

Masterclass 1

The Perfect

Practical

Marketing Plan

In this masterclass you will learn:

- Why a marketing plan is essential for your business.
- How to create an effective targeted marketing plan.
- The marketing planning mistakes to avoid.

Whilst many of the small businesses that have approached me for assistance with their marketing had not previously recognised the need for a marketing plan, they had certainly been experiencing the problems and challenges associated with not having one. These include:

- Overspending their marketing budget. This can be as a result of panic buying when business is slow, or of failing to keep within affordable limits when business is booming.
- Spending money on unsuitable marketing activities. Without a clear understanding of who they want to target and how they want to reach this audience, they are more likely to be wasteful with their budget, spending it on marketing ideas with only a slender chance of success.
- Writing sales communications that are not sufficiently appealing to their target audiences to elicit the required response.
- An over-reliance on generating business from existing customers rather than spending time and effort on increasing their customer base.
- Relying heavily upon word-of-mouth recommendations to bring in new business and consequently not engaging in any marketing activities.
- Sporadic marketing activity. As commitment to marketing wanes, so the momentum of previous campaigns diminishes.

It is understandable that small business owners do not automatically think of creating a marketing plan when they are in the early stages of establishing their business. A marketing plan suggests the need to become bogged down in theory at a time when the business owner wants to concentrate on the practicalities of generating sales. And then there is the concern of how much it will cost to create a marketing plan and whether it will require the expertise of a marketing consultant.

It's little wonder that so many small business owners steer clear of marketing planning and choose instead to dive straight into action and employ marketing

tactics that are often unplanned, inconsistent, irrelevant and, as a consequence, ineffective.

Your marketing plan is your marketing satellite navigation system, guiding your business towards success in the most efficient way possible.

There are some things to bear in mind when creating your marketing plan:

- You do not have to be a marketer, nor do you have to work with a marketer, in order to create a detailed, informative and practical marketing plan. However, creating a worthwhile marketing plan does require organisation and self-discipline. You will need to allocate quality thinking time rather than snatching ten minutes here and there.
- You will need to carry out some research and be prepared to spend time documenting your thoughts. Your marketing plan has an important role to play in the development of your business and should not be rushed or dismissed as an academic exercise. It is fine to scribble the odd marketing idea on a beer mat but you can't take this laid back approach with your marketing plan itself.
- A marketing plan is most definitely not theoretical. It should never be regarded as a document that has been created only to satisfy the requirements of an investor or shareholder before being permanently filed away. It is a practical, informative and vital document; one that you should tweak, modify and improve on an ongoing basis.

Your marketing plan is the engine that drives your sales. Without a marketing plan you undermine your sales efforts.

If you understand your customers' needs and how to meet or exceed these needs, and are then able to use this knowledge to support your sales efforts, your conversion rates will soar. But you can only achieve this if you have put in the hard yards; researching your audiences, spending time understanding your competitors, analysing your products and services. Changes or improvements should be made before the selling begins. If you simply dive head first into selling, ignoring the questions that need to be answered in your marketing plan, you risk alienating your target audiences, targeting the wrong people or simply handing the sales initiative to your competitors.

What information should be contained within your marketing plan?

Here are the nine areas that your marketing plan should cover:

1. An audit of your marketing activities to date – what have you spent, how much new business has been gained?
2. Any improvements you're planning on making to your products and services.
3. A review of your key competitors.
4. Your realistic and achievable business goals for the next 12 months.
5. Your positioning statement – the compelling reasons why your target audiences should buy from you.
6. Your target audiences – why you want to reach them and how you plan to do so.
7. An audit of your marketing communications – are they outdated or no longer relevant to your current offerings?
8. Your tactical plan – a shortlist of your chosen marketing campaigns.
9. Any limitations or barriers – what is standing in the way of your marketing plan being implemented?

Where do you start?

I would like to share my small business marketing planning template with you. I developed it 20 years ago and in this time have refined it to the stage where I know from experience that it works for virtually any small business. It is a simple and straightforward document. You just need to invest some time and effort in completing it. It has the power to transform your business.

Imagine for a moment that you have contacted me and asked me to help you with your marketing plan. After agreeing a date for a one-day marketing planning session, I have sent you this marketing planning template and asked you to spend as much time completing it as you can before our session, jotting your thoughts down under each heading. When you arrive for our session, we work through this document, padding the answers out further still, using a flip chart for brainstorming. You go away, augment the document and start putting it into action.

Now, whilst you don't have me for the day, you can still use this template to create an extremely effective marketing plan. There is no need to pay a marketing

consultant to help you and, as mentioned earlier, you don't need marketing experience to work through it.

Don't feel that you need to complete it in one sitting either. In fact, I would encourage you to allow time in your diary for a number of sessions in which to contemplate each heading, scope out your thoughts and document your answers. There is no requirement to emerge with a perfect, beautifully written plan, but you should create a thorough document that you believe will help you to formulate your marketing activity.

Be prepared to make tweaks, improvements and corrections as you start to implement it. Plan your activity over a 12 month period but regularly review your plan and adjust it to reflect any changes in the criteria upon which it was created.

The Small Business Marketing Planning Template

1. Audit Your Marketing Activities to Date. How Have You Have Been Promoting Your Business?

Why should you do this?

You don't want to continue a marketing activity simply because it's something that you've always done. Reviewing what you have spent in relation to the new business that you have gained will help you to identify and improve those activities that are still worth continuing, and to abandon those activities that are no longer working.

What information are we looking for here?

Look back over the last 12 months. Identify the different ways in which you have promoted your business (advertising, business networking, direct mail, social networking, exhibitions, seminars, cold calling etc.). Beside each activity, make a note of what you were hoping each activity would achieve for your business. Try to be specific and include the sales you were anticipating, the number of new customers you were hoping to gain, the number of existing customers that would spend more etc. Once you have gathered this information, answer the following questions:

- Did you fall short of your goals? If so, why do you think this was the case? Were your targets realistic? Did you expect too much for too little? How far short of achieving your goals were you?
- How much money did you spend on each activity and what were the results from each activity?
- Are there any activities that have been really successful and should be expanded, any that could be more successful with a little tweaking, or any that have fallen flat and need to be curtailed completely?
- Can you identify any weaknesses in your marketing thinking over the last 12 months? Have you developed planned campaigns and stuck to them well or have you tended to spend money on isolated marketing activities, such as the occasional advert, the odd exhibition, a one-off leaflet drop, social networking when you have a moment or two to spare? Were your target audiences always at the front of your mind when choosing your marketing tactics? What was your rationale for choosing each activity? Have you let your own personal likes and dislikes dictate how you market your business? For example, one business owner I worked with confessed that his marketing centred round business networking because he enjoyed meeting people in a semi-social setting. When he reviewed the cost of his networking activities and the business he had gained as a result, it was clear that some of the networking associations he belonged to were ineffective and he should not renew his membership of these. Another business owner had fallen into the trap of promoting her business exclusively through blogging and social media. Although these tactics were free (with the exception of the time she was spending) it became clear on review that her target audiences were not being reached in any discernible quantity. Although she continued to blog, she reduced the amount of time she spent doing so and used the time it freed up to run direct mail campaigns, accessing her target audiences in a more effective way.

Note

Do pause before completely abandoning any marketing activity that has not worked for you. One of my clients told me that direct mail did not work for them and that

although they had run several mailshots, the business gained as a result had failed even to cover their costs. Upon review, however, we recognised that direct mail itself was not the reason for the lack of success; it was the way in which it was being used. A fresh approach to their sales letters and a new mailing list helped ensure that their next mailshot was profitable. So although there may be some activities that you are rightly convinced should be abandoned, be cautious of condemning others until you have looked closely at the reasons for the poor performance. It may be that the original approach was at fault.

2. Appraise Your Products and Services. Are You Planning Any Improvements over the Next 12 Months?

Why should you do this?

The small businesses that thrive and continue to be desired by their target audiences are the ones that place a value on continually improving what they offer. If you fail to consider this in your marketing plan, you risk being eclipsed by your more innovative and customer focused competitors. Your marketing plan provides the ideal opportunity for you to stand back and to review objectively what you offer. Consider and document improvements and changes that you would like to make that will benefit your customers.

What information are we looking for here?

Make a list of the changes, why you are making them, the impact you believe they will have on present and future customers and when they will be implemented. Will they give rise to an increase in price or can they be accommodated within your existing pricing structure? What impact will they have on your profit margin? Will these changes improve your ranking with competitors?

Note

Any product or service enhancement provides a perfect opportunity for inclusion in a marketing campaign. Any small but significant change to your offering is positive news and should be communicated to your customers and prospects.

3. Identify Your Key Competitors in the Areas in Which You Propose to Operate

Why should you do this?

Your customers are likely to be very aware of your competitors and this alone is a good enough reason for you to be aware of them too.

Why it is important to do this can be illustrated by the example of one particular business owner who approached me after the unsuccessful launch of his on-line training programme. He believed that the reason for his lack of success was insufficient media coverage. He had marketed his system to training managers as a unique product they would not be able to access from any other provider. However, had he done his competitor research beforehand, he would have discovered that several businesses were already offering something very similar, if not better. Before making claims about your products or services it pays to have completed your competitor research beforehand. Then you can say with confidence why you are better, special or different.

What information are we looking for here?

Carry out some research on those businesses you regard as your closest competitors. What can you learn from them? Compare your offering with theirs. Note those areas in which your products or services exceed those of your competitors (you can flag these in your marketing communications), and those in which your offering falls short in comparison (you may want to implement some improvements as a result).

Do you have competitors for all of your services or just for some? Are you really targeting the same audiences?

Note

This is one exercise in which you can learn a huge amount simply by reading the websites of your competitors. You may find it useful to compose a list of those details that you would like to know about each competitor so you can judge each one by the same criteria. It's always useful to be completely aware of your competitors and what they are doing, so revisit this part of your marketing plan every few months.

4. Document the Measurable, Realistic and Achievable Business Goals You Aim to Accomplish in the Next 12 Months

Why should you do this?

Judging the impact of your marketing activities is more straightforward if you have established goals against which to measure them. These goals do need to be specific, however, and simply stating that you want to “increase sales significantly in the next 12 months” is too woolly a target to be useful.

What information are we looking for here?

Start with your biggest goal – usually the level of sales you are hoping to attain in the next 12 months. Here are some examples:

- In my first year of trading as a business coach I want to generate £36,000 of fees (my previous salary). To achieve this, I need a minimum of 12 retained coaching clients, each spending £2000 to £4000 p.a.
- We must quadruple the sales of our hydraulic levelling systems with caravan owners in the next 12 months. To achieve this goal we must attain 60 new customers this year.
- We want to increase product sales from £500,000 to £600,000 in the next 12 months. To help achieve this we will need to increase the number of stockists that supply our products from 800 to 1000.
- We want to increase our annual turnover of promotional gifts and corporate clothing from £250,000 to £285,000 in the next 12 months with at least £28,000 of this increase to be achieved from promotional clothing sales.

Once you have documented your main goal, consider and document the smaller objectives that will help you to attain that goal. Here are some examples for illustration:

- This year I will exhibit at a minimum of two exhibitions that are attended by my target audiences.
- This year I will implement a quarterly marketing programme to communicate with my lapsed clients/existing customers.
- This year I will aim to increase the minimum amount that a customer spends with me from £250 to £400.

- This year I want to increase the number of hot prospects that I convert to clients from 17% to 23%.

Note

There's nothing quite like seeing your goals staring back at you in your marketing plan to persuade you that it's time to set about trying to accomplish them. Make sure that some of your business goals excite you when reading them, making the hairs stand up on the back of your neck and your heart beat just that little bit faster.

5. Define Your Positioning Statement

Why should you do this?

If you want to stand out in a crowded marketplace and become a magnet for customers, you need to create a positioning statement. So many small businesses undersell themselves because their communications – on-line, face-to-face and in print – fail to emphasise the benefits they offer. Looking at your business objectively and asking yourself the question “Why should customers buy from our business and remain loyal to it?” will help you to identify those positive aspects of your business that differentiate it from those of your competitors. Your positioning statement is the DNA of your business and should be reflected in all your marketing communications.

What information are we looking for here?

In addition to feeding into your marketing plan, your positioning statement performs a vital role in determining how you promote your business through all your communications. Due to its importance, the creation of your positioning statement and the information that should be contained within it is covered in detail in Masterclass 2.

6. Define, Research and Locate Your Target Audiences, Segment by Segment

Why should you do this?

Any marketing activity that you undertake is likely to be blunt and ineffective if you have not previously identified and investigated your target audiences. Your message may reach thousands of people but if few of them have any interest in what you are

offering, it is unlikely that it will result in many sales. Only by understanding which audiences have the greatest need for what you offer and knowing how best to reach these audiences, will you be able to create marketing campaigns with a high chance of success.

What information are we looking for here?

As with your positioning statement, identifying and researching your target audiences is a vital aspect of your marketing planning as a whole and the process of doing so is an involved one. Consequently, Masterclass 3 covers this exercise in detail.

7. Audit and Develop Your Marketing Toolkit

Why should you do this?

It can be tempting to hang onto outdated marketing communications if you still have a large quantity of literature yet to be used. However, using these tired and old communications can actually sabotage a campaign and damage your brand. In fact, a communication does not need to be out of date to be redundant. It may still be accurate on a factual basis yet no longer suitably reflects the needs of the audiences being targeted or adequately emphasises the benefits on offer. Appraise your current marketing communications against your positioning statement and after completing the target audience exercise. Do they still pass muster? Your communications need to change as your business changes.

What information are we looking for here?

Auditing your marketing toolkit will help you to identify any improvements or changes that you will need to make to your communications in the next 12 months. Include all the communication tools that you use to market your business. For example, your website, newsletters, brochures, flyers, sales letters, bulletins, product sheets, seminar handouts, press releases.

When reviewing your current tool kit, consider the following:

- Did you enlist the services of a professional designer or copywriter to create your communications or did you take a more DIY approach? If the latter, do

they still represent your brand in a positive way? Try to be dispassionate when analysing them. What would be your impression had you received them from a competitor? Impressed or underwhelmed?

- In light of your positioning statement, could any of your communications be improved to provide more depth, substance, relevance or reader appeal? Are your messages too generic to sufficiently engage your audience?
- How effective has each communication been? Did it have its desired effect? Have you received any feedback about it from customers or other third parties?

Answering the questions above will help you to decide which parts of your current marketing toolkit remain valid, which require improvement and which should be rejected. Don't decide yet upon which communications you will create in the next 12 months until you have studied the remaining masterclasses in this book. They will aid you in your decision making.

8. Create a Shortlist of Your Chosen Marketing Activities

Why should you do this?

Once you have identified your target audiences and understand where you can find them, the next step is to decide which marketing activities are going to help you to communicate with them effectively.

What information are we looking for here?

The marketing activities you choose for future campaigns should be influenced by the outcomes of your marketing activity audit and the research you have undertaken as part of your marketing plan. When you are confident that you understand the channels open to you for each target audience, you should draw up a shortlist of the marketing activities best placed to exploit these channels. You could consider the suitability of advertising (local, national, sector specific), face-to-face business networking, targeted direct mail, e-marketing campaigns, PR, on-line directories, webinars, social networking, partnership activities, seminars, exhibitions, launch events, media briefings.

Once you have decided upon the most appropriate activities, you then need to amalgamate them into specific marketing campaigns for each of your target

audiences. These campaigns should be run over a 3 to 4 month period in order to produce the impact necessary to convert a prospect into a customer. This is the tactical part of your marketing plan.

To illustrate how a campaign can be established, let me use the example of VB-Airsuspension. VB-Airsuspension design and manufacture a range of air suspension products for motorhomes and light commercial vehicles and had identified one of their target audiences as being the owners of a motorhome worth in excess of £50,000. Having identified this audience, they examined how they could best reach them. The channels they established as being most appropriate included advertising in *Motorcaravan* *Motorhome Monthly* magazine (*MMM*), attending Motorhome Owners Club rallies and exhibiting at the leading annual Motorhome and Caravan Show.

Here's a snapshot of the marketing campaigns that were designed to attract this particular audience:

VB-Airsuspension

Target Audience: A UK Motorhome Owners Club. VB-Airsuspension identified this Motorhome Owners Club as being a priority audience because most of the club members own a motorhome that costs in excess of £50,000. Research revealed they hold a national rally every May.

- **March:** Phone the secretary of the Club requesting that we attend their rally in May. Advise that we will offer members at the rally free air suspension health checks, free refreshments and goody bags, and will award a 5% discount to any member who decides to have VB-Airsuspension installed on their motorhome.
- **April:** Prepare the sales literature for the rally. To include an expression of interest form so that we can gather as many home addresses and email addresses at the event as possible.
- **May:** Attend the rally – our goal is to carry out at least 30 motorhome healthchecks.
- **June:** Issue a direct mailshot to all members that expressed an interest in VB-Airsuspension, reminding them of the 5% discount and inviting them to visit our stand at the Motorhome and Caravan Show in October.

(Continued)

Target Audience: Readers of *MMM*. This magazine is regarded by readers as being the best place for information and reviews about products for their motorhome. It is a glossy, long established and well-liked magazine. It has the highest readership of all the motorhome titles.

- **March:** Meet the editor of *MMM* and the advertising sales team to discuss how best we can take advantage of advertising and publishing editorial in their publication. We want to aim our message at those readers with motorhomes costing in excess of £50,000 and starting in the May issue, plan to take out a half-page advert in six issues plus additional news and features in as many issues as possible.
- **April:** With ongoing half-page adverts and editorial agreed, submit an additional case study of a happy VB-Airsuspension client for publication in the June issue of the magazine.
- **May:** This month's half-page advert will promote the new features of our air suspension product and our national dealer network.
- **June:** Review the results from advertising. Do we need to change the advert for the remaining issues of the magazine? Prepare a special feature for the Motorhome and Caravan Show issue.

Target Audience: Visitors to the annual Motorhome and Caravan Show at the National Exhibition Centre in Birmingham. This event takes place in October and attracts thousands of motorhome owners every year.

- **September:** Contact those journalists that will be attending the event and invite them to visit our stand. Advise them of our offer of free refreshments, goody bags and a media briefing of our latest air suspension products for motorhomes. Follow up by phone the week before the event to remind them of the invitation to visit our stand.
- **October:** Attend the five day Motorhome and Caravan Show and make available to visitors that express a strong interest in air suspension our special show offer – a 5% discount if they have our air suspension fitted within 28 days. Hand out envelopes with our latest press releases, product sheets, special offer flyers and chocolate.
- **November:** Issue a direct mailshot to all visitors who completed our prospect forms reminding them of the expiry date of the offer and the benefits of air suspension. Follow up 5 days later with a telephone call.
- **December:** Review the results before making a commitment to attend next year's show.

By creating a 3–4 month action plan for each target audience you will find that your marketing as a whole is more ordered and effective. The activities scheduled for each month are documented and can therefore be planned in good time, and the regular communication with each target audience throughout the year, maintains the momentum towards an eventual sale.

9. Determine How You Will Put Marketing at the Heart of Your Business by Recognising the Challenges of Doing so

Why should you do this?

There's nothing more frustrating than creating a wonderful marketing plan but not being able to implement it. If you want to take advantage of this valuable body of information you may need to make changes fast! I have lost count of the number of small businesses that have told me that whilst they are keen to improve the results from their marketing, they don't have the time or the resources to put their marketing plan into action.

What are we looking for here?

Think about the barriers that you believe could prevent you from adhering to your marketing plan. Write them down, but try to be specific in what you write. "Not enough time in the day" or "too few resources" may appear to be genuine barriers, but can you break these down further? If so, you have a greater chance of taking steps to overcome them. I have included below as a guide a selection of barriers that were identified by a client of mine when completing this part of the marketing planning template:

- Frustration felt by the partners in dedicating time to marketing activities when they could be working on fee generating tasks instead.
- Insufficient staff resources to implement the plan and undertake the work.
- Reluctance among the staff to accept new ideas – out of comfort zone.
- Staff attitude – the work has always been there and has never really needed to be generated. Consequent lack of buy-in to marketing activity.
- Company structure – no business plan or real strategy, but good financial planning and fee/cost control.

By contemplating the restrictions they faced in implementing their marketing plan, the client realised that their business goals were unlikely to be achieved unless they committed to making changes in an effort to remove these barriers. Their subsequent actions included recruiting a part-time marketing administrator to address the resource issue and organising monthly marketing meetings between the partners and the staff in order to encourage the whole firm to embrace the marketing

initiatives being undertaken. Be honest when considering those factors that may obstruct you from implementing your own marketing plan. Document each barrier as specifically as possible and, if feasible, take steps to remove them.

I hope that after studying this masterclass you recognise that it is your marketing plan that should determine where your marketing budget is allocated, and that spending money on networking, advertising, search engine optimisation or indeed any marketing activity before you have created your marketing plan, can lead to disappointing results.

Masterclass Summary

- A marketing plan should be a practical and evolving guide that forms the basis of most of your marketing decisions.
- You don't need marketing experience to create a marketing plan but you must allocate quality uninterrupted time.
- Look upon your marketing plan as the engine that fuels your sales activity.
- Begin with an audit of your marketing activities to determine how much it costs you to acquire business.
- Identify improvements to your products and services. List them in your marketing plan with a timescale for implementation.
- Establish realistic business growth goals that can be measured. Don't overlook the smaller action goals that will help you to achieve the big ones.
- Your positioning statement is crucial. Spend time creating and refining it.
- Know who you want to reach, why you want to reach them and where to find them.
- Your existing communications, including your website, need auditing too. Don't settle for out-of-date or poorly designed communications.
- Remove any barriers that stand in the way of you putting your marketing plan into action.