

## **Your Marketing Plan**

One of the vital elements of a business plan is the marketing plan contained within it. The marketing plan does not stand alone, it links with all of the other elements of the business plan such as the financial plan, operations plan, and personnel plan.

## **Contents of a Marketing Plan**

When determining the contents of a marketing plan it is always important to keep in mind the needs of the business. This will depend on such things as the size and scale of operations and who the plan is for (such as internal use only, for investors, your bank, and so on). The following headings are designed to be a guide only:

**Executive Summary**  
**Situation Analysis/Environmental Scan**  
**SWOT and Issue Analysis**  
**Objectives**  
**Marketing Strategy**  
**Action Plan**  
**Cash Flow and Profit Budgets**  
**Controls**

### **Executive Summary**

Depending on the size of the business and who the plan is for, there may be some advantage to including an executive summary at the beginning of the marketing plan to allow readers to quickly grasp the plan's major thrust.

### **Situation Analysis/Environmental Scan**

Presents relevant background data on the market, product, competition, distribution and microenvironment. Key considerations may include:

- The size and growth of the target market; customer needs, perceptions and buying behaviour trends.
- The sales, prices, gross margins, and net profits for each major product for past years.
- Descriptions of the major competitors in terms of their size, market share, goals, and marketing strategies.
- The size and importance of each distribution channel.

- A description of microenvironment trends... such as demographic, economic, and technological trends... that may have a bearing on the product's future.

### **SWOT and Issue Analysis**

SWOT is an acronym for strengths, weaknesses, opportunities and threats. Once these have been identified for each product, then the main issues that must be addressed in the marketing plan can be determined. In doing this it may be helpful to think in terms of how you will capitalise on your strengths, confront your weaknesses, convert your opportunities, and manage your threats.

It is important to set both financial and marketing objectives. For example, a financial objective might be to increase net profit from \$200,000 this financial year to \$250,000 next year.

To do this the financial objective must be converted into a number of marketing objectives. If, say, the business' target net profit is 10% on sales, then it must set a goal of \$2.5 million in sales revenue next year. This, in turn, could or will have implications for the number of product units sold, market share, the number of distribution outlets, and consumer awareness.

### **Marketing Strategy**

Presents the broad marketing approach or 'game plan' that will be used to achieve the plan's objectives. Things to consider for each product are likely to include:

- Exactly what is the target market?
- How will the product be positioned? For example, budget or up-market?
- What will the price be, particularly when compared to that of competitors?
- How will the product be distributed?
- What advertising media and sales promotion techniques will be used?
- What on-going market research will be undertaken to measure such things as customer satisfaction, the effectiveness of the advertising and promotion, and changing consumer wants?

### **Action Plan**

Details the actions required to pursue the marketing strategy and achieve the objectives. Each action needs to elaborate:

1. Who will do it?
2. When will it be done?
3. And, how much it will cost?

The Action Plan is where the 'rubber meets the road'. Plans are of very little value if appropriate actions, once identified, are not implemented.

### **Cash Flow and Profit Budgets**

Costings from the Action Plan must be incorporated into the business' budgets. Keep in mind that there may well be implications for personnel deployment and recruitment, infrastructure requirements, liaison with suppliers, management control, and more.

### **Controls**

An important part of any plan are controls for monitoring the plan's progress. These may include such things as the setting of Key Performance Indicators and regular monitoring of budget variances. It may also be worthwhile conducting a risk assessment and preparing a contingency plan. The reason for this is to give prior thought to difficulties that may lie ahead such as increased competition, price wars, drought, acts of terrorism, and so on.