



# Hands on Business Planning

## **Session 4**

### Marketing Plan

# The Business Plan

<p>(1)  <b>Executive Summary</b></p> <ul style="list-style-type: none"> <li>• Compelling</li> <li>• Clear</li> <li>• Concise</li> <li>• Last Section Completed</li> <li>• Limit To One Page</li> </ul>	<p>(2)  <b>Description of Company</b></p> <ul style="list-style-type: none"> <li>• Name</li> <li>• Mission Statement</li> <li>• Vision</li> <li>• Intentions</li> </ul>	<p>(3)  <b>Description of Product or Service</b></p> <ul style="list-style-type: none"> <li>• Describe In Detail</li> <li>• Unique Attributes</li> <li>• Rules and Regulations</li> </ul>	<p>(4)  <b>Your Market</b></p> <ul style="list-style-type: none"> <li>• Industry</li> <li>• Customer Base</li> <li>• Competition</li> <li>• Price</li> <li>• Distribution</li> </ul>
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# Questions

<p><b>What does SWOT stand for?          Why should you conduct a SWOT analysis?</b></p> <p>Strengths          Weaknesses          Opportunities          Threats</p>	<p><b>What are the 5 P's of Product Positioning?</b></p> <p>Product          Price          Promotion          Placement          People</p>	<p><b>What is a Unique Selling Proposition? Do you have one?</b></p> <p>How does your product or service benefit the customer different from the competition?</p>
<p><b>What elements go into setting the price for a product or service?</b></p> <ul style="list-style-type: none"> <li>• Fixed expenses (rent, interest, insurance, etc.)</li> <li>• Variable expenses (materials, labor, shipping, etc.)</li> <li>• Competitive prices</li> <li>• Industry margins</li> </ul>	<p><b>What is the difference btw a weather forecast and a marketing forecast?</b></p> <p>A weather forecast is projecting the future climate</p> <p>A marketing forecast projects the numbers and characteristics of your target market, specifically your potential customers</p>	<p><b>Do you have a marketing budget? If not, why?</b></p> <p>If you don't have a marketing budget, how do you plan to grow your businesses?</p>

# Why have a Marketing Plan?

- Road map that provides direction toward reaching your business objectives
- Marketing is as important as the product or service itself
- Without a marketing plan, customers can't find you, and therefore can't buy from you
- It should:
  - a) Clarify who your customers are
  - b) Craft your business's message to generate results
  - c) Provide your business a course of action to obtain customers

# Contents of the Marketing Plan

1. SWOT Analysis
2. Product Positioning
3. Forecasts
4. Marketing Budget

# SWOT Analysis

A tool that helps you identify strengths and weaknesses, as well as any opportunities and threats into quadrants

- Take advantage and capitalize on your strengths
- Pursue opportunities
- Manage, reduce, eliminate and/or prevent weaknesses and threats



# SWOT Analysis cont.

## Strengths - gets you to your goal (ask yourself)

- What does \_\_\_ solve?
  - Fixes, fills, opens, prevents, adds, eliminates, expands, creates, etc.
- What makes \_\_\_ unique or special?
  - New, improved, authentic, hard to find, exact, etc.
- How is/are \_\_\_ better than the competition?
  - Faster, guarantee, support, price, delivery, quality, longevity, etc.

# SWOT Analysis cont.

Weaknesses – could prevent you from your goal (ask yourself)

- What area does \_\_\_ need to improve?
  - Defects, returns, customer service, material costs, etc.
- What resources does \_\_\_ lack?
  - Time, capital, location, space, labor, equipment, leadership, skills, etc.
- What part of \_\_\_ is not profitable or competitive?
  - Obsolete, marginalized, expensive, time consuming, etc.

# SWOT Analysis cont.

Opportunities – outside conditions to get you to your goal  
(ask yourself)

- What else could \_\_\_\_ easily solve?
  - Unmet needs, multi-purpose, discovery, realization, etc. (ex. zip ties, baby wipes)
- Technology and/or industry impacts to \_\_\_\_?
  - Competitive consolidation, new system, etc.
- Other target markets for \_\_\_\_?
  - Changes in life-stage (millennials needing insurance), new sport becoming popular, fast growing area, new business complex, expanded highway, etc.

# SWOT Analysis cont.

Threats – outside conditions to prevent you from your goal (ask yourself)

- What obstacles does \_\_\_ face?
  - Declining base, increased competition, lack of resources, etc.
- What competitive strengths do/does \_\_\_ not have?
  - Time, capital, location, space, labor, equipment, quality, price, market share, skills, etc.
- What is going on in the Industry, Economy and Society?
  - Interest rates, new laws, disruptive technology, changes in behavior, etc.

# Compiling the SWOT

Make connections between each quadrant of your analysis by combining information from two quadrants to create actionable strategies.

- Strengths w/ Opportunities - Use your internal strengths to take advantage of opportunities.
- Strengths w/ Threats - Use your strengths to minimize threats.
- Weaknesses w/ Opportunities - Mitigate weaknesses by taking advantage of opportunities.
- Weaknesses w/ Threats - Work to eliminate weaknesses to avoid threats.

# Compiling the SWOT

Make connections between each quadrant of your analysis by combining information from two quadrants to create actionable strategies.

	<b>Opportunities</b> (external, positive)	<b>Threats</b> (external, negative)
<b>Strengths</b> (internal, positive)	<b>Strength-Opportunity strategies</b>  Which of the company's strengths can be used to maximize the opportunities you identified?	<b>Strength-Threats strategies</b>  How can you use the company's strengths to minimize the threats you identified?
<b>Weaknesses</b> (internal, negative)	<b>Weakness-Opportunity strategies</b>  What action(s) can you take to minimize the company's weaknesses using the opportunities you identified?	<b>Weakness-Threats strategies</b>  How can you minimize the company's weaknesses to avoid the threats you identified?

# Compiling the SWOT

***MOST IMPORTANT!*** Use this information to identify new strategies and goals for your business.

- Create a plan to build up your strengths even more
- List ways you can work on reducing your weaknesses
- Set goals or benchmarks for each of the opportunities you identify
- Devise a plan to decrease the threats you identified

# Using the SWOT Results

More insightful look at your business with a list of things to pursue and implement.

Results should come in the form of:

- Improved/renewed focus – everyone on the same page, excitement, energy
- Conversation starters – unique selling propositions, interest creating remarks
- Identifying unknown aspects – discovered strengths, hidden threats, new opportunities
- Strategies for success – ways to grow and/or improve your business

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# Product Positioning

Role in promoting and delivering your product or service to your customer. Also known as the 'Marketing Mix'.

## The 5 'P's

1. Product
2. Price
3. Placement
4. Promotion
5. People

# Product Positioning – P #1

## Product (Unique Selling Proposition aka USP)

- Description of the physical attributes of your offer, what they do and what benefits they provide. This is where you determine the Unique Selling Proposition (USP).
- The USP is short statement that identifies all the great things about \_\_\_ and compels the customer to choose it over others.
  1. *Customer benefit – how will it help them*
  2. *Uniqueness – what makes it different from the competition*

*You get fresh, hot pizza delivered to your door in 30 minutes or less or it's free*

*The milk chocolate melts in your mouth, not in your hand*

# Product Positioning – P #2

## Price

Calculating the monetary value of your offer while considering cost, competition and customer's ability to pay.

Consider:

- Fixed and variable expenses (materials, time, overhead, etc.)
- Competitive prices, ability to justify difference
- Enable margin for profit (need to make money right?)

# Product Positioning – P #3

## Place (Placement or Distribution)

Where customers find and receive \_\_\_\_.

1. Sales - Promotional material, literature, collateral, sales channels, etc.
2. Order processing / fulfillment - How orders are fulfilled, manufactured, outsourced, etc.
3. Distribution - Where it's available, how it's purchased, how it's delivered

# Product Positioning – P #4

## Promotion

How you will communicate the features and benefits \_\_\_\_..

1. Identify where your target market is
  2. Enticing them to purchase your product or service
- Advertising – print, internet, radio, television, mail
  - Sales – sales channels, in person, internet, shelf, etc.
  - Partnerships – value added reseller, strategic partner
  - Offers - Programs and/or packages (discounts, etc.)

# Product Positioning – P #5

People (recent addition to the marketing mix)

Who will be providing \_\_\_\_? What kind of service, training, skills, etc. are needed?

- In many cases PEOPLE can make or break a business, regardless of the product or service.
- Today more than ever, consumers have a choice about who they do business with, and they prefer businesses (PEOPLE) that know their stuff, are willing to help, and are responsive.
- ‘PEOPLE’ attributes – trust, rapport, polite, professional and responsive

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# Forecasting

Component of the Marketing plan that integrates the 'Your Market' section of the Business plan

- Specifically 'Your Target Market', the group who repeatedly purchases your goods and services
  - Quantity and location of potential customers
- Forecasting determines where to allocate the marketing effort for an upcoming period of time AND their expected results
- Typically based on projected demand for the goods and services offered

# Forecasting cont.

## Steps to determining your forecast

1. *Develop your sales conversion rate – number of sales in a period*
2. *Track historical trends – internal or external*
3. *Establish seasonality*
4. *Include projectable market-moving events*
5. *Modify sales forecast for anticipated market trends and changes*
6. *Monitor competitors' activities*
7. *Add your firm's strategic business plans*
8. *Adjust pricing and promotions in your sales forecast*

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# Marketing Budget

A clear overview of all the costs associated with carrying out your marketing activities, including advertising, online content, branding, public relations and more

*The U.S. Small Business Administration recommends spending 7 to 8 percent of your gross revenue for marketing and advertising if you're doing less than \$5 million a year*

- You should be spending \$7 to \$8,000 for every \$100,000 in gross revenue
- This amount can go a long way as long as your measure and evaluate the return!

# Marketing Budget

## Marketing ROI

- A way of measuring the return on investment from the amount a company spends on marketing.
- The higher the cost of the marketing tactic (ad, promotion, commission, bonus); the greater the number of sales is needed
- Determining those marketing tactics that generate the highest ROI is key



# Hands on Business Planning **Next Session**

Operations Plan & Management Team

# 6 Sessions

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