

compete *Intelligently*

strategies for competitive advantage

Planning for Profits – *The SWOT Way*

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"Luck is what happens when preparation meets opportunity."

In order to compete *intelligently* it is necessary to prepare a realistic, workable sales and marketing plan - a sound plan is a road map for your business to increased sales and profitability.

In today's highly competitive business environment, the winners will be those businesses that **PLAN FOR PROFITS**.

A winning sales and marketing plan is the result of focused strategic planning. A winning sales and marketing plan identifies opportunities, develops strategies, efficiently manages resources and is a road map to implementing innovative solutions that result in competitive advantages, growth and profitability.

You can PLAN FOR PROFITS by using the following proven four step methodology:

**THE FOUR STEP METHOD
of
MARKET PLAN DEVELOPMENT**

- ① *Conduct SWOT Analysis*
- ② *Develop Marketing Plan*
- ③ *Formulate Implementation Strategy*
- ④ *Establish Follow-Up and Monitoring Systems*

The most important thing to remember when planning is to target and stay focused. Targeting means not jumping all over the place – remember two very important principles when doing your planning - *Don't be a generalist ! and You can't be all things to all people !*

Target your markets, products, customers, goals, objectives and timeframe. Make sure your goals and objectives are quantifiable and achievable.

It is important to remember when conducting your strategic planning to give proper consideration to profit enhancement through increased sales revenues as well as through improvements in controlling manufacturing costs and operating expenses.

① **Conduct SWOT¹ Analysis**

- Define and segment your primary and two secondary target markets – any more than this is unwieldy except for very large companies.
- Assess your competition to capitalize on their weaknesses and find your "niche"
- Evaluate your business's external environment (legal, technology, trends, regulations, etc.) to "predict" the future
- Analyze your company's and your competitors' strengths and opportunities
- Define threats and opportunities

¹ SWOT – Strengths / Weaknesses / Opportunities / Threats
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Develop the Marketing Plan

Remember the four “P”s of marketing – they still apply today and keep you focused

1. Product
2. Price
3. Place
4. Promotion

1. Product

Develop a product strategy – this includes “cash cows” and profitable products only – abandon the unprofitable products - *sell only profitable products and services.*

This cannot be stressed enough; often companies keep products in their line that are no longer selling well out of inertia or it’s someone’s pet product. Times change and so should your product line. Think new and innovative – otherwise, customers will look at your product line as old and tired.

2. Price

Properly pricing your products and services is probably the most difficult part of your strategy planning. Pricing properly is crucial to a company’s bottom line —especially in tough economic times like these.

Here are a few things you should consider:

- Don’t base prices solely by your competition’s pricing structure. Price according to your customers’ perception of value of the product. What added value do you bring?
- Don’t try to price all products with the same target profit margin. Pricing must realistically address cost plus what the customer is willing to pay.
- Product value may differ for each market segment – price accordingly.
- Don’t hesitate to change pricing if your costs change; customers are most likely expecting it as their costs and prices are going up as well.

3. Place

Place always confuses people – whoever first defined the 4 Ps of Marketing most likely couldn’t find a more appropriate “P” word for channels of distribution or sales channels. It actually refers to the “place” where you can buy the product – be it a retail store, distributor, sales representative, or a website.

How you sell your products and services depends on a wide range of factors including target markets, your competition, your profit margins and your sales and promotional budget.

Most industries have an accepted sales channel – examples would be independent, commissioned manufacturer’s sales representatives for selling manufactured products to OEMs², and direct-to-retailer for manufacturers of consumer goods.

If you have a website, make sure it’s interactive so you can either sell product directly on the website or gather leads through forms that customers visiting the site can fill out.

4. Promotion

- Develop the correct, cost-effective promotional marketing strategy for each of your target markets. Here again, a “one size” strategy does not fit all markets.
- Evaluate your ROI (return-on-investment) for your marketing dollars – if you don’t have historical data to evaluate, make sure you plan for tracking in your plan. (If you don’t track marketing results, don’t bother

² OEMs – Original Equipment Manufacturers
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wasting any money.)

- There are many, many marketing vehicles – from your website to television commercials and everything in between – ads in magazines and/or trade journals, mailings, trade show. Pick the ones your customers read or attend. Knowing your marketing dollars are probably finite, choose wisely and then measure, measure, measure so you know exactly what ROI you're getting from your marketing dollars.

③ *Formulate Implementation Strategy*

Developing a sales and marketing plan without an implementation strategy is useless. Once you have developed your plan, develop an Implementation Schedule. It should contain tactics and action items with a person designated for each action item. The Implementation Plan should also have a timeline with defined dates to complete each action plan or task in the strategy.

A written plan should be developed that includes the implementation schedule with responsibilities and completion milestones clearly defined. This plan becomes your road map.

- Refine
- Refine
- Refine

The world changes! -- A Plan is a dynamic document!

④ *Establish Follow-Up and Monitoring Systems*

In order for the plan to be worthwhile it is necessary to schedule monitoring systems and periodic reviews. The monitoring system can be as simple as a spreadsheet showing your actual sales versus goal and return on investment to an elaborate enterprise management system that incorporates customer records as well as purchasing and manufacturing data.

Use what's best for your company and budget but DO Review and Monitor at least quarterly.

Companies that regularly assess their performance, know what is happening in their industry and with their competitors through an ongoing competitive intelligence program, have the flexibility to quickly alter direction when market forces change.

Companies that PLAN FOR PROFITS - will be the companies that gain true competitive advantage and realize increased sales and profitability.

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Founded in 1996 compete *Intelligently* is a full-service competitive intelligence company.

compete *Intelligently's* mission is to provide its clients with information about the landscape in which they do business so they may make informed choices, develop actionable strategies, increase sales and gain market share. This is done through conducting competitive intelligence research and by facilitating client SWOT Analysis, Needs Assessments and Strategic Planning sessions.

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