

HOW TO WRITE A MARKETING PLAN

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Fifth Edition

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FORWARD

A few comments from others on planning:

"Planning is everything."

"I hate to plan. I just let it happen."

"Planning makes everything easy."

"Plan your work. Work your plan."

"Planning brings clarity. Clarity leads to power."

"Every plan deteriorates to hard work."

"Planning is simply figuring out how to get from here to there."

"Planning is the most commonly used *and* misunderstood word in business today."

Whatever *your* point of view is towards planning, it's a simple fact: No successful business survives or thrives without a planning orientation. The very essence of planning is nothing more than anticipating the future; being aware of what's happening in your business world and then moving in a desired direction.

The most common mistake I see owners and presidents of companies make is to not get actively involved in the planning process. These executives would rather have it done for them, by others--especially when their company is in deep trouble and they're desperately looking for a life ring.

All too often I've seen companies turn to the "experts" for help before thinking through their needs to solving a problem. They see the expert as a panacea or a painless way to avoid what they can't or won't do for themselves.

If you do need outside help, Randolph Craft's Pacific Planning Institute is the "bottom line" for outside planning consulting. I was a student in one of his planning programs in 1983, and have been using his system and techniques ever since then as well as using his consulting services in special situations.

If you follow the easy step-by-step process outlined in this workbook, you are on your way to seeing very clearly the issues, the problems, and the opportunities facing your company. By rolling up your sleeves, sharpening your pencil, and filling in the blanks, you are going to know first hand what your organization needs to do to achieve success or excellence. By putting the information down on paper, it's going to make it very easy for you to let others in your organization know what you're up to and what their role is. It's going to help you explain to your spouse or a friend what you do all day at the office.

Finally, it will save you money when you talk to those experts. "How's that?", you say? Easy. Remember: experts usually charge by the hour. By having your thinking done clearly on paper, they'll be able to grasp your situation and needs quicker and be able to help you faster.

This workbook is the result of years of teaching and consulting businesses ranging in size from the guy with an idea in his head to billion dollar corporations and financial institutions. It's the result of examining the approaches used by "experts" and successful businessmen.

It's designed for *you*.

If there are parts of it that don't work for you or that you think could be done differently, that's fine. Modify it and make it work for you. Please share your good thoughts and ideas with me so I can incorporate them in future editions.

I firmly believe business is fun and developing creative, successful marketing ideas is the most rewarding part of business.

Good luck. Have fun.

Don Mueller
October, 1984
Honolulu, Hawaii

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Addendum: Since writing this workbook nearly 400 businesses have purchased it. The feedback has been fantastic. A shopping center marketing director used it to make a successful presentation to the owners. An entrepreneur used it to start a business selling pre-fab buildings throughout mainland China. A husband and wife team now own two bakeries, Sweet Thoughts. When I met them they had a bag of great tasting macaroons and some great ideas. These stories come to me all of the time. Let me hear some of yours.

Also, this is available on Macintosh disk. If you order, indicate whether you want it on one or two-sided disk.

A final thought: "Whatever you can do or dream you can, begin it. Boldness has power, genius, and magic in it."

Don Mueller
September, 1987

How to Use This Workbook

Whether you're the owner of a company or have the responsibility of fulfilling the marketing function the best way to use this workbook is to make copies of it for everyone who can effect positive growth in your company. Ideally this means a minimum of two and possibly as many as a dozen may participate in creating your marketing plan.

Step #1: Everyone fills out the book independently up through the section on Positioning.

Step #2: If the group consists of more than five people, divide them in groups of 3 - 5. Each group develops a consensus report that's presented to the entire body. Have everyone report their observations and ideas.

Step #3: Develop a single marketing plan that represents a consensus of everyone's point of view.

Remember a consensus means everyone has to agree 100%. This isn't always easy to achieve. In fact, it may lead to some heated discussions. That's great. Everyone needs to realize their opinions will be heard and that they count. If you don't create this environment at the onset or if it doesn't exist in your organization already, the process is doomed to be marginally successful at best and more likely, will sink without a trace. Why? Because anyone who doesn't agree 100% with each conclusion and recommended action will consciously or subconsciously torpedo the efforts.

Step #4: Agree to meet periodically to review the plan and to make sure everyone is on-track with their part of it. See if any aspect needs to be modified. See if anyone needs help. This is a great time to reinforce one another about the commitments you made when the plan was completed.

Step #5: Do it again next year. You'll find it easier, faster, and more fun to do. Set up a format where you can easily compare the objectives/results of one year to the next. Over time you'll see key trends or patterns developing that will tell you more about your industry and your company. This information, properly used, will give you a competitive edge and make it a lot easier to talk to bankers. Now, isn't that worth a lot by itself?

Your Mission Statement

Definition.

A Mission Statement simply answers the key question every company must answer, "What business are we in?" You have to ask yourself what's our reason for being? What purpose, function, or value are we adding to society or the economy?

The biggest problem a marketer has in this area is getting the owners', senior management's, or your partners' agreement on how broad or narrow you should define the business and to decide whether or not they should continue to do what they've done in the past or to broaden the scope of the business. This is where it's essential to be aware of the key trends affecting your industry and be conscious of the problems or opportunities they create, and how they will affect the business you are in.

How you define your business can have a dramatic effect on the type of opportunities you decide to take advantage of in your marketing plan. John Naisbitt in his best selling book, *Megatrends*, cites a significant example: the railroad industry. The railroads thought they were in the railroading business when, in fact, they were in the transportation business. By not widening their vision, they went from being the largest industry in the country to bankruptcy. All of this happened in a very short time, too.

If the railroads had shifted their perspective to "moving goods", they could have created all kinds of systems capitalizing on the developing technology offered by trucking and airlines. As Naisbitt points out, "moving goods" is a customer-oriented outlook, something the railroads, didn't have. The importance of this idea or orientation is touched on again in this Workbook's section, "Describing Your Target Markets".

Importance: The Mission Statement does four key things:

1. Establishes parameters around your planning efforts.
2. Provides a focus for your organization.
3. Unifies management so everyone is pulling together.
4. Identifies where future competition will come from.

Changing the Mission Statement.

You can expect the Mission Statement to change over time because the type of business you are in may change or you may decide to broaden or narrow your Mission Statement. Sometimes this happens because:

1. You realize you're either under-or over-utilizing your resources based on the firm's strengths and weaknesses.
2. You may discover your existing Mission Statement doesn't allow you to take advantage of key opportunities.
3. Your objectives may require strategies not allowed by the Mission Statement. This means you must change your objectives or the Mission Statement.

Here's a Mission Statement I wrote for a new organization I'm starting.

Example:

The Pacific Marketing Institute, serving the North American business community, is an educational organization committed to the promotion of New Age business principles and management techniques using a humanistic approach.

Another example is Peck Sims Mueller, an advertising agency. Our Mission Statement: To create the very best communication products available. To be the very best communication problem-solvers. The key words in this statement are "communication products". They allow us to do a whole range of activities far beyond the mere creation of advertisements or even complete campaigns.

Mission Statement Worksheet

This should be completed by each key decision-maker in a company. The individual answers may vary, but your goal is to bring the variances to a consensus *everyone* agrees on. (No simple majority wins!)

Process.

Before you write your Mission Statement, construct a brief history of your company and how it arrived where it's at today. This will aid you in writing your Mission Statement.

Step 1) Current Situation: (If your company is just starting, skip to Question 6 and answer it the way you want your company to be.)

1. Company history. List the firm's major successes or failures for each year.

This Year:

One Year Ago:

Two Years Ago:

Three Years Ago:

2. List the reasons for each success or failure.

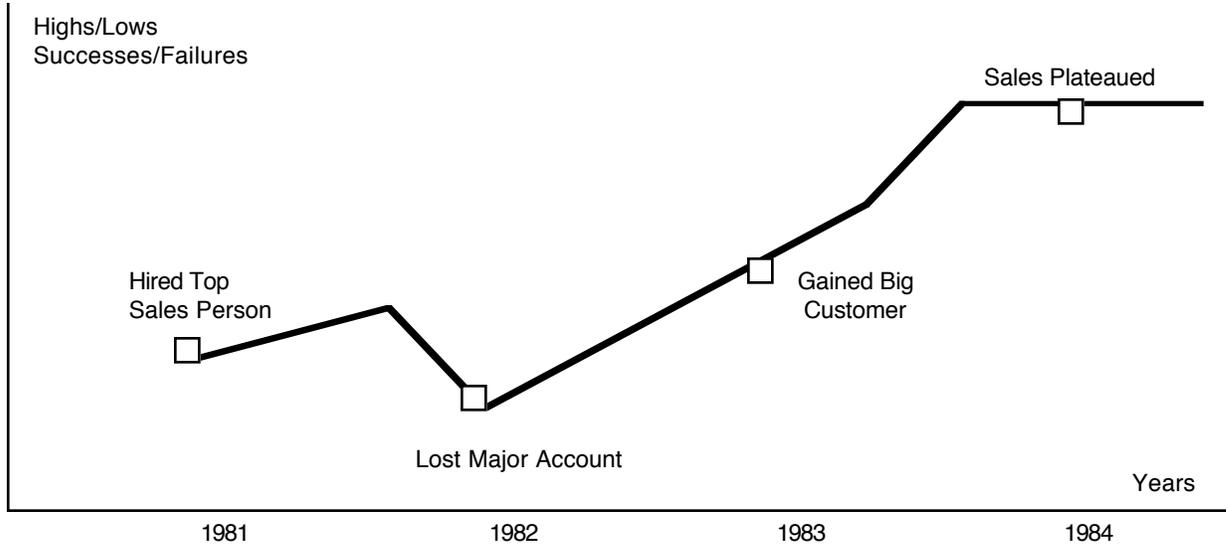
This Year:

One Year Ago:

Two Years Ago:

Three Years Ago:

3. Now take the information from Questions 1 and 2 and draw a graph covering at least the three past years or if possible, even longer. This is a "right brain" exercise that will enable you to graphically see what the peaks and valleys of your company's performance has been. Here's an example:



Now do yours:



Step 2) Now in a brief paragraph describe your Mission Statement for where your organization is today.

Step 3) Is this the Mission you should continue to pursue in the future? If it isn't, write a new Mission Statement:

Step 4) Now read it to your key group.

- Is it clear?
- Does everyone agree with it?

If the answer is "No" to either question, keep working on it. When it's clear and there's agreement, go on to the next exercise.

Finding Your Niche

Once you know what business you're in, you want to determine what your niche is. A niche is simply what makes you different from all of the other organizations competing in your field for people's time, attention, and money. The stronger, broader, and most importantly, the more *meaningfully unique* your niche is, the more successful you will be. That's a fact. A niche is often called your unique selling point or unique selling proposition (USP).

In the 50's and 60's Volkswag³ⁿ was the fastest growing import car in the country. Its niche was unique. A VW bug represented cheap transportation and was the perfect second family car. It filled a big need and no one else did it as well or as cheaply. No one that is, until those great evolutionists, the Japanese, came along. The Japanese aren't good innovators but no one takes an idea and refines it and makes it better than the Japanese.

A more current example of a niche is Apple Computers. When it began selling home/personal computers, the market only existed in hobby shops where hackers could buy kits to build their own computer. Apple's founders initially worked out of their garage. Their niche was very small at the time and as a result, they owned the market 100%. But as the market began to explode, numerous competitors entered the field, including the giant of the industry, IBM, which landed on everyone with both feet. Apple's market share shrunk from 100% to 9.5%. But market sales are now over \$43 billion. That's happened in less than eight years!

Apple is now fighting an expensive uphill fight into the small business office computer market. They are matching IBM dollar for dollar in advertising and marketing. It's a risky strategy, yet one that is succeeding.

There's a lesson here: If your niche is very great and very profitable, it won't be yours alone for long. This phenomenon is called "lag time." Be aware of it. Plan your response to competition ahead of time. Anticipate refinements and improvements before your competition does. If you don't want to or can't compete in a more aggressive, competitive environment, sell out before the lag catches up with you.

What if you're in a traditional or existing industry or organization where your niche is unknown or not that much different from others? What do you do then?

Before answering that question, let me ask, and then answer another question:

Question: How successful are you now?

Answer: Moderately, at best.

You see ninety-nine percent of the time not having a clearly established and meaningful niche means you're doomed to limited success and probably failure. It's a fact.

On the other hand, it's also a fact the more *value* our product, service, or idea *adds* to your customer or client, the more certain you are of achieving long term success. And this value you're adding is what your niche should contain or possess.

Here is your lesson in a nutshell:

**Meaningful Niche means success.
No Niche you're nixed.**

As my friend Marshall Thurber says, "May the Niche be with you."

Here is an example of how Peck Sims Mueller defines its niche: We set the communication trends in Hawaii that all other advertising and public relations firms follow.

Now, go to Step 1 to describe your niche.

Step 1) Give this next exercise a lot of consideration. If it means re-thinking your product or service, do it now. It'll save you enormous amounts of time and money later.
In a few words, describe your niche:

Step 2) Now rate how strong your niche is using this rating system. Be honest.

1. A totally unique and meaningful difference that no one else offers.
2. A unique but not meaningful difference no one else offers.
3. A meaningful, but not totally unique difference that is offered by others.
4. Basically we're just like our competitors.

Step 3) Now we'll see if anyone else agrees with you. Have some employees, customers, and suppliers rate you using the same system. If they don't agree with you, go back to the beginning of the exercise and re-think what your niche should be, based on your market's needs and your ability to meet them. If you can't and you're in an existing business, think of selling it *now*. If you can't describe a meaningful niche and you're thinking of starting a new business, don't. Look for something else.

If you fall in category 4, you really need to re-examine and redefine who you are and what you can do to establish some meaningful differences.

How Others See Your Niche

Category	1	2	3	4
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Your rating:

Your Employees/Friends:

- 1.
- 2.
- 3.
- 4.
- 5.

Your Customers:

- 1.
- 2.
- 3.
- 4.
- 5.

Your Suppliers:

- 1.
- 2.
- 3.
- 4.
- 5.

Your Banker:*

*Your banker won't hesitate to tell you the truth. He won't lend you money unless your chances of success are high and we already know: No niche means little chance of success.

Strengths/Weaknesses Worksheet

The next step is to honestly examine your company's strengths and weaknesses. What point is there in trying to accomplish a marketing objective that exceeds your strengths or brings you to your knees because of some inherent weakness?

You'll refer to this worksheet later on when you're setting your objectives and strategies. Keep it handy.

Step 1) Rate in each category how you evaluate your organization according to:

- Column 1 = Better than anyone else. Substantially in excess of present needs. Definitely leaders.
- Column 2 = Better than average. Good strong performance. No problems.
- Column 3 = Average. Adequately competitive. Solid.
- Column 4 = Should be better. Deteriorating. Cause for concern.
- Column 5 = Definitely worrisome. Must be improved. Bad. Crisis. "We are getting clobbered."
- Column 6 = The organization is too new to have much experience. If this is the case, come back in six months to do your rating.

CATEGORY	1	2	3	4	5	6
Working capital (compared to industry norms)	_____	_____	_____	_____	_____	_____
Market research (how well do you really know your customer, your competition?)	_____	_____	_____	_____	_____	_____
Market share	_____	_____	_____	_____	_____	_____
Market awareness of your company	_____	_____	_____	_____	_____	_____
Advertising						
• creative execution _____	_____	_____	_____	_____	_____	_____
• budget	_____	_____	_____	_____	_____	_____

CATEGORY	1	2	3	4	5	6
Public relations	_____	_____	_____	_____	_____	_____
Selling distributors/location	_____	_____	_____	_____	_____	_____
Response to customer needs	_____	_____	_____	_____	_____	_____
Knowledge of customers	_____	_____	_____	_____	_____	_____
Knowledge of competitors	_____	_____	_____	_____	_____	_____
Personnel turnover	_____	_____	_____	_____	_____	_____
Planning skills	_____	_____	_____	_____	_____	_____
Management skills	_____	_____	_____	_____	_____	_____
Key staff abilities	_____	_____	_____	_____	_____	_____
Product/service niche	_____	_____	_____	_____	_____	_____
Customer/client base	_____	_____	_____	_____	_____	_____
Negotiation power: how much clout do you have with the following:						
• Suppliers	_____	_____	_____	_____	_____	_____
• Customers	_____	_____	_____	_____	_____	_____
Image	_____	_____	_____	_____	_____	_____
Product/service reputation	_____	_____	_____	_____	_____	_____
Financial strength	_____	_____	_____	_____	_____	_____
Industry growth opportunities	_____	_____	_____	_____	_____	_____

Step 2) When you complete this exercise, review it with your planning group. Where you're weak -- a 3 or worse, how can you strengthen and protect yourself?

Spotting Trends

The ability to deal with trends is the cornerstone of every successful marketing person. Trends are like the ocean's tide or a river's current; they pull you along in directions where you may have little control. However, by reading the currents, a riverboat captain will either make good time to his next port or end up on a sandbar. Business and dealing with trends are very similar. (Perhaps everyone should read Mark Twain's "Life of a Riverboat Captain".)

Recently *Business Week* did a follow-up article on the 43 companies profiled in the book, *In Search of Excellence*. In less than two years, fourteen of these companies had stumbled; some, like Atari, faltered dramatically. Of these fourteen, twelve had "difficulty adapting to fundamental changes in the marketplace." Eight of them compounded this by "not staying close to the consumer."

Remember, planning is really nothing more than anticipating and charting a course of action. Trends will tell you what you should be anticipating.

There are key questions to ask yourself regarding every trend you see.

1. Is it a trend or a fad?

If it's a fad your opportunities for success are a function of timeliness and speed. Fads don't last long and they can disappear overnight. Capitalizing on fads can be instantly lucrative and highly risky. With fads, failure or loss is almost always a result of either moving too slowly or being too greedy. It's better to get out before the top than on the downside which can drop exceedingly fast.

2. How will this trend affect my customer?
3. How will this trend affect the way I do business?
4. How widespread is the trend? (Across social-economic groups, sexes, geographic regions, etc.)
5. Does this trend represent a problem or an opportunity? Depending on which, how will I respond?
6. Who else does this represent a problem or opportunity for? How will they respond? Is this good or bad for me? Will I need a contingency plan based on their actions?

In each of these key areas, list the key trends you see, and analyze them compared to the preceding key questions.

Market/Industry Trends:

Target Markets:

Competition:

Distribution/Location:

Pricing:

Economic:

Legal:

Social Attitudes:

New Product/Services:

Seeing Opportunities

Based on your strengths and the key trends you've spotted, list the opportunities you see in each area.

The Market/Industry:

Target Markets:

Our Unique Skills/Knowledge, etc.:

Timing or Special Situations:

Abundance or Scarcity of Key Resources:

Evaluating Opportunities

Rate each opportunity on your organization's ability or resources to take advantage of it.

- Column I Can pull it off within the next 12 months *without* any major changes in working capital, staff or major investments. (Go for it!)
- Column II Can pull it off in the next 12 months *with* important changes in working capital, staff or major investments. Evaluate the risk: What/how much are you willing to lose? How much can you gain?
- Column III Competitors can easily enter, duplicate, or improve your product or service in this area of opportunity. Evaluate the profitability, desirability, and growth potential. What impact would their entry have on your business? How long will it take to get back your investment?
- Column IV Good opportunity, but not in the next 12 months. Hold for future consideration.
- Column V Good opportunity but requires: a) major shift of resources b) more capital c) greater skills/knowledge than you presently have.

Opportunities by Category

CATEGORY/OPPORTUNITY	I	II	III	IV	V
----------------------	---	----	-----	----	---

Market/Industry:

Customer Trends:

Our Unique Skills/
Knowledge/Resources/etc.:

Timing/Special Situations:

Abundancy of Resources:

Opportunities represent the potential for growth and greater success for your organization. They represent a positive focus that unify a group as it concentrates on all of the benefits that will accrue if they're successful.

In this year's marketing plan, focus the bulk of your efforts on achieving Column I opportunities. Columns II-IV may be achievable but they will require clear thinking regarding both the upside rewards as well as the downside risks. Reach for the ripest apples, but don't get out on a limb beyond your resources. The fall will be painful and costly. If this happens, however, spend some time thinking about what you've learned from the mistake. Remember, successful business people make mistakes, but don't repeat them. Unsuccessful business people don't learn from their mistakes. They keep making them over and over. Rita Mae Brown, the author, defines insanity as just this: doing the same thing over and expecting different results. Is anyone driving you crazy? Are you doing it to someone else?

Setting Priorities for Accomplishing Opportunities

Every organization has finite resources. Not every opportunity can be taken advantage of. This means what? **Setting priorities.** The highest rated priorities are those giving you the greatest reward for the amount of effort required to accomplish them.

Step 1) Rank each opportunity you listed in order of priority.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Step 2) Now decide, what ones can be accomplished in the next 12 months? List them, again in order of priority. This will probably be a shorter list.

- 1.
- 2.
- 3.
- 4.
- 5.

Evaluating Seriousness of Key Problems

Okay, opportunities represent growth, excitement, riches, and fame; all very positive things. However, let's not get ahead of ourselves. Go back to the Strengths/Weaknesses Worksheet. Look in the 4 - 6 columns. These are serious problems you'll need to address. Ask yourself the cause of these problems. What do they say about your organization's approach to business? Its philosophy? Its ability to succeed or escape mediocrity?

Step 1) List in order of priority every short-term problem (solvable during the next twelve months).

Problem	Possible Solutions
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

Step 2) List every long-term problem:

Problem	Possible Solutions
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

When you list your solutions to key problems, be sure to put down the cost, in terms of money or time it will take to correct them.

Note: Now that you've examined your organization's strengths and weaknesses, focus your energy on capitalizing on the highest priority opportunities and correcting the most serious problems. These may be the toughest, but if you've done the exercises right up to this point, these are the ones that will give you the biggest reward and keep you afloat. Oftentimes, it's very easy to get sidetracked doing the less significant, but easier, tasks while ignoring the difficult or more challenging ones.

Describing Your Target Markets

If Moses had been a businessman, one of his Top 10 Commandments would have been "Know Thy Customer." And if he had been into New Age thinking using affirmations he would have given you this mantra, "Let the Marketing Principle Guide Me."

Remember Henry Ford I, the one who made any color of Model T you wanted, as long as it was black? He did okay as long as there wasn't much competition and he was able to keep prices down. He was using the *Selling Concept* which is a great idea for a monopolist. Unfortunately, Society and Congress, particularly, frown on monopolies. You see, monopolies take away something everyone craves, even demands: Choice.

Choice. Think about that word for a minute. What does it mean to your customer? In turn, what does it mean to you?

Give me a choice and I may not choose you. After all, did you know the average supermarket stocks over 12,000 items? Yet, the average college graduate has a working vocabulary of only 8,000 words.

If I have a choice, show me why you're the best choice.

The *Marketing Concept* is based on the premise that you have to face competition and people have many choices. The better you understand and meet your customers' wants and needs, the more likely you will succeed over your competition.

There are lots of ways to define, categorize, and get to know your customer. These exercises may not cover all of them or you may think of others that are important, too. That's fine. Just make sure you're heading in the right direction by knowing the key facts about your customer that may influence their decision to be *your* customer instead of someone else's.

1. List your customers by type, i.e. heavy users vs. light users, consumers vs. trade, etc.

2. Take each type and list the important demographic information (these are quantifiable, i.e. measurable facts like sex, age, income, age, education, marital status, family size, geographic location, occupation/job title, etc.) Don't list the useless or meaningless demographics, only those you think are important in making them your customers.

Note: Probably the most important fact you want to know is what percentage of revenue does each customer group contribute to your total revenue and how does it compare to the industry's? (i.e. Treat each customer segment as a separate contribution margin.)

3. Now compare your customer to your competitors. Are there meaningful differences? List them.

4. Now analyze the good/bad qualities of your customers compared to the competition's.

5. For each category determine what the objectives are in each of these categories as they relate to what you offer:

Types	Economic	Functional Needs	Psychological Intangibles

6. Now, rate your customers' needs on a 5-point scale, with 1 being a most meaningful need and 5 being a least meaningful need.

Customer	Primary Need(s)	Rating

Note: You'll want to refer to this section whenever you're thinking about changing or offering new products, or whenever you're developing your advertising ideas.

Putting Your Target Markets in Priorities

Based on the dollar value of each customer category or your unique ability to service particular groups, list each target market in order of priority starting with the most important first and working your way down.

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____
- 6) _____

Competitive Analysis

Everything in life and business is relative. Good/Bad. Big/Little. Success/Failure. In business, the key relationship is how you compare to your competition. This tells you whether you're doing relatively good or relatively badly.

Knowing certain facts about your competition allows you to plan an effective strategy against them and is your key to having a competitive edge over them. A constant evaluation of your competition vis-a-vis checklist will keep you abreast of changes in the competitive marketplace.

1. List your major competitors and describe or list their:

- a. product lines or services:
 - sales revenues:
 - share of market:
 - geographic coverage:
 - niche
 - marketing positioning platform:
 - ad budget:
 - advertising claim:
 - competitive stance:

- b. product lines or services:
 - sales revenues:
 - share of market:
 - geographic coverage:
 - niche
 - marketing positioning platform:
 - ad budget:
 - advertising claim:
 - competitive stance:

- c. product lines or services:
 - sales revenues:
 - share of market:
 - geographic coverage:
 - niche
 - marketing positioning platform:
 - ad budget:
 - advertising claim:
 - competitive stance:

- d. product lines or services:
 - sales revenues:
 - share of market:
 - geographic coverage:
 - niche
 - marketing positioning platform:
 - ad budget:
 - advertising claim:

- ___ competitive stance:

- e. ___ product lines or services:
 - ___ sales revenues:
 - ___ share of market:
 - ___ geographic coverage:
 - ___ niche
 - ___ marketing positioning platform:
 - ___ ad budget:
 - ___ advertising claim:
 - ___ competitive stance:

2. Who are the trendsetters?

3. Is there anything (new service, product, or idea) a competitor may introduce that may force you to do things differently? What is it? How effectively could you respond?

4. What weakness is there in your competition's strength? **This is the most vulnerable point for you to attack.**

Setting Objectives

In the previous exercise we talk of relativity. Setting objectives is an opportunity to see if we are being relatively successful because the most important quality of every goal is *it must be measurable*. If you can't measure it, it's not an objective. It may be a purpose, but it's not a goal or an objective.

Here are some useful guidelines for setting goals:

1. Make sure they're measurable. (I'm saying it again and putting this at the head of the list for *emphasis*.)
2. Put it in writing.
3. Start with the word "To" and follow it with an active verb, e.g. "To sell 4 million surfboards." "To process 300 land titles."
4. Set a completion date for accomplishing it.
5. Be realistic. It should be a stretch, but an attainable one. The most successful companies accomplish at least 60% of their attainable, yet challenging ones.
6. They should be a guide to action; get the organization's juices flowing.
7. Coordinate it with your overall long and short term goals.
8. Set it with the people responsible for accomplishing it. You want their agreement and commitment for achieving this goal.

Example: To teach 20 people how to write a marketing plan in the next 5 weeks.

In each area list your objectives for the next 12 months.

Product/Service:

Pricing:

Distribution/Location:

Advertising:

Public Relations:

Sales/Revenue/Profit Goals:

Promotion:

Positioning

Definition. This is one of the most important marketing buzz words you'll ever come across: *positioning*. The way you, your product, service, or organization is positioned is the way others perceive what you are offering. A *Positioning Statement* is your way of deciding how you want people to think about you.

Every successful company gives careful thought to how they can develop a position that allows them to optimize their appeal to the largest possible user-segment. General Foods tells its executives that each brand's position:

- underlies all other strategic decisions, short- and long-term.
- defines the way a brand will compete in an increasingly competitive environment.

Your Positioning Statement can refer to your organization or to each product or service you market. Once you've successfully established it, you will rarely want to change it unless there is a *significant* change in the marketing environment.

Writing a Positioning Statement. Your Positioning Statement identifies your key target market, their frame of reference for grouping you with similar products or services and finally, it indicates your key point of difference.

For example:

To Hawaii residents (Target Market), Honolulu Federal Savings and Loan is the financial institution (Frame of Reference) that is the better way to bank (Point of Difference).

Another one:

To people who fly interisland (Target Market), Aloha is the airline (Frame of Reference) that gets you there on time all the time (Point of Difference).

Defining Your Frame of Reference. Every product, service, or organization can be substituted in some way for something else. So your Frame of Reference is really a way of asking yourself, "What can this thing I'm marketing be substituted for?" A Frame of Reference can cover a wide span of alternates.

Exercise

List the Frame of References that may apply to what you're marketing

List the Benefits

List the Drawbacks

Point of Difference. Earlier I referred to this as the Unique Selling Point (USP). This should be the specific benefit you want your target market to associate with you. You should always state this in consumer end-benefit terms. You can have a lot of benefits, but your Point of Difference focuses on the most important one; the one you want people to readily identify you with. In fact, most astute marketing people feel it's unrealistic for your market to readily associate more than one benefit with your company. If you try to force it on them you risk having an unclear position.

The Frame of Reference and Point of Difference are inter-related. Your goal is to select the combination that is most persuasive and meaningful to the largest number of people. Hopefully, you can do this uniquely and meaningfully.

Some other points to keep in mind:

- The Point of Difference doesn't have to be a specific or exclusive product attribute. It could be based on being a certain type of person ("The Marlboro Man" or "The Pepsi Generation") or a certain type of experience ("Weekends were made for Michelob" or "It's a good time for the great taste of McDonald's".)

This is really important to keep in mind when you have something of little observable or functional difference between yourself and others.

- What you intend to communicate in your marketing efforts and what people come away with may be two very different things. Make sure you get some unbiased feedback from time to time to make sure this isn't happening.

Positioning Principles. Before you write your Positioning Statement, review these principles:

1. Remember the Positioning Statement is the most basic of all strategic statements.
2. Your Positioning Statement should be:
 - believable and consistent with your performance
 - directly tied to as large a Frame of Reference and Target Market where you can still deliver a meaningful Point of Difference
 - targeted at the most meaningful benefit or
 - correcting the biggest problem in the Frame of Reference chosen
 - unique from the competition
 - capable of enduring
 - consistent with the target markets' beliefs/knowledge and behavior/experience

Many articles and books have been written on this subject. It wouldn't hurt to read them. However, you should have enough of an understanding of the concept to write your Position Statement.

Exercise

Step 1) Write Your Position Statement.

Step 2) Review it against the Positioning Principles. Does it meet their criteria? Does it offer a benefit the market wants? Is the benefit real? Does it really separate you from others? Is it unique or difficult to copy?

If you answered yes to all the questions, move on. If not, keep working. Your efforts will payoff.

A Time-Out

Let's pause for a minute to make an important distinction.

Before we get to the part where we figure out how we'll accomplish our objectives, let's review and put into context some of the things you've done up to this point in the Exercise Booklet.

You have written a Mission Statement, defined your Niche, and written a Position Statement. Each concept is indelibly linked to the other.

Each of these represents a part of your long-term strategy to give your organization guidance. Not one of these statements should be changed readily or hastily unless there are *major, impactful* changes in your marketing environment.

Often, people don't distinguish or are confused about the differences between *strategy* and *tactics*. Essentially it's the difference between your long-term vs. short-term efforts.

For our purposes the distinction will be that *strategy* applies to what we are striving to accomplish over the long haul (*more than 12 months*). *Tactics* are how we plan to execute this strategy over the next 12 months.

Most marketing people confuse strategy and tactics or use them inter-changeably. If you're with someone doing this, set them straight and get their agreement to use your (our) distinction. This way when you say "Apple" someone else won't be *thinking* "Oranges." Remember words are merely tools. To be effective, a tool must be used properly.

Tactics

Using Brainstorming to Produce Synergy (How to Make 1 + 1 = 3)

This is the most enjoyable part of preparing your marketing plan. Up to this point, you've had to do some research, gather facts, analyze the data, and set your objectives. But if you've followed every step this far and have completed every exercise, you should be experiencing a fairly exhilarating feeling, one that comes from knowing exactly where you are, how you've gotten to this point, and where you want to go from here. Right now you should be feeling confident because you're seeing things clearly. Developing your marketing tactical plan is merely a matter of developing creative ways to efficiently and effectively accomplish your objectives over the next 12 months.

As you've noticed throughout this exercise booklet, you've had to meet with other people, particularly your key group, to get their feedback. They may not have always given you the answers you wanted or have seen things in the same light as yourself. Reaching an agreement or consensus may not always be easy, but if you've persevered you should find yourself on very solid ground because of their input. And just as importantly, you should have found their input adding more to the output than could have been achieved by your working through this alone. This result is called synergy. It means a committed, aligned group can achieve far better results than you would expect looking at them individually. In sports, it's what happens when a team performs better in action than you'd expect after analyzing them on paper.

A.C.C. Rule

If you want your group to achieve extraordinary results, just follow the A.C.C. Rule.

- **Aligned.** This means everyone has the same goals and is willing to work with others to accomplish the goal.
- **Committed.** This is when you discover whether someone is really aligned with you or merely giving you lip service. Committed people are enthusiastic and responsible. If they say they're going to do something, it's done when they said it would be. Individuals who don't follow through on their commitments are human torpedos who sink organizations. Their presence shouldn't be tolerated. They drain the enthusiasm and energy out of a group.
- **Consensus.** This means *everyone* is in agreement. Getting to this point is often hard; it's not always enjoyable, but once you are there the feeling is very good indeed.

Developing Creative Ideas

There are an infinite number of ways for you to reach your objectives. One of the best ways to come up with innovative approaches is to do some brainstorming. It's not a new concept. You've probably heard of it and maybe you've even used it. At Peck Sims Mueller whenever we are developing a new campaign for a client we brainstorm solutions. Without fail this approach delivers good ideas that everyone agrees on in a minimum amount of time (these meetings rarely last even two hours).

Brainstorming Guidelines

- Hold the session in a location away from your offices. (This rule is probably the one broken most often.) Do try to find a new or different setting. Everyone will find it stimulating.
- Keep the group small -- no more than 5 or 6 people. If you have more, break them up into separate teams and have each of them present their ideas as a group.
- Use a round table, or even do away with a table altogether.
- Keep a record of the proceedings. Either tape it or have someone take comprehensive notes that can be referred to later.
- Criticism or value judgments are ruled out of the idea-generation state. You can do that after everyone has exhausted the possibilities.
- Keep the ideas flowing. The more you have, the more likely you'll discover some winners. It's like fishing, the more lines you have in the water, the more fish you'll catch and the better your chances of landing a big one.
- Don't have the "boss", or the person with the problem-solving responsibility lead the meeting. (Of course, if there's only two of you, throw this rule out.)
- Mondays are a bad day to have these meetings; everyone is too caught up in getting their week organized.
- Mornings are usually better when everyone is rested and fresh. (Again, this depends on the dynamics of the group.)
- Blue-sky, off-the-wall, crazy ideas are great. You'd be amazed how often these lead to innovative, workable solutions.
- Look for the chance to combine the best parts of two ideas into one that's a blockbuster.
- Keep posted on a sheet of paper taped to the wall a written description of the problem you're trying to solve or a list of the objectives you want to accomplish.
- Use an easel board to write ideas down on and tape sheets to the wall for inspection, focus, and reflection.
- Have fun.

Step 1) Using the above guidelines, brainstorm the possibilities for achieving your marketing objectives. Write them down:

Step 2) Down the left hand side of a sheet of paper, write down all of the possibilities. Across the top, list the objectives you would achieve with the idea. On the far right, label a "Total" column. Consider the pros and cons of each idea. Check off each objective an idea might accomplish. Tally the totals to determine which approach will accomplish the greatest number of your objectives. The one with the highest total is probably the tactic you'll want to use.

Example: Hawaii's Chevrolet Dealers wanted to develop an advertising campaign that ran from 1984 - 85. Here's how the account team at Peck Sims Mueller analyzed their options:

Benefits:	Easy to Implement	Sells Cars	Fits Nat'l Campaign	Low Cost to Produce	Most Effective	Total
Options						
1) Use stock materials	X		X	X		3
2) Focus on Hawaii lifestyle		X	X		X	3
3) Use quarterly promotions		X		X		2
4) Sell the sizzle option		X	X		X	3

In this case where there were several good options, more weight was given to the "most effective" benefit and options 2 and 4 were combined into one strong campaign.

Do this for each part of your marketing mix:

Product/Service:

Pricing:

Placement:

Promotion:

Note: After you've determined your promotional objectives, it's a good idea to work with professional advertising or public relations people to have them execute the *tactical* approach. Give them your input. Be clear on what communication objective you want to accomplish, but don't get *too* actively involved in developing ideas. This probably isn't your strong point, whereas it should be theirs. Judge their recommendations according to how well they've followed your parameters and how effective you think their ideas will be.

Setting a Budget

Most organizations set their budget according to what the norm is, or what they think they can afford. Of the three ways to determine a budget, these are the worst two.

Setting a budget compared to some industry-established par assumes your organization is exactly like the "average". Is this really true? Is your situation no different from anyone else's? Are your resources, strengths and weaknesses the same? Are your objectives identical? Obviously the answers are probably,

"No"

"No"

"No"

"No"

Basing it on what you can afford has its drawbacks, too. What you can afford is based on where you are right now, not where you want to go. However, it is a step ahead of the preceding method.

Step 1) The best method is to determine first what it is you want to accomplish. You already did this in the previous exercise when you set your objectives and listed them in order or priority. Now all you need to do is establish what each objective will cost to accomplish (considering all your resources such as money, manpower, time, etc.) and what its benefit will be. (If you can give the benefit a monetary value.)

List the Objectives

\$Cost

Benefit/Value

Now tally the Cost/Benefit Total:

Step 2) Is this total more than you can afford? Is the potential benefit big enough and the risk you have to take reasonable enough for you to find the extra money you need from a bank or investors? If it isn't, simply start paring back on your objectives beginning with the least important ones first.

Step 3) Fill in the blanks for your marketing budget

Research and Development		\$_____
Packaging		_____
Promotion		
Advertising	_____	
Public Relations	_____	_____
Sales Staff		
Salaries	_____	
Overhead	_____	_____
Collateral materials		
Brochures, folders, etc	_____	
Printing	_____	
Postage, shipping, etc.	_____	_____
Contingency		_____
Other		_____
	Subtotal:	_____
	4% Tax:	_____
	Total:	_____

This isn't necessarily complete, but it covers enough of the bases to get you going in the right direction.

Action Planning at a Glance

Congratulations! If you've come this far, you're nearly home free. There's just one minor detail or two to finalize: Who's going to be responsible for making this plan happen? What's going to be delegated to whom and when are they going to have their assignment completed?

There are several techniques for devising an Action Plan. One of the most effective is called P.E.R.T. It had its beginnings over 40 years ago and was developed for tracking the progress and responsibilities on major projects, like the Polaris Missile and putting a man on the moon. Its beauty is it's simple enough for you to use on a project no bigger than planning your next party.

Essentially it requires thinking your project through from *completion* back to the very beginning. You clump the activities related to a particular task together and identify "milestone events." A milestone event is a major step where further progress can't take place until that one is completed. Time-Lines connect each milestone event together enabling you to see the relationships between diverse activities so you know what has to be done first. Under each time-line you write the activities taking place and who's responsible for them.

To track your progress you use red, yellow, and green symbols at every milestone event. Green indicates on schedule. Yellow is a caution the activity risks falling behind, and Red means there's a delay.

Imagine every project in your organization having its own P.E.R.T. Chart. At a glance, everyone knows who is responsible for doing what, when, and how well they're progressing. It's a strong visual reminder of what you want to accomplish. As a manager you can pinpoint problems immediately to take the appropriate action.

I'm not an authority on this technique, but one person who is, is Randolph Craft, founder of the Pacific Planning Institute. He is available as a consultant and conducts seminars internationally. Call me for his current contact information.

Exercise

Prepare an Action Plan on a single sheet for the next 12 months highlighting specific activities and indicating key deadlines, plus person responsible for each task.

Month	1	2	3	4	5	6	7	8	9	10	11	12
--------------	---	---	---	---	---	---	---	---	---	----	----	----

Task/Person												
--------------------	--	--	--	--	--	--	--	--	--	--	--	--

Exercise

Use this form to track any action ideas you want to pursue.

1. State the marketing idea:

2. Assigned to:

Due Date:

3. Feedback:

4. Action taken/results:

A Final Word

Dale Madden, a professional entrepreneur, who has successfully started and sold several companies, made a telling comment. He was discussing the difficulty of bringing an idea to fruition and why he's been able to do it so often while others cannot, even once. "The planning makes it easy because when I'm really doing the project, it's for the second time. I've already done it once in my head."

Give that some thought. Creating the future the way you want it: It's the key value planning offers you.

John Sculley of Apple Computer, talks in his book, *Odyssey, Pepsi to Apple*, (Harper & Row), that "the best way to predict the future is to invent it. At Apple, they look into the future by creating in their minds "a portrait of the economy, our industry, our company. Then we move back into the present, envisioning what we have to do to get back to the future."

DRM
9/87

Appendix

A Marketing Plan Outline

Attached is a typical marketing plan outline. In each section, I've included "seeded" questions intended to get you started. Depending on your situation, there may be numerous others for you to consider. Focus on the ones you think are most meaningful. After each section, there is a series of additional questions designed to test the completeness and thoroughness of your thinking. If you've completed this exercise booklet, you won't really need the outline except for future reference.

Preparing a Marketing Plan and Key Questions to Ask

By Peck Sims Mueller, Inc.

MARKETING PLAN

(How do we get from where we are now to where we want to be 12 months from now?)

A. CURRENT MARKET SITUATION REVIEW

1. Environment:

- Where is the economy headed?
- What are our customer attitudes/needs/demographic trends?
- What other non-controllable factors do we need to consider that may affect our business?

2. Industry/Product Category:

- What stage of growth is it in?
- How has it gotten to this point?
- Who are our major competitors; what are their strengths and weaknesses in key areas?
- What key activities are they doing?

3. Our Company:

- Where are we now (i.e. sales, product mix, distribution, geographic coverage, market share, advertising theme, promotional activities, etc.)?

4. Market Research:

- Is there anything we need to learn that we don't know now?
- How can we uncover this information?

5. Competitive Analysis:

- Who are your competitors?
- What share of the market do they have?
- How are their products positioned?
- How are their products distributed?
- What types of promotions do they use?
- What types of advertising messages do they use to tell people about their products?
- What are their major strengths and weaknesses in:
product benefits, pricing, promotion, distribution, consumer, attitudes, usage, acceptance?
- Have any new competitors emerged recently?
 - When are they advertising?
 - What's their media mix?
 - What's their awareness level?
 - What's the public's image of their advertising?
- What public relations efforts do they pursue?
- What's their competitive stance?
 - Innovative vs. traditional
 - Price vs. quality
 - Aggressive vs. business as usual
 - Service-minded vs. "come and get it"
- Who are their key target markets?
- What's their selling cycle & seasonal pattern?

Key questions to check your current market situation review against.

1. Have you answered currently what business you're in? How has it changed or how is it changing? How do you need to re-think your niche and your positioning?
2. What key trends are going to affect your business in the near term (less than 12 months)? Long term?
3. Do you need supplemental data or make "field" checks?
4. Are the highlights clearly identified or are they buried in a sea of data and statistics?
5. Is it realistic, accurate, and factual?
Or is it just a lot of opinion?

B. PROBLEMS/OPPORTUNITIES

- What key problems/opportunities face our industry?
- Our company?
- How can we capitalize on this situation?
- What key weaknesses or gaps exist in the way our competition markets themselves? How can we exploit this?

Questions for Problems and Opportunities.

1. Are they pertinent to your marketing efforts?
2. Are they set in priorities?
3. Which ones will get you the best results?
 - Accomplish long or short term goals?
 - Generate the greatest return on your investment (ROI) of time, effort, money?
4. Are they simply stated and therefore easy to understand by everyone in your company?

C. TARGET MARKET

- How can we describe who our target markets are?
- What pertinent information do we know about them?
- What priority should be put on our target market segments?
- Where do these target markets get information regarding our type of products?

D. OBJECTIVES

Where do we want to go in our target markets? In terms of:

- Sales?
- Product changes?
- New or different distribution channels?
- Pricing policy?
- P r o m o t i o n a l e f f o r t s ?

6. Is it compatible with the company's long term objectives?
7. Does it go in the direction the "horse" is riding in?
 - Does it fight existing or anticipated consumer or customer trends?
8. Are there checkpoints built-in to monitor whether or not progress is being made?

G. BUDGET

- What is it going to cost to accomplish our objectives?
- If we can't afford all of it, what priorities do we establish to ensure we accomplish the most important items?

Key question to ask about your budget.

1. How firm is the budget?
2. Are any contingency funds built into it?
3. If cuts or funds had to be shifted where and how could this be done?