

VI. THE MARKETING PLAN

The challenge: Chart a course to success.

- What are the components of a marketing plan?
- Do you have a model plan to follow?
- Is your plan in accordance with the current expectations of management?

VI. THE MARKETING PLAN

The marketing plan: A strategic tool

1.0 Strategic marketing planning involves a series of decisions that lead ultimately to the development and implementation of a comprehensive marketing plan.

A marketing plan, as with any other form of planning, is broken down into three distinct elements: Analysis, the setting of objectives, and action.

2.0 It is very easy to rush into action before sufficient time has been spent on analysis or setting concrete objectives.

This usually leads to inappropriate action and consequent failure to meet objectives. A well thought-out marketing plan allows all parties involved in the process to know what to do, when to do it and how much to spend.

3.0 Each product or service must have its own marketing plan.

The marketing plan is not a long-range plan but a focused working document for executing existing or new product programs.

It is a top down plan. *Plan the work and work the plan.*

4.0 The format of the plan is less critical than its content.

Yours can be written in outline form or can be a lengthy document. Keep in mind that once it is written, it should be presented in a format that is easily revised and updated.

Elements of a marketing plan

1.0 Management summary.

This section provides an overview of the plan and is intended to be a brief guide for your management to understand your business. It summarizes the basic factors involved in the marketing of the product and service, as well as the results expected from implementing this plan.

2.0 The market.

This section defines who the customers are in terms of their characteristics, demographics, environment and information needs with emphasis on how the needs are currently being met or not satisfied.

Also included are any specific measures that will estimate the potential market for the product and service; for example, the total number of users or projected dollar volume. This section defines the selected market segment targeted for the product and service based on its perceived demand. Discuss pricing in this section **of** the plan as well.

3.0 Trend analysis.

This section is a review of the past history of the product and service. Performance history is analyzed along with the strengths and weaknesses of your organization.

Based on the history of this product and service, where does the organization appear to be headed with it? For new products, this section outlines how the new product matches the market needs, the benefits derived from such a product and the organization's ability to produce it.

4.0 Competition.

What competition exists for this product and service and how does the organization stand competitively?

This section defines the current competition: Who they are, how successful they have been, why they have or have not been successful and what actions they might be expected to take in the coming year.

Address the impact of the product's price structure on the competitive situation in this section.

5.0 Problems and opportunities.

Internally and externally what are the problems that might inhibit the marketing of this product and service?

This section should comprise a frank discussion of the organization's weaknesses in terms of delivering or developing the product and service. Address such issues as financial and staff resources, equipment, facilities and technical expertise.

It should also highlight opportunities pertinent to the products not now being exploited.

6.0 Objectives and goals.

Where does the organization want to go with this product and service? Goals are broad ideals, potentially impossible to achieve. Objectives, on the other hand, are measurable achievements.

Express broad goals as measurable objectives. This section should outline the immediate short- and long-range objectives for the product and service. Short-range goals should be specific and apply to a year's time. Long-range goals should be less specific and typically require three- to five-year projections.

6.1 Objectives are stated in two forms:

- Qualitative, which is the reasoning behind the offering of the product and service, including expected modifications or changes.
- Quantitative, which will highlight the number of users, dollar volume, share of the market and profit expectations. Representative examples of quantitative phraseology are *increase the total number of*

*users of a library service over **the** next year by five percent, increase circulation of a certain collection by **ten** percent during **the** fiscal year, or increase **the** level of awareness of specific products and services.*

6.2 Care must be taken not to set too many objectives at once.

Measurement of one particular objective may largely become impossible because of the likely spin-off effects of one sort of action or another. Simplicity, at least initially, may yield greater control.

7.0 Action programs.

What must be done to reach the goals and objectives set for this product and service? This section sets out the specific actions planned over the year to assure reaching the stated objectives and articulates the marketing mix or the combination of marketing activities that will drive the marketing action during the year.

7.1 These would include the promotional plan's advertising, publicity, direct mail, brochure development activities; such sales promotion tools as discounts or free trial offers for fee-based products and services; and such distribution or place decisions as electronic delivery or environmental changes.

The marketing mix chosen will reflect the character of the product and its targeted market.

7.2 The action program also includes schedules for completion in the form of milestone dates, the staff in charge of implementing each activity and the budget allocated for each component.

7.3 Cost estimates should be provided for each one of the marketing activities. Along with each cost expenditure, show the respective projected gain in terms of revenue, users.

7.4 Make sure completion dates are included for each task attached to each marketing activity.

Make it clear in the plan who is expected to approve certain activities by what date. Early delays yield increased costs later.

Getting the plan approved

1 .0 Make full use of your staff and colleagues when planning.

Most marketing plans are top-down plans, which is the practice of generating at the managerial level not only the policies and objectives to be used as the basis of planning, but also the strategies and action programs that will be implemented to run the organization's business.

However, plans in which lower levels of personnel do not have significant input are rarely successful.

2.0 Build support for the plan by involving all key players in your organization, even the most junior staff member.

Have them provide constructive criticism and their own objectives within the framework of the plan. Their involvement at some stage in the decision-making process usually leads to a greater personal commitment.

A shared decision may result not only in realistic objectives being set, but a staff that may stretch itself further. The shared responsibility of carrying out objectives is vital to the success of any marketing plan.

3.0 Allow sufficient time to write your marketing plan.

Assign someone to assist with the details, such as crunching numbers or gathering pertinent data. Corporate libraries should enlist the cooperation of other departments—for example, personnel, marketing, or accounting—to analyze and provide information in a form that is useful.

Set aside time to analyze critically the marketing plan before submitting it to management for review.

More plans are killed by inaction than by deliberate rejection. Make sure you keep on top of everyone who is contributing to your plan and that you meet key completion dates.

4.0 Obstacles to good planning.

Failure to do your homework, especially in the collection of basic data for the analysis stage, will lead to trouble.

4.1 The single most important factor in developing good strategy is directing your organization's strengths in terms of your competitor's weaknesses. If the work is not done carefully, then opportunities will remain hidden or unexplored.

4.2 The failure to communicate the importance of planning to your staff can also ruin a good program. Planning is not static and inflexible. As business conditions change, both strategies and action programs must change accordingly.

4.3 The argument *There's no time for planning; I have more important things to do* spells failure. Planning takes time. Advance the theory among your staff and colleagues that planning is part of everyone's job.

Many staff members perceive their role as helping their subordinates fulfill their responsibilities and problem-solving; thus, they are entrenched in doing, not planning.

1.0 The first step--analysis.

Analysis means research and assessment of the market and its needs and wants. Address the internal and external environment, your organization's strengths and weaknesses and its range of products. The result of this effort is increased market opportunities.

2.0 Next--Get on the right track with objectives and a market orientation.

Match organization objectives with market opportunities and select specific opportunities.

3.0 Develop your marketing strategy.

Identify the segments of the market; select the segments to target; select the strategy that best fits the marketing opportunities selected in the second step above.

Marketing strategy will vary depending on the product, its life cycle and the targeted market segment.

4.0 Develop marketing tactics.

Select the appropriate marketing mix for each of your products. Express the mix in terms of product planning, pricing, promotion technique and distribution.

5.0 Evaluation and control.

Monitor the performance of the marketing strategy and make adjustments where and when necessary.

6.0 Results.

With good market planning, step six yields greater customer satisfaction, profitability, a strong image in the market and better chances for survival and growth.

Note: A sample marketing plan appears in Appendix A to this chapter. It describes the "Competitor Watch" service referenced earlier.

I. EXECUTIVE SUMMARY

Competitor Watch (hereinafter, CW) is a competitor intelligence service being developed by the corporation's Business Information Resource Center. Understanding what our competitors are capable of doing and predicting what they are likely to do will allow us to formulate effective plans for our own operations. The service will be marketed throughout the organization.

During the past year, the library's management and staff have met with key individuals and departments to determine their information requirements, both as they exist today and are forecast to be in the future. Many have expressed concern with obtaining and analyzing information regarding competitors to be among their top priorities.

The availability of competitor information from a wide variety of sources to which individual groups do not have access has led the information resource center to develop this service. Competitor Watch will monitor the activities of the company's competitors (as well as potential competitors) on a worldwide basis. The use of CW throughout the organization will give the firm a comprehensive, integrated approach to monitoring the actions of its competitors and formulating appropriate responses.

The importance of monitoring the competition has increased in recent years due to volatile changes in the global economy. Haphazard efforts on the part of individuals and isolated departments will be replaced by a systematic, corporate-wide effort known as Competitor Watch.

II. THE MARKET

All corporate departments and subsidiary companies have some need for competitor information, whether they recognize it at the present time or not. Part of the duty of the Business Information Resource Center's (hereinafter, BIRC) staff will be to persuade the individual departments to join with others in the development of a comprehensive effort to understand and anticipate the actions of our competitors.

The key departments that need timely competitive intelligence are: marketing groups, corporate planning, finance, executive management of both headquarters and subsidiaries. Each of these departments has spent in excess of 310,000 annually to acquire competitor information for the purpose of preparing marketing plans, long-range plans, and business plans for their respective groups. In many cases there is duplication of effort and expense. Many of these departments are already heavy users of the BIRC resources.

The need for competitive information distributed in a timely, cogent manner is paramount for the effective functioning of these departments, as well as for the strategic advantage of the company.

III. TREND ANALYSIS

In the past year, our firm has spent over \$75,000 (conservative estimate) on gathering information concerning the firm's competitors. Using the technology and sources available to it, the Business Information Resource Center's staff has the ability to bring together disjointed pieces of data and to distribute competitor information on a more timely basis to those whose work will be most affected by the actions of our competitors. The information provided to each user group will be specially tailored to the profile created by the BIRC during the Needs Assessment Project carried out last quarter. The sum total of the competitor information as analyzed by our internal experts will enable us to develop appropriate responses to our competition.

IV. COMPETITION

Rather than compete with groups offering this type of service from outside the organization, the BIRC will become a customer of those services currently being used by individual departments. These services will be augmented by those accessed through the information center for other projects. In this way, the BIRC can integrate, coordinate and monitor these external resources in a more efficient manner, as well as distribute their data in a format that is most useful.

When developing profiles of our competitors, we will be relying on our firm's MIS organization to provide comparative data on our company. In this way, end-users will no longer be required to seek internal company data on their own.

V. PROBLEMS & OPPORTUNITIES

The BIRC staff will work closely with each CW participant and encourage their contribution to the effort. This sharing of isolated facts with others should yield a clearer picture of our competition.

The development of CW will allow the firm's strategic marketing and planning departments to be well informed on major competitive issues in an orderly, planned way. It will allow for a steady supply of pertinent information. CW represents a first step in increasing the BIRC's exposure to higher management as a proactive, participating unit that works to support the company's competitive advantage.

The challenges for CW are numerous. Gaining the support of strategic funding departments is essential for CW's success. A major problem will be to provide the proper mix of quality and depth of information balanced with cogent summaries. Users' needs for information vary greatly and a variety of information formats will be necessary. Developing a user friendly electronic distribution network utilizing the firm's electronic mail capability is another major problem area. Electronic distribution of CW is essential for its long-term growth and effectiveness given the nature of its time-sensitive contents.

VI. OBJECTIVES AND GOALS

If the mission of the firm is to profit in an increasingly competitive environment, the strategy of the firm must be to either increase its sales or reduce the cost of production. In order to accomplish these strategies, we must identify opportunities in the environment which will enable us to increase our sales. A key issue and obstacle to succeeding in this effort will be the actions of our competition. Competitor Watch will enable us to track our performance versus our competition's and will present this intelligence in the form of biweekly reports (printed version for some; electronic for others) and regularly scheduled quarterly management meetings to discuss our findings and offer suggestions as to appropriate responses.

The objective of the BIRC is to include as many departments and subsidiaries in the CW process as possible. The more involved these individuals and organizations are, the more prepared they will be to deal with the competition. A concerted, integrated effort to attack the marketplace will be more effective and successful.

The BIRC will begin by involving those departments at the corporate headquarters location that are considered strategically important. During the first year, the BIRC plans to add strategically important departments from each of the Divisions, as well as offer the service to the remaining departments at corporate headquarters that wish to participate in the Competitor Watch service. In Year Two, the service will be extended to all subsidiary companies.

Once the technique is mastered, the BIRC is hoping to offer a similar service to small companies located in our community, provided they do not compete with our own firm. In this way, Competitor Watch can become a profit-making venture for the BIRC.

In terms of numbers, the BIRC plans to sign up over the first two-year period, 20-25 full-level participants for CW; 20-25 percent of those will be from outside the corporate headquarters. Full-level participation includes not only receipt of intelligence from the service, either in hard-copy (full text or abstracts) or electronically, but also the responsibility for analyzing selected portions of the data and presenting this at quarterly CW strategy sessions. A second level of the service can be created by distributing CW to others within the organization for a fee. It is expected that many groups will sign up for this level of the service once they realize that all of the firm's important executives are using it.

By Year Two, we plan to obtain commitments for subsidizing the project from major users of the service on a cost-recovery basis. By Year Three, we expect to make a profit on this operation by promoting the service to customers external to the organization.

The attached budget lists the staff requirements for Year One of this project in terms of designated personnel from the BIRC: title; responsibility; time allocated to the project. The Strategic Marketing Department has offered to fund the expenses for the first year of the project to test the waters.

VII. ACTION PLANS--YEAR ONE

We have designed a multi-phased strategy to gain publicity for Competitor Watch and reach all segments of our market. Phase I, the initial launch, involves sending memos to individuals and making presentations to departments explaining how CW results from suggestions they made during the Needs Assessment conducted by the business information center. It is expected that at least three major corporate departments will agree to participate in a one-year trial to refine the product. As mentioned above, the costs for this trial will be borne by the Strategic Marketing Department, which is estimated at \$75,000.

First targeted for participation in the CW process will be at least one of the five top executives of the corporation who will then add a cover memo to our own literature. This executive will also contribute an article to the company bimonthly newsletter endorsing participation in the service.

The staff of the BIRC will be tapped to write articles for the company newsletter, the BIRC Monthly, on the service and the importance of competitor intelligence. These will be included in the CW mailings and distributed at department presentations.

The budget for Competitor Watch includes a significant portion for these departmental meetings, which are expected to be the most important aspect of the plan. Brochures will be printed in the company's Print Shop and slides generated by the Graphics Department. It has been arranged that samples of the information generated by database searches will be formatted by various vendors whose databases will be used by the CW staff.

The overall marketing strategy of Competitor Watch will be to enhance the position of the BIRC within the organization by reinforcing its reputation for products of quality and value. We will be upgrading CW on a regular basis, revamping the appearance of the print product and the screens of the electronic version; increasing the degree of analysis provided to subscribers (product line strategies; company marketing strategies; strengths; weaknesses).

An emphasis will be placed on the development of seminars as to how to effectively use the intelligence provided in CW, motivating executives to act. Industry analysts and consultants will be brought in as luncheon speakers on the days that the quarterly meetings are scheduled.

At the end of six months and again at nine months, a user survey will be implemented in order to ascertain the level of satisfaction with CU. The areas to be investigated are its content in terms of format and quality of information, mode of delivery, quality of the meetings and analyses. In addition, focus groups will be conducted among CW users to ascertain CW's intrinsic value in helping these executives perform their jobs more efficiently, productively, and with cost-savings to the company.

As a result of these survey findings, plans for Year Two will be formulated and enhancements to the CW prototype will be designed.

Appendix B to Chapter Vi: Sample budget for "Competitor Watch"

Budget for Year One

Staff Requirements:

One full time equivalent manager for Competitor Watch at an annual salary of \$25,000.	325,000
BIRC Manager 25% at an annual salary of \$40,000	10,000
Total Staff Requirements:	\$35,000

Responsibilities: **% of time**

Analyze user requirements (BIRC MGR)	5%
Evaluate information current BIRC resources	10%
Select appropriate resources (CW MGR)	5%
Screen resources and format CU for 26 issues (CW MGR)	40%
Interface with production staff (CW MGR)	15%
Conduct interviews with users (CW MGR)	25%
Conduct presentations and conferences (BIRC MGR)	20%

DIRECT COSTS:

Printing and Graphics (26 issues)	910,000
Presentation/Marketing Materials	2,000
Clipping Service/Subscriptions	18,000
Computer systems/Development	10,000
Total direct costs:	\$40,000
TOTAL	975,000