Five Essential Steps to Developing a STRATEGIC MARKETING PLAN

STRATEGIC
MARKETING

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Introduction

All too often, business leaders with the best of intentions to grow their business fall short when it comes to understanding the function of a strategic marketing plan. A well-crafted marketing plan provides the organization with the focus and direction to pursue growth opportunities.

The first step in developing an effective strategic marketing plan is to under-stand its various elements. A great set of tactics is meaningless unless it supports well-designed strategies that back up the goals and objectives of the plan.

In this e-book, I describe the five essential steps you need to take to develop an effective strategic marketing plan. My objective is to provide some insights that will help you take a fresh approach to developing your own plan.

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About this E-book

I had always considered the first step to developing a strategic marketing plan to be establishing a company's goals and objectives. After all, how do you put a strategically based tactical plan together if you don't know what you are trying to accomplish? However, that all changed a few years ago after a meeting I had with a company owner, who wanted to increase brand awareness and drive more qualified leads, when he said:

"Jonathan, I have no problem investing six figures for a capital piece of equipment in my plant or new software for my employees if it will make us be more efficient and profitable, but I need to be careful with adding expenses to my operations budget for things like marketing."

Interesting...new equipment and software is an investment, but marketing is an expense.

Prior to that meeting, this e-book would have been titled Four Essential Steps to Developing a Strategic Marketing Plan, but since that meeting, I have added a very important fifth step, and it bats leadoff in my order.

Step One

Determine Your Marketing Philosophy

I always find it a tad bit perplexing when business owners, who want to aggressively grow their business, tell me that they view marketing as an operational expense. They never seem to get the irony.

To me, categorizing marketing as an expense is misguided. Expenses are necessary evils that are required to run a business. And even though they are a mainstay on every financial statement, we are relentless in our pursuit to reduce or eliminate them. This is where the irony comes into play. If marketing is an expense, and we are always looking to reduce/eliminate expenses, isn't it counterintuitive then to try to grow a business by doing less to promote it?

Companies that are successfully building brand awareness, driving more leads and securing new business as a result of their marketing efforts all share a common philosophy—they view marketing as an investment, not a cost. Why? Because, unlike with expenses, we are always looking to maximize our investments, treating them with optimism and patience while properly supporting them with the necessary means and opportunities to yield the results we seek.

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So, if you are serious about leveraging marketing as a means to grow your business, determining your company's marketing philosophy is a critical first step. Doing so will dictate how much time, money and resources you are willing to invest in your company, directly impact the structure of your marketing plan and define your commitment to business growth.

Once you have determined that marketing is vital to your company's growth plan, your next step is to define some measurable goals.

Step Two

Determine Goals & Objectives

The second of Steven Covey's *7 Habits of Highly Effective People* is to begin with the end in mind. A principle that makes undeniable sense to apply when developing a strategic marketing plan, which is why our second essential step is to determine and agree upon your company's marketing goals and objectives.

Every company has goals and objectives. Determining them is simply a matter of deciding where you want to be and when you want to get there. Because the world and your business are constantly changing and evolving, it is best to focus on short-term, measurable marketing goals that focus on initiatives that will significantly move the business forward over the next 12 months.

To help you determine the right goals, sit down with your team and spend meaningful time evaluating your growth levels to date and current position in your market space. If you have been converting 10 percent of your web traffic into qualified leads through your blogs and e-books for the last six months, you know that a 12 percent – 15 percent increase in leads is a challenging but attainable goal. Shooting for a 30 percent – 35 percent increase is likely to be unrealistic without a major change to how you allocate your time, money and resources, and will likely set you up to fail.

Curb your enthusiasm. While your passion, good intentions and eagerness to accomplish a great many things in the coming year is admirable, you realistically won't have the bandwidth to attain 20+ goals over a 12-month period. After making your list of marketing goals, prioritize the list and then select the top three to five, focusing on the ones that will most meaningfully move your business forward; anything more than that will distract you from what's most important.

Finally, make sure the goals you set are measurable. Vague goals, such as increased revenue, serve no purpose. If revenue last year was insufficient and you increase it by $100, while technically you may have achieved your goal, it is unlikely that you will be satisfied with having done so. Setting measurable goals also brings with it accountability, which is an essential part to making sure that your plan is actually executed. If your team is not held accountable for the commitments required of them to execute your plan, your likelihood of successfully executing it will be extremely low.

Sample Measurable Goals:

- Increase revenue **12%** from your **existing line** of product/services over the next **12 months**
- Secure **50 qualified leads** through the website
- Set **25 meetings** from the 50 leads
- Issue **10 proposals/quotes** from the 25 meetings
- Win **five new customers** worth **$50,000** or more
- Cross-sell **$100,000** to existing customers

A well-crafted marketing plan must start with focused goals and objectives in order to effectively move the business forward. Once determined, the next step in the process is developing sound strategies for achieving those goals and objectives.

Step Three

Set Marketing Strategies

Many times, when companies go off the rails, it's because they skip strategy development in favor of tactics. They'll go right into a series of, what eventually becomes unrelated, uncoordinated marketing tactics. At the onset, the tactics may "intuitively" appear to make sense, but their collective lack of strategic focus on the company's goals creates a disjointed and often random marketing presence, resulting in Random Acts of Marketing Syndrome (RAMS).

RAMS is a disease that strikes thousands of companies every year that randomly deploy marketing tactics that have no strategic purpose or direction. RAMS is not discerning either. It strikes companies large and small, old and new. Are you wondering if your company is suffering from RAMS? Here are some symptoms to look for:

- There's an empty file where your marketing plan should be
- Your blog is showcasing your latest post...from July 22, 2012
- You're putting QR Codes on everything and you don't have a mobile version of your website
- You have the unexplainable urge to spam random information about your company to every email address in your CRM database
- You don't have a CRM database

Tactics are great and clearly an essential part of any marketing plan, but tactics without strategy are about as effective as a car without a steering wheel. Sure, you can step on the gas pedal and the car will move fast, but what are the chances it gets you where you want to go?

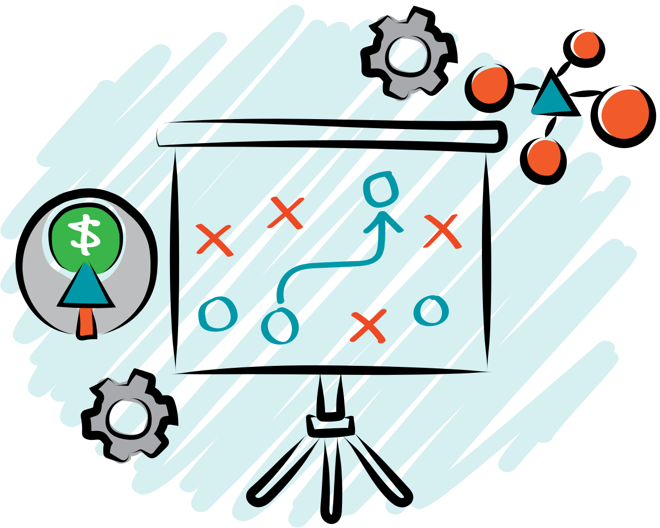
The confusion often comes when strategies and tactics are viewed as synonymous. Not the case. Strategies are what you need to do to accomplish your goals. If your goal dictates where you want the company to be, the strategy is the route you need to take to get there.

So if your goal is to increase revenue 12 percent in the next year, some sample strategies could be:

- Increase brand awareness
- Increase hourly rates or pricing
- Increase overall sales volume
- Sell more higher-priced services and/or products
- Some combination or all of the above

If you've been successful in dodging RAMS, now you can turn to the tools you will use to pursue an objective associated with a specific strategy—the tactics.

Step Four



Determining Tactics

In Step 3, we determined and addressed the importance of developing strategies that align with a company's goals and objectives. With strategies now in place we are ready to move on to the tactical execution of a marketing plan.

Whereas strategies establish a broad outline of how you want to achieve your goal/objectives, tactics are the specific actions or activities that need to be properly executed in order to achieve them.

Case in point, if your goal is to increase and enhance your company's brand awareness, a sound strategy to follow would be to increase the number of brand touches among potential customers in your market space. Tactics for implementing that strategy would be advertising in a trade or business publication or sponsoring an event, conference or seminar.

So for example:

- **Company Goal:** Increase the qualified leads by 15 percent over last year.
- **Strategy:** Implement an inbound marketing campaign to attract qualified prospects to the company website and convert them into leads for the sales team.
- **Tactical Approach:** Tactics for implementing an inbound marketing strategy could include:
    - Blogging – create educational content that speaks to your prospects and answers their questions

- Search Engine Optimization – in order to appear prominently when and where your prospects search online

- Premium Content – creation of downloadable content such as e-books, checklists, how to guides, etc., in exchange for downloaders contact information

- Call-to-Action Buttons – to promote visitors to download premium content

- Landing Pages – for prospects to submit their contact information in exchange for premium content

- CRM – to keep track of the details for all the leads, companies and deals in your pipeline

So far, we've covered four essential elements of the marketing plan. Unless you plan to use your marketing plan as a doorstop, the plan needs to come to life by paying for and executing it, and that calls for a marketing budget.

Step Five

Determining Your Marketing Budget

If you Google the subject, you'll likely find someone citing a rule of thumb for establishing a marketing budget to be somewhere between 2 percent – 5 percent of revenue. However, your marketing budget shouldn't be determined by an arbitrary revenue range. It should be directed by your company's goals and objectives for the future, by how fast you want to grow and how serious and ready you are to grow it. To help illustrate my point, consider these two business scenarios:

Scenario #1

As the owner of a start-up company you have no customers, no brand awareness and no revenue. Logically, your business goals will be focused on creating awareness, securing qualified leads and acquiring customers. Since success is going to require aggressive growth through customer acquisition, clearly a marketing budget that is a reflective percentage of your revenue, which is zero, won't work here.

Scenario #2

Now several years later, your start-up company has grown into a $50-million-dollar business. In fact, it has grown faster than your ability to manage and service all your new customers. A quick analysis tells you that the same internal infrastructure you've been using since your start-up days can no longer support and service your demanding customer base. Now, with more business than you can handle, your business goals will change from what they once were as a start-up. Rather than focus on growth and customer acquisition they will become more focused on upgrading infrastructure to keep and serve the business you have. While this doesn't mean you should stop marketing altogether, a less aggressive marketing approach is warranted and that comes with a smaller marketing budget.

But your marketing budget can't be solely focused on dollars. It also must consider time and resources. So before you submit your budget you must also determine how many manpower hours will be required to manage and execute the plan.

So for example, let's say your marketing plan will require approximately 600 manpower hours to effectively manage and execute. Assuming the average employee puts in a 40-hour work week that gives you 2,080 hours a year, per employee, to be carved up and allocated to make the company run.

Now, how many of those hours can be dedicated to your new marketing plan? Well, if the majority of your team's time is already filled and you can only conjure up an additional 300 hours to dedicate to the execution of the plan, then the dollar budget doesn't really matter because you only have enough time and resources to execute 50 percent of the plan.

This leaves you a few alternatives with regard to plan execution: (1) Hire more people (2) Outsource more of the marketing work or (3) Dial back the aggressive expectations of your business goals.

As a critical component of your marketing plan, your budget should be comprehensive and realistic. Like the rest of your plan, it serves as a road map to help ensure you reach your goals. Keep in mind that your budget will have to be adjusted each year to reflect increasing costs and changes in your organization.

Conclusion

Commitment & Accountability

While all five of the steps discussed in this e-book are critical to marketing success, once the plan is completed it should not be put away on a shelf. In the end, the plan will only be as good as your commitment to implement it. Ideally, it should be reviewed monthly with your team to check progress and adjusted as appropriate to accommodate any shifts in the business landscape. Like anything else, marketing works best when the dedication is there, so buy-in and accountability from your team will ultimately determine success. Good Luck!

About the Author

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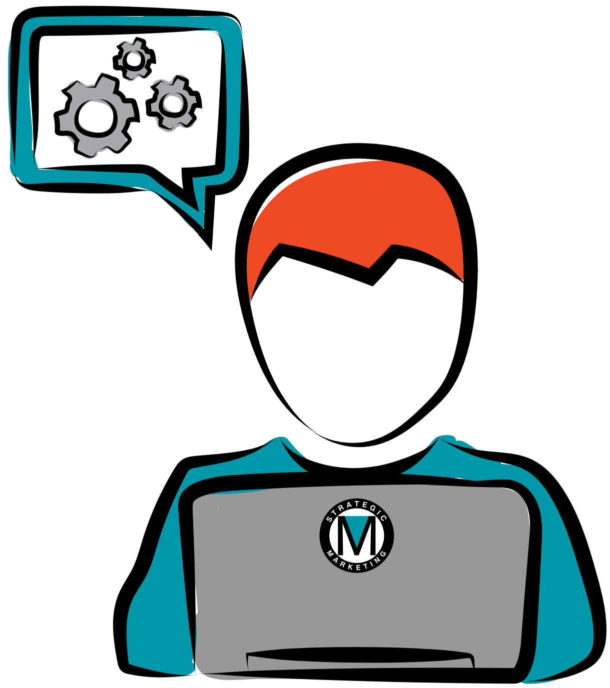
Jonathan has been a marketing communications professional for 25 years, specializing in marketing B2C and B2B companies. During this time, Jonathan has worked with businesses across the country helping them with brand development, creating effective marketing strategies, identifying growth opportunities, corporate identity development, digital marketing, website design and development, social media, and public relations.

Jonathan is Inbound and Growth Driven Design certified through the HubSpot Academy.



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