

Marketing Planning 3 – Constructing The Way Ahead

Constructing a three year strategic marketing plan

The distinction between a three-year and a one-year plan has already been made in the previous articles, with the longer-term perspective necessarily addressing the main strategic issues the firm or business unit needs to consider in order to achieve its objectives.

As we will see in article 5 the shorter one-year plan correspondingly tackles more immediate and tactical tasks. The most important point is that preparation of the three-year marketing plan must come first, with the one-year plan being a function of the former. Extrapolating the one-year plan into the three-year plan (as many businesses do) will serve no useful purpose.

The following nine-point plan describes the principal component parts of a professional strategic marketing plan. The author would like to acknowledge that this is a summary of the McDonald nine step process and readers who require a more detailed explanation, as well as all the forms to complete in carrying through the methodology, are recommended to refer to Marketing Plans, M.H.B McDonald (published by Heinemann).

Step 1 – Statement of Intent or (mission statement)

This statement should have been defined and set in the corporate plan, however at the business unit level (as distinct from company or group level) a further mission statement may be required. The mission should be differentiated from more esoteric concepts such as vision statements since these tend to be far more ideological or a long-term statement of strategic intent.

In this context the mission statement defines the role of the business unit as well as the business in which it should primarily be involved. It may also highlight its distinctive competence and give a broad indication of future direction without being overly visionary.

Step 2 - Performance summary

This section should examine past to present performance in terms of normal financial measures such as sales value and volume, margins / profitability, contribution etc. Using an extended time period (e.g. the last two or three

years) will put the current situation into a broader perspective. Effectively you are trying to identify what were the reasons for good or bad performance in the past as they may offer a number of key areas to address.

Step 3 - Financial projections

Having looked at past financials, so projected figures should be considered for the planning period under consideration. Similar measures as described above should be applied - sales projections by value and volume, contribution and profitability etc.

Step 4 - Market overview

This section begins to draw on the information and analysis gleaned from the marketing audit. How a manager describes their own market place is to some extent a matter for personal opinion however some of the key elements that should be included are market segments - how the market is divided into different segments and which ones the business unit primarily wants to do business with - and secondly what is changing within this market in terms of market segments and niches, technology, competitors or even the legislative framework that may shape a market place.

Marketers need to provide a summary of the market in enough detail to be informative but not so detailed as to overbalance the marketing plan. McDonald recommends the use of visual aids wherever possible e.g. bar charts, pie charts, product life cycle curves etc.

Step 5 - SWOT analyses

The SWOT analysis is largely the conclusion of a great deal of preceding work. In assessing strengths and weaknesses, the business unit needs to be able to compare its own performance on a limited number of factors that are critical to success with how the competitors are performing. This necessitates listing the key or critical factors for success in order of priority and according each a weighting where the total of weightings adds up to 1, 10 or 100. This weighting in effect rates how important each factor is determining success in the market place.

The business unit can then assess its own performance on each factor, again out of ten or some similarly easy number, and then do the same for all direct competitors. By multiplying the weight of each factor with the score attained a total weighted score can be calculated which directly compares performance with the competition and thereby quantifies strengths and weaknesses in a reasonably objective fashion.

The external factors, the opportunities and threats, can now be examined. Once again following the work completed in the marketing audit, a summary of the macro or wider business environment factors can be considered in terms of government policy, technological developments etc (described in article two as the STEEP analysis).

From this point the manager(s) concerned should be able to state the different assumptions to be made in each product / market segment and thereafter the main objectives and strategies to be followed in the same. This is based on the fact that that the key issues will have been brought out from the analysis made above e.g. SWOT points.

What to do next?

We help our construction industry clients win new business by working with them to develop effective internal marketing systems to create and sustain a business-winning culture. Ideally this starts at the beginning with a MarketingWorks Management Perspective Survey. <http://www.marketingworks.co.uk/business-analysis/1.html>. Fundamental to buy-in, this is also the ideal mechanism for capturing the experience, ideas and concerns of a management team into one picture of the business. Then to fast track your strategic planning process MarketingWorks offer a one-day Strategic Planning Review using a set of tried-and-tested tools to guide you through the process. Alternatively we also run fixed-price assignments with some clients: <http://www.marketingworks.co.uk/marketing-planning/6.html>

Every firm benefits from regular structured feedback from clients to feed into their SWOT analysis. For more details of Client Satisfaction Surveys, view: <http://www.marketingworks.co.uk/client-relationships/6.html>

Recommended reading

Any delegate interested in reading more on marketing audits and planning are strongly recommended to refer to Marketing Plans, Malcolm H.B. McDonald, Heinemann Professional Publishing, 1990, on which this seminar was broadly based.

Bibliography

McDonald, Malcolm H.B., (1990) "Marketing Plans", Heinemann Professional Publishing.