

Managing Marketing

Creating your marketing plan

What makes a good marketing plan?

Marketing plans should be:

- Short, concise documents - necessary detail can usually be kept elsewhere
- Organised into sections to reflect the steps involved
- Simple, as complex plans will require too much consideration
- Clear, so people understand exactly what is expected of them,
- Specific, determining precisely what has to be undertaken and by whom.

There is enormous variety in marketing plan documents depending on the size, type and culture of the organisation. The framework in this booklet need not be followed slavishly but it is designed to help you find the most appropriate format for a plan for your own organisation.

What should the plan do?

The marketing plan document has several key purposes. It:

- Presents a brief overview of the proposed plan, for quick management skimming
- Presents relevant background data on the market, product, competition distribution, and macro-environment
- Identifies the main opportunities, threats, strengths/weaknesses, and issues facing the product
- Defines the goals the plan wants to reach in the areas of sales volume, market share, and profit
- Presents the broad marketing approach that will be used to meet the plan's objectives
- Answers: What will be done? Who will do it? When will it be done? How much will it cost?
- Forecasts the expected financial outcomes from the plan
- Indicates how the plan will be monitored.

Completing your own marketing plan

Some advice before you start

Remember your audience - they are your internal customers. This does not mean that you should only include things which you think that other people value, rather than what you value, but rather that it should include the required information, and communicate at the right level for your target audience.

Who are your target customers for the plan?

- Internally
 - Your superiors?
 - Your colleagues?
 - Your subordinates?

- Externally
 - A funding agency?
 - An academic assessor?
 - A partner organisation?
 - A potential buyer?

Often it is not possible to reconcile the needs of different audiences within one document, so you may need to prepare more than one version of the plan. This does not mean that you will suggest different things in your plan, but rather that you will communicate them in a different way and with different levels of detail. For example, you may need a very detailed plan for your board of directors, but only a short overview for your department. Identify who will see your plan, and what their requirements are from the plan. Talk to the potential recipients of the plan to determine their requirements if necessary.

Contents and layout

Remember your marketing plan should sell your ideas on the organisation's future, so make your visual presentation as effective as possible. Your plan should also be clear and concise.

Content checklist

A suggested structure for your plan is:

- 1 Cover page** to include: title; time period addressed in the project; date; author; job title; contact details (address, telephone and fax numbers); organisation, and past of organisation featured in the plan if appropriate; any confidentiality restrictions
- 2 Executive summary** - one page summary of the main issues in the marketing plan
- 3 Table of contents** - details of key sections and subsections, and their page numbers details of any appendices
- 4 Organisation context**
- 5 Situation assessment**
- 6 SWOT analysis**
- 7 Market opportunities**
- 8 Assumptions**
- 9 Objectives**
- 10 Strategies**
- 11 Tactical developments**
- 12 Appendices**
- 13 Contingency plans.**

Further details of what should be included under each heading are given in the following pages and in the accompanying workbooks.

Planning process

Begin by defining the ideal planning process for the organisation, division, department or unit. This can be based on your existing system, or on any of the factors which have been identified in the workbooks, but you will probably find *workbook 2* to be most helpful. Identify who should be involved, and at what stages in the planning process. Identify whether the planning process is top-down, or bottom up, or a mixture of approaches. Illustrate also the links with any parent companies or subsidiaries, or external organisations, whether suppliers or customers, which may have a formal input into this process.

Illustrate this diagrammatically, and review it as you undertake the plan.

Organisation context

Detail the organisation, division, department or unit's mission and any core values. Modify this is necessary to reflect the points raised in *workbook 2*. If you do not have a mission, define an appropriate mission in consultation with any relevant colleagues. Identify how the mission will impact upon the activities and marketing plan. If you are a part of a larger organisation, division, department or unit, identify their overall business objectives and strategy. Outline how this will impact on your plan.

Situation assessment

Outline the current situation based on the following:

The organisation, division, department or unit - today and key trends

- Key features, such as size, location, history, ownership
- Mission
- Relative size and share
- Market strengths
- Competitive position
- Any specific issues driving the marketing planning process.

The industry - today and key trends

- The sector and its market
- Size (both volume and value)
- Number, size and type of organisations competing in this industry
- Nature of competition
- The geographical area of operation
- Relationships with other industries, such as supplier industries or customers' industries and their markets
- Market sales patterns, over time and seasonality.

Governmental influences

- Rate of change
- Key factors influencing demand.

The external audit

(Gather information, but do not use until the SWOT analysis at the end of this section)

1 Trends and new developments

Identify what will influence your organisation, division, department or unit and its activities. Involve others in brainstorming, if required. A PESTLE analysis should be included here - refer to the more detailed section in *Market Analysis*. You should be able to identify several influences in each category.

2 Competitive situation

(Introduction and overview of competition, followed by the detailed competitor analysis.)

Identify the major sources of competitor intelligence used by your organisation, division, department or unit. Identify any gaps in this information. Gather additional information if necessary to fill these gaps then use this information to prepare a diagram which illustrates Porter's five forces. You need to identify:

- Any potential **substitutes**
- The strength of **buyers and suppliers**
- The threat of **new entrants**
- Competitive **rivalry**.

Ensure that you identify any generic competitors when undertaking this analysis.

Identify your organisation, division, department or unit's main competitors, and for each, identify their:

- Current **strategy** (i.e. how their business is competing)
- **Capabilities** (strengths and weaknesses, including size and market share)
- **Assumptions** about the industry and themselves
- Likely **response profile** (whether they are satisfied with their position, what strategy shifts are likely, what will provoke them to retaliate).

Given the data which you have collected, identify the key trends which are emerging regarding your competitors, and their impact on your organisation, division, department or unit. Establish any areas where you are vulnerable.

3 Customers

From past records, identify your organisation, division, department or unit's direct and indirect customers. Identify either specific clients (key accounts) or general customer profile information, depending on their importance in your sector.

Detail the relative importance of these in terms of volume and value of sales, and the nature of products which they use. Examine the relative levels of profitability by segment. Identify any geographical variations in demand. Place in order of importance for each of the last five years.

Compare your organisation, division, department or unit's status and trends with the overall data on your market, in terms of market size and growth. Review distribution of demand by time and by geography.

Determine profiles for your existing market segments, using the information in the workbooks. Identify the size and value of each segment if possible. Indicate whether each segment has become more or less important to your organisation, division, department or unit over the last five years, and explain why.

Determine the key buying criteria for your customers. Distinguish between the buying criteria for key segments or key accounts, where possible. Using research data, determine what your customers (direct and/or indirect) think about your business, and your products. If possible, show the trends in this by contrasting with similar data over time.

Internal audit

Examine the internal organisation, division, department or unit situation in some detail. Determine your competitive strengths in finance, R&D, project management, operations, purchasing, personnel, production, marketing. (Do this at a micro level for small divisions or departments.) Use external benchmarks where possible. The lists of criteria in *Market Analysis* will guide the topics you should investigate.

Examine your sources of supply to determine whether they can help sustain your competitive position given changing market conditions.

Review the nature of your marketing organisation, including the areas of responsibility, the internal marketing organisation and overall commitment to the ethos of marketing. Review internal communication system, and approaches to encourage meeting internal customer needs.

Assess the format and scope of the marketing intelligence operation - are you gathering the right information on customer, competitors and the environment? Determine the main sources of information in your organisation, division, department or unit. Review the methods and timeliness of the marketing information system. Review how research topics are determined, and how results are analysed, and the resulting information communicated to the organisation, division, department or unit and its trade and other partners. Are there any gaps in the information which you require to undertake your marketing audit? Are they internal or external? Are they continuous or ad hoc?

Review how this information system is used in the development of marketing planning and control. Review your planning process to determine its fit with the information provision and the relationship with other departments.

Review the systems for determining the marketing budget, and the marketing budget items. For example, is staff cost included? Are sales force costs included? Review the implications of your findings.

Review each of the marketing mix elements and marketing activities individually.

Product

Identify the key products and product groups which you offer, and review the total sales volume and revenue for these products over the last financial year, and the level of profit attributed to each product.

Determine which products are increasing in sales revenue, and those which you are seen as a 'leader' internationally, nationally or locally (or even within the organisation) in this product or product field. Identify the most successful products (in sales, and in profitability)? Place in order of importance, for each of the last five years.

Identify and evaluate your product organisation - are product lines organised to best effect? Review the volume and variety of product ranges, to determine areas where new products are required, and too many variants are offered.

Identify the product categories which your organisation offers. Identify when each product was introduced, and estimate its potential (remaining) life. Identify the appropriate lifecycle stage for each of the product categories which your organisation offers. Now plot the lifecycles of each of these product categories as overlapping lifecycles. Include the profit curve.

Determine the key trends which are emerging regarding your products. Review these in light of management support (time, staffing and financial) for these products. Review any anomalies.

Review the viability of your organisation in the future in light of this information.

Price

Review the pricing processes and objectives for each of the product lines. Review the factors which influence prices to determine your ability to control your prices and margins. Identify the responsibility for pricing, and factors prompting price reviews. Review pricing approaches in view of market expectations of price and the benefits (or weaknesses) or experience curve effects.

Establish how your customers are charged. Contrast with other organisations to determine whether a competitive advantage can be gained by changing the system and approach.

Promotion

Identify and assess the various promotional tools which are being used by management, to determine whether they are being used to best advantage, and integrated. Contrast the usage and expenditure with that of competitors. Examine the process of determining suitable marketing communications approaches, and the role of external agencies and internal personnel in this process.

Review the communications approaches used. How are advertising campaigns planned and implemented. Examine the use and importance of advertising media. Determine the size, organisation and the effectiveness of the sales force. Evaluate the effectiveness of the sales territory, sales force selection, recruitment and training. Consider the role of sales promotion, publicity, direct marketing to establish whether these are being used to best advantage in the short and long term.

Examine the internal marketing communications process to determine its effectiveness.

Place

Undertake a distribution audit to determine the distribution channels used to sell your products, and their relative importance of each of these channels. (Prepare and attach a distribution map.) Contrast this with the market as a whole, and the key competitors. Review the main responsibilities of your intermediaries in view of changing distributor roles. Identify the process of managing, motivating and monitoring distributors.

Assess the levels of market service which customers need, and what levels are being offered to customers by the competitive players.

Examine the nature of your use of external marketing agencies for research, advertising. Determine who you use and why, and contrast this with your competitors' actions to determine whether these are a source of competitive advantage.

Use the information collected to undertake marketing analysis, using e.g. portfolio models. Identify the most appropriate model for your organisation, division, department or unit and your setting, and then assess the organisation, division, department or unit and its products on the two relevant dimensions, and plot accordingly.

SWOT analysis

Given the data which you have collected, determine the key trends which are emerging regarding your customers and your competitors, and the likely impact of these on your business. On the basis of the marketing audit, what are the main topics which you believe should be addressed by your organisation, division, department or unit?

Building on the findings of the previous three sections, what are the strengths and weaknesses of your organisations, division, department or unit? (Remember, this should be in the eyes of customers, and relative to competition!)

Review the opportunities and threats facing your organisation, division, department or unit in view of your strengths and weaknesses. Determine which of these opportunities and threats are of most importance to your operations, and which are most likely to occur in the near future. Identify the timescales of these developments.

Evaluate the organisation, division, department or unit's value chain. Determine your sustainable competitive advantage. Review the fit between your organisation, division, department or unit's strengths and the needs of the market.

Identify the essential things which your organisation has to do well to be successful (i.e. the critical success factors or key factors for success). Test the validity of these by reviewing for successful competitors. Ensure that successful competitors demonstrate these CSFs, or review the validity of the CSFs.

Identify and justify the areas you need to take immediate action.

Market opportunities

Review the market data and corporate objectives to determine whether a change in strategy is required to meet expectations.

Review the market situation to determine whether any opportunities (strategic windows) exist as a result of market or environmental changes, or as a result of competitive action.

Identify any new markets (either direct or indirect) for your organisation, division, department or unit. These may be markets which you have started to serve in the last year, or which you are hoping to develop in the near future. Profile these markets, and justify your reasons for targeting them.

Assumptions

Identify any assumptions which will underpin your plan. Consider the following:

- The rate of change
- The pace of change
- The market
- Customers' behaviour
- Customers' choice criteria
- The distribution system
- The competitors
- Suppliers, etc.

Identify and establish appropriate forecasting techniques which take account of the form of data and the underpinning assumptions.

Identify alternative scenarios of the future operating environment, reviewing how these possibilities affects the organisation's core competences.

Review forecasts for future demand. Determine market segment potential. Evaluate and quantify the attractiveness of alternative segments, and decide whether to undertake a mass marketing, concentrated marketing, multiple-segment, or customised marketing approach. Justify the choice made in terms of customer benefit, competitive advantage, and the organisation's mission.

Select market segments. Define and describe each market target, including customer profiles customer preferences and buying habits, size and growth estimates, distribution channels, analysis of key competitors, and guidelines for positioning strategy. If buying criteria are constant across two segments, review segmentation to determine whether these can be combined.

Objectives

Identify corporate objectives, and use these as the context for the development of marketing objectives. Identify the topics to be addressed in strategic marketing objectives. Prioritise, or organise in some other way, these objectives. Set objectives for each target market (such as market position, sales, and profits). Review whether all objectives meet the SMART requirements.

Review the timescales of these objectives for consistency over the short, medium and, if appropriate, long term. Review the scope of objectives to ensure that there is comprehensive coverage across marketing activity and in relation to critical success factors and other central issues.

Strategies

Identify the strategic position of the organisation, and its implications on strategic alternatives. Review the organisation's generic stance to check whether it is 'stuck in the middle'. Prepare outline strategy statement based on these options.

Review strategic directions for the organisation, in respect of new products and new markets. Examine the prospects from each in relation to corporate resources and objectives.

Review each objective to ensure that the strategic options enables these to be achieved.

Positioning

State how management wants the firm to be positioned relative to competition in the eyes and minds of customers. Identify the basis for positioning. Check it against Kotler's list - is it distinctive, communicable, valuable, etc.? Review your competitive advantage in relation to your positioning. Examine what is required to protect that uniqueness.

Tactical developments

Product - define a strategy for new products, product improvements, and product deletions.

Distribution - describe the channels used, the role of middlemen, levels of market coverage, assistance and support provided, and specific activities planned.

Price - key pricing approaches and planned actions regarding price.

Promotion - what is the role and usage of advertising, publicity, personal selling, and sales promotion, and other marketing communications techniques?

Marketing research - determine information requirements, priorities and contacts, and the process of data collection and management.

Co-ordination with other internal and external partners - examine the actions and activities and activities of other departments that have an important influence, both internally and externally. Establish priorities and strategies for such contacts.

Marketing control - Determine the main forms of marketing control. Identify whether they relate to achieving performance targets or to ensuring/measuring marketing productivity. Establish benchmarks for measuring customers' current and future core and extended product needs, reviewing the effectiveness of your pricing strategy and individual prices, the distribution system, the organisation's communications, etc.

Appendices

These will include:

- Action plans - month by month; region by region; department by department
- Financial projections - revenue; budgets; profits
- Staffing requirements.

Contingency plans

Determine whether any assumptions are uncertain. Establish priority monitoring of the areas which will be affected by these assumptions. Prepare alternative implementation plans to be introduced if the original assumptions are not valid.

Your plan should now be complete and ready for external scrutiny but before it leaves your office, you might like to check it against the next two pages.

Now check...

Have you included:

Marketing aspects:

Have you defined your target markets precisely?

Is each element of the mix targeted round the target markets' requirements?

Are the mix elements consistent?

Is each element being used to best advantage?

Is the total marketing programme also targeted round market requirements?

Does the marketing mix ensure a clear distinctive position in the market?

Does the marketing mix reflect the organisation's strengths and weaknesses?

General aspects

On what information/documentation is this plan (or any aspect of the plan) based?

What is the timescale of this plan?

Are there any obvious omissions?

What assumptions underpin this plan? Which are the most risky?

Who is responsible (accountable?) for the overall management of its implementation?

What will happen if any element/activity/action is not implemented?

What are the biggest barriers to achieving the plan?

Do you know that this plan meets customer needs? How?

In what way(s) do you plan to use the overall corporate resources? (Could be switchboard, reception, budgets, marketing.) In what way(s) will you contribute to them?

How will you know what is working?

What are the costs (to your division/to the company) if you don't achieve the sales goals?

What are the costs of achieving the sales?

What ifs.... (examples only)

What if demand is 10%/50%/75% less?

What if demand is 10%/50%/75% more?

What are the key factors influencing profitability?

What budget is needed? Why?

What is the likely competitive response?

What will actually happen:

month by month?

market by market?

customer by customer?

person by person?

product by product?

Specific promotional questions

Do you have adequate and appropriate promotional literature to support your work?

Do you have adequate staff to fulfil your sales (customer contact) plan?

Who will manage/control the personal selling activity? Who will implement it?

Have you determined the call mission?

Have you set/established standards for external presentation?

What is the integration with:

other promotional activities?

other divisions?

corporate activity?

Staffing issues

How have job descriptions (or roles, in the absence of JDs) changed?

How has this process of transition been managed/will it be managed?

How has/how will the plan be communicated to the staff involved (or affected)?

Have any staff involved in the implementation/execution of this plan not been consulted? Why?

What changes are needed to reward systems? How can these be managed?

What staff training will be required to meet these new roles?

Finally, have you:

- Defined precisely **which activities** need to be undertaken?
- Identified **when** tasks will be achieved by?
- Identified **who** is responsible for each task?

If you have done all of this,

Good luck with the results!