



THE MARKETING PLAN

THE CASE FOR HAVING A MARKETING PLAN

Developing a marketing plan is an essential first part of a growth strategy for a business. If you're a small business owner or service professional with limited marketing resources, you still need a plan. If you're a salesperson who is more concerned with sales than marketing you still need to understand, participate in executing and provide feedback for the implementation your company marketing plan. In sales we are the front line and face of the business. The marketing plan is a dynamic strategy that has to remain flexible in order to adjust to the feedback we get from the marketplace. The sales team is a critical resource for that feedback.

Most small business owners I meet for the first time don't have a marketing plan. They don't spend the time or know how to create one. This is a mistake for many reasons including:

Develop Leads

Unless your existing customers are buying at a rate that equals your growth plans and you aren't concerned about diversifying in case you lose one, you need leads. This means you and your salespeople are going to be out trying to develop leads. The more time you or your team spend trying to develop leads, the less time you have to sell and close business. The effectiveness of your marketing plan will have a direct impact on your sales efficiency.

Attract the Right Prospects and Customers

If you don't take the time to figure out who the right prospects are, you run the risk of attracting the wrong ones. This can lead to a number of problems. There may not be a match with your products or services and their needs, they may not be willing to pay your prices, or they may be taking a disproportionate amount of your implementation (or selling) time relative to the revenue they provide that will prevent you from ever achieving your goals. They also may end up being the types that you don't like to work with or prevent you from working with the ones you love.

Develop a Unique Position or Brand

Unless you are the only one in your market that can provide your products or services, you have competition. Your prospects need to know why they should buy from you and not someone else. You need to know these reasons and be able to communicate them with clarity. Then you can build a brand around these things.

Generate Referrals

If you have a unique selling proposition and communicate it to the right people, they will spread the word.

Not Waste Time and Money

Without a plan, how do you know you will not be wasting time and money?

MARKETING, PROSPECTING AND SALES

It is important to know the difference between marketing, prospecting and sales. They are related and interrelated, but not the same.

Marketing

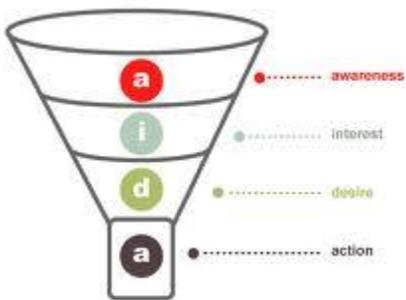
There is a basic Marketing acronym AIDA that originated from advertising pioneers and then associated with the AIDA opera by C.P. Russell in 1921.

Awareness: The market needs to be aware that you exist and what products and services you offer.

Interest: They need to become curious about a fit between what you do and a need they may have.

Decision: They need to decide the curiosity is strong enough for them to want to find out if there is a fit to do business.

Action: They need to take action.



Marketing Funnel

You don't have a lead until the prospect has passed through the action piece. Marketing generates awareness. Prospects can move through the funnel quickly, but they have to be ready to move to each successive step. Until they are ready, you are still just marketing to them. How you market will influence the likelihood that leads will develop. Having a strategy will increase your chances that this will happen.

Prospecting

Prospecting is proactively working channels in order to develop qualified leads. When prospecting you move prospects through the marketing funnel and determining if they are ready to take action and worth your time.

Sales

The sales funnel sits underneath the marketing funnel. You are not selling until you have a qualified prospect. Otherwise you may be wasting time.

With the continuing developments of technology and the internet, marketing and the need for marketing has drastically changed. When I grew up in sales, prospects looked at salespeople as a resource for information. This meant they would be more willing to meet with salespeople in order to get educated. That gave us the opportunity to establish a relationship, understand their business and

needs, and earn their trust. Now with the internet and the fast paced world we live in, prospects do all of that research on their own. This means putting information out there where they will find it and having messages that enable them to move through the marketing funnel on their own is important.

Simple things that don't cost any money can have an impact such as what you put on your business card, web site or in social media. If you are using an internet based email address (such as AOL or GMAIL) rather than one tied with your business or business domain it sends a message. Expect that a prospect will go to your web site before meeting with you. What you put on your web site can influence the prospect's decision on the fit and their opinion on your ability to help them with a product or service. If you are in business to business markets make sure you have a personal LinkedIn profile and work on developing credibility there.

THE MARKETING PLAN COMPONENTS

The marketing plan consists of 8 pieces:

1. Target groups
2. Value proposition
3. What they want and need
4. Strategic network
5. Strengths and Weaknesses
6. External forces
7. Opportunities and threats
8. Action Plan

1. TARGET GROUPS

You can't begin to market or sell to any person or company if you don't know who they are. Determining who requires a lot more thought and analysis than most business owners put into it. This typically results in an inability to put together an effective marketing plan for a variety of reasons including:

- The definition is too vague for example: I market to small businesses
- The market is too big for the company and the marketing resources available
- The markets are too diverse requiring completely different strategies for different markets
- Too many target groups are selected

The case for being specific

When a company wants to grow regardless of the size, the tendency is to not want to limit the market. In fact, that is what you should do. It is much better to be a big fish in a small pond than be a small fish in a big pond or even a small fish in a lot of different ponds. Big fish get invited to swim in other ponds. This logic applies to start-ups as well as established companies.

If you don't get specific about whom you want to do business with and why, you may end up:

- people or companies you don't like
- people who don't buy enough so at the end of the year your sales are off the mark
- people who don't buy at all and they waste your time

A good place to start is with your existing clients. If you have specific clients you love to work with, why not get more of them? At the same time, if you have clients who you hate to work with or they take up tons of your time for little benefit, why would you want to get more? If you looked at your client base,

does Pareto's Rule apply (you get 80% of your revenue from 20% of your clients)? What would happen if all of the new clients you brought in were just like the 20%? You also want to consider your interests and values. Ideally you would be working with companies or people you are passionate about helping and they feel the same way, their customer value in revenue is what you need to make your goals, and they keep coming back to buy more.

Exercise 1.

List all the customers you love to work with.

Describe the target customer group they are in

Describe why you love to work with them

Examples can include:

- You are interested in their business
- You share the same values
- You are very knowledgeable about their business and industry
- You already have a lot of clients in that target group
- There is a particular need because of something happening in their industry that matches well with a unique offering you have

This exercise may have given you some good ideas of where to focus. The clients you listed are within a specific target customer group.

Exercise 2

List the markets the clients you listed in exercise 1 are in.

Further segment the market using some of the following criteria:

For business to business markets:

- Industry Subcategory
- Type of business (manufacturing, distribution, retail)
- Products or services offered
- Size (revenue or employees)
- Geography
- Public or Private
- Domestic or International
- Franchises or Wholly Owned
- For Profit or Non-Profit

For Business to Consumer:

- Age
- Employment Status
- Location
- Gender
- Education Level
- Race
- Occupation
- Marital Status
- Ethnicity
- Income Level

- Family Status
- Physical Characteristics
- Values
- Hobbies or Interests

Pick 2 to 4 specific markets you would like to address and list them on the Marketing Plan Forms. It helps if the markets you select are related markets because your plan can cover all of the markets. If they are very different, you may want to develop separate plans.

There are 3 great reasons for narrowing the focus for your target customer groups:

You know where to find them. When you try and put together a marketing and prospecting plan, you need to know where to find them. If you attempt to sell to a broad market, it will be difficult to figure out how to reach them and where to go to find them.

When you get there you know what they want. By now if you completed exercise 1 you have put some thought into who you like to work with and why. This means you understand them and the problems they have related to the products and services you offer. Your prospects want to deal with sales people and vendors who understand their business and industry.

You know who else is committed to them. Once you have selected target customer groups and know where to find them you will meet other people who are committed to the same people or types of businesses. You can then establish collaborative relations with them.

2. VALUE PROPOSITION

When you start to understand your clients and their problems, you know where to spend your time keeping up with changes affecting them. If you are in business to business markets you want to understand their industry and get to know how their business works especially with regards to how your offerings can add value. Things to consider include:

Operations:

Each customer group has a system of functions that are an integral part of their operation. They organize around these functions and your products and services may play a role in making those operations more efficient, easier, or less expensive. In a business to consumer market, consider things such as family size and structure, ages, hobbies, education level, lifestyle and environment.

Costs:

Knowing the costs they incur in order to do business can help in demonstrating and continuing to add value. If you can help them reduce the cost of doing business or reduce their expenses you help them to be more profitable.

Products:

Get to know what they produce. Perhaps you can help them to innovate or add value to their products or services. In a business to consumer market consider what products they buy, how often, at what price point and how they buy.

Customers:

Know who their customers are. You may be in a business where you can help them gain more and better customers or enhance their client relationships.

The more you learn about their business (and them) the more you can understand how you can help them. They will become your ideal clients and you can tell others in the same target group that they are your ideal customer and why. You can also tell them you are committed to their industry (or them) and why.

If you are in business to consumer markets, you want to understand how you help them with personal concerns. Things to consider are:

Physical: Most people want to be and stay healthy. Sometimes it takes a serious illness like diabetes or a heart attack to get people to realize how important good health is to them and cause them to change bad habits like smoking or poor diet. Regardless, maintaining good health is a fundamental desire for most people.

Financial: Some people will always desire to have more wealth and are driven to earn more. Others are more concerned about the ability to maintain their lifestyle and take care of their loved ones. Either way wealth accumulation is important.

Emotional: Happiness is the third basic desire for everyone. To be happy people need to have a good sense for who they are and be okay with where they are in their life, jobs and careers. They also need to have healthy relationships with the people in their life that are important to them.

Exercise 3:

For the target markets you have selected:

List their pains: These are the problems they have that you help them with in operations, costs, products or with customers. If you are in a business to consumer market, their challenges could reside in their physical environment, personal growth, money, career, health, fun and recreation, relationships with their significant other, family or friends.

Solutions: List the ways you help them solve these problems. It may be in the way you go about solving their problems that makes you different. If you are doing things differently that enables you to get superior results or simply it is the way you do things that your clients appreciate more than your competition.

What they get: What do they get when you solve their problems?

Benefits: What are the benefits they realize?

Targets	Pains	Solutions	What They Get	Benefits

3. WHAT THEY WANT AND NEED: YOUR MARKETING AND PROSPECTING DIALOGUE

Having completed exercise 3 you have a good idea about what your prospects and clients want and need. This is the basis for your marketing and prospecting dialogue. The messages that you communicate in your marketing and in person communication should match solutions to the pains, what they get and the benefits they realize as well as what they recognize as your points of differentiation.

For example, if you meet someone at a networking event and they ask you what you do, you can respond with:

You: "You know how {targets} have {pains}?" "

Prospect: "Yes we have some of those challenges"

You: Well we provide {solutions} so {what they get} and {benefits} which of the {pains} are you concerned with?

You can truncate the conversation to: "We help {targets} get {benefits} or any other variation that fits the conversation. This ought to get you a continuing conversation. The objective in this situation is to get to the point where you are asking about their pains to see if following up with them is warranted.

Another way to approach the conversation is to Say: "We help {targets} with {pains} are any of these things concerns for you?"

It is important that your marketing materials and your marketing and prospecting dialogue demonstrate to your target audience that you:

- Know who they are
- Understand their challenges
- Provide real solutions they can identify with
- Provide them with what they want including the benefits they expect
- Clearly differentiate yourself

Exercise 4: List what the customers in your target groups want and need on the marketing plan forms. Add rows if you need to. Go back to what you listed as solutions, what they get or the benefits.

Exercise 5: List the things that make you different. Answer the next 2 questions on the marketing plan forms. List any positioning tactics that come to mind for you to employ and list your competitive advantages. Qualify if these things really differentiate you by asking yourself if these are truly things your customers will say they are not getting from your competitors or things your competitors can't say they provide.

Your unique selling proposition can reside in how you go about solving their problems or in what they get from you (that they may not from your competitors) or in the special benefits you provide. They can be small things that make a big difference.

4. STRATEGIC NETWORK

Once you know who your targets are and where to go to meet them, you can start to establish strategic relationships with other people who are also committed to them.

Exercise 6

List other people who target the same types of customers as your major target group in your distribution network on page 2 of the marketing plan forms. Think about how you can collaborate with them. List the demographic of those people. List the people you know who fit that demographic. Limit this selection to not more than 10.

If you can contract with distributors, resellers or agents, list these as well.

5. STRENGTHS AND WEAKNESSES

You want to select target groups who's wants and needs match up well with your personal and company strengths (and not with your weaknesses). The closer the match between your strengths and the personal preferences of your target customer groups, the easier it will be for you to win their business and have them refer other people to you.

Exercise 7:

List at least 6 of your personal or company strengths and at least 6 of your personal or company weaknesses on pages 4 and 5 of the marketing plan forms. You can select from the following list or list your own:

Brand name recognition	Strength of a lead product
Features	Offers a complete solution
Market Focus	Endorsements
Alliance Partners	Product differentiation
Distribution network	Displays
Established customer base	Training/Education
Customer service	Company Size
Management	Industry Standards
Penetration of key customers	Manufacturing Plant Locations
Reliance on one customer	Events
Geographic location	Association Memberships
Perceived status of customers	Trustworthy Reputation
Perceived to be the safe choice	financial strength
Referrals	Source of customer information
Happy users	preferred customer brand
Trade show attendance	Market buzz
Promotional programs	Price/value
Product line breadth	Quality
Entertainment value	Purchasing Requirements
Field repair network	Installation and technical support
Packaging	Market understanding
Innovation	Experience
Product or service design	Meets customer needs
Application expertise	Ease of use
Sales force	

Compare these strengths and weaknesses with what you listed in exercise 4 as what your targets want and need and what makes you different in exercise 5.

6. EXTERNAL FORCES

Knowing the markets we operate in is critically important. Knowing the market forces in the markets our customers operate in can provide the additional opportunities to grow. The places to look are:

Technology

Technology affects every business today. Knowing how innovations in technology impact your clients business can provide you with opportunities or can enable you to provide them with opportunities.

Buying Patterns

Knowing how and when your customers buy and the process they go through is critical to the efficiency of your marketing plan. Knowing your prospect's pains and what they want is only the first step in developing a marketing strategy. I am sure you can think of plenty of prospects who confirmed they have pains yet decided not to do anything about it. Salespeople waste far too much time with people who are just not ready to buy or have no interest in changing. Many salespeople rely on cold calling with a return on invested time of 2%. They need to talk with 100 prospects in order to close 2. They are wasting time with 98% of the people they talk to. The problem is some of the 98 are actually good prospects who are just not ready to buy when you contact them. You want to be communicating with them to find out if they have a problem and are committed to fixing it but not wasting time with people who aren't.

You could have prospecting channels that connect you with prospects when they are ready to buy such as requests for proposals (RFPs) or the prospect could find you from an internet search when they are looking for a solution. The problem with these strategies is by the time they get to this point, they are most likely talking with at least a few of your competitors at the same time. They have already done their research and made conclusions about who they want to do business with yet still want a proposal from you as part of their due diligence. Research shows that the average close rate for sales when you are first connecting with prospects at this time is 16%, not much better. Timing is everything.

We commonly will hear from business owners that long sales cycles are a fact of life for their industry. For the most part this is caused by mistaking people or companies who have not gotten to the D in "AIDA" and consequently haven't really yet become prospects. They are spending too much time with people who are aware they may have a problem or may be curious about solutions but have not decided to do anything about it. The key is finding people who are ready to decide to change or have decided to change and before they have taken action. Average close rates for people who are here is 75%.

The first step in improving this efficiency is knowing what events will cause the prospect to decide to change. In exercise 3 we listed the pains the prospects have related to our products and services. They will tolerate these pains and not change. Usually there is an event that motivates them to do something about it.

Types of Events

As you consider the events that caused your clients that were easier acquisitions to change, you will probably find there are similar categories. Things to look for include:

Bad experience:

Chances are your ideal customer has a current provider. A bad experience can trigger a change. Some examples include:

People: If the incumbent doesn't have a solid rapport with the prospect, credibility, or prove they are reliable, they are at risk for losing the business. If they make a mistake or fail to respond in a timely manner or in a way that meets with your prospect's expectations, there is an opportunity. The prospect will tolerate service that is less than expected until the one time where the consequence is sufficient to cause them to do something about it.

Product: Similarly, a product may not be the best solution for the client and having the opportunity to show them a better alternative to meet their needs can win you the business. Typically there will be an event like a product failure or someone of influence that causes the dissatisfaction to be sufficient for them to take action.

Provider: Sometimes people just want to do business with a different firm. Let's say for example the firm they are working with receives some bad press for suspicious activity and are under investigation. In other cases the prospect may want to be dealing with a company that has more resources or depth of service to offer.

Potential drivers can be trends or triggers and there is a difference. Triggers are generally caused by an event where trends may not be. Triggers can be more compelling agents for change than trends. People will tolerate dissatisfaction caused by trends and not be compelled to change. They may agree they could be getting better service or not in the best product or be getting the returns they would like, and still not be compelled to change. These situations are all trends not triggers. A company coming under investigation is a trigger and more compelling. Yes this example is serious enough for people to be compelled to change, however the event of the investigation moves the prospect into decision mode from consideration mode. Look for triggers.

Change: Changes are almost always triggers. It is in your best interest to be on the lookout for change. Changes can take place with the prospect or with their current provider. In many cases your prospects may not have a current provider. Regardless, we are looking for triggers that will compel them to change from the status quo.

People: Changes in people can be the best opportunities for you. You probably have experienced the case where a prospect is happy with the current provider and not giving you an opportunity to prove to them how you can help them. Then, one day, they get reassigned or move on and the resistance is removed. Perhaps they dislike the new person handling their account or they aren't as qualified. In any event, there is not an existing relationship.

Places: In highly competitive industries growth strategies can involve acquisition. One day the customer could find out his account is being handled somewhere else which is less desirable. Perhaps the prospect recently moved and wants to have a local provider.

Priorities: An acquisition could also cause a change in priorities. A prospect could find as a result they are no longer as strategic a client as they had been. A change in the prospect's business or in their personal life can also trigger a change in priorities. . Some examples on a personal level include: births, deaths, change of jobs, divorce, age, age of children, etc.

Awareness:

Legal: Changes in laws or regulations can trigger change.

Risk avoidance: People have differing views on acceptable risk and the provider's view is not as important as the clients. If they feel their strategy is not a match with their desired risk level it can trigger a change. When someone they know has a bad experience they may be compelled to change.

Bad experiences can be strong agents for change. The problem is they are not things you will notice without having a conversation with the prospect. Awareness issues are not typically as strong drivers as change. Look for the changes that will trigger action for your industry.

Exercise 8

Look at the clients you listed in exercise 1. Add other recent new clients you have acquired over the last 12 months. If you have a lot pick the best ones. Select the ones that were relatively quick closes.

What change took place in their business or for them personally that caused them to want to change? If you do not know, ask them.

When did the event happen?

What caused them to choose you as the preferred supplier?

What steps did your prospects take when they bought?

Where did they go for their information?

How are you communicating with them in each of these steps?

How can you make it easier for people who experience these changes to buy from you?

Understanding these things will help you to communicate to them where they go for information and how to communicate with them during each of the steps that they take.

Public Perception

What is important to your target audience?

Have there been any recent events good or bad that will influence their perception of your products and services, how to go about acquiring them or things that would influence a brand preference?

Target Customer Groups

As you market and address your selected markets you may find the feedback you get from the marketplace will take you in different directions. When car manufacturers first made SUVs they marketed to people in rural areas because they had to travel on farmland and in unpaved areas so they needed sturdy vehicles and 4 wheel drive. Then, Jeep did a survey on who was buying and found they were selling more SUVs in suburban areas to families who wanted to cart their kids around and all their stuff and keep them safe in snowy and rainy weather. They were ahead of the curve.

Basic Customer Desires

Continue to research and understand what your customers want and why. Ask these things often. Many times our opportunities are in providing additional products and services to our existing clients. Understanding these things can help us to identify other adjacent customer groups or different targets who value your products or services for their own reasons.

Economy

The economy affects everyone's business. In a strong or weak economy there can be opportunities.

Customer Base:

The whole purpose for focusing our markets is to gain a strong market share within our target markets. Once we establish a strong market position, our clients will take us into other related markets and opportunities.

Prospects:

We want to pick target markets in a geography where there is a good quantity of targets.

Exercise 9

Conduct research or acquire lists of prospects within your target markets. Continue to research the triggers identified in exercise 8 to prioritize your targets.

Competition:

It is also beneficial to select markets where there is less competition. Regardless it is useful to evaluate who your competition is, what they are communicating to the market as their strengths and how you measure up to them in certain areas.

Exercise 10

List your major competitors

What is their major advantage in the marketplace?

What do they consider to be their unique selling proposition (you can find this in their marketing messages)

Evaluate how you measure up to them in the following categories:

- Price
- Features
- Service
- Distribution
- Price/value relationship
- Quality

List these things on the marketing plan forms.

Political Climate, Government, Legal

Your clients can have governmental agencies or entities as a strategic target or secondary market where a governmental change can have a significant impact on their business and yours. At the same time laws or governmental regulations can also affect their business or your business in a positive or negative way.

7. OPPORTUNITIES AND THREATS

The external market forces that affect our markets and the markets our targets operate in present opportunities and threats.

Exercise 11

For the external factors listed in this section, identify which are opportunities, threats or both on the marketing plan forms.

8. ACTION PLAN

Exercise 12

Create a list of action items you will carry out as part of your marketing plan. List what you will do; who you will do it for, and when.

Marketing ideas include the following:

Banner Ads	Endorsements	Billboard	Referrals	Lists
Opt-in Forms	Sponsorships	Networking	Social Media	Radio
Newspapers	Articles	Associations	Sporting/Social Events	TV
Newsletters	Websites	Seminars	Book Publishing	Polls
Speaking Engagements	Memberships	Customer Loyalty	Call-to-Action	CDs
Postcards	Direct Mail	Special Offers	Customer Surveys	
Online Publications	SEO	Workshops	Tutorials	
White Papers	Videos	Telemarketing	Blogs	
Promotional Items	PPC	Webinars	Directories	
Case Studies	Trade Publications	Partnerships	Classes/Courses	
Testimonials	Trade Shows	Word-of-mouth	Product Reviews	
Brochures	Podcast	Online Groups	Flyers	
Email Campaigns	Search Engines	Cold Calling	Cross Sell	

30 Action Steps to Increase Lead Flow

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