presence so that customers find you because they searched on keywords that you rank for – you show up in the top search results and they click on your listing. This is called Search Engine Optimization (SEO). In this case your target finds you, so the trick is to rank for the search terms (keywords) relevant to your target job type and that have sufficient search volume. Keyword research will help us to convert your target job type into relevant search terms we can target that have good search volume.

SEO is the combination of best practices and enhancements that needs to be done both on your website (on-page SEO) and off of your website (off-page SEO) in order to rank higher than your competitors in search engines like Google, Bing and Yahoo. In short, SEO helps your prospects find you before they find your competitors in online searches.

It's paramount to know which search phrases you want to rank for. Ranking for "fab shop" or "precision machining" can be difficult, time consuming and will result in a majority of leads that aren't a good fit. Instead you want to rank for searches related to your target type of parts and for which there is sufficient search volume. These niche terms are easier and faster to rank for and there is a much higher probability that they are a good fit.

Imagine you searched for a surgeon to remove that brain tumor. You then click on several of the top results that shows up. You land on the sites and find articles and information about all types of surgeries. So, you change your search to "neurosurgeon brain tumors frontal lobe" and now you are seeing a more relevant list of surgeons for your needs. And when you click on one of the listings everything is about neurosurgery on the frontal lobe and brain tumors. This is extremely relevant, so you start exploring the site. You enter your email to download a checklist on questions to ask your doctor and how to prepare for surgery.

Once prospects land on your site, you now need to capture that lead so you can follow up with them and nurture them. Your objective may be to get them to request a quote, but if they are not ready to do that just yet, you need to give them a reason to provide their contact information. So, in addition to updating your website for SEO, you also need appropriate landing pages designed to capture the lead.

In both cases your aiming for customers who purchase your target job type. Hopefully, by now, it's becoming clear how critical it is to have a target type of job identified!

And once you have these leads you can use the same short term approach methods and content messaging mentioned above.

If we had to choose between ads and SEO, we'd go with SEO.

If you have a large enough budget, doing both would be great. However, if your budget is limited (which is most common) then for a technical sale like this, we've had more success with SEO.

Targeting is possible with ads but typically not as pinpoint as we might like. For example, if you could target Tier 3 automotive manufacturers by SIC / NAICS code, not all of them require 10 ml or thicker powder coating. That doesn't mean that the ones that don't need 10 ml or thicker wouldn't be interested, they may be, but my point is that you can not target down as much as we might like. And LinkedIn, for example, does not let you target by SIC or NAICS code. They have different targeting options with similar problems. This means that you spend money advertising to less than great prospects.

With SEO, prospects find you and choose to interact. If you did a good job with keyword research, they are a good fit. And, they are more likely to be actively trying to fill a need since they are reaching out to you. This type of "pull marketing" has benefits for advancing a sale.

Ads only run as long as you're paying for them, whereas, if you do SEO for a year then stop, you'll retain at least some of the traffic you gained.

What To Do Next?

We realize that you may not have a marketing department or resources or the knowledge to take the actions outlined here. So, here's what we recommend and how we can help:

1. The very first thing is to determine your target type of job. If you do nothing else, get clear on this!

It's critical to know which types of jobs you want to sell more of based on your capacity, constraints, capabilities, margin and how those interact. We do this in our [Job Shop Pricing Program](#) along with helping you create a quick quoting process that ensures your profitability and allows you to turn custom quotes in less than 15 minutes. We have found a correlation between quick turnaround time and percent of quotes won.

The process we use to analyze your current job mix to determine your target is unique. We've written a lot about how [Cost Accounting](#) can lead you astray. And it also makes it hard for you to determine your target job type. So, if you're going to try this on your own, you may want to read some of our past articles.

2. With your target job types in hand, tackle the short-term marketing methods mentioned above.

Included in [Job Shop Pricing](#) is our guidance on the short-term marketing methods mentioned above plus others we did not have time to cover.

3. Search Engine Optimization - Help prospects who need to know you, find you through internet search.

Be careful here. Every graphic designer now claims that they do SEO. When you're ready for this please reach out and we can help you if we're taking new clients or we'll provide a referral of someone we trust.

If you have any questions, let us know and we'll try to help. If you want our help, visit www.JobShopPricing.com/contact/ to schedule a free strategy session to discuss your unique situation.

Best Wishes,

The Science of Business TEAM
Dr Lisa Lang, Brad Stillahn, Beau Ganas