

Strategic Marketing Plan Development

Once your company's Strategic Plan is in place, it's time to develop the conceptual Strategic Marketing Plan (SMP) which will provide greater detail and accountability for achieving the long-term corporate objectives. Remember that the Strategic Marketing Plan (SMP) must support, and be aligned with, the corporate Strategic Plan.

The SMP will drive the long-term sales & marketing success of a company. Its implementation will be more successful if all sales and marketing managers have an "ownership" role in the plan's development. The complexity of SMPs varies from company to company, but some basic principles for developing the plan include:

1. The beginning point for the SMP is to identify "where are you now?", often called the situation analysis of the company's current position. This situation analysis frequently takes the form of a SWOT (strengths, weaknesses, opportunities, threats) analysis and will be the basis for planning decisions.

SWOT analysis often includes discussion of: sales volume, sales growth, profitability, market share, customer base analysis, the company's financial ability to support new initiatives, internal and external staffing, competitor analysis and external conditions over which company management may have no control.

2. Using the SWOT analysis findings, the planning team can begin to develop marketing objectives that will address weaknesses identified by the team and leverage identified strengths for greater competitive advantage. These objectives may focus on such topics as a reduction in marketing expenses by 10%, increase customer retention to 80%, increase average order size by 8%, etc.
3. The value proposition must be clearly stated in the SMP. That is, why should customers purchase from your company rather than competing suppliers? The differentiating factors may include price, measurable quality, market acceptance and demand for your brand, product assortment, customer service, ad appeal, etc.

4. Target market definition and segmentation defines customers that the company projects will be the most likely to embrace the company's value proposition. A company may have multiple targets within the same category market, as in the case of clothing manufacturers who want to appeal to high-end buyers as well as value shoppers. By differentiating the products through ads, design features, etc., the company may be able to market to both market segments at once. Another common example of segmenting the market is the airline industry which sells tickets to business travelers and vacationers at vastly different fares. Different features and benefits are marketed to each of these two travel groups who may be sitting side-by-side on the plane.
5. Development of the final marketing program includes decisions on product mix, distribution channels and pricing. Often these considerations are interrelated, such as strategies for pricing of a new product being introduced to a market or the need for low-cost distribution of a low-priced product line.

In building the optimum product mix, the planning team must consider product demand, the margin earned by various products and whether the product's demand cycle is fresh or mature. Not all products can enjoy unlimited demand with little/no price competition and high margins. Some products that generate modest margins may have high demand, and will likely remain in the mix while some with high margins and low demand will not make a sufficient contribution to profit, and be dropped.

Once the SMP is complete, work can begin on the Annual Marketing Plan, which will define and drive marketing activity in the next year. Plans piled upon plans! But they provide a roadmap for marketing success for the companies that apply the discipline to plan.

As was the case with the SMP, strategies and objectives of the Annual Marketing Plan should align with those of the Strategic Plan and the SMP. By adhering to this discipline, firms will build accountability for success from top management through all layers of management.

Our Experience

Developed Strategic Marketing Plan

Developed and implemented SMPs for international producer of consumer products

Market Segmentation

Conducted segmentation and competitor analysis, including pricing and promotion strategies

Projecting for Sales Growth

Developed and implemented complex sales projection methodology for a consumer products company

Field Sales Rep Management

Developed national field sales rep program for a consumer products company

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