

Guide to Preparing a Marketing Plan

INTRODUCTION

Would you travel in a foreign country without a road map or build your house without an architect's plan? Probably not, yet many companies launch their products on the market without having first prepared a marketing plan.

As a business owner, you probably spend hours preparing your company budget, but you are still reluctant to draw up an annual marketing plan.

You can see that the business environment is becoming more difficult and increasingly competitive. Therefore, it is important to create a business-marketing plan.

A marketing plan is essentially a more structured way of thinking things out in order to act more effectively and efficiently. The business-marketing plan is a practical tool for reflection and action.

Initially, the idea of drawing up a marketing plan may strike you as unnecessary. Lee Iacocca, Former Chairman of Chrysler, stated, "The discipline of writing things down is the first step toward achieving them."

The following Small-Business Marketing Plan is intended to create a better understanding of the utility of a structured plan, if only to enable your entire team to visualize more clearly the direction and plan of action of your business. A marketing plan is the ideal tool for the business owner who wants to act, not react.

Principle Marketing Challenges

As a business owner, you are aware of the importance of drawing up a written marketing plan in order to see more clearly, in what direction your business is headed. Unfortunately, many business owners fail

to prepare a marketing plan because they are short of time or do not know how to create an effective marketing plan.

Here are the six main marketing challenges that most business owners face:

Unclear Objectives

Sales figures are disappointing because the objectives set in the financial budgets were not met. Perhaps those objectives were more a matter of wishful thinking than goals based on realistic and solid projections.

Unforeseen Costs

Marketing costs (advertising and sales staff) are too high and you feel that you have little control over them.

Time Constraints

You always leave everything to the last minute: organizing an exhibition, launching a new product, preparing advertising flyers, developing an advertising campaign, hiring and the training of new staff.

Acceptance of New Products

The success rate of new products that you bring onto the market is unsatisfactory in terms of the money invested in their development and marketing.

Uncertain Future

One of the most difficult tasks for a business owner is to anticipate the future, to foresee significant changes to define a vision and to sensitize the staff.

Customer Anonymity

A major challenge is to impress upon all of the employees that the customer is the real reason for the existence of the business and that the customer **MUST** be the focus of their professional concerns.

Purpose

This marketing plan will serve as a tool to help business owners to meet these challenges more effectively.

Brainstorming

Prior to drafting a marketing plan, it is recommended that a business owner draw on the imagination and creativity of employees and to collect ideas to define the opportunities and challenges that the owner will face in the upcoming fiscal year.

In order to develop new ideas, it is important to organize a brainstorming session by bringing together staff from different units who can look at things in a new and fresh way. The aim of a brainstorming is to stimulate group creativity and to come up with original solutions and new approaches to marketing.

The exchange of ideas can focus on the product/ marketing strategy mentioned above. Brainstorming sessions should be used to gather the information and comments of participants in order to determine the need to properly implement policies.

Customers

What is the demand for each product/market pairing, and the market potential in the short, medium, and long term? How do you respond to customer complaints? Do you have a way of knowing which customers are dissatisfied?

Competition

What are your competitor's strengths and weaknesses? What are your competitive advantages, your distinguishing assets? How will your competition react to your marketing strategy?

Products and Services

Are your products and services well suited to the needs of your customers? How are they perceived by your customers in relation to competing products? What products should be added or dropped? What complaints do customers have about your products and or services? What impact do your products have on the competition?

Distribution Network

Is the business satisfied with the performance of the available distribution network? Are the competitors distribution channels structured differently and more efficiently? How dependant is the business on company distributors?

How to prepare an Effective Marketing Plan

Preparing an annual marketing plan is more time-consuming the first year than in subsequent years because, among other things, questions of methodology and format agreed upon the first time around.

Information necessary for the preparation of a sound plan will be more complete in the second and following years, because it will have been collected throughout each year. Sales representatives will have collected all relevant information on competitors and on the needs of current and potential customers; cost analysis will have been completed defining pricing policies.

It is important to determine a set period each year during which the annual marketing plan implemented. This period should precede the preparation of the annual financial budget because it is necessary first to plan the activities that will produce results and then compile the data needed to draw up your budgets.

One month should be reserved for the preparation of the annual marketing plan. The table below summarizes the principal activities involved and shows the period for each task. A detailed timetable must be prepared.

PRINCIPLE ACTIVITIES	Week 1	Week 2	Week 3	Week 4
Evaluation of current year (Month 10) <ul style="list-style-type: none"> ➤ Achievement of sales objectives ➤ Sales by type of customer ➤ Sales by representative ➤ Achievement of objectives by product/market pairing ➤ other 	✓			
Evaluation (review) of market potential by product/market pairing	✓	✓		
Setting objectives for the coming year by product/service. Market pairing, sales, contributions to gross margin, profit, market penetration etc....		✓	✓	
In depth diagnosis of each product determine whether to keep, change, drop with research and development			✓	✓
Drafting of the marketing plan and submission to management			✓	✓