



Outline of a Basic Marketing Plan

Creating a marketing plan is an important element to the overall success of a company or a new product introduction. Here are the typical elements you need to include:

Background

It's important to know where you've been, your successes and failures. This section should show recent history of the company, its products and services, staffing etc. Some examples of major events would include the hiring of a sales staff, the establishment of a new distribution system, major increase in marketing budget, major new product introductions, newly established joint ventures, creation of company web site, etc.

Revenue History and Forecast

Show revenues for past 5 years and 2 year projections into the future. Segment by market niche if possible - add marketing expenditures. This section will give you a good understanding of your company's past performance as it relates to your marketing investments. This section should be as detailed as possible because as you work with the numbers, various strategies will be suggested for the future. An example of this would be the realisation that sales to a particular market are growing at a faster rate than other markets and yet has received very little marketing investment. Therefore, a strategy might be to increase the marketing investment in this segment.

Strategic Issues

Discussion of current business environment, internal and external issues which are or could affect next year's business. This section covers important factors which place limits on the marketing plan or detail opportunities which should be exploited in the coming year -a major new product introduction, new competitor, industry consolidation or expansion, new distribution channel, major change in industry pricing, etc.

Competition

Detailed analysis of competitors including strengths and weaknesses. This section should include an overall competitive analysis: "How do you stack up" as well as complete profiles of your top 5 competitors. You should try to assess market share of your own company as well as the competition.

Pricing

Discussion of past pricing trends and next year's pricing strategies. This section should tie in with your analysis of the competition and the industry as a whole. You should also include your strategy for how you want to be viewed in the marketplace - "Low-Price Provider" vs. "High-Price/High-Quality" provider.

Positioning Statement

Considering all the information above; describe the company's positioning for the next year. This positioning statement should be one sentence long. Something that can be used as a tag line on your advertising and promotion and something that your sales staff can say quickly and concisely. An example would be "Firestorm helps you get to where you want to be"

Marketing Objectives

3-4 measurable overall objectives. Usually, it is impossible to accomplish more than three to four major objectives in a given year. It's important to keep your eye on the ball and these objectives should represent the key objectives for growing your business. They should be easily measurable on a monthly basis and you should have specific reports that measure each of these objectives. An example would be: Increase revenues by 10%.

Marketing Strategies

Discussion of the strategies you will use to achieve the above objectives. The difference between an objective and a strategy is that the objective states what you will do and a strategy states how you will do it. Using the example above, there are several strategies which could accomplish the objective of growing revenues by 10%: Increase the number of customers, increase the average order, increase pricing, enter a new market, hire more sales people, increase the number of events/mailings, etc. Your mission here is to choose the strategies which fit your company and your products.

Marketing Budget

Chart showing past 3 years of marketing and sales expenditures plus your forecast for the coming year. This section should be broken out by specific marketing channel: direct mail, PR, trade shows, advertising, sales force, the distribution channel, collateral materials, web site, etc. You should analyse results as well. How much business resulted from your investment in direct mail? Some channels will be easier to measure than others but you should try to attribute as much as possible to get a clear picture of how the allocation of your marketing resources affects the ultimate outcome. In many instances it is easier to implement this as you move forward and difficult to go back and attribute associated cost, but as a planning tool for the future it is invaluable.

Marketing Channels

Take each channel included above or those which we have agreed are relevant to you, and write an overview of each channel, set objectives and strategies, be specific about how you will allocate the budget within this channel.

Monthly Calendar and Expenses

Chart showing every activity and expense for every month with a total for the year.

Summary

Creating a written marketing plan is only the first step to improved sales. Once completed, this plan should be shared with the entire company so that everyone understands the strategies and why resources are being allocated the way they are. Everyone in the company should have some input into the plan and be involved in the measurement or execution of the plan. Ownership = success.

But perhaps the most important reason to have a yearly, written marketing plan is that it becomes an important tool for improving your plan year after year. The essence of marketing is to do more of what works and less of what doesn't. Without having clearly established and measurable strategies, you will never learn from your successes and failures.