

-- Speaker 0 00:05 Make it right. The manufacturing podcast.

Speaker 1 00:09 As a manufacturer, do your eyes light up or glaze over when the subject of marketing is approached? If you're doing marketing, do you see the value it's bringing to your business? If not, perhaps it's because you aren't nailing your niche, not working to your skills, not doubling down on what your company can do best. There's an ROI on your marketing if you do it right, but if you haven't mastered this, honestly, you aren't alone. Did you know that 90% of B2B industrial marketers are making critical errors? I'm Janet Eastman this week. I'll make it right. My guest is going to help you fix that. James Soto is the founder and CEO of industrial, one of North America's top marketing agencies. He works with major B2B and industrial brands and also among his list of credentials. James was responsible for branding and co-producing manufacturing day, the largest industrial sector, your promotion in U S history.

Speaker 1 01:05 James Soto also knows his way around manufacturing and I'm really pleased to have him on the show today, so welcome James. Oh, thanks for having me, Janet. So let's, let's have a little bit more, uh, about your manufacturing background. Just sort of a, give me an idea of all the things that you've done. Just briefly. Oh my. Um, it goes back away. So, uh, I like to say very often I was born industrial and certainly raised digital. So I'm a gen X or, um, and I was born into an industrial family, blue collar. Uh, my father was a, um, ever since I was born, uh, working in manufacturing. I was actually born in the Bronx and whisked over two apartments just outside of the factory footprint. And I grew up in, in that great environment and I went on to work my way through college on the plant floor as a lot of folks know, who know me know.

Speaker 1 01:57 And um, my sister went to Penn state, came an industrial engineer one that we all wanted to make dad proud and my mother proud. They've worked really hard to, well, let's be the first to folks in our entire family, um, extended family to be college graduates. And so during that period, um, I came through out of college really into the period when we were transitioning from, from analog to digital. Um, and I had a great opportunity coming out of one of the fastest growing information companies that had a great growth trajectory. I knew I wanted to do something more and I was recruited by a, an industrial media company to help them transition from print to digital. They're looking for people with a different set of DNA. And while working there, I was running media and working on developing content. We are really trying to convince industrials to establish a digital presence, a website, uh, even, um, and this is, you know, about 2003 and at that point I really saw that there was a major gap in the market.

Speaker 1 02:56 Um, there was essentially a such a of, of any presence of a true marketing function in the business, which still plagues the industry to this day. And I clearly saw that there was hurricane force winds behind the need for someone to create a solution to the fact that industrials need to make marketing the strength of their business. And they need to transition from traditional to technology based marketing. And that's where, that's where we started, grew industrial strength marketing. We are considered one of the top industrial agencies by the, by, by revenue, by brand, by footprint, by our presence and by the things that we have done to really move the needle for manufacturing and really re-invest paralyzing the country. And um, I work with some of them as to people. Um, and that's a big part of my story. I believe in. I'm trying to make people better for having known and work with me and really the promise of what I'm doing now through uh, industrial strength marketing, industrial, our agency brand and industrial marketer.com our community for industrials and our YouTube channel and podcast for launching industrial strength marketing is really to better those who design, make, move the world.

Speaker 1 04:12 And um, at the end of the day we're going to add up, okay. The impact we had along the way and we just want to really changed the world for the better. And that's me.

Speaker 2 04:21 Yeah, that's you. So let's define why marketing is so important to a manufacturer. So that they understand why it is something that --

-- they should be doing, even though, like you said, many of them just aren't.

Speaker 1 04:35 Yes. So, um, I think when we look at the decision sciences in a, in a business, right? Um, whether it's a B to B company, manufacturing company, especially manufacturing company, you really have to look at what are the key functions of a business, right? So you have finance and you have operations and you have human resources and um, and, and <inaudible>, orations and, um, and then, you know, when we start to break out all those functions, one of the things that, um, we find often is that, um, for the most part, the marketing function is really not present. It's not truly an established function that is operating with the attention, expertise, time and resources as the others, and certainly not with the same rigor. And so that's a fundamental problem. And it was actually one of the bases and kind of first principles, truths that, um, I think that are out there. Marketing is not present to the extent it needs to be.

Speaker 2 05:36 So they figured that if they make it, they will come. Like what? Like

Speaker 1 05:42 I think the way we grew in the sector grew through the years, you know, the, the industrial revolution is responsible for, you know, so many wonderful things that have made our life better. Everything. I think everything driving this conversation or computers, the equipment, the electronics, all are a result of the industrial revolution. Um, and, and I think the way we built these are businesses as, as manufacturers. Um, you know, you have to look back too, you know, <inaudible> why you make it right? It, it's, it's really where, where is the big macro view? And if you go back over a hundred years, you'll see, um, you know, um, 97% of our economy was agricultural. Right? And, and, and the companies that really evolved, adopted the transition to the next revolution industrial revolution then, and the folks that survived leverage those tools. And so I think marketing, Mmm. This is the moment I think because of where we are today after the industrial revolution, the folks like art, you know, Arthur, Midlands, Daniel, Daniel, Midlands, um, and others, they adopted and used technology on the farm.

Speaker 1 06:54 They use the industrial technology on the farm and they're able to farm almost year round. It changes the whole way we do things. And as we really have extended to the information age and now to this truly digital native time that we're at, that I think will be a, a heck of a lot more intelligent and hopefully serve humans more. Um, we're at a period now where we're going to have to adopt the digital thinking, the digital savvy, the fact that we're, we're digital citizens and, and I, and the companies that are going to survive or going to leverage the ability to be digitally communicative. And so companies have to look beyond the traditional ways of building their businesses through their reputation, relationships and referrals. And they need to augment that really with, with technology, with marketing and truly establish the marketing function in the business to do it and actually staff it at the top level.

Speaker 1 07:53 And that's how you're, you know, it's going to come. You've got to, it's not the build it, it's the mindset part of it. Yeah. A mindset from and the causality of the problem in marketing, you know, for the 258,000 manufacturers in United States and you know, the top, yeah. 3,800 have that, have over 500 employees. Not a lot, right. I mean, um, this is still a small, medium size business market segment. It's be really the leadership making a commitment that marketing and the technology is just as important, critically important as these other functions in the business. And that's the build that build it in your mind and Mmm. For what we see. You know, there's obviously generational issues there that are, you still have, um, you know, the average age of a CEOs and you know, and they're in their fifties. Uh, and, um, and obviously as we look at now half of our workforce being millennials and gen Xers like myself, you know, acting as CEO and I, I have enough number of companies and interests I'm involved in. I think we're gonna we're going to start to see that that relationship and mindset change and when we, when we grow that relationship, um, versus build it. Yeah. With marketing, um, I think it's not going to come. It's, it's something we're going to cre --

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Speaker 2 09:20 I'm wondering is, is the word marketing the problem? Because I think people, you know, there's the, Hm. People look at marketing and they go, eh, right. And I heard a great quote where somebody said, marketing is just getting people's attention. And when you say that you go, yeah, I just need to get some attention on my, you know what, I'm manufacturing, well that's marketing. So maybe marketing is the actual word. That's the problem. And it's just like you want attention so people know you're out there. So they want to buy your products, go get some attention. And in order to do that, you have to market yourself. But maybe, I don't know, maybe it's semantics, but I think maybe we need a new word so that people aren't so scared of that thing.

Speaker 1 10:04 Uh, I, I think, you know, I, I, when I looked at, one of the things I like to look at are what are the questions folks ask? And when it's, as you look at industrial marketing, one of the top questions that folks are Googling is what is industrial marketing? Literally it's like questions. What is that? And I think maybe these are new folks coming in and they're working for their first manufacturing business. Um, which by the way, the coolest businesses ever for technology companies always have been. Um, and, and I think when we look at that, that, that, whether it's the command of attention, what is really, what is marketing and what does it mean to our business? I think that's actually very personal, cause we can find tons of definitions of marketing. Um, you know, I always quote one that's, Mmm. You know, that's been sad.

Speaker 1 10:49 It's, you know, to get more people to buy more things more often for more money, right? If that's the mindset. So our two center or business on, you know, the customer and really, you know, receiving your profits as a reward for a satisfied customer. Um, and you know, I think when I look at it, um, you know, when I look at Mmm, the role of marketing in the business, it's, um, it's really looking at w what is its purpose in your business? Where is the function in the business? Do you believe it's actually one of the key decisions sciences like finance and operations and R and D and all of that thing. And, um, and then, and then, and then what is, what is the difference? What is the thing about the marketing in new year segment that really ties into your definition of it? So that equation of, you know, what does it mean to our business?

Speaker 1 11:41 Does that, what does that look functionally and in terms of our attention and <inaudible> the S standing it has in the business. And when I look at the role of how we market, it's, it's, um, I am a huge, huge fan of, of um, industrialists. Mmm. And you can go back to Carnegie. You can go back to the standard oil company, you can go back, you know, Mmm. To <inaudible> and look even to today. I'm a huge fan of Elon Musk and he's one of the people who, or just most notably, um, Oh quoted as saying, Hey, we don't spend any money on marketing. We don't market our business. Mmm. But I actually, uh, I got to tell you, they are actually doing some of the best marketing out there. They have a level of marketing, um, that, um, is certainly serendipitous and absolutely tied to where we are generationally.

Speaker 1 12:39 But that man, you know, has such an incredible story. And the power of story is what builds empathy with the people following the mission, watching the guy like an inch from going out of business at Tesla when they couldn't deliver. Um, and that empathy and being into that hero story is a big part of, of marketing. Um, so, so yes, marketing is different for every business. You have to understand the role it can play. Some say that more of that sales, more money for more people more often. Right. <inaudible> and I think, I think that's what brings us together when we can understand what is marketing and what does it mean to your business and, and, and, and inserting inside the walls of a manufacturing company, our business. And I think, I think that's the best way to answer it. Sorry for the long answer. That's hard fought after many years in 2003 because you know that um, that, that challenge of it being intangible to so many is all <inaudible> the they've been burnt by it. Almost like a bad relationship. Big reason why we have a lot of these problems because it's just not in the core skillset. They have a hard time --

-- managing it, managing it, managing it, they're not measuring. And that's a big issue that I think we, that's probably one of the top issues we have to address the readiness and putting yourself into managing really key and certainly predictive success metrics. So you can tell the needles moving and when you see it that that trust builds.

Speaker 2 14:15 Right. So this equation that you said, purpose plus function plus difference, is that what you need to figure out in order to nail your niche to determine that business sweet spot that you should really be going for?

Speaker 1 14:28 I, I think really when I look at purpose, function and the difference in the business, I actually just really, I think that's what actually marketing means to a business more than anything. When I'm, when we're, when we're learning to nail a niche. The, the, the reason why that is, is, um, right now I think, you know, we, we all talk about, we know the companies that are commodities, right? Um, there's, you know, Oh, there's RC Cola, uh, named name a random non-premium Cola company, right? Yeah. There's Pepsi, there's Coke. What's, what's, what goes lower than, than RC Cola or you know, then you've got like the specialty shops stuff, right? Places you go to, and, and when you get to that level of commodity, it really comes down to two things. It's, it comes down to your ability to be really innovative around the product, to really get people's attention.

Speaker 1 15:24 Um, and, and marketing becomes a differentiator. If you're marketing Coke all day long, you're building a brand, you're building a relationship. And, and I think that's, you know, that's where we are, you know, in that sense when we look at the companies that are not so much, um, you know, a Mmm, you know, a, an, an a, you know, a generic, um, you're, you're looking at, you know, manufacturers for instance, that could be one of, you know, you know, over, you know, 60,000 fabricators or manufacturers or an injection molding company or someone who makes, you know, linear drives, motors, controls are working on sensor technology for industry 4.0, you know, and, and, and, and to the extent that you see a lot of competition or stiff competition in your market, um, if you're a company that can do lots of different things for different people, I like to speak to the industrial custom manufacturing segment.

Speaker 1 16:18 Often know they'd be making parts and components and everything's designed to engineering order, uh, you know, specifications. W one of the things you can do is like at you define your business by each job that comes in. So a job shop comes in and takes that job. They do a bid and they try to get a good bid to order ratio. You know, like I got a bid and boom, I got this one. And then if they kind of do something, let's say like components around turbines, w one of the things is all these pro products and, and if they print components they produce are not made equal. They don't get the best landed cost per part. Mmm. Or if it's like, or if it's the machine tools that make those parts, whether it's the equipment manufacturer or the company using them. One of the things that you have to really look at in nailing your niche is, wow, we've produced all these parts.

Speaker 1 17:08 What are the ones that maybe there's only 200, 300 companies like that may quadruple on those. Um, our, our team's happier. It's a premium. It's not a race to the bottom on pricing. So, so, so really nailing a niche starts with, you know, truly creating almost like a startup. Again, you're literally, you know, in the process of business model generation. So, you know, going back, you know, rewind to 2000, you know, in three when I founded industrial strength marketing, I saw, you know, uh, you know, over 200,000 manufacturing, I was <inaudible> PR, I was managing a hoe over a hundred, about a hundred and close to 150 accounts. All man, all, all companies, manufacturing thoughts, supply chain distribution, industrial services companies. And when you see a problem, problem, problem, and I didn't see agencies there, I didn't see anyone saying we're unapologetically industrial. That's literally what we say.

Speaker 1 18:13 Um, <inaudible> and people saying, why would you go into that market because it wasn't sexy. There's not a lot of advertising. It's more directive. Yeah. That's, that, that was our niche because you become the only guy there. Yeah. And, --

-- and, and, over time that has changed. Um, um, so, you know, if you look at a manufacturer, they're looking at the fact that, well, we have really differentiated capability. We do testing. We work on, you know, we're working for, you know, circuit board manufacturers is, are folks making, you know, um, you know, they're making, you know, CPU chips, whatever it may be. And they understand the chemicals and the chemistry and they've built specific niche testing capabilities and <inaudible> so, so when you, when you get to that level of specialization or domain expertise, cause you know so much about it, you start to um, really show a difference between someone that just takes all jobs may be producing the same component, but understanding the company's application, the application engineering, it's not just application engineering for everything.

Speaker 1 19:18 It's we're actually, we understand what you're dealing with. We understand the compliance, we understand the standards we have to work to, we understand how do we get to the complexities, how do we reduce costs through innovation approach to actually make how we make something. Those are the things that each business, if they would take the time to actually audit their work, profitable non-profitable good customer, not cost a bad customer. Um, <inaudible> and they can really look at where the best work is. If they're willing to be brave enough and targeted enough and center their messaging and positioning, they could potentially find a niche. And if they nail the niche, they have a narrative of the niche, they understand the key differentiating factors from them and they can articulate them at scale across their team. Now all of a sudden they can not have to compete against the thousands of competitors.

Speaker 1 20:11 It's just them in a few. And when and, and, and what's interesting is people say to me, James like, well, Hey, you know, everybody knows us. There's only four folks here that were making, you know, these, these sheets between, you know, sells for, you know, for EVs and battery technology. Oh my. Oh really? So you only have like three people to like kick their butt and we can provide more information. We can understand where they are on their journey. We can keep them up to speed on where the trends are on the technologies, where you are an insider's club and your innovation roadmap going into the science of it. How do they have their job? What are the risk factors that the ability or industrials in particular, um, is, is exponentially higher, I believe than in the consumer segment because we actually make the things we are actually engineers and we're, we're literally the experts on what we're doing, doing or trying to solve for.

Speaker 1 21:05 And because of that, I believe, you know, the, in the industrial sector and the folks that are committed to the marketing function have the best opportunity to be the best marketers. Certainly when it comes to content strategy, creating really engaging, useful and actual content that can help their target niche, ideal customer, however they profile them, are they persona them or they look at them firmographic Lee or demographically or psychographically. Once they know that sweet spot, that specificity and laser precision of targeting and message is a game changer. Um, we literally say thank you for the opportunity and, but that's not our niche. That's not what we do best. We focus for a reason because that's a compounding interest of expertise over time across our team. And I think that makes it harder for a generalist to come up against us or any manufacturer for whatever.

Speaker 0 22:07 That's James Soto. He's the founder and CEO of industrial, one of North America's top marketing agencies and focuses on manufacturing companies. In part two of our conversation, James, we'll share some forward moving steps to get you on the path to nailing your niche. We'll also explain how industrial helped launch manufacturing day in the U S I hope you'll join us. Then you can find, make it right on Twitter and LinkedIn and you can subscribe and share this podcast with your friends and colleagues through iTunes, Google play, Stitcher, Spotify, and YouTube. The make it right podcast is brought to you by Kevin Snoop, leadership advisor and author of the bestselling book, make it right, five steps to align your manufacturing business from front line to the bottom line. I'm Janet <inaud --

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