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Change Region

## SVN Editorial

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### Marketch

## Taking the broad definition of marketing

When Toronto-based Ezenet raised \$50 million in new equity, it was a small company just over 20 years old, with a small but high quality customer base. Ezenet delivers software and services, positioning itself as a leader in providing integrated solutions for banking and financial institutions. What amazed me was that they only established their marketing department in 1999. How did this story unfold? I chatted with Daniel Ezer, VP marketing. When he assumed the position last year they had "sales" but no marketing.

"My first task," he says, "was to fully understand our products and services, not as technology, but in terms of 'what do we offer to our target markets?' This meant a series of meetings with our staff as well as some customers to get a deeper understanding of how people actually use our offerings, and what impact is created."

The early years had in fact created some good market positioning, even though done informally. Here are my observations:

The early priority is "sales"--Early market development is often done in the laps of early customers. Sell a reasonable promise, then deliver. Creating a track record with these customers is the best form of brand building. By being attuned to their needs, and buyer behavior, you can become a thought leader in your field, as well as gaining some essential testimonials.

Become a trendsetter--The early customer relationships should be founded on listening and two-way learning to understand the value chains faced by your customers. Acting on these insights creates new business models as well as new technology. "We were an ASP (application service provider) before the term was defined," says Ezer. The company was also a leader in Internet banking, designing websites for banks back in 1995.

Then build marketing based on market understanding--"Our first goal was to communicate our message to investors," says Ezer. "We were able to clearly articulate where we were going and

what we do well." This worked, resulting in the \$50 million special warrant financing through the CDNX, the largest to date in CDNX history. The company had gone public in March 1999.

The second step was to position the company in the marketplace. "Marketing must be 'strategic,' meaning we must be working on the vision of where we want the company to be in two years," says Ezer. They had to complete developing the collateral and the website. They added a PR agency, working with them to develop a media strategy and media relations plan. Building the marketing organization has been step by step: the first hire was a marketing assistant, then a marketing co-ordinator. Roles in PR and investor relations continue to be handled by outside specialists. One positioning theme is to emphasize their many years of experience, and that their services are now deployed in all of Canada's Schedule 1 banks. These notions are embedded in the tag line "Innovation through experience."

The human resources connection--Good HR strategies make staff more motivated and effective, and build a strong company culture. There is also a big marketing implication, since everything your people say to customers and outsiders shapes the perception of the company. Ezenet has a strong dotted line from marketing to HR, with specific efforts to help all their people deliver a consistent message. "Anything the outside world sees--that is 'marketing,'" says Ezer. "In the end, it all determines what our public thinks of Ezenet. We look at everything that comes out of the company. It is an elusive goal, but we believe it has to be pursued constantly."

Facing competition--The long years of early business building have created big barriers to entry for competitors. To sell in the banking marketplace, you must have credibility with the banks. It is necessary to develop good products, and have early references in the buyer community. Niche definition needs thoughtful attention and debate. "At Ezenet, we have few competitors," says Ezer, "but we considered them while defining our niche. It isn't enough to say we provide software and integration for the financial industry. We also add that we do it with the latest technology, and we do it as a business partner."

The value-creation connection--With two Canadian client bases, small trusts (software and services, plus run the client's network), and big banks (rapid design of special software, let the bank operate it), they now have the positioning strength to sell to a big market of small US banks. They have just opened their first US office in North Carolina, with future locations planned, and a strong marketing culture to back up the sales effort.

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