

Marketing Plan

A Marketing Plan is the core of a full-fledged Business Plan that depicts the past, present and future of your company. It is a Vademecum for all companies, big or small, old or brand-new. It is the ultimate tool to obtain financing, form alliances, and recruit executives. No longer read exclusively by insiders and traditional lenders, Business Plans must do more than demonstrate a company's level of competence. Business Plans have to withstand stiff competition in attracting funding, key employees, and strategic partnerships. A Business Plan without a solid Marketing Plan is like a building without a foundation.

Despite the enormous impact that a well-developed Business Plan will have on a company, many companies prepare Business Plans that poorly articulate all segments that are part of a Marketing Plan. Some executives are tempted to simplify the process by choosing from the impressive array of software products that provide interactive, menu-driven means to create a complete plan. The use of integrated Business Plan software products tends to result in boilerplate plans that funding sources immediately recognize as derived from a "canned" source.

Though it may be hard for certain executives to admit that they lack the experience or expertise to develop a full-fledged Business Plan, engaging a professional consultant to take charge of compiling and writing your Business Plan is to the benefit of both your company and yourself. Outside advisors are useful for the creative development, the whole market and competitive intelligence process, and most importantly, for obtaining an unencumbered, objective analysis of your objectives and strategies. Independent consultants can assist your team with the various preparatory stages in order to complete the Business Plan, such as Needs Research, Market and Competitive Intelligence, Proof of Market, Proof of Concept, SWOT analyses, Value Proposition, and more. They should not, however, be your plan's original authors. Your Business Plan should convey your own drive and determination to succeed, and no one can better add that vital element of enthusiasm than you and your management team.

Writing a plan must be managed just as most other important business projects are managed. It requires advance preparation, delegation, refinement, and discipline. The process of preparing a Marketing Plan and a complete Business Plan involves identifying likely users, gathering accurate and convincing information, and carefully outlining the plan before writing.

Once all of these sections have been formulated, the plan is ready for final rewriting and presentation. Extensive editing is highly recommended, along with careful attention to presentation details. The plan should be tailored to the preferences and concerns of its readers, including insiders using the plan to guide the company. Given the dynamic markets within which growing businesses operate today, periodic revisions of the Business Plan will be necessary in order to maximize its utility as a tool for management and investors.

Successful Marketing and Business Plans are documents that convey the exciting prospects and growth potential of your company. They might be best viewed as a selling document. It sells the business to potential financial and other backers. By effectively selling the business as a whole, a Business Plan makes a strong case for specific projects. For instance, a plan may be used to seek funding to cover the expenses associated with developing and marketing a new product. Or it may be intended to secure a bank loan for additional manufacturing equipment.

Just as advertising and promotional material sell a company, so should a Marketing Plan, though in a more straightforward, organized, and detailed way. Thus, a Marketing Plan should not only emphasize the strengths of a company, but also be realistic about its problems, risks, and obstacles, while offering solutions to these issues.

A Marketing Plan must:

- Discuss the company's goals for the near-term and long-term future: the Objectives
- Show how the goals can be achieved: the Strategies
- Demonstrate that realization of the plan will satisfy the company's requirements: Sustainability and Profitability

What is the difference between a Marketing Plan and a Business Plan?

The Marketing Plan constitutes about 50% of a Business Plan. A Marketing Plan describes the market as it was in the past, as it is right now, and what it is expected to be in the future. It identifies, analyses and quantifies in fact all and everybody and every institution and organization that can be using or be concerned with your product. It describes the target markets and users. It explains the market and user habits, methods, needs, trends, problems (pains), and desires. It describes the pros and cons of your competitors, and compares your competition's Strengths & Weaknesses with your company's and product's Strengths & Weaknesses. It elaborates on the market Opportunities & Threats. A resultant SWOT analysis is then used to evidence the Proof of Market and the Proof of Concept of your product. It determines and describes the Value Proposition of your product, and the Product Positioning in the market. It shows cost of Sales & Marketing. It describes Marketing Campaigns and your MarCom (Marketing Communication) package. It outlines field force, distributor and user training programs, workshops, roadshows, conference and exhibition participations, memberships of professional associations, and much more. Based on all of the above, it specifies Sales Objectives and the Marketing Strategies needed to achieve these objectives.

The Business Plan consists of the Marketing Plan plus details about the management team and staff, the IP (Intellectual Property) and technologies, R&D, production and/or suppliers, a recruitment plan, an investment plan, timetables and milestones, financials and forecasts, all of which based on what the Marketing Plan describes as needed and feasible. The resultant Business Plan is the company's roadmap to the future, and requires frequent updating to stay abreast of competition, preempt market changes, respond rapidly to market opportunities, if and when to recruit new staff, if and when to modify or upgrade existing products, if and when to introduce new products, if and when to enter new markets and countries, and so on.

The Business Plan functions as a first-line tool to obtain funding and other types of outside support, such as:

Investment Funds

Private equity investors and venture capital firms will ordinarily not consider backing a company that does not have a solid Business Plan. Investors are seeking evidence of high growth. In addition, they want to know how they will realize their return on investment, whether through a public offering, sale of the company, or management buyback.

To assess the likelihood of high returns, investors look hard at the following:

- The track records of company, market, and key executives
- The feasibility of achieving objectives and financial forecasts
- The uniqueness of product and technology
- The quality of management.

Bank Financing

Bankers have traditionally focused on when and how the principal plus interest will be repaid and the availability of collateral to cover any loan losses. As such, loan application packages tended to consist of little more than past and current financial statements. However, during current economic hardships, bankers are putting more emphasis on how a company would survive possible setbacks. As such many bankers are requiring Business Plans be included in a loan applicable package. Also, a high quality Business Plan can help a company stand out favorably in today's intense competition for loan funds.



Strategic Alliances

These arrangements covering joint research, product development, marketing and distribution have become increasingly vital for young, growing companies. The arrangement often includes a combination of financial backing and access to well-established distribution channels. The joint efforts may last three years or more. Major corporations invariably want to examine a company's Business Plan before committing themselves to such long-term arrangements.

Mergers and Acquisitions

As companies increasingly look to acquisitions as a means of expansion, and to divestitures as a means of gaining liquidity, Business Plans have become crucial. Companies seeking acquisition candidates typically use the candidates' Business Plans as one of their first screening tools. Similarly, if the managers of an acquisition candidate want to stay on after an acquisition, they will probably be extremely interested in the long-term plans of the acquirer.

Customer and Distributor Relationships

For many growth companies, obtaining a large customer or gaining a commitment from a major distributor can be an important milestone. Large, well-known organizations are often reluctant to enter into arrangements with companies that are an unknown entity. A convincing Business Plan can help to dispel doubts.

Internal use of the Business Plan

A Business Plan is an important management tool. It enables management to plan company growth and to anticipate changes in a structured way. Executives sometimes argue that it is useless to write a Business Plan because the marketplace is changing so rapidly that any plan is quickly outdated. While it is certainly true that change is a matter of course, the process of preparing a Business Plan is at least as important as the plan itself. It forces management to think through the business in detail and to set objectives. And it allows benchmarks to be set, against which the company's future performance can be measured.

Perhaps most important, the Business Plan commits the entire management team to the same goals. The process of working out the plan's objectives invariably forces executives to reconcile different visions of where the company stands and where it is headed.

A Business Plan is an important internal document for companies with multiple locations and operations. Top management can monitor the Business Plan not only to be certain that formal planning is occurring, but also to determine whether the finished plans are consistent with long-term financial and marketing goals.

Not all Business Plans are equal.

The fundamental questions about how to write the Business Plan, possibly write different versions that cater to different audiences, are determined by the following:

- What are the long-term and the near-term goals of the company?
- What do you wish to gain from the Plan, e.g., funding, reconciled internal vision, staff and advisors recruitment, strategic partnerships, M&A's, technology transfer, licensing deals.
- What are the likely needs and requirements of the audience?

The expertise of GlobalStrategists is **Marketing**, which includes Upstream and Downstream Marketing, developing Marketing Strategies, and the compilation and creation of a complete Marketing Plan, based on facts, not guesstimates.