

# Case Study: The BGK Group

Joanna Belbey - Marketing and the Startup Experience  
October 18, 2012



Financial Industry Training

# My Background

- Entrepreneurial Mixed Bag
  - Sales
  - Marketing Consultant
  - Advertising Agency
  - Marketing Consultant
  - Marketing Executive / Vintage Store Owner
  - Senior Management at Regulator
  - Co-Founder Training Company
  - Social Media and Compliance Specialist / Aspiring Film Producer
- Common thread: Best at Being Boss



# Pros and Cons of Being an Entrepreneur

- Pros:
  - Independence / unstructured
  - Innovation / experimental
  - Involved in every aspect of business
  - No limit on earnings / can't be “re-orged”
  - Make your decisions without consensus building
  - Can stay ahead of the technology curve



# Pros and Cons of Being an Entrepreneur

- Cons:
  - Risky / use own money
  - No paycheck / health benefits / 401k
  - No existing infrastructure / wear all the hats
  - No tech support / puzzle everything out
  - Isolating
  - Must be self-motivated
  - No one will talk to you at conferences 😊



# Business Owner v. Consultant

- Business owner
  - Need a product / infrastructure
  - Salaries / out of pocket expenses
  - Spread risk among multiple customers / clients / industries
- Consultant
  - Low barrier to entry
  - Earning income for self
  - Typically dependent on one / few clients



# Launched a Start-up!

- The BGK Group - Financial Training Company  
Serving Securities Industry
- Why?
- Employer's Training and Education department  
was “restructured” December 2009
  - Three colleagues saw an opportunity
  - Understood need for financial training / had connections for  
subject matter experts / trainers
  - Known working relationships (or so we thought..)



# Launch a Start-up!

- Keen understanding of marketplace, compliance training and marketing
  - Market: Medium to large broker-dealers and regulators
  - Audience: 40,000 compliance professionals and line mangers
- Initial primary focus was development website / e-commerce/execution of marketing and communications plan



# Marketing and Communications

- Strategy:
  - Integrated direct marketing approach
  - Multiple efforts
  - Multiple tactics, one reinforcing the other
  - Focused on compliance departments of large broker dealers in NY, NJ, CT





# Marketing Tactics

- E-commerce enabled website launched May 17
- Marketing efforts included:
  - SEO (ongoing)
  - Google and LinkedIn ad words (ongoing)
  - Social media
    - Twitter
    - LinkedIn (profile, events, company, groups, subgroups)
  - Public relations
    - Press releases
    - 5,000 websites / news outlets



# Marketing Tactics (continued)

- Email blasts (10 campaigns totaling 150,000 emails)
- Personal emails (5 rounds totaling 4,500)
- Direct mail
  - 2 brochure mailings (12,000 brochures)
  - Personal mailings (200 brochures / handwritten notes)
  - Postcards
- Association marketing (3 organizations with membership 27,000+)
- Sponsorship
- Personal phone calls.... (just a few)



# Results

- Direct marketing attracted a *few* paid enrollments from large, prestigious firms plus inquires for custom training
- Gross responses (click-thrus) to direct marketing and pr:
  - Direct mail - negligible
  - Email blasts - less than .3%
- Net responses (enrollments): minuscule
- Most enrollments came from personal contacts
  - Passing our marketing efforts along
  - Personal emails - 50% ctr
- One instructor reached out to his personal contacts to attract 50+ comped attendees from large, prestigious firms, law enforcement, regulators



# Key Learnings

- Direct marketing is expensive
- Create a brand that's short and easy to say
- A strong personal network is better than all the marketing in the world
- Over reliance on direct marketing
- Must sell!



# Failure!

- One partner left / sued in June 2010
- Distracting / expensive payout at end of 2010
- Many direct marketing efforts / little revenue
- Ran out of money, VCs wouldn't back service business
- Another partner accepted a job in August 2011
- As of October 2012, one partner still runs business on part-time basis



# If I could go back in time...

- Spend less money. Keep receipts!
- Think twice about starting a business during a recession
- Develop an Operating Agreement in advance
- Learn everything
- Obtain buy-in in advance from family to be supportive
- Leverage personal relationships, less reliance on direct marketing
- Use the phone! Personally ask for business



# What Happened Next?

- Networking (3-4 events per week)
- Established personal brand through Social Media (Twitter, Facebook, LinkedIn, Foursquare, Sonar, Instagram...)
- A job through a tweet
- Social Media Compliance Specialist



# Contact Info

Joanna Belbey

Actiance - Social Media and Compliance Specialist

belbey@gmail.com

@belbey

<http://www.linkedin.com/in/belbey>

