

DISPATCHES™

Insights On Brand Development From The Marketing Front

Sunday, October 2, 2011

THE MARKETING PLAN AND PLANNING PROCESS

This week we're aiming our sights on tackling the "marketing plan" and "planning process" to examine its role, critical elements and productivity. This will take the form of questions and answers. While we are posing and answering the questions, we invite you to think through the questions and provide your own answers. In the process we (you and us) hope to slay a few sacred cows, and gain insights, to make our marketing planning more productive.

Q - What's the purpose of the marketing plan?

Every marketer is familiar with the "marketing plan." After all, we marketers spend countless hours developing our marketing plans, and presenting them to our senior management for their approval. But can we define its role?

A - To us, the marketing plan serves as the roadmap for guiding the organization in optimizing the development of the business, and brand, to realize its full potential for the designated year, and beyond. Each of these words has special meaning:

The Marketing Plan

Words	Meaning
<i>Roadmap</i>	Path to get you where you need to go
<i>Guiding the organization</i>	Illuminates the way for every functional area in the enterprise, not just marketing, in building the business and brand
<i>Optimizing</i>	Balancing sales, market share and profits with serving customers
<i>Development of the business</i>	This addresses sales, market share and profits within the context of the marketplace, customer needs, competition and company capabilities
<i>Brand</i>	Relationship, and emotional connection, with customers that serves as a bond in creating loyalty
<i>Realize its full potential</i>	Not just the achievement of this year's Business Objectives established by senior management but the full potential for growth
<i>For the designated year</i>	Calendar or fiscal year to be addressed
<i>And beyond</i>	Managing into the future to ensure continued growth and future successes

Q - Might there be something we can do to make our marketing plans and planning processes more productive?

A - Yes we can. First off, we *marketers develop the plans* and then *present them* to senior management to *gain their approval*. On the surface there doesn't appear to be anything wrong with this. It's the way we have always done it. We can make our plans and process more productive if we continue to provide *thought leadership* in the development of the plan, and management of the business, but *include stakeholders* in the planning process who have a role in the success of the business. Who are these stakeholders? These could include regional marketers and affiliates, sales, medical affairs, marketing research, communication agencies, promotion planning, etc. Moreover, we should *include our senior management in the planning process*, not as an entity to be sold, but as one with rich insights and experiences that we can tap-into to make our plans more productive.

Secondly, we need to get beyond making our marketing plans serve as mere window dressing. The sole purpose of many marketing plans appears to be to provide senior management with some assurance that you will achieve your financial requirements (i.e., deliver on the Business Objectives THEY established and provided to you for sales, market share and, perhaps, profit so that they can sleep peacefully at night), and identify sources of proposed funding that they can cut to manage their corporate bottom-line commitments to stockholders. Marketing plans can and should be much more!

Additionally, in the case of those organizations where senior management has provided the Business Objectives that marketers are to achieve, marketers manage to these (somewhat arbitrary) Business Objectives as opposed to the brand's true business potential. In other words there's no real stretch and/or capitalizing on the full potential of the brand. This is particularly acute when a brand has first mover advantage yet is unable to capitalize on it (by gaining broad penetration) due to planning and managing to a "number" as opposed to brand potential. As a result opportunities are missed and advantages are squandered.

There are other major areas we can improve, which will become clearer as we raise and address other questions.

Q - What should be the role of senior managers in the marketing planning process?

A - It's probably not what you think? Currently the senior managers' role is akin to the role many clients take with their ad agencies. In other words, they *evaluate* the plan to provide, or withhold, their approval. It is an evaluative process. There's a lack of participation in optimizing the plan and, as such, business and brand development.

We believe senior managers should serve as *investment bankers*. They need to weigh-in with their experiences and insights in helping develop a sound business and brand plan to achieve the brand's full potential. The plan isn't about what "I can do" with the brand but what "we can achieve" together. It begs for each member of the extended brand team, including senior managers, to share their best thinking.

Might senior management withhold approval of a plan? Certainly! In the role of investment bankers they, too, have limited resources and need to allocate precious resources based on what's best for the organization to satisfy business and strategic needs.

Q - What should be included in the marketing plan?

A - We should include *all essential information* needed to share your business and brand story with senior management in a compelling way. Note we are not saying “everything.” We are saying that you should include only those elements that are essential. So we’re not talking about an 80-slide deck, which is one of many problems with many marketing plans. They’re too damn long! Too many slides diffuse focus and obfuscate the brand’s story. Instead, you ought to be able to share the brand’s story in about 20 – 30 slides (not counting title slides).

Here’s what should be included in the marketing plan:

- **Situation Analysis** – This sets-up the brand and business story. It would include category, segment and brand business performance to date in the absolute and relative to expectations and competition. Importantly, it would identify causal factors for any variances in actual versus planned performance to date, and offer indicated actions. Also, it would show trends such that everyone will have a clear understanding of performance, and what is realistic.
- **Whole Product Analysis** – This is a comparative of your product (tangibles and intangibles that have tangible value) versus relevant competition as perceived by your target-customer segment. This requires segmentation and targeting, which is part of the situation analysis. It also requires that we know the criteria and weighting of each one as the target-customer, not the marketer, sees it. It includes a rating that the customer would provide to each brand for the specific criteria.
- **SWOT** – Everyone knows what a SWOT is (Strengths, Weaknesses, Opportunities and Threats) and everyone has probably conducted one. However, few marketers know how to develop a meaningful SWOT. We don’t have the time or space in this article to go into the development of a meaningful SWOT. But we do want to alert you to one very important principle. The SWOT must be fact based. Not opinions, but facts. For example, if you count SOV (Share of Voice) as a strength or weakness you must provide the numbers to demonstrate it.
- **Critical Success Factors** – These are the things we need to do better or differently in order to achieve the Business Objectives and achieve the brand’s potential. These are things that are controllable and manageable that require senior management involvement (e.g., realigning sales call patterns, adding a merchandising force, doing Direct-to-Consumer advertising, etc.). There should be no more than 2 or 3 of these CSFs.
- **Brand Role and/or Market Standing** – The Brand Role gets at its role within the organization. Is this the “profit multiplier,” “competitive fighter,” etc. The Market Standing addresses where the brand stands today (e.g., market challenger), and a realistic aspiration (market leader in 2-years) based upon all the aforementioned factors.
- **Brand Positioning Strategy Statement** – It’s important to reiterate the Brand Positioning Strategy Statement to ensure it continues to be relevant and competitive. It’s also important to remain focused to ensure that all activities reflect the BPS in establishing Power Positioning.
- **Business Objectives** – This is your planned financials for sales, market share and, in many organizations, profit. If we were working on the 2012 marketing plan it would show 2010 (the last complete year), estimated 2011 (based upon performance to date and what we believe we will achieve for the year) and planned 2012.

- Marketing Objectives – We don't register a sale until we first stimulate a behavior. These behaviors include adoption, switching, increased frequency of purchasing, trade-up, among others. These must be SMART objectives (i.e., Specific, Measurable, Achievable, Relevant and Timebound). If we do the math we should find that achieving these objectives will result in the achievement of the Business Objectives.
- Demand Model – This is where we verify that the achievement of the Marketing Objectives will lead us to realize the Business Objectives. It exhibits sales for the Marketing Objective and reveals where the growth is coming from. As such, it also provides the basis for resource allocation.
- Key Business Drivers – These are your marketing mix elements - not all of them, but the most productive ones. Imagine for a moment that if you only had one unit of currency, which marketing mix element would you choose to fund with it in order to drive a positive ROI and contribute to achievement of your Marketing Objectives, which, in turn contribute to the realization of the Business Objectives? That's what you plan should be revealing. This includes strategy and SMART objectives for the marketing mix element.
- Tactics – Specific tactics can be outlined or detailed in your marketing plan. However, they should be shared in detail prior to their development, complete with expectations and anticipated ROI.
- Resource Allocation – This will show where you are investing marketing funding relative to business and strategic potential.
- Testing Plan – Every plan should include testing of initiatives that need to be quantified for use in future years' marketing plans. This provides valuable learning and predictability of outcomes.

It's important that the organization *adopt a standardized template* for each brand's marketing plan. This enables senior managers to focus their thinking on the plan and not trying to wade their way through the morass of what each individual brand is trying to communicate. A standard format will get to the heart of what is essential and help managers compare one plan with another in making their investment decisions and, ultimately, help them engage and participate more intelligently.

Q - Which of the aforementioned elements is the most important?

A - The one not mentioned. Namely, *you, the leader, are the most important element in the marketing plan.* Management doesn't buy a marketing plan but, instead, they make decisions based on their confidence in you, the thought leader and planner. We need to gain the confidence of our senior managers through thoughtful analyses, correct conclusions, and appropriate direction and actions. We need to think like senior managers and demonstrate that we know what is best to optimize the brand's business potential.

Q - How should we use the Marketing Plan?

A - This is about more than gaining approval to Business Objectives and funding. This is really about having a roadmap to guide the organization. The marketing plan is not something that we put back into our desk draw after it's completed no more than we'd put a roadmap away before we reached our destination. It establishes our expectations for the business and, as such, *provides a basis by which we can track and measure progress and, if needed, make course corrections to achieve our goals.*

It also should be used to nurture learning, which contributes to the development of a *learning organization*. What we mean by “learning organization” is having a sound understanding of what is truly driving the business, the ROI from our efforts and, ultimately, the ability to generate more predictable outcomes. In the end, it helps us to become more responsible stewards of the brand.

BOATS & HELICOPTERS:

Here are some thoughts for your consideration:

1. **Compare and contrast** – Review the elements of your marketing plan and compare and contrast with what we suggested. What’s missing from your marketing plan that you need to add? What’s missing from ours that is specific to your industry or category?
2. **Engage your brand’s stakeholders in the development of the marketing plan** – Gather your best thinkers to assist you in developing a plan that addresses the brand’s potential, not just a set of financials. Also, this will enhance co-ordination among various levels of marketing (e.g., global, regional and affiliates) as well as other functional areas within the company.
3. **Tell your story in a compelling way** – Let the data lead to appropriate conclusions. Dramatize the facts and learning in a visual manner. Also, have someone review your marketing plan and playback to you what s/he takes-away as your brand’s story. Is it single-minded? Is it one of opportunity worthy of investment?
4. **Demonstrate thought leadership** – Remember, management doesn’t buy the marketing plan but, instead, makes their decisions based upon their confidence in you. Give them something to be confident about. Learn what is important to your senior managers and address those issues. Think and manage the business as if you were president of the brand.
5. **Contribute to creating a learning organization** – It starts with your business and brand. Track, monitor, learn and adapt. Identify variances from your expectations and, importantly, the causal factors contributing to any variances – negative or positive. Build learning so that you may be able to provide a plan that has a high level of predictability for success (because it shows you know what you are doing and getting for it!).
6. **Activate your marketing planning** – Whether it’s pulling together various functional managers within the organization to tap-into the collective wisdom of the team, ensure that global plans are meaningfully translated at the local, affiliate level, or help create a learning organization, we, at BDNI, can help you activate your marketing planning with our Brand Activation Workshop. The key deliverable is an actionable marketing plan for specific brands for their specific geographies. If you are interested in learning more, please reply to this issue of DISPATCHES and Richard Czerniawski will get back to you, or call Lori Vandervoort at 800-255-9831.

We’ll address specific marketing plan elements and planning process issues in further *DISPATCHES* articles.

Richard Czerniawski and Mike Maloney

Richard Czerniawski

.....
430 Abbotsford Road
Kenilworth, Illinois 60043
tel 847.256.8820
fax 847.256.8847
.....

reply to Richard:
rdczerniawski@cs.com or
richardcz@bdn-intl.com

Mike Maloney

.....
1506 West 13th Street, #17
Austin, Texas 78703
tel 512.236.0971
fax 512.236.0972
.....

reply to Mike:
mikewmaloney@gmail.com or
mwm@bdn-intl.com

*Don't forget to register for the Open Brand Positioning &
Communications College session coming up November 15-17, 2011.
Call Lori Vandervoort at 800-255-9831 (620-431-0780)
or email to lorivan@bdn-intl.com*

