

Building a Killer Marketing Plan: A Roadmap for Success

In baseball, great pitching almost always beats great hitting, with even the best hitters swinging strikes over half of the time. In nutraceuticals marketing, great execution beats great planning every time. The "killer" marketing plan then, spends as much time on how to execute the plan as it does on planning itself. This type of thinking can only help an industry where even the most "famous" nutritional products might be available in only 5-20% of all retail outlets.

In the last issue, we outlined the steps required for an effective strategic plan. Strategic planning is essential to define what the company wants to accomplish. By defining the opportunity and getting an understanding of the internal and external environment, successful execution is more likely. These strategic steps include developing a mission, conducting an internal and external analysis, setting objectives and evaluating alternatives for implementation.

It's a Marketing Plan, Not Strategic Plan

The marketing plan should be very different from the strategic or business plan. Often fast-growing company planning stops after the strategic business plan gets the necessary financing, or top management's blessing to move forward. Sales and marketing initiatives get divided quickly into tasks, then suddenly everyone is much too busy to communicate how that number one marketing priority will properly executed. Being busy "feels" productive: one Fortune 100 branded consumer company executive would open each national sales meeting with the comment: "I've never seen us so busy: we're all working harder on more things than ever before." That same executive had difficulty articulating how performance would be prioritized and measured.

The strategic or business plan is typically financially driven. It is often a rationale to support a set of numbers to justify an investment. It usually suggests that the introduction of Brand X or expansion of Division Y is expected to generate specified returns and cash flows assuming it can reach a presence level in the market. The marketing plan is different. It provides a detailed and specific outline of who will do what, when, to reach the main objectives in each area of the marketing mix.

The Seven Steps

This streamlined approach assumes that the firm or division has completed at least a beginning strategic plan, where the mission is clear and internal and external factors have been reviewed. A thorough situation analysis should also have been completed prior to diving into the marketing plan.

Marketing planning templates are widely available from universities and the popular business press. One thing that all of these templates share is that execution is typically one step (or one chapter) within a much larger process. One of my favorite marketing books identifies execution as Step 9 in a 10 step process, and 6 ½ pages out of 503 in the book discuss this important issue.

We recommend marketing that starts with and emphasizes great execution throughout. These seven steps turn the typical planning model upside-down to address implementation much earlier in the process.

1. Commitment to Change

All growth planning requires a behavior change. Better, broader advertising requires the advertising department to consider and evaluate new audiences and venues. Geographic expansion means establishing new relationships with new sales agents or salespersons. Buying another company requires exponential increases in management communication and merging two cultures. We recommend an early and gut-level discussion of the cost, time and organizational changes required to achieve the global marketing objectives set out in the business plan. Top management must understand the change, support the change and not be tempted to retreat to old behaviors if there is difficulty getting underway.

Nordstrom's is famous among national retailers for allowing regions and individual stores to make buying and merchandising decisions. They have recently changed that marketing strategy to become more centralized, providing greater inventory turns and efficiencies. Nordstrom management will need great fortitude to get this significant cultural change implemented effectively.

2. Implementation Team Assessment

The team that got you to where you are may not be the team to take you to the next level. Markets and customers rarely allow fast-growing nutritional companies time to groom their original entrepreneurial players. Gardenburger Inc. is one such company who realized that the founder did not have the experience to take its products "mainstream" into the retail mass market. A national search resulted in a new marketing-based CEO who had taken Quaker Oats Rice Cakes from health food stores into mainstream America. While keeping some key individuals, the sales, marketing and distributor talent pool was significantly upgraded and new management processes were established to ensure clear accountability and measurement.

3. Sales Objectives

Revisit the business plan to begin the sales objective-setting process. Don't assume (as the plan may) that sales progress in a smooth line from Month 1 on the timeline. Ingredient or branded manufacturers routinely encounter supply chain backup, particularly when expansion is rapid. Several nutritional supplement companies were surprised in late 1998 when they confused factory sales with consumption. The rapid expansion of supplement shelf space earlier in the year yielded terrific factory sales to retail outlets, but consumers weren't purchasing supplements off the shelf as fast as they were being loaded onto the shelf by the suppliers. This among other factors led to supplement stocks taking a major hit in late 1988.

Involve channel partners in the objective setting process. Distributors, brokers and retailers need to believe in the objectives to reach them, so why not bring them into the process as early as possible?

4. Marketing Objectives

These are the broader objectives that prioritize available segments and niches, and the definition is broad enough to include segments in various areas: among consumers, in the distribution channel, price levels, quality levels, service levels, etc. Nutritional products have more choices on the segment menu than many other industries. Nutritional supplements, for example, have strong sales presence in at least 6 major distribution channels, including practitioners, web commerce, catalogs and mall kiosks.

More manufacturers are experimenting with the "Share of Customer" approach, where they identify a single customer and try to address a larger number of needs by trying to sell this solitary customer as much product as possible. For example: Kellogg's wants to be the company of choice for the breakfast experience and now has cereal, breakfast bars, bagels and waffles to meet nearly every traditional breakfast meal need.

5. Communication Goals

Communication goals are focused on the business or consumer whose behavior needs to be influenced or modified. This typically involves measuring purchase intent and awareness of a new product or initiative. Every implementation plan should have a goal to integrate the communication messages, so that the trade message, consumer message, in-store message, packaging, customer service, etc. are all related and support one another.

6. Marketing Tactics

For each product/market combination, pricing, promotion, distribution, packaging and positioning need to be established. Most marketers are comfortable in this environment, and indeed, the tactics here will consume most managers' time. The two biggest pitfalls in developing these tactics are communication and implementation. Every tactical element requires layers of people inside and outside the organization to understand these ideas and place a priority on doing them. Tactics must be customer-ready and consumer-friendly. Sales promotion is often the worst-implemented element of the marketing plan, where expensive brochures and videos are never seen by buyers, coupons run in the wrong publications, and point-of-sale materials lay idle in sales storerooms.

Companies and brands that are "easy to do business with" will win more sales. Most company products can be easily substituted by a competitor, so ease of implementation by the customer may be the deciding factor. Professors Randy Chapman and Bruce MacNab of California State University have endorsed the idea of "consumer convenience perception" which is an overall satisfaction measurement that interlinks product, price, quality, service and all aspects of an offering to meet a consumer's expectations. It is this complex matrix of consumer values that challenges all of us every day.

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Bob's Red Mill Foods developed a line of superior flour and grain products based on traditional milling methods. This simple and clear product positioning is appealing enough, but Bob's also succeeded in getting broad line distribution placed visibly in high-traffic aisles in major food stores. Every element of the marketing plan supports this commitment to the product niche and product quality. In the process, Bob's has reinvented the traditional cereal and baking product categories.

7. Communication and Control

Control indicates how well the organization and its channel partners support the marketing plans and initiatives. It also asks how well the company responds to changes in the marketplace or adjusts after finding that an assumption is wrong, such as competitive reaction. Results need to be measured, and the organization needs to believe in the measurement systems.

For one branded manufacturer, marketing communication nirvana was reached when any salesperson among the distributor network could recite the top two sales objectives for the quarter. They felt that if the message had penetrated that deeply into their sales organization, it was highly likely the goals would be reached.

It is this kind of communication focus that drives profitability. Management can't be satisfied with just limited awareness, trial and distribution; it must work to be ubiquitous and dominate a market area or market niche before a competitor innovation takes away the leadership position that is available today.