

(Place Your Logo Here)

MARKETING PLAN

Review Period

(Enter Start & End Date)

Prepared by:

(Your Name)

December 27, 2006

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EXECUTIVE SUMMARY

The Executive Summary should be limited to one page. The summary is a synopsis of the entire marketing plan and has to enable the reader to capture the essence of the marketing plan and its forecast outcomes. Some senior managers will only read this section in order to determine if they should spend more time assessing the plan so it is important for the writer to create for them a desire to read the rest of the plan.

Summarise the following points:

1. Present Situation, Company Mission & Objectives
2. Description of the companies Product/Service
3. The Plans Marketing Objectives
4. Expected Marketing Outcomes and/or Financial Results
5. Keys to Success Factors

The summary answer to the following questions:

1. Who is your company?
2. Who is target customer?
3. What are the products or service being offered?
4. When will the plan be implemented?
5. When will results become evident?
6. What are the expected profits?
7. What is the expected ROI?

1. SITUATION ANALYSIS

1.1 Market Analysis

1.1.1 Market Size

Enter your company's sales history into "Market Characteristics.xls" along with estimates of competitor's sales history. The charts shown below in this section have been produced from this spreadsheet and are linked to this document. Any changes made to the spreadsheet will be automatically updated in this document.

If you need to make provision for more Product/Groups or Competitors use the "Insert" – "Row" feature in Excel to insert additional lines. Similarly, to remove lines use the Edit-Delete function. Using these functions will ensure the formulas allow for the changes you make

Description the Market Characteristics based on the following chart, outlining the growth/contraction of the market, explaining briefly why.

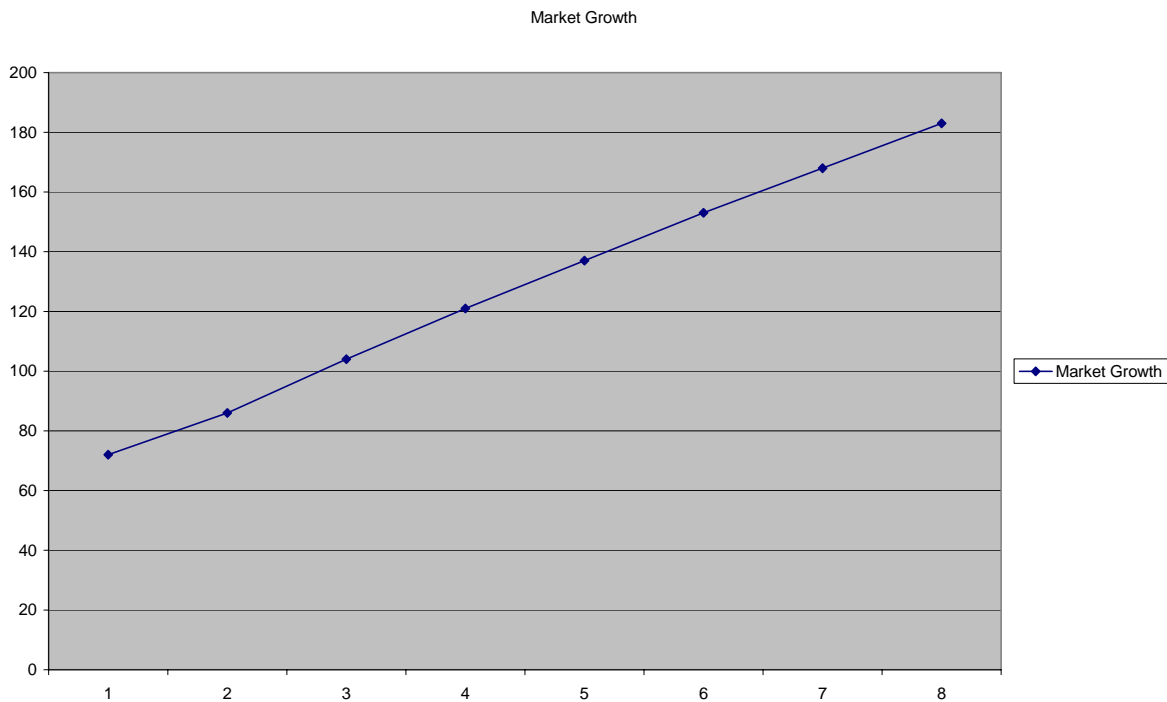


TABLE 1. Market Size & Growth

Provide commentary about the product mix of your total sales in the following chart.

Product Mix

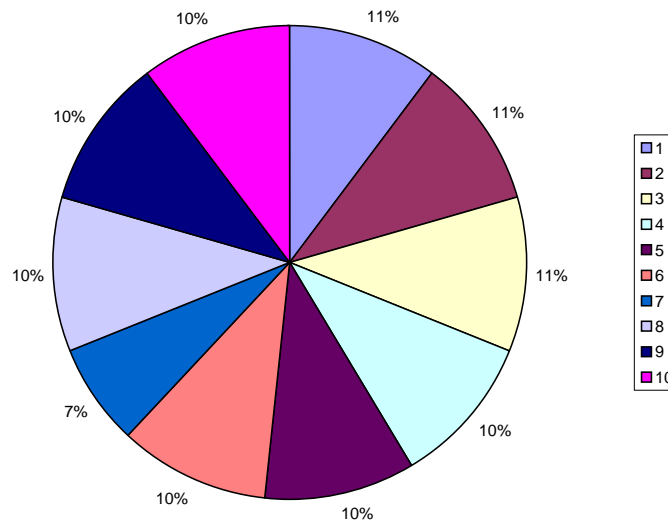


TABLE 2. Product Mix

1.1.2 Trends and Drivers

1. Describe any major industry trends, drivers or changes in the use of your products/services
2. Describe any new market segments or users of your products/services
3. Describe any changes to the demographics such as age, gender, income, education, occupation, etc.
4. Describe any changes to the psychographics such as benefits desired, habits, values, attitudes, lifestyle, behaviour, opinions, etc.
5. Describe any demand cycles or seasonality effects that may contribute to your sales outcomes.

1.1.3 Legal, Political & Economical Factors

If applicable, describe any of the following;

1. Present and or future laws and policies affecting your business
2. Government spending
3. Effects of taxation, inflation, monetary policies (e.g. interest rates), exchange rates
4. International trade developments

1.1.4 Socio Cultural Factors

If applicable, describe any of the following;

1. Lifestyle and socio cultural changes.
2. Environmental concerns.
3. Changes in use of disposable income.
4. Living conditions.
5. Degree of rural migration to cities.

1.1.5 Technological Factors

If applicable, describe any of the following;

1. Breakthrough technologies that will influence market growth or market share.

2. Rate of technological.
3. Industry dependence on technology.
4. Energy use

1.2 Competitive Analysis

1.2.1 Competitive landscape

The term **Competitive Analysis** is used in marketing to describe the process a company or individual uses to assess competition. The following is a representative sample of the types of questions that should be answered in order to effectively analyse the competition: "Questions such as "Who are your competitors? What customer needs and preferences are you competing to meet? What are the similarities and differences between their products/services and yours? What are the strengths and weaknesses of each of their products and services? How do their prices compare to yours? How are they doing overall? How do you plan to compete? Offer better quality services? Lower prices? More support? Easier access to services? How are you uniquely suited to compete with them?"

Provide a description of the market size in dollars and growth rate by each competitor based on the following chart.

Provide an assessment of the dominant players, noticeable failures, and new entries along with any changes to supply or demand.

Describe the level of competition in this market (e.g. fierce, moderate)

Describe the competition affecting your business, product/service based on specific attributes such as price, quality, features, etc.

Describe if applicable competitive barriers that need to be overcome and state how your company has dealt or is dealing with them.

Describe any existing or potential competitive advantages.

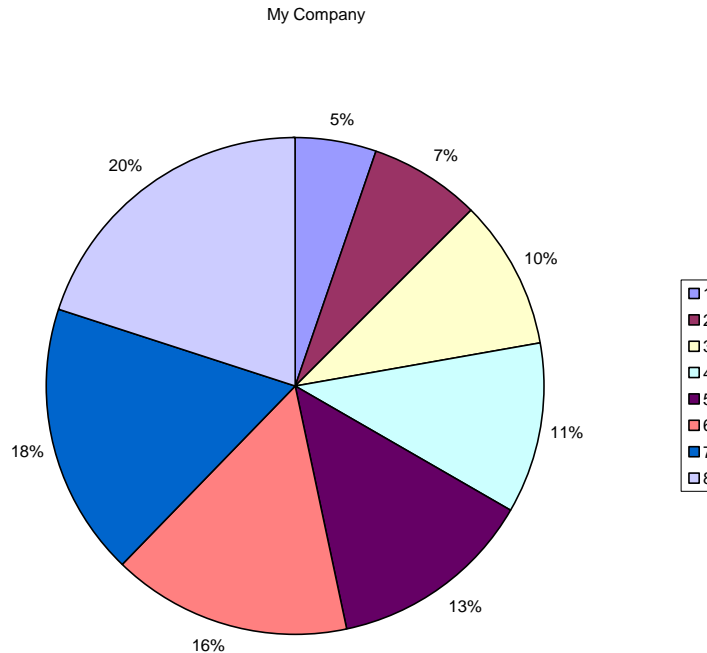


TABLE 3. Market Mix

1.2.2 Key Players vs. Your Company

Describe your main competitors compared to your company. Evaluate the performance of their marketing activities and identify the intensity and type of threat they pose.

Detail their main strategies, recent initiatives and any offensive tactics directed towards your company.

Briefly analyse the following elements and compare them to your company:

1. Product/service offering, features, advantages & benefits.
2. Brand equity: customer loyalty, brand image, brand awareness, brand recognition and brand reputation
3. Marketing strategies (positioning, branding, advertising, media expenditures)
4. History of innovations
5. Strength of management
6. Strength of distribution
7. Financial resources

In the following table list your company and each of your competitors, their current sales volume, market share as a percentage and the directional trend their business is moving.

Under the section titled Key Success Factors and in each of the columns "Product Quality, Price & Product Offering" rate your company as a 5 out of 10 performer in each column. Then rate each of your competitors higher or lower than 5 depending on their performance to your company.

Complete the following competitor table:

Competitors	\$ Sales	Market Share	Share Trend	Key Success Factors			Comments
				Product Quality	Price	Product Offering	
		%	↗				
		%	↗				
		%	→				
		%	↗				
		%	↘				
		%	→				
		%	↗				
		%	↘				
		%	↘				
		%					

TABLE 4. Competitors Trends

1.2.3 Competitive Advantage

1. Describe your competitive capabilities, resources and competitive advantages.
2. Compare your core competencies in relation to your competitors.

1.2.4 Strategic Group Map

Construct a strategic group map of competitors in your market (see Figure 1 below).

1. Identify the main characteristics that differentiate firms in the industry (e.g. price/quality, product)
2. Plot your company and your competitors on the map. The size of the circle should be proportionate to the group's total market share.
3. Group competitors that fall in the same area by encircling them. Alternatively encircle individual competitors.

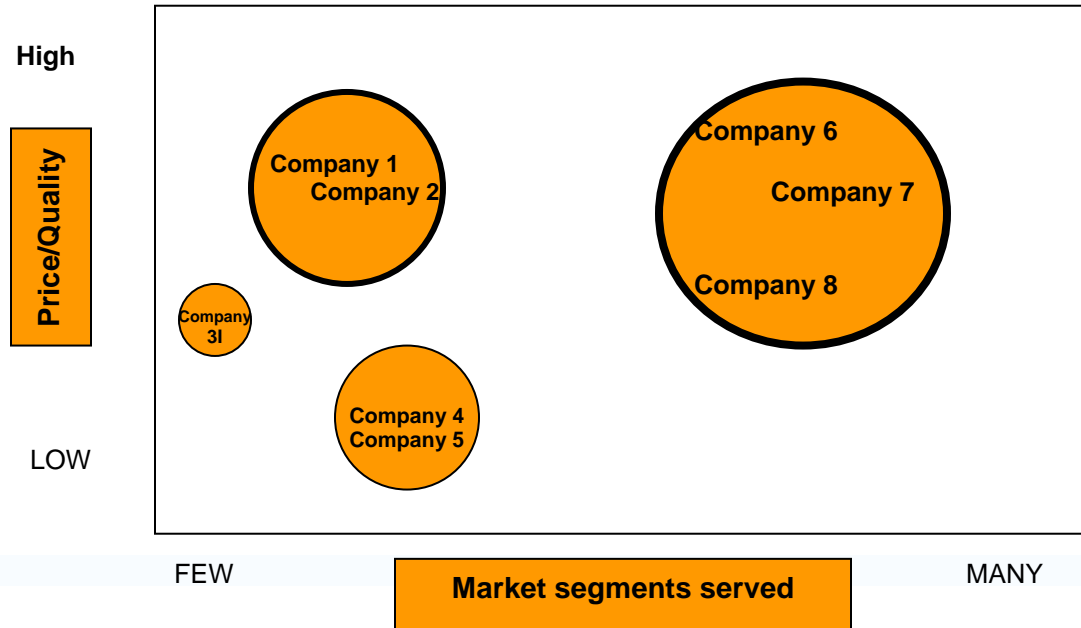


FIGURE 5. Strategic Group Map

1.3 Customer Analysis

1.3.1 Segmentation Dimensions

List the most pertinent segmentation dimensions for your market.

1. Demographics
2. Behaviours
3. Geographic
4. Regions
5. Purchase habits
6. Resistance to change

1.3.2 Target Market

- Identify your target market (see [Section 3.2.1](#) for profile of target market)

1.3.3 Forecasted Changes

1. Identify expected changes in target customer needs
2. Identify expected changes in buying behaviour

3. Identify expected changes in customer perceptions and attitudes
4. Identify how these changes might affect competitors' strategy
5. Identify segments that might potentially become your target
6. Provide forecasted changes in market segments:
7. Which segments are growing or declining and why
8. Growth rate
9. Relative segment sizes
10. Characteristics of segments

1.4 SWOT Analysis

List in the following table your company's strengths and weaknesses ensuring these are internal. Threats and opportunities are external market presents. Elements discussed above (e.g. competitive advantage) should be present in this table (Table 3 below).

	Helpful (to achieving the objective)	Harmful (to achieving the objective)
	STRENGTHS	WEAKNESSES
Internal (attributes of the organisation)		
	OPPORTUNITIES	THREATS
External (attributes of the environment)		

TABLE 6. SWOT Analysis

1.5 Analysis of Marketing Activities

1.5.1 Analysis of company's marketing programs

Describe strategies employed by your company by each market segment

Segment 1

1. Targeting strategy
2. Positioning strategy
3. Branding strategy
4. Advertising strategy
5. Internet Strategy
6. Promotional strategy
7. Public relations strategy
8. Publicity strategy

Segment 2

9. Targeting strategy
10. Positioning strategy
11. Branding strategy
12. Advertising strategy
13. Internet Strategy
14. Promotional strategy
15. Public relations strategy
16. Publicity strategy

Segment 3

17. Targeting strategy
18. Positioning strategy
19. Branding strategy
20. Advertising strategy
21. Internet Strategy
22. Promotional strategy
23. Public relations strategy
24. Publicity strategy

Segment 4

25. Targeting strategy
26. Positioning strategy
27. Branding strategy
28. Advertising strategy
29. Internet Strategy
30. Promotional strategy
31. Public relations strategy
32. Publicity strategy

Enter your companies marketing program costs and the sales that can be attributed to them into the Excel Spreadsheet titled "Media ROI.xls". The chart shown below in this section has been produced from this spreadsheet and is linked to this document. Any changes made to the spreadsheet will be automatically updated in this document.

If you need to make provision for more Marketing Activities use the "Insert" – "Row" feature in Excel to insert additional lines and then copy and paste the formulas from the line above/below into the line. To remove lines, use the "Edit" – "Delete" function. Using these functions will ensure the formulas allow for the changes you make.

If you have added additional Marketing Activities, you will need to increase the number of ROI calculators in the adjoining "Worksheet". Use the copy and paste feature to replicate more Activities in the ROI Worksheet. Use the "Copy" & "Paste Special" feature to copy the ROI "%" from these into the Media Activities Worksheet.

Offer your evaluation of each of the marketing programs effectiveness along with what can be done to increase the ROI on these investments.

Marketing Activities Calculator

Sales Activities	Investment	Benefit	% of Sales	ROI
Telemarketing	(\$2,370)	\$5,500	20%	132.07%
Email Marketing	(\$1,099)	\$2,260	8%	105.64%
Print	(\$1,099)	(\$1,099)	-4%	188.75%
Radio	(\$1,099)	\$3,173	11%	261.39%
TV	(\$1,099)	\$3,473	12%	216.04%
Outdoors	(\$1,099)	\$4,760	17%	188.75%
Events/Exhibitions	(\$1,099)	\$4,760	17%	333.12%
Public relations/publicity	(\$1,099)	\$2,549	9%	131.94%
Internet	(\$1,099)	\$2,648	9%	140.98%
Total	-11162	28024.99		

TABLE 7. Marketing Activities ROI

1.5.2 Analysis of Resources

1. Describe skill and experience level of your marketing executives and managers.
2. Describe the methods used to evaluate effectiveness of campaigns and evaluate their usefulness

1.5.3 Brand Strength

1. Describe the status of brand image.
2. Describe levels of;
 - ◆ Customer loyalty
 - ◆ Customer satisfaction
 - ◆ Brand awareness
 - ◆ Brand recognition
 - ◆ Brand reputation

2. OBJECTIVES

2.1 Corporate Objectives

1. Describe corporate objectives.
2. Describe divisional objectives.
3. Describe business unit objectives.

2.2 Marketing Objectives

2.2.1 Short-term (upcoming year)

Describe specific and measurable sales objectives;

1. market share,
2. brand variables,
3. ROI, etc., over a specific timeframe and geographic/sales market. For example:
 - ◆ Improve customer loyalty (generate Y % of repeat business in year 1)
 - ◆ Increase brand awareness in X market segment from X % to Y % in year 1
 - ◆ Extend reach of communications to Y % of target customers for each campaign
 - ◆ Create brand awareness for new products to be launched
 - ◆ Gain at least X new clients in X market segment per quarter
 - ◆ Sell X products per week
 - ◆ Achieve a high level of customer satisfaction among Y % of target customers
 - ◆ Increase market share in X market segment by Y % this year
 - ◆ Reduce marketing costs by Y % over next X months

2.2.2 Long-term (3 to 5 years)

Describe specific and measurable long-term sales goals;

4. market share,
5. brand variables,
6. ROI, etc., over a specific timeframe and geographic/sales market. For example:
 - ◆ Become the number one brand in our market in year 5
 - ◆ Build strong ad awareness for product X over next three years
 - ◆ Acquire Y % of our competitors' customers by year 4
 - ◆ Reduce cost per acquisition to X by year X
 - ◆ Make our brand synonymous with X emotional/rational elements
 - ◆ Increase profit margin of product line A by Y % by year 3
 - ◆ Secure partnership with all major distributors in X market

3. MARKETING STRATEGY

3.1 Market Segmentation Strategy

Describe how you will segment the market. The main types of segmentation strategies are as follows (you may also choose a combination of strategies):

- ◆ Geographic Segmentation: segmenting customers based on geographic area (city, country, postcode, metropolitan statistical areas, time zone, etc.)
- ◆ Product user segmentation: segmenting customers based on product usage (amount and/or consumption patterns of a product category or brand)
- ◆ Lifestyle Segmentation: segmenting customers based on their lifestyle (which includes: values, beliefs, perceptions, leisure activities, sports interest, media usage, political views)

3.2 Targeting Strategy

Describe the targeting strategy adopted by your company.

- ◆ Mass Marketing: go after the market as a whole with one offer that answers common needs
- ◆ Differentiated Marketing: go after several market segments with offers tailored to each
- ◆ Target Marketing: go after a small segment or sub-segment with a tailored offer

3.2.1 Target Market

Describe selected target markets according to the following:

- ◆ Demographics
- ◆ Age
- ◆ Gender
- ◆ Social status
- ◆ Occupation
- ◆ Religion
- ◆ Nationality
- ◆ Income
- ◆ Social class
- ◆ Psychographics
- ◆ Lifestyle

3.3 Product Life Cycle

Describe the developmental stage of your product and identify the appropriate message to convey in your advertising. The three primary stages are:

- ◆ Pioneering stage where the advertising is used to introduce new concepts, change habits and educates the consumer.
- ◆ Competitive stage where the advertising is used to establish the product's superiority over competing products.
- ◆ Retentive stage where the advertising is used to reinforce or reminds the consumer of the qualities and acceptance of your product.

3.4 Strategy Formulation

Describe the major marketing strategies that are available to your company. Provide details of the Planned Result, Tactics/Action Plans who will be Responsible and When, the Planned Cost and expected Return.

If required use multiples of the Form by using the Copy and Paste facility.

Strategy: ?

Marketing Strategy	Planned Result	Tactic/Action Plans	Responsibility		Planned	
			Who	When	Cost	Return

TABLE 8. Strategies Tactics & Action Plans

3.5 Core Strategy

3.5.1 Positioning Strategy

Describe the company's unique selling proposition and how you differentiate yourself from your competitors.

Describe the company's positioning strategy or positioning strategy per product or per product family based on the following:

- ◆ Product attributes
- ◆ Product benefits
- ◆ Meeting a need that is not being satisfied by competitors
- ◆ Customer usage occasions/patterns
- ◆ Users
- ◆ Direct comparison to competitor

Indicate whether positioning will remain constant across different target segments, if not provide positioning per each market segment.

3.5.2 Branding

Describe branding strategies based on positioning.

Detail the various brand names along with an explanation of the following;

- ◆ Corporate style guide
- ◆ Company and product logo/slogan
- ◆ Brand identity, personality and associations
- ◆ Brand names (trademarks)
- ◆ Packaging

4. MARKETING PROGRAMS

4.1 Marketing Mix

Describe the major elements of your marketing mix;

4.1.1 Product

Describe your main product line and identify key product attributes that will or have been implemented in response to target market's needs and according to marketing strategy;

- ◆ features
- ◆ quality
- ◆ wide or deep product assortment
- ◆ packaging

Describe your company's approach to;

- ◆ features
- ◆ quality
- ◆ wide or deep product assortment
- ◆ packaging

Describe the product name, description, functionality, features and benefits

Describe the your product offering to that of your main competitors

Describe how and when new products will be introduced or declining ones dropped

Describe the changes to production process

4.1.2 Pricing

Describe how selling price will be determined

Describe pricing strategy (e.g. market-skimming pricing, market penetration pricing, lowest price provider, geographic pricing, bundling of products, etc.) and how it relates to overall marketing strategy.

4.1.3 Distribution

Describe the role of distribution if applicable to the marketing strategy (e.g. exclusive distribution, penetrate the whole market, selective distribution)

Describe geographical or sales territories to be covered

Specify the type of distribution channel(s) (e.g. direct/indirect/personal selling, number and type of intermediaries such as retailers, wholesalers, distributors or sales agents)

Specify if distributors are:

- ◆ Gathering marketing research information
- ◆ Providing marketing research information down and up the supply chain
- ◆ Promoting your product
- ◆ Adding a price mark-up
- ◆ Negotiating with customers and/or other middlemen
- ◆ Transporting and storing goods

4.1.4 Advertising

4.1.4.1 Copy

Provide ad themes selected according to marketing strategy: appeal and messages to be conveyed which support marketing strategy

- ◆ Emotional, triggering emotional responses through psychological appeals to humour, love, hate or fear
- ◆ Factual stating real facts / scientific evidence
- ◆ Imaginative using symbolism, imagery, art and the like
- ◆ Comparative by comparing your product directly with competitors

4.1.4.2 Media

Explain choice of media in combination with ad type for the following:

- ◆ Print
- ◆ Radio
- ◆ TV
- ◆ Outdoors
- ◆ Events
- ◆ Public relations/publicity
- ◆ Online

- Summarize the information above about timing/sequencing in the table below:

Media	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Telemarketing	♣			♣			♣			♣		
Email Marketing		♣			♣			♣			♣	
Print	♣	♥						♥		♣		
Radio	♦		♠				♠					
TV						♠				♦		
Outdoors			♣		♣			♣			♣	
Events/Exhibitions			♥						♥	♠		
Public relations/publicity		♦			♣							
Internet		♣				♣					♦	

TABLE 9. Media Plan Time Line

Description Circulation number of impressions, number of clicks, number of installations, airtime + share of audience, number of events for each of the following;

♣ Ad type A: ?

♠ Ad type B: ?

♦ Ad type C: ?

♥ Ad type d: ?

4.2 Loyalty Programs

Describe the type of loyalty programs offered.

4.3 Customer Service & Support

Describe the key elements of customer service and support that relate to marketing strategy

Describe all elements of customer service including;

- ◆ Customer service hours
- ◆ Level and method of customer service/support provided
- ◆ Performance levels
- ◆ Availability of technology services/applications
- ◆ Response time to customer inquiries
- ◆ Time required to fix problems
- ◆ KPI in use to monitor

4.4 Market Research

Describe customer information needed to successfully implement marketing programs.

Describe how market research information will be obtained.

Describe what this information will be stored and updated in.

4.5 Personal Selling

Describe elements of personal selling strategy.

Identify sales force needs;

- ◆ Number of salespeople required
- ◆ Type of salespeople required
- ◆ Type of sales presentation to use
- ◆ CRM system used
- ◆ Selling tools
- ◆ Reporting systems

4.6 Trust and Credibility

Detail how trust and credibility will be obtained

4.7 Trade Promotions

Describe elements of trade promotions with distributors and/or partners

5. IMPLEMENTATION PLAN

5.1 Product Design and Development

5.1.1 Technical Requirements

Detail a list of changes or additions to your products including packaging as required by marketing strategy.

Develop a schedule for the internal steps required to implement these changes.

Describe any changes required to the production/manufacturing process.

5.1.2 Pricing Requirements

Detail any new pricing structures including Costs, Wholesale price, Mark-up, Suggested retail price

Detail sales material that will have to be updated.

Detail databases and digital records, which need to be updated.

5.2 Marketing & Sales

5.2.1 Positioning, Branding & Corporate Literature

Who is responsible for the company's positioning and brand strategies.

Who is responsible for corporate style guide and creative guidelines i.e. the use of brands, logos, slogans, company fonts, colours, etc.

Brand equity is the value built-up in a brand. It is measured based on how much a customer is aware of the brand. The value of a company's brand equity can be calculated by comparing the expected future revenue from the branded product with the expected future revenue from an equivalent non-branded product. This calculation is at best an approximation. This value can comprise both tangible, functional attributes (e.g. TWICE the cleaning power or HALF the fat) and intangible, emotional attributes (e.g. the brand for people with style and good taste).

Composition of brand equity is an investment in brand equity is commonly claimed to work through the creation of brand knowledge. This knowledge in turn consists of two aspects of a brand: brand image and brand awareness. Brand image, in this context, consists of the mental associations consumers make with the brand. Brand awareness is composed of the strength of the brand in consumers' minds, for example their ability to recall the brand. The combination of the two is sometimes referred to as the customer franchise. Firms may seek to influence brand equity, but

Positivity can be positive or negative. Positive brand equity is created by effective promotion and consistently meeting or exceeding customer thoughts. Negative brand equity is usually the result of bad management.

The greater a company's brand equity, the greater the probability that the company will use a family branding strategy rather than an individual branding strategy. This is because family branding allows them to leverage off the equity accumulated in the core brand. This makes new product introductions less risky and less expensive.

- Complete the following creative briefs guides:

Brand: (NAME)	
CURRENT BRAND EQUITY	
Tangible Elements	Intangible Elements
DESIRED BRAND EQUITY	
Tangible Elements	Intangible Elements
IMAGE & AWARENESS	
Brand Image	Brand Awareness
(consisting of the mental associations consumers make with the brand)	(composed of the strength of the brand in consumers' minds, for example their ability to recall the brand)

TABLE 10. Brand Equity

Brand or product: (NAME)	
KEY OBSERVATION	
DESCRIBE The most important market factors that will shape your advertising strategy.	
CONSUMER INSIGHT	COMMUNICATION OBJECTIVE
Describe consumer's sensitive or pressure points that ad needs to trigger.	Describe the ad's main goal.
PROMISE	
This value can comprise both tangible, functional attributes (e.g. TWICE the cleaning power or HALF the fat) and intangible, emotional attributes (e.g. The brand for people with style and good taste).	
AUDIENCE	SUPPORT
Who is target audience?	What drives the brand's promise?

TABLE 11. Brand Analysis

(Replicate per ad campaign or use once for entire marketing strategy.)

Who is responsible for registering trademarks.
 Who is responsible for creating corporate documents and information kits that bear the company's logo, positioning and brand strategy.

5.2.2 Advertising
 Who is responsible for researching, planning, creating, reviewing, approving and testing advertisements and for placing media buys.

5.2.3 Loyalty Program
 Detail the required elements of the selected loyalty program

The Marketing Planning Template and the associated Excel Spreadsheets are provided to the purchaser under the condition they are not copied or distributed to any other person, company or entity. Any breach of these conditions shall be considered theft and will be prosecuted to the full extent of the Law.

Who will be responsible for defining and securing elements of loyalty program as identified in marketing strategy.

- ◆ Free product(s)
- ◆ Point/reward system
- ◆ Gift Certificates
- ◆ Partnership development
- ◆ Implementation of customer sales-history tracking
- ◆ Acquire technology
- ◆ Integrate technology into company systems

Who will be responsible for establishing provider requirements, requesting proposals, comparing offers, selecting providers and negotiating any final deals.

5.2.4 Trust and Credibility

Who will be responsible for acquiring and implementing method of obtaining credibility.

Detail how trust and credibility will be obtained through the following.

- ◆ Ad copy
- ◆ Testimonials
- ◆ Guarantee
- ◆ Seal of approval / expert recommendation
- ◆ Trial offer / samples / demonstrations
- ◆ other

5.2.5 Sales force

Consult with your Sales Manager regarding changes that effects their operations and may require additional training materials to be developed. Allow the Sales Manager to have an input into this part of the planning process.

Review the existing sales structure and determine if it need to change relative to any new marketing segmentation approaches. If so, consider the following:

- ◆ Assign sales teams to geographic region
- ◆ Assign sales teams to specific functions
- ◆ Assign sales teams to specific clients or client types
- ◆ Assign sales teams to specific product lines

5.2.6 Customer Service

Consult with your Customer Service Manager regarding changes that effects their operations and may require additional staff or materials. Allow the Customer Service Manager to have an input into this part of the planning process.

5.2.7 Market Research

Detail primary market information that should be gathered from direct sources including but not limited to - Personal Selling, Customer Correspondence (email, fax, and mail), Customer Surveys and Sales Reports.

Detail secondary market information that should be collected to support present and future marketing strategies.

Who will be responsible for establishing information-gathering procedures.

Who will be responsible for acquiring information storing, retrieving and analysis systems (CRM software)

5.3 Distribution

Detail the types of distributors required by marketing strategy per territory
Who will be responsible for establishing supplier requirements, requesting proposals, comparing offers, selecting provider and negotiating final deals.

5.3.1 Marketing Material

Who will be responsible for planning, creating, reviewing and approving sales literature to be supplied to distributors.

5.4 Scheduling

Scheduling - depicts the timeframe of key activities and who will be responsible for the activities.

Key Action Plans	J	A	S	O	N	D	J	F	M	A	M	J	Completion Date	Who is responsible

TABLE 12. Key Action Plans Implementation Worksheet

6. PERFORMANCE EVALUATION AND MONITORING

6.1 Monitoring Ad Campaigns

6.1.1 Performance Metrics

Detail metrics that will be used to measure the success of ad campaigns. Success can be measured against:

- Marketing objectives
- Specific campaign goals
- Past results
- Industry averages

6.1.2 Advertising Costs

Enter your Net Sales, Cost of Sales Advertising Expenses by Media Type and the Anticipated Number of New Clients into “Advertising Cost Analysis.xls” and the spreadsheet will calculate- Advertising Costs as a percentage Sales and Profit, the Average Cost of Acquiring a new Client and your Net Profit.

The chart show below has been produced from this spreadsheet and is linked to this document. Any changes made to the spreadsheet will be automatically be updated in this document.

If you need to make provision for more Product use the “Insert” – “Column” feature in Excel to insert additional columns. Similarly, to remove columns use the Edit-Delete function. Using these functions will ensure the formulas allow for the changes you make.

Advertising Cost Analysis

	Product A	Product B	Product C	Product D	Product E	Total
Net sales	30,000	45,000	60,000	41,000	3,000	179,000
Cost of Sales (excluding Advertising)	18,000	27,000	36,000	24,600	1,800	107,400
Gross Profit	12,000	18,000	24,000	16,400	1,200	71,600
Advertising expenses						
Print	1500	1500	1500	1500	1500	7,500
Radio	500	500	500	500	500	2,500
TV	2000	2000	2000	2000	2000	10,000
Outdoors	600	600	600	600	600	3,000
Events	1,200	1,200	1,200	1,200	1,200	6,000
PR	500	500	500	500	500	2,500
Online	500	500	500	500	500	2,500
Total Advertising Expenses	\$6,800	\$6,800	\$6,800	\$6,800	\$6,800	\$34,000
Advertising Cost as a % of Sales	23%	15%	11%	17%	227%	19%
Net profit	\$5,200	\$11,200	\$17,200	\$9,600	(\$5,600)	\$37,600
Advertising Cost as a % of Profit	131%	61%	40%	71%	-121%	90%
Number of New Clients	150	75	400	300	100	1,025
Advertising Cost per Acquisition (ad expenses divided by number of new clients)						
Print	\$10.00	\$20.00	\$3.75	\$5.00	\$15.00	\$53.75
Radio	\$3.33	\$6.67	\$1.25	\$1.67	\$5.00	\$17.92
TV	\$13.33	\$26.67	\$5.00	\$6.67	\$20.00	\$71.67
Outdoors	\$4.00	\$8.00	\$1.50	\$2.00	\$6.00	\$21.50
Events	\$8.00	\$16.00	\$3.00	\$4.00	\$12.00	\$43.00
PR	\$3.33	\$6.67	\$1.25	\$1.67	\$5.00	\$17.92
Online	\$3.33	\$6.67	\$1.25	\$1.67	\$5.00	\$17.92
Average Acquisition Cost	\$45.33	\$90.67	\$17.00	\$22.67	\$68.00	\$243.67

TABLE 13. Advertising Cost Analysis

Unique Ad Identifiers

Describe what system for creating and tracking unique promotional codes, coupons or web pages customers can access or must reference while making a purchase.

6.2 Sales Analysis

6.2.1 Reporting Schedule

Determine by consultation with your Sales Manager if the current sales reporting system meets your reporting requirement from a marketing perspective. Look specifically to the frequency of the reporting and its content.

6.3 Profit and Loss Statements

Use "12 Month profit & Loss Projection.xls" to calculate projected Profit & Loss.

The following Table has been produced from this spreadsheet and is linked to this document. Any changes made to the spreadsheet will be automatically be updated in this document.

Twelve-month profit and loss projection

Enter your Company Name here Fiscal Year Begins Jul-07

	IND. %	Jul-07	% B/A	Aug-07	%	Sep-07	%	Oct-07	%	Nov-07	%	Dec-07	%	Jan-08	%	Feb-08	%	Mar-08	%	Apr-08	%	May-08	%	Jun-08	%	YEARLY	%
Revenue (Sales)																											
Category 1			-		-		-		-		-		-		-		-		-		-		-		-		-
Category 2			-		-		-		-		-		-		-		-		-		-		-		-		-
Category 3			-		-		-		-		-		-		-		-		-		-		-		-		-
Category 4			-		-		-		-		-		-		-		-		-		-		-		-		-
Category 5			-		-		-		-		-		-		-		-		-		-		-		-		-
Category 6			-		-		-		-		-		-		-		-		-		-		-		-		-
Category 7			-		-		-		-		-		-		-		-		-		-		-		-		-
Total Revenue (Sales)		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Cost of Sales																											
Category 1			-		-		-		-		-		-		-		-		-		-		-		-		-
Category 2			-		-		-		-		-		-		-		-		-		-		-		-		-
Category 3			-		-		-		-		-		-		-		-		-		-		-		-		-
Category 4			-		-		-		-		-		-		-		-		-		-		-		-		-
Category 5			-		-		-		-		-		-		-		-		-		-		-		-		-
Category 6			-		-		-		-		-		-		-		-		-		-		-		-		-
Category 7			-		-		-		-		-		-		-		-		-		-		-		-		-
Total Cost of Sales		0	-	0	-		-		-		-		-		-		-	0	-	0	-	0	-	0	-	0	-
Gross Profit		0	-	0	-		-		-		-		-		-		-	0	-	0	-	0	-	0	-	0	-
Expenses																											
Salary expenses			-		-		-		-		-		-		-		-		-		-		-		-		-
Payroll expenses			-		-		-		-		-		-		-		-		-		-		-		-		-
Outside services			-		-		-		-		-		-		-		-		-		-		-		-		-
Supplies (office and operating)			-		-		-		-		-		-		-		-		-		-		-		-		-
Repairs and maintenance			-		-		-		-		-		-		-		-		-		-		-		-		-
Advertising			-		-		-		-		-		-		-		-		-		-		-		-		-
Car, delivery and travel			-		-		-		-		-		-		-		-		-		-		-		-		-
Accounting and legal			-		-		-		-		-		-		-		-		-		-		-		-		-
Rent			-		-		-		-		-		-		-		-		-		-		-		-		-
Telephone			-		-		-		-		-		-		-		-		-		-		-		-		-
Utilities			-		-		-		-		-		-		-		-		-		-		-		-		-
Insurance			-		-		-		-		-		-		-		-		-		-		-		-		-
Taxes (real estate, etc.)			-		-		-		-		-		-		-		-		-		-		-		-		-
Interest			-		-		-		-		-		-		-		-		-		-		-		-		-
Depreciation			-		-		-		-		-		-		-		-		-		-		-		-		-
Other expenses (specify)			-		-		-		-		-		-		-		-		-		-		-		-		-
Other expenses (specify)			-		-		-		-		-		-		-		-		-		-		-		-		-
Other expenses (specify)			-		-		-		-		-		-		-		-		-		-		-		-		-
Misc. (unspecified)			-		-		-		-		-		-		-		-		-		-		-		-		-
Total Expenses		0	-	0	-		-		-		-		-		-		-	0	-	0	-	0	-	0	-	0	-
Net Profit		0	-	0	-		-		-		-		-		-		-	0	-	0	-	0	-	0	-	0	-

Notes on Preparation

Note: You may want to print this information to use as reference later. To delete these instructions, click the border of this text box and then press the DELETE key.

You should change "category 1, category 2", etc. labels to the actual names of your sales categories. Enter sales for each category for each month. The spreadsheet will add up total annual sales. In the "%" columns, the spreadsheet will show the % of total sales contributed by each category.

COST OF GOODS SOLD (also called Cost of Sales or COGS): COGS are those expenses directly related to producing or buying your products or services. For example, purchases of inventory or raw materials, as well as the wages (and payroll taxes) of employees directly involved in producing your products/services, are included in COGS. These expenses usually go up and down along with the volume of production or sales. Study your records to determine COGS for each sales category. Control of COGS is the key to profitability for most businesses, so approach this part of your forecast with great care. For each category of product/service, analyse the elements of COGS: how much for labour, for materials, for packing, for shipping, for sales commissions, etc.? Compare the Cost of Goods Sold and Gross Profit of your various sales categories. Which are most profitable, and which are least - and why? Underestimating COGS can lead to under pricing, which can destroy your ability to earn a profit. Research carefully and be realistic. Enter the COGS for each category of sales for each month. In the "%" columns, the spreadsheet will show the COGS as a % of sales dollars for that category.

GROSS PROFIT: Gross Profit is Total Sales minus Total COGS. In the "%" columns, the spreadsheet will show Gross Profit as a % of Total Sales.

OPERATING EXPENSES (also called Overhead): These are necessary expenses which, however, are not directly related to making or buying your products/services. Rent, utilities, telephone, interest, and the salaries (and payroll taxes) of office and management employees are examples. Change the names of the Expense categories to suit your type of business and your accounting system. You may need to combine some categories, however, to stay within the 20 line limit of the spreadsheet. Most operating expenses remain reasonably fixed regardless of changes in sales volume. Some, like sales commissions, may vary with sales. Some, like utilities, may vary with the time of year. Your projections should reflect these fluctuations. The only rule is that the projections should simulate your financial reality as nearly as possible. In the "%" columns, the spreadsheet will show Operating Expenses as a % of Total Sales.

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TABLE 14. P & L

6.4 Meeting Schedule

Establish a schedule for meeting to review and progress of marketing activities.
Establish time-based checkpoints for reassessing strategies and for considering adding new ones and reassessing budgets.

6.5 Customer Profiling

Determine a methodology to find out as much as possible about your customers.
Detail the type of information to be collected.
Track communications by integrating them into a CRM system.

The collection of information should include but not be limited to;

- ◆ Demographics
- ◆ Socio economic categories
- ◆ Where they live
- ◆ Where they purchase
- ◆ What they purchase
- ◆ Frequency of purchase
- ◆ Response to ad campaigns
- ◆ Communication exchanges

Detail the types of customer feedback forms and market research methods to be developed;

- ◆ Focus groups
- ◆ Questionnaires
- ◆ Telemarketing surveys
- ◆ Internet surveys

6.6 Sales Force Evaluation

6.6.1 Performance Variables

CRM systems will provide reports that details events such as;

- Number of calls made
- Number of visits
- Number of sales presentations
- Number of sales made
- Conversion ratios
- Average performance level of territory
- Average sales of sales team member

If you do not have access to a CRM System and need to generate something manually the following 2 Table and Graphs produced from "Sales Effectiveness Survey.xls" may be of assistance.

[Company Name]

Pipeline

[Date]

Model key
Bold numbers in white cells are entered by user.
<i>Italic numbers in gray cells are calculations that generally should not be altered.</i>

Pipeline breakdown				
	A Opportunities	B Opportunities	C Opportunities	
	Value	Value	Value	Total Value
	\$774,865	\$2,796,830	\$354,877	\$3,926,572
Goal \$3,500,000	Target	Target	Target	Total Target
	\$1,050,000	\$2,100,000	\$350,000	\$3,500,000
	Variance	Variance	Variance	Total Variance
	(\$275,135)	\$696,830	\$4,877	\$426,572

Customer breakdown				
Customer list	A Opportunities	B Opportunities	C Opportunities	
Proseware, Inc.	\$26,865			
A. Datum Corporation	23,000			
Northwind Traders	725,000			
Margie's Travel		555,678		
The Phone Company		1,825,400		
Coho Winery		415,752		
Tailspin Toys			22,000	
Fabrikam, Inc.			15,723	
Wingtip Toys			317,154	
	\$774,865	\$2,796,830	\$354,877	
			Total customer value	\$3,926,572

Key performance indicators			
Average deal size	Duration (weeks)	Weeks in pipeline	
\$436,286	5.35	13.7	
Calls to conversion %	Meeting to conversion %	Meeting to qualification opportunity %	Qualification to sold %
18%	26%	43%	60%

Activity breakdown			
Total customer calls	Total customer meetings	Total qualified	Total sold
50	35	15	9

TABLE 15. Sales Performance 1

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[Company Name]
Sales Effectiveness Survey
 [Date]

Model key
Bold numbers in white cells are entered by user.
<i>Italic numbers in gray cells are calculations that generally should not be altered.</i>

Sales effectiveness survey			
Quota	Target	Closed	%
For year	\$3,500,000	\$3,926,572	
Number of deals	8	9	
Weekly run rate (52 weeks)	\$67,308	\$75,511	
A Opportunities	\$1,050,000	\$774,865	74%
B Opportunities	\$2,100,000	\$2,796,830	133%
C Opportunities	\$350,000	\$354,877	101%
Pipeline size (ongoing basis)	\$3,500,000	\$3,926,572	112%
Average deal size	\$436,286		
Average bill duration	5.35		
Sales cycle			
Sales calls converted			18%
Sales meetings converted			26%
Sales meetings qualified			43%
Qualified sales closed			60%
Averages			
Average closed deals		\$436,286	
Win/loss ratio		60%	

TABLE 15. Sales Performance 2

Actual vs. Target Pipeline to Yearly Quota

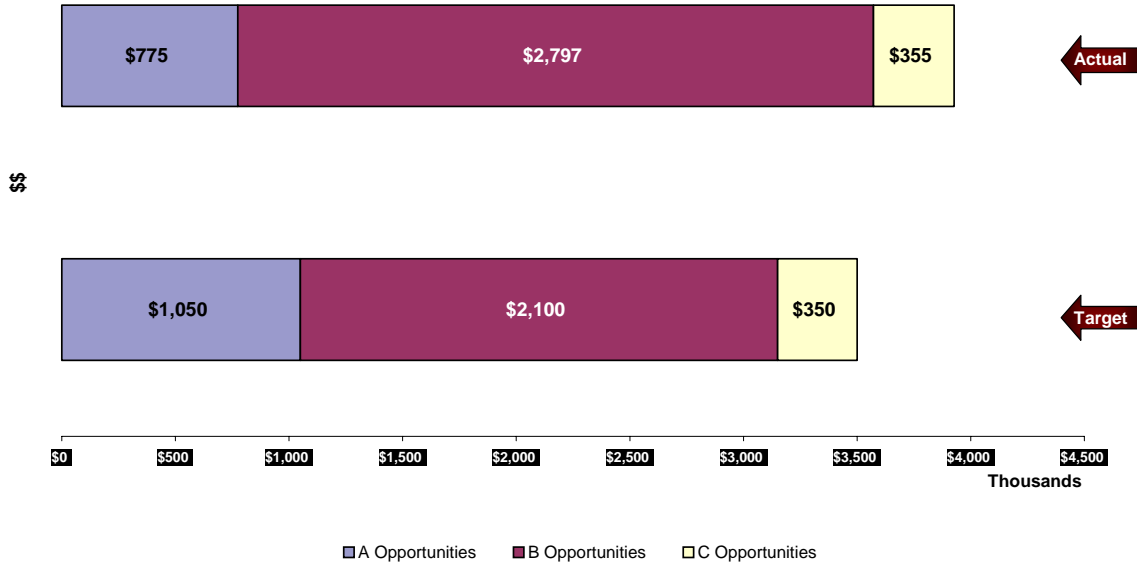
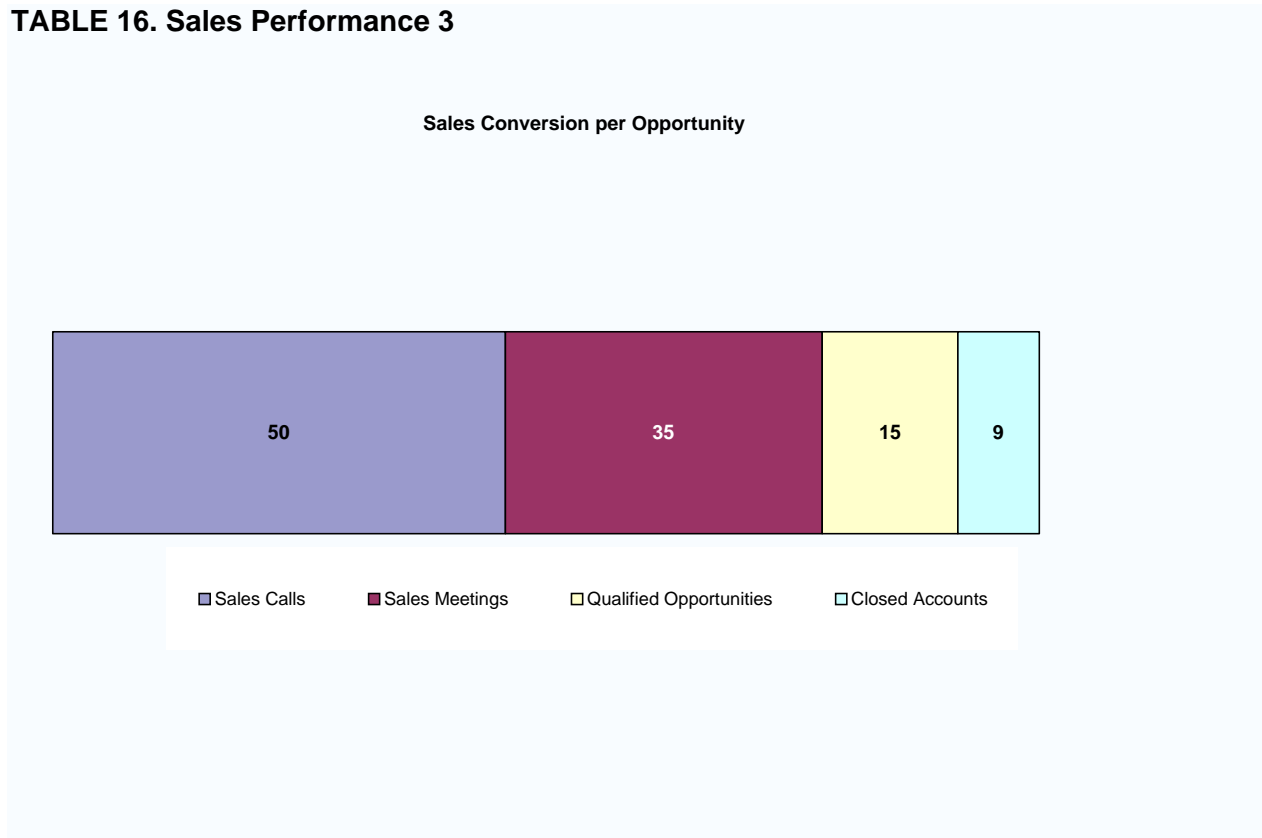


TABLE 16. Sales Performance 3



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TABLE 17. Sales Performance 4
6.7 Compensation Plan

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Sales Compensation Model
 [Date]

Gray cells are calculated for you. You do not need to enter anything in them.

Revenue Targets						
	Q1	Q2	Q3	Q4	Annual	
Product 1	\$1,500,000	\$1,600,000	\$1,700,000	\$1,800,000	\$6,600,000	
Product 2	1,000,000	1,100,000	1,200,000	1,300,000	4,600,000	
Product 3	1,700,000	1,800,000	1,900,000	2,000,000	7,400,000	
Total	\$4,200,000	\$4,500,000	\$4,800,000	\$5,100,000	\$18,600,000	
Sales representative quota buffer	5.00%	5.00%	5.00%	5.00%	5.00%	
Quota targets	\$4,410,000	\$4,725,000	\$5,040,000	\$5,355,000	\$19,530,000	
Percentage of Revenue per Product						
Product 1	50.00%	\$2,205,000	\$2,362,500	\$2,520,000	\$2,677,500	\$9,765,000
Product 2	20.00%	882,000	945,000	1,008,000	1,071,000	3,906,000
Product 3	30.00%	1,323,000	1,417,500	1,512,000	1,606,500	5,859,000
Total		\$4,410,000	\$4,725,000	\$5,040,000	\$5,355,000	\$19,530,000

Sales Commission	
Product 1	8.00%
Product 2	4.00%
Product 3	4.00%

Sales Representative Quarterly Quota Breakdown						
Sales representative	Overall quota allocation	Quota targets by quarter				
		Q1	Q2	Q3	Q4	Annual
Sales rep 1	10.00%	\$441,000	\$472,500	\$504,000	\$535,500	\$1,953,000
Sales rep 2	10.00%	441,000	472,500	504,000	535,500	1,953,000
Sales rep 3	8.00%	352,800	378,000	403,200	428,400	1,562,400
Sales rep 4	6.00%	264,600	283,500	302,400	321,300	1,171,800
Sales rep 5	6.00%	264,600	283,500	302,400	321,300	1,171,800
Sales rep 6	6.00%	264,600	283,500	302,400	321,300	1,171,800
Sales rep 7	6.00%	264,600	283,500	302,400	321,300	1,171,800
Sales rep 8	6.00%	264,600	283,500	302,400	321,300	1,171,800
Sales rep 9	6.00%	264,600	283,500	302,400	321,300	1,171,800
Sales rep 10	6.00%	264,600	283,500	302,400	321,300	1,171,800
Sales rep 11	6.00%	264,600	283,500	302,400	321,300	1,171,800
Sales rep 12	6.00%	264,600	283,500	302,400	321,300	1,171,800
Sales rep 13	6.00%	264,600	283,500	302,400	321,300	1,171,800
Sales rep 14	6.00%	264,600	283,500	302,400	321,300	1,171,800
Sales rep 15	6.00%	264,600	283,500	302,400	321,300	1,171,800
Total	100.00%	\$4,410,000	\$4,725,000	\$5,040,000	\$5,355,000	\$19,530,000

Commission per Quarter						
Sales representative		Quota targets by quarter				
		Q1	Q2	Q3	Q4	Annual
Sales rep 1	\$26,460	\$28,350	\$30,240	\$32,130	\$117,180	
Sales rep 2	26,460	28,350	30,240	32,130	117,180	
Sales rep 3	21,168	22,680	24,192	25,704	93,744	
Sales rep 4	15,876	17,010	18,144	19,278	70,308	
Sales rep 5	15,876	17,010	18,144	19,278	70,308	
Sales rep 6	15,876	17,010	18,144	19,278	70,308	
Sales rep 7	15,876	17,010	18,144	19,278	70,308	
Sales rep 8	15,876	17,010	18,144	19,278	70,308	
Sales rep 9	15,876	17,010	18,144	19,278	70,308	
Sales rep 10	15,876	17,010	18,144	19,278	70,308	
Sales rep 11	15,876	17,010	18,144	19,278	70,308	
Sales rep 12	15,876	17,010	18,144	19,278	70,308	
Sales rep 13	15,876	17,010	18,144	19,278	70,308	
Sales rep 14	15,876	17,010	18,144	19,278	70,308	
Sales rep 15	15,876	17,010	18,144	19,278	70,308	
Totals	\$264,600	\$283,500	\$302,400	\$321,300	\$1,171,800	

Sales Representative Compensation Model				
Sales representative	Base salary	Commission	Annual bonus	On target earnings
Sales rep 1	\$80,000	\$117,180	\$25,000	\$222,180
Sales rep 2	80,000	117,180	20,000	217,180
Sales rep 3	75,000	93,744	20,000	188,744
Sales rep 4	75,000	70,308	20,000	165,308
Sales rep 5	75,000	70,308	20,000	165,308
Sales rep 6	75,000	70,308	20,000	165,308
Sales rep 7	75,000	70,308	20,000	165,308
Sales rep 8	75,000	70,308	20,000	165,308
Sales rep 9	75,000	70,308	20,000	165,308
Sales rep 10	75,000	70,308	20,000	165,308
Sales rep 11	70,000	70,308	20,000	160,308
Sales rep 12	70,000	70,308	20,000	160,308
Sales rep 13	70,000	70,308	20,000	160,308
Sales rep 14	70,000	70,308	20,000	160,308
Sales rep 15	70,000	70,308	20,000	160,308
Totals	\$1,110,000	\$1,171,800	\$305,000	\$2,586,800
Percentage	42.91%	45.30%	11.79%	

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TABLE 16. Compensation Plan 1

[Company Name]
Sales Attainment Analysis
[Date]

Gray cells are calculated for you. You do not need to enter anything in them.

Revenue Attainment: Total					
	Q1	Q2	Q3	Q4	Annual
Sales rep 1	\$294,000	\$0	\$240,000	\$618,000	\$1,152,000
Sales rep 2	360,000	330,000	135,000	660,000	1,485,000
Sales rep 3	615,000	468,000	345,000	507,000	1,935,000
Sales rep 4	312,000	201,000	345,000	276,000	1,134,000
Sales rep 5	201,000	246,000	276,000	312,000	1,035,000
Sales rep 6	406,340	292,000	108,000	294,000	1,100,340
Sales rep 7	642,000	474,000	336,000	306,000	1,758,000
Sales rep 8	372,000	507,000	144,000	405,000	1,428,000
Sales rep 9	558,000	411,000	105,000	438,000	1,512,000
Sales rep 10	468,000	435,000	546,000	342,000	1,791,000
Sales rep 11	396,000	216,000	213,000	132,000	957,000
Sales rep 12	528,000	378,000	276,000	168,000	1,350,000
Sales rep 13	168,000	144,000	186,000	72,000	570,000
Sales rep 14	294,000	312,000	267,000	333,000	1,206,000
Sales rep 15	333,000	276,000	12,000	411,000	1,032,000
Totals	\$5,947,340	\$4,690,000	\$3,534,000	\$5,274,000	\$19,445,340

Revenue Attainment: Product 1					
	Q1	Q2	Q3	Q4	Annual
Sales rep 1	\$98,000	\$0	\$80,000	\$206,000	\$384,000
Sales rep 2	120,000	110,000	45,000	220,000	495,000
Sales rep 3	205,000	156,000	115,000	169,000	645,000
Sales rep 4	104,000	67,000	115,000	92,000	378,000
Sales rep 5	67,000	82,000	92,000	104,000	345,000
Sales rep 6	115,000	84,000	36,000	98,000	333,000
Sales rep 7	214,000	158,000	112,000	102,000	586,000
Sales rep 8	124,000	169,000	48,000	135,000	476,000
Sales rep 9	186,000	137,000	35,000	146,000	504,000
Sales rep 10	156,000	145,000	182,000	114,000	597,000
Sales rep 11	132,000	72,000	71,000	44,000	319,000
Sales rep 12	176,000	126,000	92,000	56,000	450,000
Sales rep 13	56,000	48,000	62,000	24,000	190,000
Sales rep 14	98,000	104,000	89,000	111,000	402,000
Sales rep 15	111,000	92,000	4,000	137,000	344,000
Totals	\$1,962,000	\$1,550,000	\$1,178,000	\$1,758,000	\$6,448,000

Revenue Attainment: Product 2					
	Q1	Q2	Q3	Q4	Annual
Sales rep 1	\$98,000	\$0	\$80,000	\$206,000	\$384,000
Sales rep 2	120,000	110,000	45,000	220,000	495,000
Sales rep 3	205,000	156,000	115,000	169,000	645,000
Sales rep 4	104,000	67,000	115,000	92,000	378,000
Sales rep 5	67,000	82,000	92,000	104,000	345,000
Sales rep 6	145,670	104,000	36,000	98,000	383,670
Sales rep 7	214,000	158,000	112,000	102,000	586,000
Sales rep 8	124,000	169,000	48,000	135,000	476,000
Sales rep 9	186,000	137,000	35,000	146,000	504,000
Sales rep 10	156,000	145,000	182,000	114,000	597,000
Sales rep 11	132,000	72,000	71,000	44,000	319,000
Sales rep 12	176,000	126,000	92,000	56,000	450,000
Sales rep 13	56,000	48,000	62,000	24,000	190,000
Sales rep 14	98,000	104,000	89,000	111,000	402,000
Sales rep 15	111,000	92,000	4,000	137,000	344,000
Totals	\$1,992,670	\$1,570,000	\$1,178,000	\$1,758,000	\$6,498,670

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TABLE 17. Compensation Plan 2

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Revenue Attainment: Product 3					
	Q1	Q2	Q3	Q4	Annual
Sales rep 1	\$98,000	\$0	\$80,000	\$206,000	\$384,000
Sales rep 2	120,000	110,000	45,000	220,000	495,000
Sales rep 3	205,000	156,000	115,000	169,000	645,000
Sales rep 4	104,000	67,000	115,000	92,000	378,000
Sales rep 5	67,000	82,000	92,000	104,000	345,000
Sales rep 6	145,670	104,000	36,000	98,000	383,670
Sales rep 7	214,000	158,000	112,000	102,000	586,000
Sales rep 8	124,000	169,000	48,000	135,000	476,000
Sales rep 9	186,000	137,000	35,000	146,000	504,000
Sales rep 10	156,000	145,000	182,000	114,000	597,000
Sales rep 11	132,000	72,000	71,000	44,000	319,000
Sales rep 12	176,000	126,000	92,000	56,000	450,000
Sales rep 13	56,000	48,000	62,000	24,000	190,000
Sales rep 14	98,000	104,000	89,000	111,000	402,000
Sales rep 15	111,000	92,000	4,000	137,000	344,000
Totals	\$1,992,670	\$1,570,000	\$1,178,000	\$1,758,000	\$6,498,670

Commission Calculation					
	Q1	Q2	Q3	Q4	Annual
Sales rep 1	\$15,680	\$0	\$12,800	\$32,960	\$61,440
Sales rep 2	19,200	17,600	7,200	35,200	79,200
Sales rep 3	32,800	24,960	18,400	27,040	103,200
Sales rep 4	16,640	10,720	18,400	14,720	60,480
Sales rep 5	10,720	13,120	14,720	16,640	55,200
Sales rep 6	20,854	15,040	5,760	15,680	57,334
Sales rep 7	34,240	25,280	17,920	16,320	93,760
Sales rep 8	19,840	27,040	7,680	21,600	76,160
Sales rep 9	29,760	21,920	5,600	23,360	80,640
Sales rep 10	24,960	23,200	29,120	18,240	95,520
Sales rep 11	21,120	11,520	11,360	7,040	51,040
Sales rep 12	28,160	20,160	14,720	8,960	72,000
Sales rep 13	8,960	7,680	9,920	3,840	30,400
Sales rep 14	15,680	16,640	14,240	17,760	64,320
Sales rep 15	17,760	14,720	640	21,920	55,040
Totals	\$316,374	\$249,600	\$188,480	\$281,280	\$1,035,734

Attainment Analysis					
	Q1	Q2	Q3	Q4	Annual
Sales rep 1	66.67%	0.00%	47.62%	115.41%	58.99%
Sales rep 2	81.63%	69.84%	26.79%	123.25%	76.04%
Sales rep 3	174.32%	123.81%	85.57%	118.35%	123.85%
Sales rep 4	117.91%	70.90%	114.09%	85.90%	96.77%
Sales rep 5	75.96%	86.77%	91.27%	97.11%	88.33%
Sales rep 6	153.57%	103.00%	35.71%	91.50%	93.90%
Sales rep 7	242.63%	167.20%	111.11%	95.24%	150.03%
Sales rep 8	140.59%	178.84%	47.62%	126.05%	121.86%
Sales rep 9	210.88%	144.97%	34.72%	136.32%	129.03%
Sales rep 10	176.87%	153.44%	180.56%	106.44%	152.84%
Sales rep 11	149.66%	76.19%	70.44%	41.08%	81.67%
Sales rep 12	199.55%	133.33%	91.27%	52.29%	115.21%
Sales rep 13	63.49%	50.79%	61.51%	22.41%	48.64%
Sales rep 14	111.11%	110.05%	88.29%	103.64%	102.92%
Sales rep 15	125.85%	97.35%	3.97%	127.92%	88.07%
Totals	134.86%	99.26%	70.12%	98.49%	99.57%

TABLE 18. Compensation Plan 3

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Attainment Analysis Summary

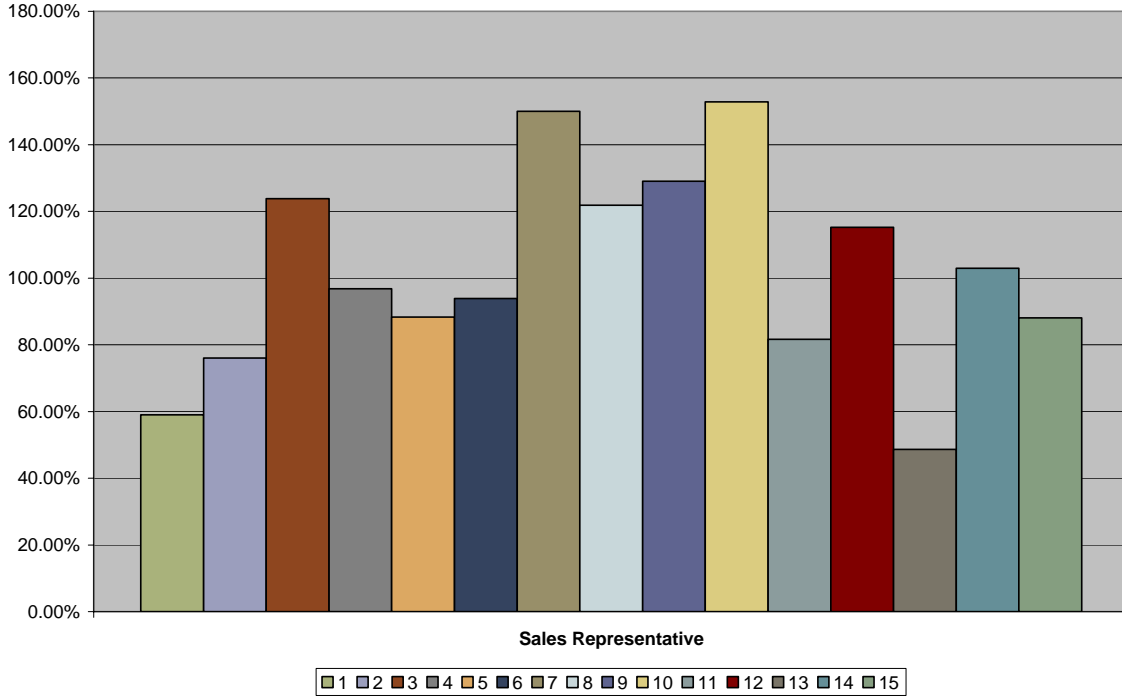


TABLE 19. Compensation Plan 4

The Marketing Planning Template and the associated Excel Spreadsheets are provided to the purchaser under the condition they are not copied or distributed to any other person, company or entity. Any breach of these conditions shall be considered theft and will be prosecuted to the full extent of the Law.

Revenue Comparison

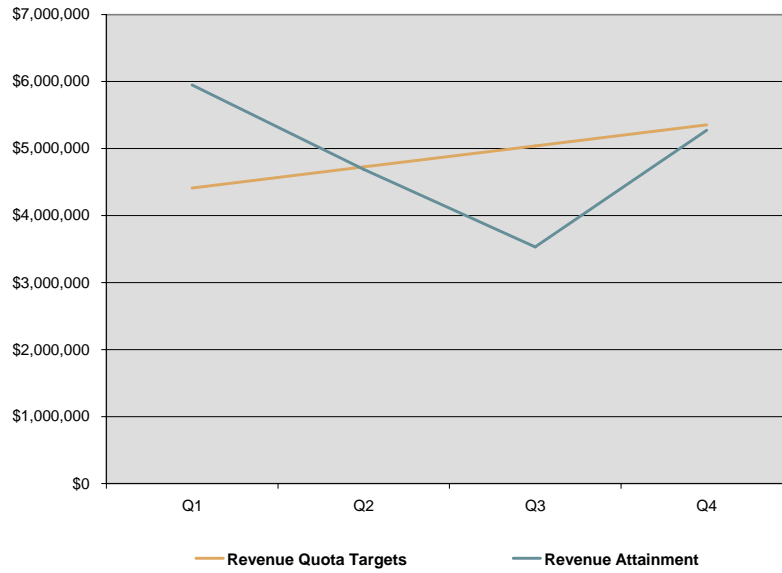


TABLE 20. Compensation Plan 4

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7. FINANCIAL INFORMATION

7.1 Financial Capsule

Detail projected sales for year 1 and for year 5

Detail expected profit for year 1 and for year 5

Detail EBITDA for year 1 and for year 5

Sales Forecast

	Last Year	Year 1	Year 2	Year 3	Year 3	Year 5
Sales						
Gross profit						
EBITDA						

TABLE 21. EBITDA

7.2 Financial Assumptions

Detail any assumptions that allow you to make these sales and costs forecasts.

- ◆ Success of marketing plans
- ◆ Expected success rates of marketing programs
- ◆ Market conditions
- ◆ Legislation and taxes
- ◆ Equipment performance/durability
- ◆ Ease of credit collection

7.3 Budgets

7.3.1 Advertising

- Detail the funds that will be allocated to advertising for the next 2 years

Advertising Costs

	Year 1	Year 1	Year 1	Year 1	Year 1	Year 2	Year 2	Year 2	Year 2	Year 2	Total
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		
Print	500	5,000		1,000	6,500	1,000		1,000		2,000	8,500
Radio	1,000	1,000	1,000	1,000	4,000	1,000	1,000	500	1,000	3,500	7,500
TV	2,000	500	2,000	2,000	6,500	500	2,000	2,000	2,000	6,500	13,000
Outdoors		1,000			1,000		1,000		1,000	2,000	3,000
Events	2,000		500	2,000	4,500		2,000		2,000	4,000	8,500
PR		1,000	1,000		2,000	1,000		1,000		2,000	4,000
Online	5,000				5,000	5,000			5,000	10,000	15,000
Total	10,500	8,500	4,500	6,000	29,500	8,500	6,000	4,500	11,000	30,000	59,500

TABLE 22. 2 Year Advertising Budgets

The following bar chart of media spending for years 1 and 2 is produced from "Advertising Costs 2 Years.xls". Enter your detailed spending into this spreadsheet.

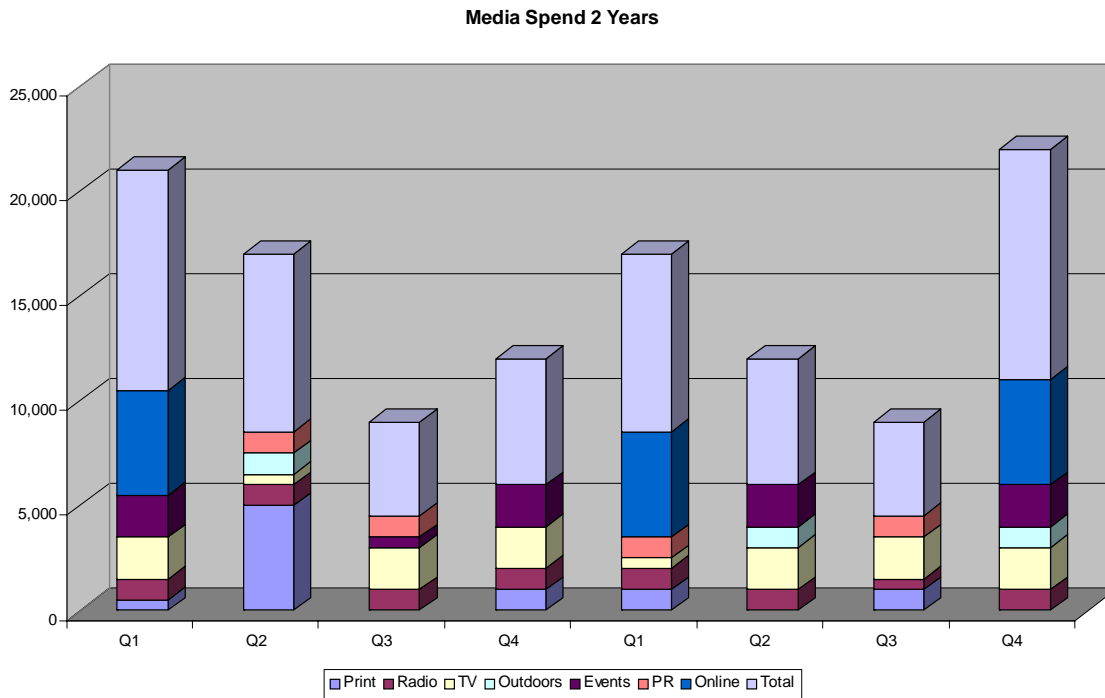


TABLE 23. 2 Year Advertising Budget

7.3.2 Marketing Programs

Detail monthly, quarterly or annual budgets for each main business activity (usually given on a monthly basis for year 1, on a quarterly basis for year 2, and on a yearly basis for years 3, 4 and 5):

- ◆ Product development
- ◆ Distribution
- ◆ Advertising
- ◆ Loyalty program
- ◆ Personal selling
- ◆ Customer service & support
- ◆ Trust and credibility
- ◆ Market research
- ◆ Trade promotions

7.4 Years Financial Projections

[Company Name]
5-Year Financial Plan
Model inputs and investor scenario

Enter data in white cells only.
Italicized numbers in gray cells are calculations that should not be overwritten.
 Non-italicized numbers in gray cells are calculations that can be overwritten.

General notes and assumptions
 [Document key financial planning assumptions here.]

Year 1 model inputs				
<i>Use this area to capture key components of the Profit and Loss Statement and the Balance Sheet for the first year only.</i>				
1. Year-one revenue expectancy				
	<i><Product 1></i>	<i><Product 2></i>	<i><Product 3></i>	<i><Product 4></i>
Number of units sold annually	2,800	1,200	1,600	0
Average sales price per unit	\$120.00	\$80.00	\$40.00	\$0.00
Annual revenue per product	\$336,000	\$96,000	\$64,000	\$0
Total year 1 revenue	\$496,000			
2. Year 1 cost of goods sold				
	<i><Product 1></i>	<i><Product 2></i>	<i><Product 3></i>	<i><Product 4></i>
Expected gross margin per product	50.00%	40.00%	25.00%	0.00%
Annual cost of goods sold per product	\$168,000	\$38,400	\$16,000	\$0
Total year 1 cost of goods sold	\$222,400			
3. Annual maintenance, repair, and overhaul				
Factor (%) on capital equipment	15%			
4. Number of years for straight-line depreciation				
	5			
5. Annual tax rate				
	30%			
6. If long-term debt is being used to finance operations, enter the total loan value.				
	\$80,000			

TABLE 24. 5 Year Financial Plan 1

[Company Name]
5-Year Financial Plan
Profit and loss projections

Year-by-year profit and loss assumptions					
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Annual cumulative price (revenue) increase	-	2.00%	4.00%	6.00%	8.00%
Annual cumulative inflation (expense) increase	-	2.00%	4.00%	6.00%	8.00%
Interest rate on ending cash balance	0.50%	0.50%	0.50%	0.50%	0.50%

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Revenue					
Gross revenue	\$496,000	\$505,920	\$526,157	\$557,726	\$602,344
Cost of goods sold	222,400	226,848	235,922	250,077	270,083
Gross margin	\$273,600	\$279,072	\$290,235	\$307,649	\$332,261
Other revenue [source]	\$0	\$0	\$10,000	\$0	\$0
Interest income	\$1,000	\$0	\$0	\$0	\$0
Total revenue	\$274,600	\$279,072	\$300,235	\$307,649	\$332,261
Operating expenses					
Sales and marketing	\$40,000	\$40,800	\$42,432	\$44,978	\$48,576
Payroll and payroll taxes	60,000	\$61,200	\$63,648	\$67,467	\$72,864
Depreciation	40,000	40,800	41,600	42,400	43,200
Insurance	40,000	\$40,800	\$42,432	\$44,978	\$48,576
Maintenance, repair, and overhaul	15,000	15,300	15,600	15,900	16,200
Utilities	30,000	\$30,600	\$31,824	\$33,733	\$36,432
Property taxes	15,000	\$15,300	\$15,912	\$16,867	\$18,216
Administrative fees	18,000	\$18,360	\$19,094	\$20,240	\$21,859
Other	4,000	\$4,080	\$4,243	\$4,498	\$4,858
Total operating expenses	\$262,000	\$267,240	\$276,786	\$291,061	\$310,782
Operating income	\$12,600	\$11,832	\$23,449	\$16,588	\$21,479
Interest expense on long-term debt	3,590	2,866	2,106	1,308	470
Operating income before other items	\$9,010	\$8,966	\$21,344	\$15,281	\$21,010
Loss (gain) on sale of assets	0	0	1,000	0	0
Other unusual expenses (income)	0	0	0	0	0
Earnings before taxes	\$9,010	\$8,966	\$22,344	\$15,281	\$21,010
Taxes on income	30%	2,703	2,690	4,584	6,303
Net income (loss)	\$6,307	\$6,276	\$15,641	\$10,697	\$14,707

TABLE 25. 5 Year Financial Plan 2

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[Company Name]
5-Year Financial Plan
Balance sheet projections

Assets	Initial balance	Year 1	Year 2	Year 3	Year 4	Year 5
Cash and short-term investments	\$50,000	\$181,829	\$164,704	\$229,982	\$314,819	\$280,128
Accounts receivable	3,000	3,000	3,000	3,000	3,000	3,000
Total inventory	25,000	25,000	25,000	25,000	25,000	25,000
Prepaid expenses	0	0	0	0	0	0
Deferred income tax	0	0	0	0	0	0
Other current assets	5,000	5,000	5,000	5,000	5,000	5,000
Total current assets	\$83,000	\$214,829	\$197,704	\$262,982	\$347,819	\$313,128
Buildings	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Land	100,000	100,000	100,000	100,000	100,000	100,000
Capital improvements	0	0	0	0	0	0
Machinery and equipment	100,000	100,000	100,000	100,000	100,000	100,000
Less: Accumulated depreciation expense	0	40,000	80,800	122,400	164,800	208,000
Net property/equipment	\$300,000	\$260,000	\$219,200	\$177,600	\$135,200	\$92,000
Goodwill	\$0	\$0	\$0	\$0	\$0	\$0
Deferred income tax	0	0	0	0	0	0
Long-term investments	0	0	0	0	0	0
Deposits	0	0	0	0	0	0
Other long-term assets	0	0	0	0	0	0
Total assets	\$383,000	\$474,829	\$416,904	\$440,582	\$483,019	\$405,128
Liabilities	Initial balance	Year 1	Year 2	Year 3	Year 4	Year 5
Accounts payable	\$2,000	\$2,000	\$3,000	\$3,000	\$1,500	\$1,500
Accrued expenses	0	0	0	0	0	0
Notes payable/short-term debt	0	0	0	0	0	0
Capital leases	0	0	0	0	0	0
Other current liabilities	100	100	100	100	100	100
Total current liabilities	\$2,100	\$2,100	\$3,100	\$3,100	\$1,600	\$1,600
Long-term debt from loan payment calculator	\$80,000	\$65,522	\$50,320	\$34,358	\$17,598	\$0
Other long-term debt	\$100,000	\$200,000	\$150,000	\$175,000	\$225,000	\$150,000
Total debt	\$182,100	\$267,622	\$203,420	\$212,458	\$244,198	\$151,600
Other liabilities	0	0	0	0	0	0
Total liabilities	\$82,100	\$67,622	\$53,420	\$37,458	\$19,198	\$1,600
Equity	Initial balance	Year 1	Year 2	Year 3	Year 4	Year 5
Owner's equity (common)	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Paid-in capital	250,000	250,000	250,000	250,000	250,000	250,000
Preferred equity	0	0	0	0	0	0
Retained earnings	0	6,307	12,584	28,224	38,921	53,628
Total equity	\$300,000	\$306,307	\$312,584	\$328,224	\$338,921	\$353,628
Total liabilities and equity	\$382,100	\$373,929	\$366,004	\$365,682	\$358,119	\$355,228

TABLE 26. 5 Year Financial Plan 3

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[Company Name]
5-Year Financial Plan
Cash flow

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Operating activities						
Net income	\$6,307	\$6,276	\$15,641	\$10,697	\$14,707	\$53,628
Depreciation	40,000	40,800	41,600	42,400	43,200	208,000
Accounts receivable	0	0	0	0	0	0
Inventories	0	0	0	0	0	0
Accounts payable	0	1,000	0	(1,500)	0	(500)
Amortization	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0
Other operating cash flow items	0	0	0	0	0	0
Total operating activities	\$46,307	\$48,076	\$57,241	\$51,597	\$57,907	\$261,128
Investing activities						
Capital expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Acquisition of business	0	0	0	0	0	0
Sale of fixed assets	\$0	\$0	(1,000)	\$0	\$0	(1,000)
Other investing cash flow items	0	0	0	0	0	0
Total investing activities	\$0	\$0	(1,000)	\$0	\$0	(1,000)
Financing activities						
Long-term debt/financing	\$85,522	(65,202)	\$9,038	\$33,240	(92,598)	(30,000)
Preferred stock	0	0	0	0	0	0
Total cash dividends paid	0	0	0	0	0	0
Common stock	0	0	0	0	0	0
Other financing cash flow items	0	0	0	0	0	0
Total financing activities	\$85,522	(65,202)	\$9,038	\$33,240	(92,598)	(30,000)
Cumulative cash flow	\$131,829	(17,125)	\$65,279	\$84,836	(34,691)	\$230,128
Beginning cash balance	\$50,000	\$181,829	\$164,704	\$229,982	\$314,819	
Ending cash balance	\$181,829	\$164,704	\$229,982	\$314,819	\$280,128	

TABLE 27. 5 Year Financial Plan 4

NOTES

Brand
Brand Equity
Business Plan
Demographics
Industry or Market Research
Marketing Plan
Market Segmentation
Marketing Strategy
Product
Product Line
Service
SWOT Analysis

Brand

A brand is a collection of images and ideas representing an economic producer; more specifically, it refers to the concrete symbols such as a name, logo, slogan, and design scheme. Brand recognition and other reactions are created by the accumulation of experiences with the specific product or service, both directly relating to its use, and through the influence of advertising, design, and media commentary. A brand is a symbolic embodiment of all the information connected to a company, product or service. A brand serves to create associations and expectations among products made by a producer. A brand often includes an explicit logo, fonts, colour schemes, symbols, sound which may be developed to represent implicit values, ideas, and even personality.

The brand, and "branding" and brand equity have become increasingly important components of culture and the economy, now being described as "cultural accessories and personal philosophies". Some marketers distinguish the psychological aspect of a brand from the experiential aspect. The experiential aspect consists of the sum of all points of contact with the brand and is known as the brand experience. The psychological aspect, sometimes referred to as the **brand image**, is a symbolic construct created within the minds of people and consists of all the information and expectations associated with a product or service.

Marketers engaged in branding seek to develop or align the expectations behind the brand experience, creating the impression that a brand associated with a product or service has certain qualities or characteristics that make it special or unique. A brand image may be developed by attributing a "personality" to or associating an "image" with a product or service, whereby the personality or image is "branded" into the consciousness of consumers. A brand is therefore one of the most valuable elements in an advertising theme, as it demonstrates what the brand owner is able to offer in the marketplace. The art of creating and maintaining a brand is called brand management. This approach does not only work for consumer goods B2C (Business-to-Consumer), but also for B2B (Business-to-Business),

A brand, which is widely known in the marketplace, acquires brand recognition. Where brand recognition builds up to a point where a brand enjoys a critical mass of positive sentiment in the marketplace, it is said to have achieved brand franchise. One goal in brand recognition is the identification of a brand without the name of the company present. For example, Disney has been successful at branding with their particular script font (originally created for Walt Disney's "signature" logo), which it used in the logo for go.com.

Brand Equity

Brand equity measures the total value of the brand to the brand owner, and reflects the extent of brand franchise. The term brand name is often used interchangeably with "brand", although it is more correctly used to specifically denote written or spoken linguistic elements of a brand. In this context, a "brand

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name" constitutes a type of trademark, if the brand name exclusively identifies the brand owner as the commercial source of products or services. A brand owner may seek to protect proprietary rights in relation to a brand name through trademark registration.

The act of associating a product or service with a brand has become part of pop culture. Most products have some kind of brand identity, from common table salt to designer clothes. In non-commercial contexts, the marketing of entities which supply ideas or promises rather than product and services (e.g. political parties or religious organizations) may also be known as "branding".

Consumers may look on branding as an important value added aspect of products or services, as it often serves to denote a certain attractive quality or characteristic. From the perspective of brand owners, branded products or services also command higher prices. Where two products resemble each other, but one of the products has no associated branding (such as a generic, store-branded product), people may often select the more expensive branded product based on the quality of the brand or the reputation of the brand owner.

Advertising spokespersons have also become part of some brands, for example: Mr. Whipple of Charmin toilet tissue and Tony the Tiger of Kellogg's.

Brand monopoly

In economic terms, the "brand" is, in effect, a device to create a "monopoly" — or at least some form of "imperfect competition" — so that the brand owner can obtain some of the benefits, which accrue to a monopoly, particularly those related to decreased price competition. In this context, most "branding" is established by promotional means. However, there is also a legal dimension, for it is essential that the brand names and trademarks are protected by all means available. The monopoly may also be extended, or even created, by patent, copyright, trade secret (e.g. secret recipe), and other sui generis intellectual property regimes (e.g.: Plant Varieties Act, Design Act).

In all these contexts, retailers' "own label" brands can be just as powerful. The "brand", whatever its derivation, is a very important investment for any organization. RHM (Rank Hovis McDougall), for example, have valued their international brands at anything up to twenty times their annual earnings.

Branding policies

There are a number of possible policies.

Company name

Is often, especially in the industrial sector, it is just the company's name which is promoted (leading to one of the most powerful statements of "branding"; the saying, before the company's downgrading, "No-one ever got fired for buying IBM").

In this case a very strong brand name (or company name) is made the vehicle for a range of products (for example, Mercedes or Black & Decker) or even a range of subsidiary brands (such as Cadbury Dairy Milk, Cadbury Flake or Cadbury Fingers in the United States).

Individual branding

Each brand has a separate name (such as Seven-Up or Nivea Sun (Beiersdorf)), which may even compete against other brands from the same company (for example, Persil, Omo, Surf and Lynx are all owned by Unilever).

Derived brands

In this case, the supplier of a key component, used by a number of suppliers of the end product, may wish to guarantee its own position by promoting that component as a brand in its own right. The most frequently quoted example is Intel (in the PC market, with the slogan 'Intel Inside'), but the sweetener Aspartame used much the same approach (to lock in the soft drinks manufacturers who represented a

major market for the product).

Brand development

In terms of existing products, brands may be developed in a number of ways:

Brand extension

The existing strong brand name can be used as a vehicle for new or modified products; for example, after many years of running just one brand, Coca-Cola launched "Diet Coke" and "Cherry Coke"; although its subsequent change to its main brand and the retrenchment to 'Classic Coke' demonstrated some of the problems this may cause. Procter & Gamble (P&G), in particular, has made regular use of this device, extending its strongest brand names (such as Fairy Soap) into new markets (the very successful Fairy Liquid, and more recently Fairy Automatic). HLL had introduced several brand extensions of its brand Lux over a period of time like Lux International, Lux Shampoo and all its brand extensions proved successful.

Multi-brands

Alternatively, in a market that is fragmented amongst a number of brands a supplier can choose deliberately to launch totally new brands in apparent competition with its own existing strong brand (and often with identical product characteristics); simply to soak up some of the share of the market which will in any case go to minor brands. The rationale is that having 3 out of 12 brands in such a market will give a greater overall share than having 1 out of 10 (even if much of the share of these new brands is taken from the existing one). In its most extreme manifestation, a supplier pioneering a new market which it believes will be particularly attractive may choose immediately to launch a second brand in competition with its first, in order to pre-empt others entering the market.

Individual brand names naturally allow greater flexibility by permitting a variety of different products, of differing quality, to be sold without confusing the consumer's perception of what business the company is in or diluting higher quality products.

Once again, Procter & Gamble is a leading exponent of this philosophy, running as many as ten detergent brands in the US market. This also increases the total number of "facings" it receives on supermarket shelves. Sara Lee, on the other hand, uses it to keep the very different parts of the business separate — from Sara Lee cakes through Kiwi polishes to L'EGGS pantyhose. In the hotel business, Marriott uses the name Fairfield Inns for its budget chain (and Ramada uses Rodeway for its own cheaper hotels).

Cannibalization is a particular problem of a "multibrand" approach, in which the new brand takes business away from an established one which the organization also owns. This may be acceptable (indeed to be expected) if there is a net gain overall. Alternatively, it may be the price the organization is willing to pay for shifting its position in the market; the new product being one stage in this process.

Small business brands

Branding a small business is essentially the same thing as a larger corporation, the only differences being that small businesses usually have a smaller market and have less reach than larger brands. Some people argue that it is not possible to brand a small business, however there are many examples of small businesses that became very successful due to branding. Starbucks is one company that used almost no advertising and over a period of ten years developed such a strong brand that the company went from one shop to hundreds.

Business Plan

A business plan is a summary of how a business or entrepreneur intends to organize an entrepreneurial endeavour and implement activities necessary and sufficient for the venture to succeed. It is a written explanation of the company's business model for the venture in question. Business plans are developed for ventures in both business and government.

Business plans are used internally for management and planning and are used to convince outsiders

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such as banks or venture capitalists to invest money into a venture.

Business plans are noted for often quickly becoming out of date. One common belief within business circles is that the actual plan may have little value, but what is more important is the process of planning, through which the manager gains a greater understanding of the business and of the options available. Business plan is prepared for customers for they need to know whether the product serves the purpose or not and the utility of the product, for government because it is necessary to know for government whether the legal economical and subsidy concerns are met or the like.

Types of Plans

Business plans can be divided roughly into four separate types. They require very different amounts of labour and not always with proportionately different results.

- **The Miniplan.** A miniplan, better known as the Executive Summary, may consist of one to 10 pages and should include at least cursory attention to such key matters as business concept, financing needs, marketing plan and financial statements, especially cash flow, income projection and balance sheet. It is a great way to quickly test a business concept or measure the interest of a potential partner or minor investor. It can also serve as a valuable prelude to a full-length plan later on.
- **The Working Plan.** A working plan is a tool to be used to operate the business. It has to be long on detail but may be short on presentation. As with a miniplan, one can probably afford a somewhat higher degree of candour and informality when preparing a working plan.
- **The Presentation Plan.** If a working plan is twisted to boost the amount of attention paid to its looks, it will become a presentation plan. This plan is suitable for showing to bankers, investors and others outside the company.
- **The Electronic Plan.** The majority of business plans are composed on a computer of some kind, then printed out and presented in hard copy. However, more and more business information that once was transferred between parties only on paper is now sent electronically. An electronic plan can be handy for presentations to a group using a computer-driven overhead projector, for example, or for satisfying the demands of a discriminating investor who wants to be able to delve deeply into the underpinnings of complex spreadsheets.

Advantages

A solid strategic plan delivers the following benefits:

- You focus your time and energy on activities that are most likely to achieve your goals.
- You know how to allocate resources.
- You put a solid strategy in place to set your business apart from the competition.
- You can communicate your plan to employees, and hold them accountable for results.
- You can track the results of your efforts and make mid-course corrections to get back on track if you need to.
- You can adapt your plan to create a second business plan to raise investment capital or get a business loan.

Business Planning Process

For an effective business plan, the following steps can be followed:

- Idea Generation
- Environment Scanning
- Feasibility Analysis
- Drawing up a Functional Plan
- Project Report Preparation
- Evaluation, Control & Review

Example of the Content of a business plan

A business plan can be seen as a collection of sub-plans including a marketing plan, financial plan,

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production plan, and human resource plan.

The business plan has many forms. There is however, a format that is typical:

- Executive summary
 - Explains the basic business model
 - Gives rationale for the strategy
- Background
 - Gives short history of company (unless it is a new company)
 - Provides background details such as:
 - ♣ age of company
 - ♣ number of employees
 - ♣ annual sales figures
 - ♣ location of facilities
 - ♣ form of ownership including
 - ♣ sole proprietor
 - ♣ partnership
 - ♣ entrepreneurial start-up
 - ♣ private corporate start-up
 - ♣ publicly traded corporation
 - ♣ limited liability company
 - ♣ public utility
 - ♣ non-profit organisation
 - Background of key personnel including
 - ♣ owners
 - ♣ senior managers
 - ♣ managing partners
 - ♣ head scientists and researchers
- Marketing
 - The macro environment
 - The competitive environment
 - The industry
 - The customer priorities
 - Product strategy
 - Pricing strategy
 - Promotion strategy
 - Distribution strategy
- Production and manufacturing
 - Describe all processes
 - Production facility requirements - size, layout, capacity, location
 - Inventory requirements - raw materials inventory, finished goods inventory, warehouse space requirements
 - Equipment requirements
 - Supply chain requirements
 - Fixed cost allocation
- Finance
 - Source of funds
 - Existing loans and liabilities
 - Projected sales and costs
 - Break even analysis
 - Expected return
 - Monthly pro-forma cash flow statement
- Human resources
 - Assign responsibilities

- Training required
- Skills required
- Union issues
- Compensation
- Skills availability
- New hiring

Specialized sections such as product research and development, legal strategies, marketing research, or inter-company collaborations, are added to deal with unique features or characteristics of the business or its markets.

Cost overruns and revenue shortfalls

Cost and revenue estimates are central to any business plan for deciding the viability of the planned venture. However, costs are often underestimated and revenues overestimated resulting in later cost overruns, revenue shortfalls, and possibly non-viability. During the dot-com bubble 1997-2001, this was a problem for many technology start-ups. However, the problem is not limited to technology or the private sector; public works projects also routinely suffer from cost overruns and/or revenue shortfalls. The main causes of cost overruns and revenue shortfalls are optimism bias and strategic misrepresentation (Flyvbjerg et al. 2002, 2005). Reference class forecasting was developed to curb optimism bias and strategic misrepresentation and thus arrive at more accurate cost and revenue estimates in business plans.

Demographics

Is a shorthand term for 'population characteristics'. Demographics include race, age, income, mobility (in terms of travel time to work or number of vehicles available), educational attainment, home ownership, employment status, and even location. Distributions of values within a demographic variable, and across households, are both of interest, as well as trends over time. Demographics are primarily used in economic and marketing research.

Product

A product is similar to goods. In accounting, goods are physical objects that are available in the marketplace. This differentiates them from a service, which is a non-material product. The term *goods* is used primarily by those that wish to abstract from the details of a given product. As such, it is useful in accounting and economic models. The term *product* is used primarily by those that wish to examine the details and richness of a specific market offering. As such, it is useful to marketers, managers, and quality control specialists.

Industry or Market Research

is the acquisition of corporate intelligence on a broad range of issues including:

- Macroenvironment
 - economy
 - government
 - law
 - technology
 - ecological
- Market Analysis and Competitor analysis
 - market definition
 - market size
 - market segmentation
 - industry structure and strategic groupings
 - Porter 5 forces analysis
 - supply chain
 - competition and market share
 - competitors' strengths and weaknesses
 - market trends

- Consumer Analysis or Marketing research
 - nature of the buying decision
 - participants
 - demographics
 - psychographics
 - buyer motivation and expectations
 - loyalty segments

Marketing Plan

A Marketing Plan is a written document that details the actions necessary to achieve a specified marketing objective(s). It can be for a product or service, a brand, or a product line. It can cover one year (referred to as an annual marketing plan), or cover up to 5 years.

Market Segmentation

Is the process in marketing of dividing a market into distinct subsets (segments) that behave in the same way or have similar needs. Because each segment is homogeneous in their needs and attitudes, they are likely to respond similarly to a given marketing strategy. That is, they are likely to have similar feeling and ideas about a marketing mix comprised of a given product or service, sold at a given price, distributed in a certain way, and promoted in a certain way.

Broadly, markets can be divided according to a number of general criteria, such as by industry or public versus private sector. Small segments are often termed niche markets or specialty markets. However, all segments fall into either consumer or industrial markets. Although it has similar objectives and it overlaps with consumer markets in many ways, the process of Industrial market segmentation is quite different. The process of segmentation is distinct from targeting (choosing which segments to address) and positioning (designing an appropriate marketing mix for each segment). The overall intent is to identify groups of similar customers and potential customers; to prioritise the groups to address; to understand their behaviour; and to respond with appropriate marketing strategies that satisfy the different preferences of each chosen segment.

The requirements for successful segmentation are:

- homogeneity within the segment
- heterogeneity between segments
- segments are measurable and identifiable
- segments are accessible and actionable
- segment is large enough to be profitable

These criteria can be summarized by the word SADAM:

- S Substantial: the segment has to be large and profitable enough
- A Accessible: it must be possible to reach it efficiently
- D Differential: it must respond differently to a different marketing mix
- A Actionable: you must have a product for this segment
- M Measurable: size and purchasing power can be measured

Currently a college student studying the marketing mix is now introduced to the Four Ps of the Marketing Mix; Product, Place, Promotion, Price. Product (service) is whatever it may be that is being sold/marketed. Price refers to not only the actual price but also price elasticity. Place has evidently replaced distribution simply by where or what area the marketing campaign is going to cover. Today the idea of place is not limited to geographic profiling but also demographics and other categorizing variables.

This has only occurred over the last ten years with the expansion of internet use and its ability to target specific types of people and not just people in a geographic area. Promotion simply refers to what medium will deliver the message and what the overall marketing strategy is offering as a benefit.

The variables used for segmentation include:

- Geographic variables
 - region of the world or country, East, West, South, North, Central, coastal, hilly, etc.
 - country size/country size: Metropolitan Cities, small cities, towns.
 - Density of Area Urban, Semi-urban, Rural.
 - climate Hot, Cold, Humid, Rainy.
- Demographic variables
 - age
 - gender Male and Female
 - sexual orientation
 - family size
 - family life cycle
 - Education Primary, High School, Secondary, College, Universities.
 - income
 - occupation
 - education
 - socioeconomic status
 - religion
 - nationality/race
 - language
- Psychographic variables
 - personality
 - life style
 - value
 - attitude
- Behavioural variables
 - benefit sought
 - product usage rate
 - brand loyalty
 - product end use
 - readiness-to-buy stage
 - decision making unit

When numerous variables are combined to give an in-depth understanding of a segment, this is referred to as depth segmentation. When enough information is combined to create a clear picture of a typical member of a segment, this is referred to as a buyer profile. When the profile is limited to demographic

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variables it is called a demographic profile (typically shortened to "a demographic"). A statistical technique commonly used in determining a profile is cluster analysis.

Marketing Strategy

Marketing Strategy is a powerful process that gives an organization a competitive advantage in the marketplace. While just defining a marketing strategy will not automatically create a competitive advantage, it will allow the organization to concentrate its (always-limited) resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage.

The word *strategy* comes from the Greek word *strategos* meaning *general*. Strategy is what generals use to win battles. Thus properly understood, marketing strategy is a high-level exercise involving the "generals" of the organization in determining how to build on the firm's strengths while (ethically) taking advantage of competitors' weaknesses. Marketing strategy is most effective when it is a vital component of corporate strategy, defining how the organization will engage customers, prospects and the competition in the market arena for consistent success.

A *marketing strategy* also serves as the foundation of a marketing plan. A marketing plan contains a set of specific actions required to successfully implement a specific marketing strategy. For example: "Use a low cost product to attract consumers. Once our organization, via our low cost product, has established a relationship with consumers, our organization will sell additional, higher-margin products and services that enhance the consumer's interaction with the low-cost product or service."

A strategy is different from a tactic. While it is possible to write a tactical marketing plan without a sound, well-considered strategy, it is not recommended. Without a sound marketing strategy, a marketing plan has no foundation. Marketing strategies serve as the fundamental underpinning of marketing plans designed to reach marketing objectives. It is important that these objectives have measurable results. A good marketing strategy should integrate an organization's marketing goals, policies, and action sequences (tactics) into a cohesive whole. The objective of a marketing strategy is to provide a foundation from which a tactical plan is developed. This allows the organization to carry out its mission effectively and efficiently.

Marketing strategies are partially derived from broader corporate strategies, corporate missions, and corporate goals. They should flow from the firm's mission statement. They are also influenced by a range of micro environmental factors.

Product Line

Product lining is the marketing strategy of offering for sale several related products. Unlike product bundling, where several products are combined into one, lining involves offering several related products individually. A line can comprise related products of various sizes, types, colours, qualities, or prices. Line depth refers to the number of product variants in a line. Line consistency refers to how closely related the products that make up the line are. Line vulnerability refers to the percentage of sales or profits that are derived from only a few products in the line.

The number of different product lines sold by a company is referred to as width of product mix. The total number of products sold in all lines is referred to as length of product mix. If a line of products is sold with the same brand name, this is referred to as family branding. When you add a new product to a line, it is referred to as a line extension. When you add a line extension that is of better quality than the other products in the line, this is referred to as trading up or brand leveraging. When you add a line extension that is of lower quality than the other products of the line, this is referred to as trading down. When you trade down, you will likely reduce your brand equity. You are gaining short-term sales at the expense of long-term sales.

Image anchors are highly promoted products within a line that define the image of the whole line. Image

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anchors are usually from the higher end of the line's range. When you add a new product within the current range of an incomplete line, this is referred to as line filling.

Price lining is the use of a limited number of prices for all your product offerings. This is a tradition started in the old five and dime stores in which everything cost either 5 or 10 cents. Its underlying rationale is that these amounts are seen as suitable price points for a whole range of products by prospective customers. It has the advantage of ease of administering, but the disadvantage of inflexibility, particularly in times of inflation or unstable prices.

There are many important decisions about product and service development and marketing. In the process of product development and marketing, we should focus on strategic decisions about *product attributes product branding product packaging product labelling product support services* but product strategy also calls for building a product line.

A marketing plan may be part of an overall business plan. Solid marketing strategy is the foundation of a well-written marketing plan. While a marketing plan contains a list of actions, a marketing plan without a sound strategic foundation is of little use.

In marketing, a product is anything that can be offered to a market that might satisfy a want or need. It is of two types: *Tangible* (physical) and *Intangible* (non-physical). Since services have been at the forefront of all modern marketing strategies, some intangibility has become essential part of marketing offers. It is therefore the complete bundle of benefits or satisfactions that buyers perceive they will obtain if they purchase the product. It is the sum of all physical, psychological, symbolic, and service attributes, not just the physical merchandise. All products offered in a market can be placed between Tangible (Pure Product) and Intangible (Pure Service) spectrum.

In economics and marketing, a service is the non-material equivalent of a good. Service provision has been defined as an economic activity that does not result in ownership, and this is what differentiates it from providing physical goods. It is claimed to be a process that creates benefits by facilitating a change in customers, a change in their physical possessions, or a change in their intangible assets.

By supplying some level of skill, ingenuity, and experience, providers of a service participate in an economy without the restrictions of carrying stock (inventory) or the need to concern themselves with bulky raw materials. On the other hand, their investment in expertise does require marketing and upgrading in the face of competition, which has equally few physical restrictions.

Service

A service is a non-material or intangible product - such as professional consultancy, waitressing, or an entertainment experience.

SWOT Analysis

A SWOT Analysis is a strategic planning tool used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in a project or in a business venture or in any other situation of an organization or individual requiring a decision in pursuit of an objective. It involves monitoring the marketing environment internal and external to the organization or individual. The technique is credited to Albert Humphrey, who led a research project at Stanford University in the 1960s and 1970s using data from the Fortune 500 companies.