

Growing profitably and building competitive Advantage with Strategic Marketing

How to leverage Marketing to increase business success


Since 2002, we have helped companies develop and implement strategies for profitable growth and superior business performance, worldwide.

Our customers include medium-sized world market leaders and global concerns.

We provide our services in German, English and French.

For further information, please go to www.hanswalterfuchs.com

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Marketing? No, thank you – we don't need it ! We already cooperate with very good advertising agencies! This is the type of answer you sometimes get from decision makers in B2B companies – organizations which market complex technical solutions and services to other companies.

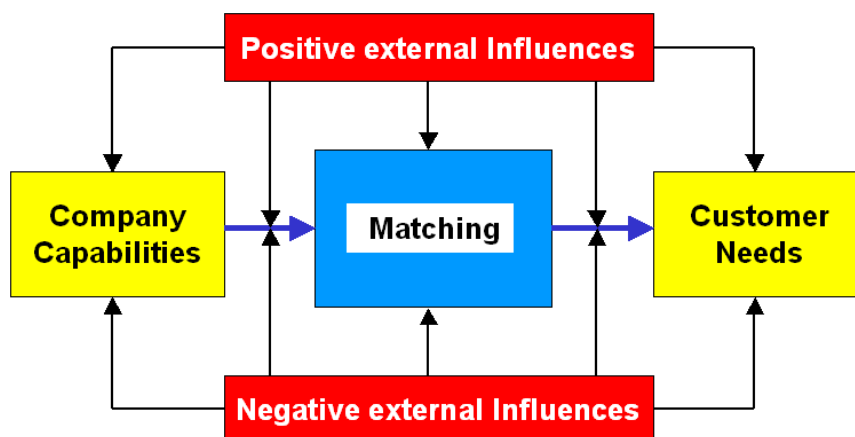
Is marketing really equivalent to advertising for Coca-Cola, McDonald's and similar companies? Nothing could be further from the truth!

Irrespective of whether we talk about consumer goods or industrial goods – Marketing is a universal philosophy and it offers a tool box that can be applied to any business.

As a philosophy (comp. fig. 1), Marketing describes the approach to align a company's capabilities with a customer's wishes, whilst taking the environment into consideration. If the company succeeds, customers will return, new customers will be won and sales and profit targets will be reached.

Innovative companies go even a step further. They don't accept being 'driven' by the environment, the market and their customers. They want to 'drive' - or 'make' – the market themselves. Market-driving innovations include e.g.: The Sony Walkman, the mobile phone and Apple's I-Pod.

Fig. 1, The Marketing Philosophy



To develop a marketing strategy (or a 'strategic marketing plan') for a product or a service, marketers go through a systematic planning process. A marketing plan consists of 8 steps (comp. fig. 2.) Each step is supported by specific tools and methods.

Fig. 2, The strategic Marketing Planning Process

1. **Marketing Analysis**
 - **Macro Environment: PEST: Political, Economic, Social, Technological Influences**
 - **Micro Environment: Market, Customers, Competitors, own Company**
 - **SWOT Analysis**
2. **Assumptions about Future Developments**
3. **Objectives**
 - **Financial Objectives**
 - **Marketing Objectives**
4. **Marketing Strategies**
 - **Market Segments and Positioning**
 - **Products/Services for the different Segments**
5. **Marketing Mix (4 P's)**
6. **Action Plan, Milestones, Responsibilities, Deadlines**
7. **Planned Turnover, Costs, Profit**
8. **Control**

The marketing planning process should be managed as a project. To make sure that all relevant market- and company-specific facts are included, the project team should include representatives from Production, R & D, Finance, Sales, Application Engineering and Service.

This approach offers the advantage that the managers involved in the plan's implementation are included in its formulation. This guarantees their personal buy-in and is critical for implementation success.

Developing a strategic Marketing Plan:

Step 1: Marketing Analysis

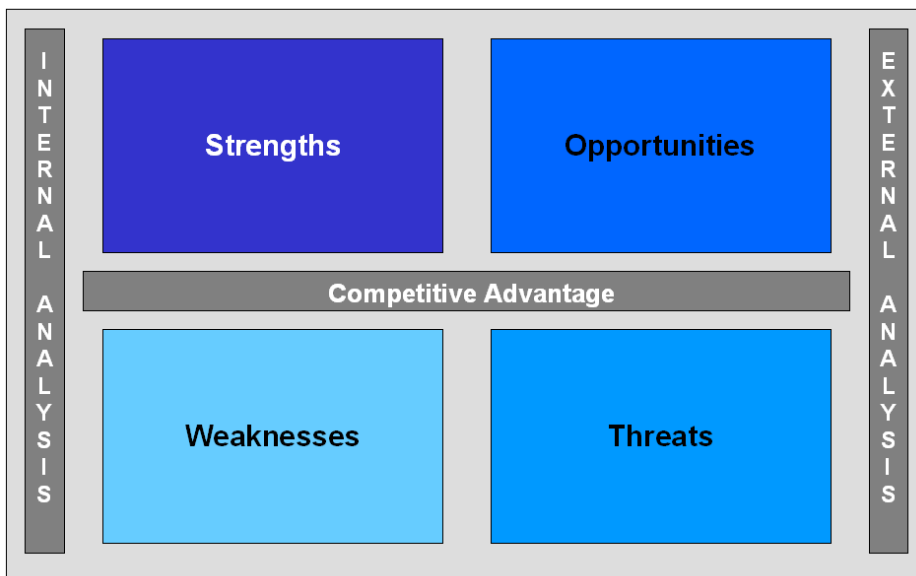
Analyse...

- the macro environment surrounding your business: Which political, economic, social and technological trends have an impact on your business and on the products for which you are developing the plan? Are these trends opportunities or threats for you?

- the micro environment (markets, customers and competitors). Which opportunities and threats can you see here?
- the strengths and weaknesses of your offering.

List the external opportunities/threats and the internal strengths/weaknesses in a SWOT matrix (comp. fig. 3). The SWOT shows where you stand and it is the basis for formulating your objectives and marketing strategy. (comp. steps 3 and 4).

Fig. 3, SWOT Matrix



Step 2: Assumptions about Future Developments

Define your assumptions concerning the future development of the environment, the market and the competition. How is the market going to develop? Which new competitors could pose a threat to your business?

Step 3: Objectives

Your analysis is completed with step 2. Having analyzed the overall situation of your product or service, you define your objectives. Which market share do you want to reach in the different segments? Which supplier share do you want to achieve with individual customers? Which turnover and profit levels do you want to reach?

Step 4: Marketing Strategies

Now you formulate the overall strategy to reach your objectives. In this context, fundamental decisions have to be taken concerning the direction in which you want to go and the positioning of your offering. Do you want to address a market niche or are you aiming at a mass market? Are

you planning to be the price leader or the quality leader? Which markets/customers do you want to focus on? Which ones do you not want to serve?

Step 5: Marketing Mix (4 P's)

In this step you define how your strategy will be implemented through the marketing mix (product, price, place, promotion). Describe, in detail, at what price, through which channels and with which communication activities you want to market your offering.

Based on your marketing plan, a sales plan or key account plan for your most important customers has to be developed.

Step 6: Action Plan

Here you describe the actions that have to be taken to implement the plan and you document who is in charge.

Steps 7/8: Planned Turnover/Marketing Control

In the last step you demonstrate the Return on Investment of your Marketing Plan through a Profit & Loss statement and you establish controlling metrics (Key Performance Indicators) to check whether you are on target.

Success Factors in Marketing Planning

The success factors in marketing planning include consistency among the different steps, the full commitment of the parties involved, accountability and discipline.

If these requirements are fulfilled, the Strategic Marketing Plan will be the roadmap for all market- and customer-related activities in the planning period.

Of course, the plan is not cast in stone, because...

Plans are nothing, Planning is everything!