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Term Assignment – Precision Automation[®] Company, Inc.

In the world of business-to-business exchanges, small companies are oftentimes the overlooked players. Their names do not appear on the news, in the papers, or in passing conversation, and yet without their labor many of the consumable items on today's market would never come to fruition. Such is the case for Precision Automation[®] Company, Inc., a small manufacturing firm operating out of Cherry Hill, NJ. Founded in 1946, the company focus remains on designing, building, and integrating custom automated equipment and machinery for businesses within the manufacturing, pharmaceutical, and food processing industries. Typical projects include conveyor systems, bottling lines, validation systems, and labelers, in which they not only integrate the machinery for the businesses, but also install and service them (Precision, 2017). Past contracts have included work with such major companies as Revlon, Johnson and Johnson, Hershey, and Pfizer. Yet with the hustle and bustle of the B2B environment comes the challenge of capturing these big name customers, a task continuously achieved by Precision Automation[®] through the tried and true efforts of their sales and marketing team.

For Steve Huvane, the Marketing Coordinator at Precision Automation[®], these efforts are reached on a day-to-day basis by dually serving as a Sales Support Specialist, remaining in constant communication with the Sales Engineers to ensure that everything is in place to achieve success in their respective projects. It is this very communication and collaboration which becomes key to the attainment of the company's sales endeavors, especially seeing as there is not currently a written marketing plan. Rather, an open door of communication, a general understanding, and an environment of employees wearing multiple hats facilitate the development of marketing plans, sales realization, and the engineering production of machinery that meets the needs and surpasses the anticipations of the customer. As Mr. Huvane points out, it's not just up to

the sales force, which currently consists of around eight to nine field workers, but the responsibility of every employee within the company to be willing to work together, listen to each other, and put in the necessary overtime in order to achieve a satisfied customer. If a job, for example, requires expertise of both labeling machines and conveyor machines, two specialized salesmen will go together, sometimes bringing along a technical engineer, in order to best increase their chances of demonstrating the corporation's proficiency and satisfying the customer (Huvane). The sales team may relay customer needs and market trends to the engineering team, and the engineering team, in turn, relays back their machine capabilities, opening the door for brainstorming and a sense of teamwork that fosters innovation. Thus, decision-making within the marketing team, and the company as a whole, is a highly collaborative and cohesive process of back-and-forth, combined with formal meetings of departmental representatives.

Such a relationship is not limited to internal function, but also becomes heavily predominant in both customer transactions and supplier connectivity as well. In terms of customers, creating and maintaining relationships is very much the forefront of the company mission. For Daniel Rixon, Sales Engineer and son of the current CEO at Precision Automation[®], repeat business with large customers necessitates a sense of comfort. Working as a salesperson finds him calling, quoting, and checking in on customers on a daily basis. He maintains that the B2B marketing world is "more personal," requiring a solid relationship between you, as a salesperson, and the customer's purchasing agents and engineers (Rixon). "They come to us with their problems," Mr. Rixon discussed, "and they need to trust me that I can help them" (Rixon). In order to foster this level of trust, Mr. Rixon attempts to create a personal friendship with each one of his continued clients. Such a friendly rapport means not every conversation will be strictly business, but rather they may connect over football, golf, current events, or other shared interests. In doing so, the customer is more likely to turn to Mr. Rixon when they have an issue, allowing

the sales force at Precision Automation[®] to be the first to get the quote, and meet the need. Simply put, and in the words of Daniel Rixon, “customers buy from friends” (Rixon).

A similar strategy is employed when dealing with suppliers in the industry. A relationship full of trust and reliability must be fostered in order to ensure that individual parts and whole machines are received in a timely manner, in order for them to be modified, built, and turned over to the customers of Precision Automation[®]. Mr. Huvane stressed the broad range of suppliers currently utilized by the company, due in majority to their own wide range of product offerings. These suppliers are as local as Philadelphia, as far as California, and even as foreign as Italy. When dealing with the suppliers in Italy, specifically, they face an increased liability of receiving their orders on time. Not only this, but the time difference, equating to about six hours, the language barrier, and cultural disparities allow for a very small window to discuss any issues, clarify machine capabilities and functions, and nail down a definitive date (Huvane). In this sense, continued communication and relationship management become all the more vital to the success of the project.

Maintaining such a broad product and service offering line requires Precision Automation[®] to target several, namely four major, different industries within the world of manufacturing. At the forefront, to which Mr. Rixon attributes roughly fifty percent of their total sales, is the Pharmaceutical Industry. Such a success in this segment is largely due to their geographic location, placing them conveniently in a state enriched with companies such as Pfizer, Johnson and Johnson, and Merck. These corporations take comfort in knowing they can receive parts and custom integrated machinery from a local, and thus easily reachable, service provider. This target can further be segmented by the needs of the firm, including animal health, liquid dosing, powders, and solid dose, all requiring different needs and thus different marketing efforts (Rixon). Outside of pharmaceuticals, Precision has also found a large presence in the Food and Beverage

sector. This includes projects for both raw and packaged food and drink, requiring processing, packaging, and labeling lines. Their most recent customer within this target market is none other than Hershey's chocolate, who employed the company to bring in a labeling and processing line for the packaging of candy that would ultimately be placed in various retail stores across the nation. The third market is broadly defined as Consumer Goods, and is more specifically segmented toward cosmetics and other personal care items, such as lotions and face washes (Rexon). Precision has found success in this industry with Revlon, a relatively large player in the drugstore cosmetics world. Their fourth and final target, and the newest one to be pursued, is that of Warehousing and Distribution. As Mr. Huvane points out, their location on the New Jersey Turnpike surrounds them with these warehouses, such as grocery wholesale redistribution facilities, "full of conveyor systems that we would like to support" (Huvane).

With these four major target markets in mind, it becomes especially important to adapt their selling technique appropriately for each one. Precision Automation[®] has perfected their selling niche by "emphasizing different things depending on the industry and the customer" (Huvane). In the pharmaceutical market, for example, Precision's quality control system becomes their largest seller. They must make it abundantly clear to their potential customer that they are a 9001 ISO certified company, meaning they meet all of the necessary quality measures needed to achieve optimal performance. When dealing with different forms of drugs, medicines, and dosing, this exactness is the most important factor for the customer, and thus Precision must be able to demonstrate that they are qualified and capable of creating a system that meets these expectations exactly every single time. Conversely, within the food and beverage market, the focus is shifted to pushing their so-called "wash-down equipment" (Huvane). They expect that their customers will be conducting business under conditions of washing, cleaning, and wet foods/beverages. Thus,

they emphasize their stainless steel, rustproof equipment, which will maintain electrical functionality even when exposed to varying levels of water pressure and moisture.

Not only must they adjust based on the needs of the business or industry in which they are attempting to sell, but also as to the characteristics of the specific person they are speaking with. “Your best allies are the guys who will be using the machines,” proposes Mr. Rexon (Rexon). Seeing as they understand the “nuts and bolts” of the machinery, it is vital to prove to them that the company can comprehend and meet their needs. Outside of this faction, it’s important to grasp that each other member of the buying center operates under different job restrictions. The project managers, for example, are heavily concerned with the output and efficiency of the machinery, while the purchasing agent may be specifically looking for the monetary return on investment offered (Rexon). Even further, Mr. Rexon suggests identifying different personalities, and adjusting communication styles by this assessment. A very technical person, such as an engineer, for example, “needs to be communicated with in a very concise and to the point way” (Rexon). On the other hand, a salesperson on the customer’s team “wants to be energized,” and care should be taken to discuss with them in a way that offers the highest level of connectivity (Rexon). A message will only truly reach the listener if they are communicated with on their level of comfort.

Most important to the success of the marketing team is the development and demonstration of their value proposition. As their website boasts, the company is “committed to satisfying the requirements of our customers by delivering high quality products and services that meet or exceed our customers’ expectations” (Precision, 2017). This very much becomes their written value proposition, yet it lacks what both Mr. Huvane and Mr. Rexon felt was their largest value offering: experience. Having been successful in the business for 70 years and quickly approaching 75, they find that communicating this experience to the customer gives them a sense of ease, allowing them to better trust the company. According to Mr. Rexon, “a lot of our competitors

didn't make it," thus aligning their ability to sustain their business with a coinciding capability in the minds of the customer (Rexon). Outside of this offering of experience, their value lies in their ability to adapt a solution exactly to the needs of the customer. "We tell the customer, 'you tell us what your requirements and constraints are, and we can tailor a system to fit that,'" Mr. Huvane relays (Huvane). This abundance of flexibility and customization allows the customer to feel valued, and helps to ease some of the risk they are taking in engaging in such a large and costly manufacturing purchase. Sometimes the customer may not even know what they need, in which case, salespeople, such as Mr. Rexon, will travel to their facility and see what exactly they are working with. They may find that a portion of their plant is being underutilized, or that a portion of their system is underperforming, and in such a way Precision can identify needs and "help them to develop a vision" (Huvane). Once again, the customer is held with the highest regard, and is made to feel a priority in the selling process. It is not about pushing a solution on them, but rather looking at their situation personally and becoming a partner in garnering their success. Even further, value is demonstrated through their after-sale support and services. Sales Engineers are constantly available for communication, and oftentimes set reminders to check back in on customers to make sure everything is functioning smoothly. Technicians are also readily available, and may be disbursed to diagnose and maintenance machinery for the customers. As the current Sales Manager, Mark Johnson, points out: "service is number one; these customers are taking a risk," and thus they must be made to feel comfortable through add-ons such as after-sale support, replacement parts, and tune-ups (Johnson).

Garnering this value proposition, Precision Automation must dedicate adequate time and effort into making their offering known through advertising and promotional activity. "Trade shows are where we generate most of our contacts," says Mr. Huvane (Huvane). At the time of the interview, Precision Automation[®] was actively preparing for two trade shows occurring in April,

those being the Packaging Machinery Manufacturer's Institute PACK EXPO East in Philadelphia, and MHI MODEX in Atlanta. These shows offer a great opportunity for networking, getting together with similar companies, suppliers, and even competitors to compare what's being offered in the industry. Contact information is obtained from interested attendees, and they are subsequently added to contact lists within the company for email blasts, advertisements, and personal follow-ups from sales representatives. Contacts already within the system will receive an influx of emails in the weeks leading up to the trade shows, highlighting systems that will be featured at the show in an attempt to get them to come out to test them. Customers may also receive incentives to attend, such as free event registration by using the offer code located on the company website and in their email blasts. Consequently, every time the code is used, Precision Automation® receives information about who used the code, as well as how they can get in contact to follow-up with them (Huvane).

Although Precision Automation® does maintain a presence on social media such as Instagram, Facebook, and LinkedIn, they do not find this to be a major channel in their industry (Rexon). Rather, they find more success in placing advertisements on industry specific websites that serve as a search engine for other businesses to locate providers of engineering and industrial products and services. Precision currently has five pages on IEEE GlobalSpec, their media platform of choice (Huvane). The online business marketplace alerts the company whenever a customer views their page, and they are even given metrics such as how many times the customer has viewed, on what days, and for how long. Mr. Huvane finds this beneficial, saying "we can say, okay, this guy has been on our page three days in the last two months. Let's send him an email seeing what we can offer him and how we can help him" (Huvane). Besides trade shows and online presence, word-of-mouth and referrals remain of the utmost importance in terms of advertising in the industrial world of manufacturing. "You can't force someone to need something,

but you can be there for them at the right time,” Mr. Rexon proposes (Rexon). And, with that in mind, having a company name that is heavily mentioned within the industry allows Precision to be a probable first consideration when the customer is ready to look.

Outside of these promotional efforts, the Precision Automation[®] marketing team has recently shifted its focus to bringing its brand, including its logo and website, up to the 21st century. The current logo features an abstract capital “P,” in the company colors of black, gray, and red. Because of the success of the company throughout time, they do not wish to change the logo extremely, and risk giving up brand recognition, but rather aim to make it three dimensional in an effort to look more modern (Rexon). Not only this, but the website has been due for an overhaul of design for quite some time now. A quick visit to the company’s online hub translates to a visit to the 90’s, with a structure extremely lacking in the aesthetics necessary of today’s society, a fact Mr. Huvane hopes to soon change. “It’s long overdue, and we hope to launch the new site by the beginning of March” (Huvane). Mr. Rexon agrees, stressing the importance of bringing their promotional activity up to speed, in order to remain relevant and competitive within the ever-changing industry (Rexon).

In my personal opinion, I believe there are aspects of the company’s marketing performance that Precision Automation is doing right, as well as aspects they are doing wrong. They are following the ideal methodology when it comes to B2B marketing in their efforts to create and maintain strong and trusting relationships with their customers. In prioritizing customer needs, and pursuing a personal friendship with their clientele, they establish themselves as a company that places the consumer at the forefront of their mission. Further, they have properly targeted and segmented their markets, adapting their strategies and campaigns to best suit the needs of each identifiable group. It seems as though their current way of collaboration, although offering empowerment to the employees, could be time-consuming, and perhaps a lot of guess and

check and wasted back-and-forth time. By splitting job duties in a more systematized fashion, rather than having multiple employees “wearing many hats,” operational efficiency within the company could be improved, leading way to a smoother sales process. Another problem, which, as previously stated, they have begun to address, is their inability to keep up with change. Though they have success, and have maintained their business for nearly 75 years, they need to update some of their functions in order to remain relevant. Change is a necessary evil, and if you cannot adapt you will be forgotten.

The sales personnel at this company are very closely linked to the technical engineers, and their knowledge of the specifics of the machinery is very much what allows them to connect to their customers and demonstrate the proficiency of the company. I don't believe you can be successful in this type of field, so heavily enriched in engineering and technicality, if you don't possess the knowledge of how it all works. However, in visiting Precision Automation® I was exposed to the practical implications of textbook strategies, perfectly demonstrating what it takes to yield decades of sustained success.

References

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