

# Planning Your Marketing Activities

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Most managers agree that planning a company's marketing activities sharpens their focus, makes the complexity of business operations manageable, and adds a dimension of realism to future plans. This process, known as marketing planning, is a logical sequence of activities that produces marketing objectives as well as a plan to achieve them. As with any plan, it needs to be as clear, simple, and straightforward as possible. The subsequent sales approach to customers should also be clear and remove any obstacles that hinder sales. This article explains how to cope with market uncertainty by:

- \*developing a strategic marketing plan
- \*developing a tactical marketing plan
- \*reviewing current thinking about markets and marketing

## What You Need to Know

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### Why should I plan marketing?

Marketing planning contributes to the success of a business, whatever its size or activity, by delivering a detailed analysis of future selling opportunities and a way to capitalize on those opportunities. Its focus is on identifying customer needs, then meeting them with products or services that deliver the desired benefits. Marketing planning outlines a disciplined, professional approach to selling to well-defined market segments. It's an activity that shouldn't be mistaken for budgeting and forecasting, which are axiomatic to any business. Marketing planning is a more sophisticated approach. It researches a business's market, identifies what sales can be made over the long term, how, and to whom. Executed properly, it gives a business a very realistic chance to achieve its sales forecasts as well as its annual operating revenue targets.

### What are the essentials?

Business plans and marketing plans are, of course, related. Carefully researched and very detailed, marketing planning has three phases: It studies a business's own culture and operations to be sure there are no internal barriers hampering sales and marketing efforts. It also intently studies a business's markets to identify changes and variables that may influence sales. Based on these studies, marketing planning then sets goals and provides direction, so a business can better manage its sales situations and activities. Marketing planning also can help identify new market segments, and new strategies for existing segments. And it can help a business build its reputation within the

financial community. In short, marketing planning is a fundamental building block of a strong, durable, and robust business.

## What to Do

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### Review current thinking

From an extensive review of the current research into strategic marketing planning, five principal conclusions emerge:

- There is clear consensus about the benefits of the strategic marketing planning process.
- Strategic marketing planning and the marketing orientation that accompanies it are clearly contribute to improved performance across most market situations.
- In unsuccessful companies do not follow the strategic marketing planning process, and frequently use that failure as a pretext for inadequate budgeting and tactical programs.
- The primary barrier to strategic marketing planning is the culture of the company and the values that stem from that culture.
- Although the degree of formality of the process can range from a highly creative, entrepreneurial approach to the more structured, rational process described here, there is universal consensus among strategic thinkers and planners that some kind of managerial planning process has to be used to manage the link between a business and its environment.

Large, multinational and multicultural businesses with multiple product lines typically use a structured process for marketing planning; in smaller businesses with fewer complex products or markets, the management of the process outlined here tends to be less formal and structured. The process and the steps, however, are the same in all successful companies, regardless of size.

### Understand the Different Types of Marketing Planning

There are two principal kinds of marketing planning:

- The **strategic marketing plan**. A strategic marketing plan is a plan that covers three or more years. A written document, it outlines how owner-managers or managers: perceive their own position in the market; how it compares with their competitors and what advantage they have over their competitors; what objectives they want to achieve; the strategies they intend to use to achieve them: the required resources that should be budgeted, and what results are expected. Three years is the most common strategic planning period. Five years is the longest, but is becoming less common, due to the speed of technological and environmental change. Strategic marketing-driven plans are not to be confused with scenario planning or the kind of very

long-range plans formulated by a number of Japanese companies (whose planning horizons often range from between 50 and 200 years!).

- The **tactical marketing plan**. A tactical marketing plan is the detailed scheduling and costs of the actions necessary for achieving the first year of a strategic marketing plan. Accordingly, the tactical plan usually covers one year.

## Develop a Strategic Marketing Plan

The contents of a strategic marketing plan are:

- **Mission Statement**—it sets out the *raison d'être* of the business and its role, business definition, distinctive competence, and future indications.
- **Financial Summary**—it summarizes the financial implications over the full planning period.
- **Market Overview**—it provides a brief picture of the market, including market structure, market trends, key market segments, and sometimes a gap analysis.
- **SWOT Analysis**—it identifies and analyzes the *strengths*, *weaknesses*, *opportunities* and *threats* of the business, hence its name; this analysis draws comparisons with competitors against key customer success factors, usually for each key product or segment.
- **Issues to be Addressed**—derived from the SWOT analysis (above), it usually is specific to each product or segment.
- **Portfolio Summary**—it offers a pictorial summary of the SWOT analysis that makes it easy to see at a glance the relative importance of each of the four elements; it is often a two-dimensional matrix, with the horizontal axis measuring the organization's comparative strengths and the vertical axis measuring its relative attractiveness.
- **Assumptions**—it lists the underlying assumptions critical to the planned marketing objectives and strategies.
- **Marketing Objectives**—it usually is a series of quantitative statements (about desired profit, volume, value, and market share) that spell out what the business hopes to achieve, and are usually prepared by product, by segment, and overall.
- **Marketing Strategies**—a statement about how the objectives will be achieved and typically express them using the “four Ps” of marketing: Product, Price, Place, and Promotion.
- **Resource and Budget Requirements**—this final component details the full planning-period budget, giving in detail the projected revenues and associated costs for each year.

## Develop a Tactical Marketing Plan

The contents of a tactical marketing plan are very similar, except that they often omit the mission statement, the market overview, and SWOT analysis. Because it is intended to guide specific actions

and activities, this plan presents a much more detailed quantification of marketing objectives and associated strategies by product and segment. The tactical marketing plan also includes details of scheduling and the costs of the tactics necessary to achieve the first year's planned goals.

## **Complete the Process**

This identifies in detail the specific week-to-week activities that will support the planning:

- Identifying what sales will be made during the longer term, and to whom, in order to turn revenue budgets and sales forecasts into reality.
- Ensuring that the SWOT analysis is not only conducted, but that its findings and conclusions are reviewed by the entire marketing organization.
- Completing the strategic marketing plan before the tactical plan. Write your strategic marketing plan to cover three or more years, defining competitive advantage, objectives, strategies, and budgets.
- Building marketing strategies around the four Ps of marketing: product, price, place, promotion.
- Writing a tactical marketing plan, detailing schedules and costing for the specific actions necessary to achieve the first year of the strategic plan.
- Allowing for contingencies and reviews, to properly address unexpected shifts in the market.

## **What to Avoid**

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### **You Fail to Implement the Marketing Plan Successfully**

Marketing plans often don't consider the classic marketing mistakes. A business's culture is the biggest barrier to implementing effective marketing planning. People may simply want to do what they have always done. Or, they may misunderstand why a new approach is needed—or not even be told one is needed. The solution is to keep everyone informed about the marketing plan: what it is, how it will work, and why it will succeed.

### **You Don't Stick to the Plan**

The output of the process (namely, the marketing plan) needs to spell out how a business expects to achieve its objectives. Yet, some people may view the planning process as little more than an academic exercise that they can ignore once it's completed. Others may not have the skills or experience to plan effectively. Also, strategic marketing planning needs to precede tactical marketing

planning—no matter how eager people may be to “get to work.” The planning process itself is universal, even if implementing a plan may vary from business to business.

## Where to Learn More

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### **Book:**

Clancy, Kevin and Peter Krieg. *Your Gut is Still Not Smarter Than Your Head: How Disciplined, Fact-Based Marketing Can Drive Extraordinary Growth & Profits*. Wiley, 2007.

### **Web Site:**

Douglas Hann's Marketing Planning Made Simple:  
[www.work911.com/planningmaster/planningarticles/marketplanmadesimplesmallbustool.htm](http://www.work911.com/planningmaster/planningarticles/marketplanmadesimplesmallbustool.htm)

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