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The Power of Portfolio Marketing

Why most B2B companies should rather market
the full portfolio than the single product

Whitepaper
by Kvadrant Consulting

About Kvadrant Consulting

In B2B, the way customers are buying is changing.

From being mostly in-person to including a blend of digital and physical touch points and more stakeholders.

This shift has massive ramifications for the way companies should structure & run their sales & marketing functions.

At Kvadrant Consulting, we help companies navigate this complexity, make the right choices and configure their sales & marketing engine to generate profitable organic growth.

Being deeply specialized and senior-driven, we help companies within domains such as commercial strategy, value propositions, organizational design, product launches, sales & marketing operating model design, lead generation engines, capability building, sales enablement and advanced analytics.

About the author

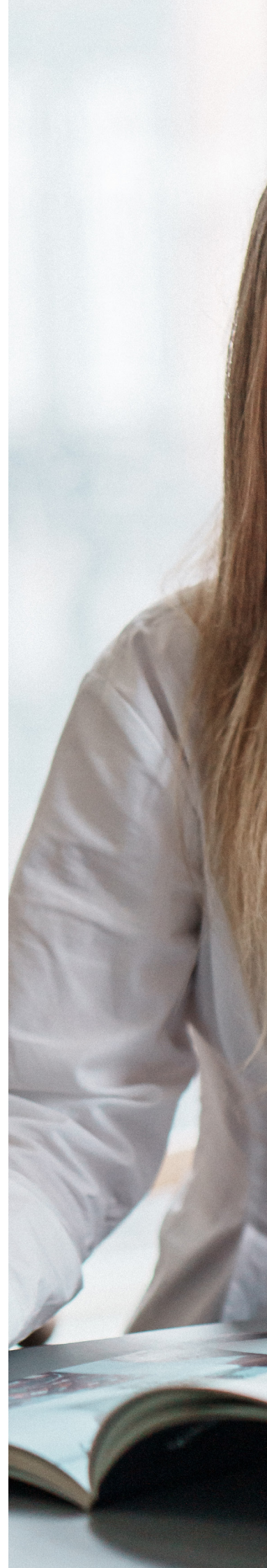


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Beyond single product marketing

Global B2B organizations are heavily biased towards what's new. New technologies, new products, new services. All taking up a lot of attention from the commercial organization and a lot of the budget from marketing. But does this really make sense?



We spent all our energy and most of our money launching a product that might be 5% of our total revenue this year.

– CMO, enterprise software company

Focusing on new additions for years can ultimately lead to a cluttered portfolio, as products are added without considering their role compared to existing ones.

In this piece, we will explore:

- Why customers seldomly buy just the individual product
- What portfolio marketing looks like in practice
- How to adopt a portfolio-led sales and marketing approach

Embracing the whole, not just the parts

*Why customers
seldomly buy just the
individual product*

Product innovation and new product launches are usually a key driver in how most B2B companies build and generate new value. A lot of resources are poured into articulating the value of individual products and bringing them to market. The thinking often goes in the line of: *"If there is a new product in the pipeline it must be better than the old one and of superior value. Customers ought to go above and beyond to get their hands on it, right?"*

Yet, in the minds of customers, very few products are launched independently from what a company is already offering. It is part of a wider portfolio and how customers perceive that entire line of offering and what that brand is known for.

Matching what we sell with how customers are buying

B2B customers seldomly buy just the one product, they first and foremost buy a portfolio of solutions – in some categories it might even be more of a long-term partnership that they buy. In this mindset, a single product or solution message is insufficient to persuade a customer to consider you as a vendor. It may even mean that you are deselected in some buying processes because you are not perceived as relevant due to the buyer having a too narrow understanding of what you can deliver.



We've bought this component for our plants for more than 25 years. I didn't know you could deliver a full IoT-enabled solution providing insights on the full production line.

– Customer, top-20 account of a global engineering company

In B2B, it can often be far more advantageous to market the value of your portfolio, *even if customers buy products or modules individually* because the overall relevance factor of you as a supplier is raised. It should help you demonstrate that your vision for success aligns with the vision of your target customers.

Focusing too heavily on “what’s new” in some B2B industries can be downright harmful. B2B buyers don’t stay updated on developments within all the 20 categories they purchase from like we follow what’s new for the iPhone. When we’re focused on “what’s new”, we gloss over all the real reasons why B2B buyers might buy your products:

- Your trusted brand built over centuries
- The existing foundation of features, SKUs and a wide range of solutions
- Your service set-up and ease of doing business with you
- Reputation and relationships
- Case studies and industry know-how
- Consultative approach to solving problems in unison
- *And many others...*



A portfolio mindset makes it easier for buyers to buy

Clarifying your portfolio story makes it easier for prospects and customers to navigate the available options, and for sales reps to position the wider portfolio of individual parts optimally.

It's an approach to marketing that encompasses understanding, marketing, and selling a suite of products or services as a portfolio, rather than individual offerings. This approach is holistic and seeks to position a company's entire suite of products or services in alignment with broad market needs and specific customer pain points.

The value of applying a portfolio marketing mindset is enhanced by changes in buying behavior and how most organizations shift how they operate:

External shifts

- **Expanded buying centers:** B2B purchases often involve complex decision-making processes with multiple stakeholders. Expanding what your company sells, also expands whom to sell it to. A comprehensive portfolio allows brands to address the varied needs of these stakeholders, creating solutions that resonate with the entire decision-making unit.
- **Digital buying behavior:** With the rise of digital platforms and self-diagnose tools, businesses can showcase their entire product or service range more easily than before, allowing customers to understand the breadth and depth of what's on offer.
- **Simplified customer entry points:** As customers are self-educating and learning about you and your competitors' solutions, the importance of establishing simple and logic customer entry points is enhanced. Making it as clear as possible to understand how you can help your customer. The usual pitfall here is to reflect your own internal BU or product line structure on the logic instead of making it user-centric around the actual needs of the customer.
- **Customer demand for integrated solutions:** There has been a longstanding shift in customer preferences towards end-to-end solutions that address multiple pain points. A well-marketed portfolio can present a brand as a holistic solution provider.

- **Evolving technology and innovation:** Rapid advancements in technology mean that products and solutions can quickly become obsolete. A diversified portfolio can help a brand remain relevant as it continuously innovates and updates its offerings, avoiding relying too heavily on the current success of single products.

Internal shifts

- **Lack of orchestration and lack of coordination from a market planning perspective:** On top of a heavy strain for change and take on new tasks, it is often seen that HQ plan for multiple big bet product launches a year, requiring much more marketing resources than the regional marketing teams have available. This results in a classic case of spreading the butter too thin by marketing everything and succeeding with nothing.
- **Globalization:** As brands expand globally, they need to cater to diverse markets with varied needs. A diverse portfolio, marketed effectively, can help businesses internally address the requirements of different geographical regions.
- **Enhanced Risk Management:** Economic uncertainties and global challenges (like the COVID-19 pandemic) have made businesses more conscious about risk. Portfolio marketing allows brands to diversify their risk, ensuring they don't rely heavily on one product or service.
- **Evolving Sales Models:** The rise of account-based marketing (ABM) and solution selling in the B2B space aligns well with portfolio marketing. Brands can pitch a suite of solutions tailored to a specific customer's needs, improving the chances of conversion.

Considering these factors, B2B brands are recognizing the amplified value of portfolio marketing as a strategic approach to navigate a complex, dynamic, and competitive business landscape.

Portfolio marketing starts with a clear logic

What portfolio marketing looks like in practice

At its core, portfolio marketing is about simplifying how you present your offering. To get going, you first need to apply a logic on how to design a portfolio to market. What are the right attributes and lenses to apply in order to group your products, solutions and services so it gets easier for customers to buy and easier for sellers to sell.

Promoting and managing a group of products or services collectively, rather than individually, should help maximize their combined market impact and value to customers.


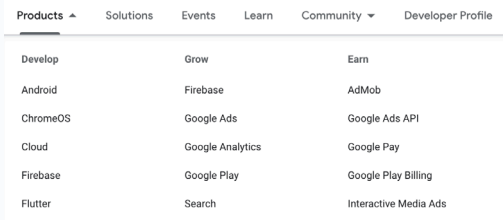

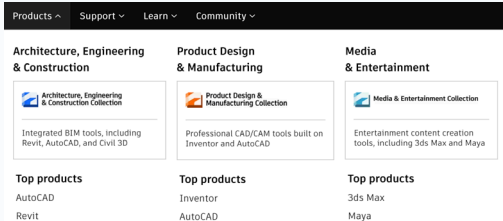

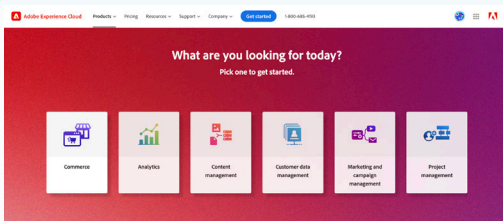

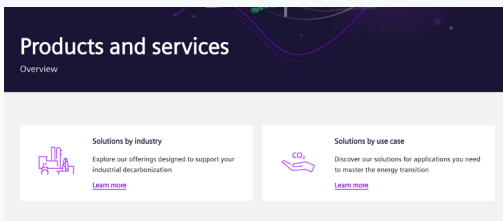
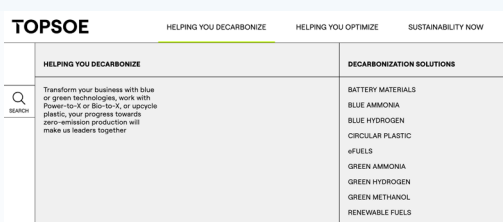
A simple test

How well do you perform on portfolio marketing today:

If you ask 10 prospects in your ICP to do a complete self-diagnose and need assessment based on what you present to them on your website and other digital channels, how many would then succeed?



Examples of companies with a clear logic in how they present their products to customers:

	<p>Structuring products by Action</p>	
	<p>Structuring products by Skillset</p>	
	<p>Structuring products by Workflow</p>	
	<p>Structuring products by Industry / use case</p>	
<p>TOPSOE</p>	<p>Structuring products by Outcome</p>	

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The implications

How to adopt a portfolio-led sales & marketing approach

If we buy into the fact that buyers don't buy single products but larger portfolios, this should have wide-reaching consequences for how we sell, across both sales & marketing:

	Product-centric approach	Portfolio-centric approach
<i>Sales training & enablement</i>	New product launches, new training is delivered and done once.	New product launches, update the total portfolio training to reinforce the full solution.
<i>Sales activation</i>	Pitch deck and meetings to sell the new product.	Integrate new product in existing, vertical or portfolio-focused materials.
<i>Marketing assets & material</i>	New "concept" and tagline are delivered alongside long list of product-specific assets.	Integrate new product in existing, vertical or portfolio-focused materials. Expand with product-only when relevant.
<i>Marketing activation</i>	Launch campaign for product.	Product is integrated into engine-led approach as a new actor in a broader story.

By doing it this way, organizations also force themselves to view the new product as part of something bigger and revise the full story.

One marketing leader we talked to bemoaned having launched three of "the best" products over the three years. But the reality was that the proposition of the older products was now misleading and confusing to buyers who couldn't separate the three "best" products from each other.

The key here is to put yourself in the shoes of your buyer and seller:

- Does your buyer even know your existing portfolio?
- Does the buyer truly value the new product benefits or are they 90% buying existing features, softer benefits or something else entirely?
- Can your sellers effectively sell your existing portfolio?
- Is it obvious for both seller and buyer what the key differences are across the portfolio, given the new product? Step-ups, use-cases, etc.?

It is worth mentioning that the challenge and need to think portfolio before the product is exasperated in industries with partner-driven sales models.

If your own sellers can barely distinguish between products in the portfolio, consider the life of the channel seller, having to balance not just your own portfolio, but that of 5-10 other vendors.

Unless you run a one-product company, apply portfolio thinking to your commercial activities. This way, you add fuel to the campfire over time, keep reinforcing the broader story and help sellers sell, and buyers buy.

7 steps to adopt a portfolio-led sales & marketing approach

Grounded in a profound understanding of your ideal customer profiles, their buying processes, and the full scope of decision-makers within their buying committees, we advocate for a genuinely customer-centric approach. Focus on the customers' needs and perspectives, rather than merely what we have readily available on the shelves:

- 1. Define category ownership:**
Define your brand's stronghold in specific market sectors. Recognize areas of dominance and strategically position your offerings to become the preferred choice for prospects.
- 2. Create customer entry points and product families:**
Identify the various avenues through which customers discover and engage with your brand. By categorizing products into families, you can streamline the customer journey and make it easier for them to find what they're looking for.
- 3. Simplify your product taxonomy logic:**
Clarity is key. Ensure that your product categorization is intuitive and straightforward. This not only aids in internal operations but also enhances the customer experience by making product selection and navigation seamless.
- 4. Embed in sales development programs and enablement tools:**
Arm your sales team with the right tools and training. By integrating the portfolio-led approach into their daily routines, you empower them to sell more effectively and address customer needs more accurately.
- 5. Develop buyer enablement tools:**
Equip potential buyers with resources aiding their decision-making, such as comparison matrices, product demos, or interactive guides and walkthroughs. These tools simplify the transition from interest to purchase.
- 6. Align customer-facing touch points:**
Consistency is crucial in all customer interactions, whether it's through your website, customer service, or brick-and-mortar stores. Ensure that messaging, branding, and experience are uniform and aligned with the portfolio-led approach.
- 7. Design campaign programs and engines:**
Formulate marketing campaigns that align with your target customer profiles. Harness insights from earlier stages to optimize campaigns for superior effectiveness and amplified return on investment.

Owning the customer's mind

In essence, adopting a portfolio-led sales & marketing approach is about being customer-centric. It's about understanding your customers' needs, behaviors, and preferences, and then aligning your strategies and tactics accordingly. This not only enhances the customer experience but also drives growth and profitability for the business.

“ *The most important search engine is still the one in peoples mind.*

– LinkedIn's The B2B Institute

At the end of the day most buying starts with memory. Clearly linking a portfolio proposition to that of a key buying situation is the best thing you can do to get your sales rep a seat at the table.

With a clear and simplified portfolio narrative you will enhance your chances of being seen as a relevant and preferred vendor.



Any further questions? Reach out to:

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Copenhagen 2023