

Writing a Killer Marketing Plan

- or -

How to get the authority to go along with
your accountability

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What does this guy know about it?

1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2006 2007



Purpose

- Quid Pro Quo: “You give me certain resources; I’ll deliver a corresponding revenue forecast.”
- Key elements
 - revenue forecast
 - budget request
 - overview of how the resources will be used
 - explanation of why this should work

Why write one?

- From your perspective
 - You get more resources
 - Establishes you as the person in charge
- From the organization's perspective
 - Improves critical thinking
 - Tightens connection to underlying facts
 - Clarifies direction, leading to crisper execution
 - Enhances creativity
 - Addresses CEOs' complaints about marketing

McKinsey survey

- Among the top criticisms:
 - Inconsistent
 - Undisciplined
 - Not accountable
- “More than half of those interviewed were underwhelmed by their marketers’ analytical skills.”
- Many CEOs “expressed frustration at being asked for funds in the absence of -- or even in contradiction to -- data regarding the proposed initiatives.”

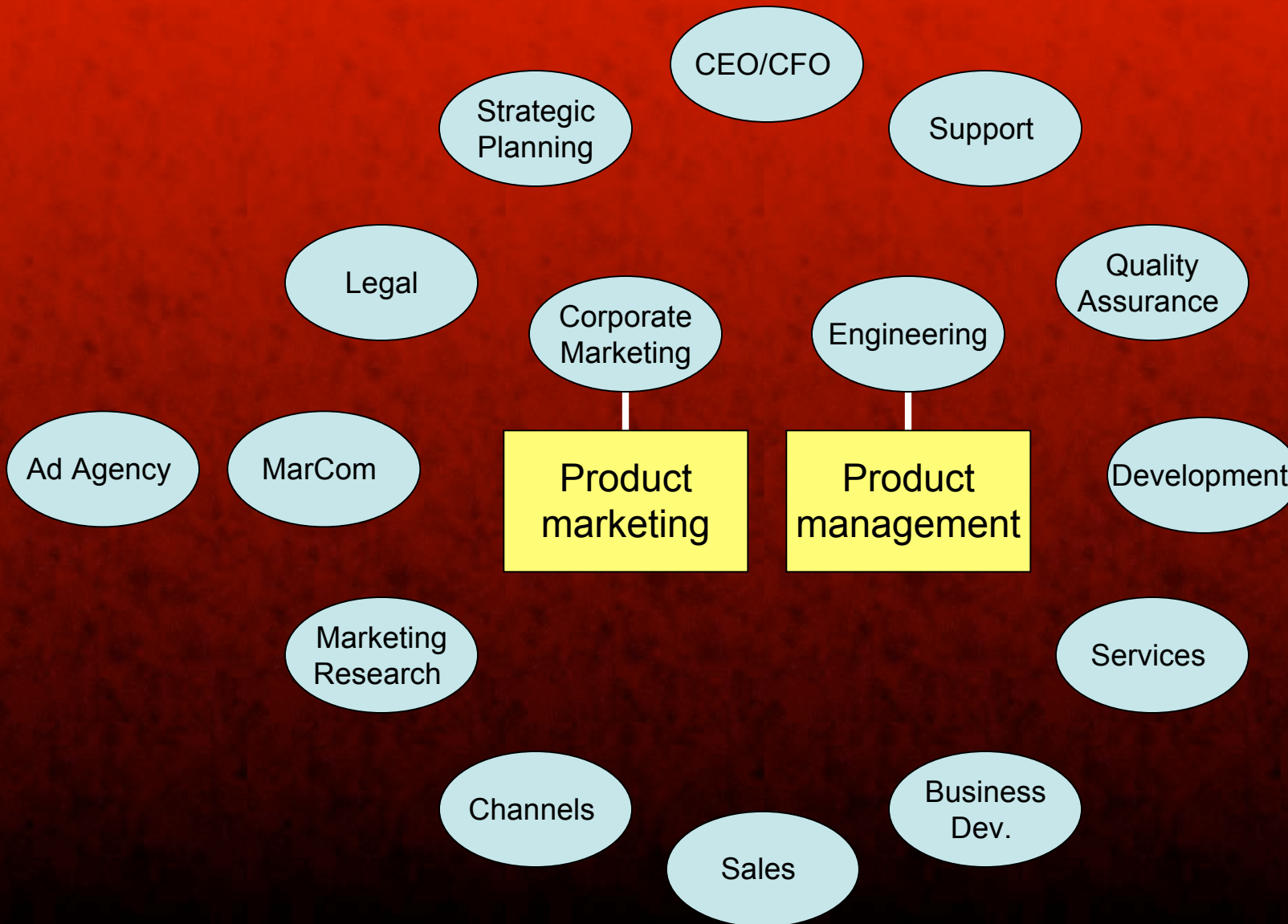
Disconnects

- *Temporal:* Business practices appropriate to 1999, not 2007
 - > The market has changed; we need to treat it accordingly
- *Empirical:* Plans aren't supported by data
 - > Base strategies and tactics on facts, even if they're anecdotes
- *Effectual:* Skepticism that marketing earns its keep
 - > Marketing needs to regain lost credibility

What Happened?

- Divided responsibilities
- High tech exceptionalism
 - “Things move too quickly”
- Hedging instincts
- Breaks in the oral tradition
 - Overfishing in the ‘90s
- Political resistance
- PowerPoint

Political ecosystem



Whose responsibility?

Arguments favoring **product marketing**

- Controls outbound resources
- Frequent customer contact
- Wide access to internal touchpoints

Arguments favoring **product management**

- Controls the chief basis for competition
- Deep understanding of the customer
- Greater credibility with critical stakeholders

Before you start

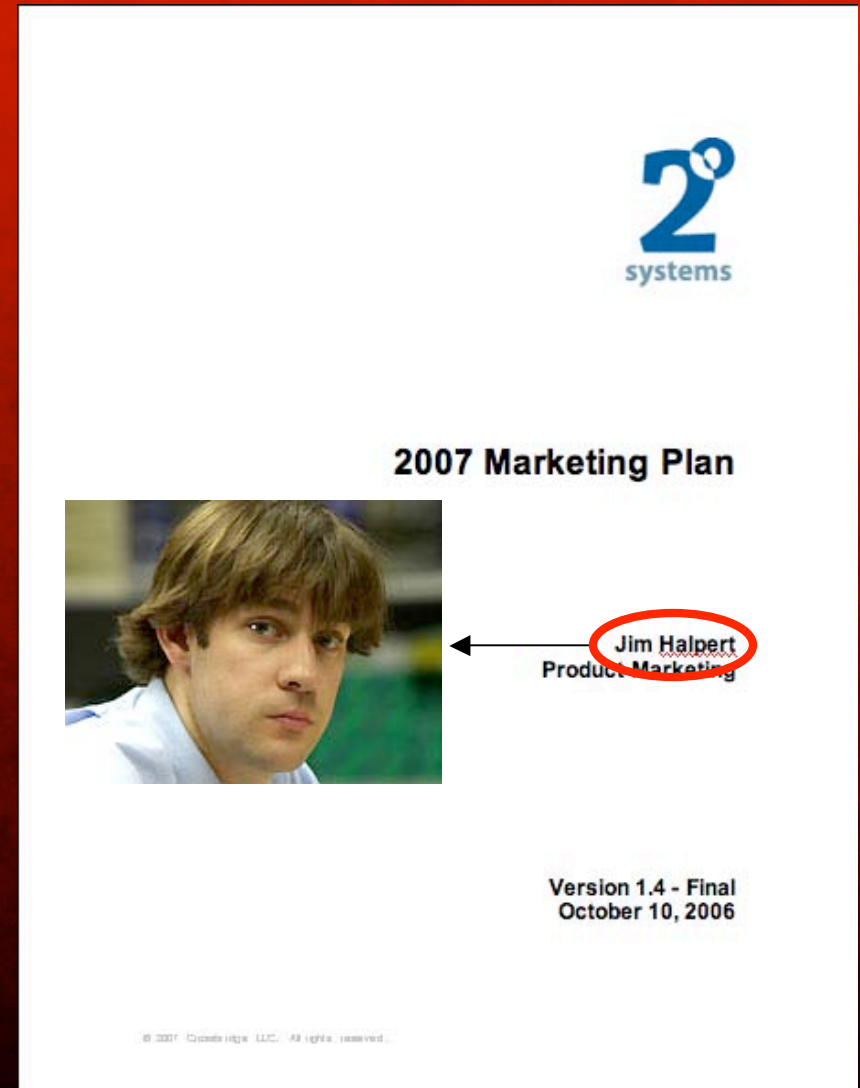
- Know the current budget cycle
 - make sure you're just ahead of it
- Give your boss a heads up
 - slightly downplay expectations
- Find out if anybody else is doing something perceived as similar
 - if so, you have an “entrenched incumbent” problem
- Determine your product's role in the corporate strategy

Things to keep in mind as you write

- Get the granularity right
- This is insider stuff
 - assume a knowledgeable audience
 - don't pull punches
 - ... but remember that all documents are discoverable
- Try to avoid repeating a figure, apart from the summary
- Tone: serious and direct, without being formal
 - Pay **ATTENTION** *to* the fonts **you** USE
 - eliminate intensifiers
 - remember your Tufte

Example

- Second Degree Systems
- Uses cell signals to identify people who may have witnessed or committed a crime
- Technology creates Eigenvectors for nearby mobile phones that are compared with those for known criminal behavior
- Systems need to be calibrated by law enforcement
- Delivery is a managed services model
- Beta 2004; FCS 2005

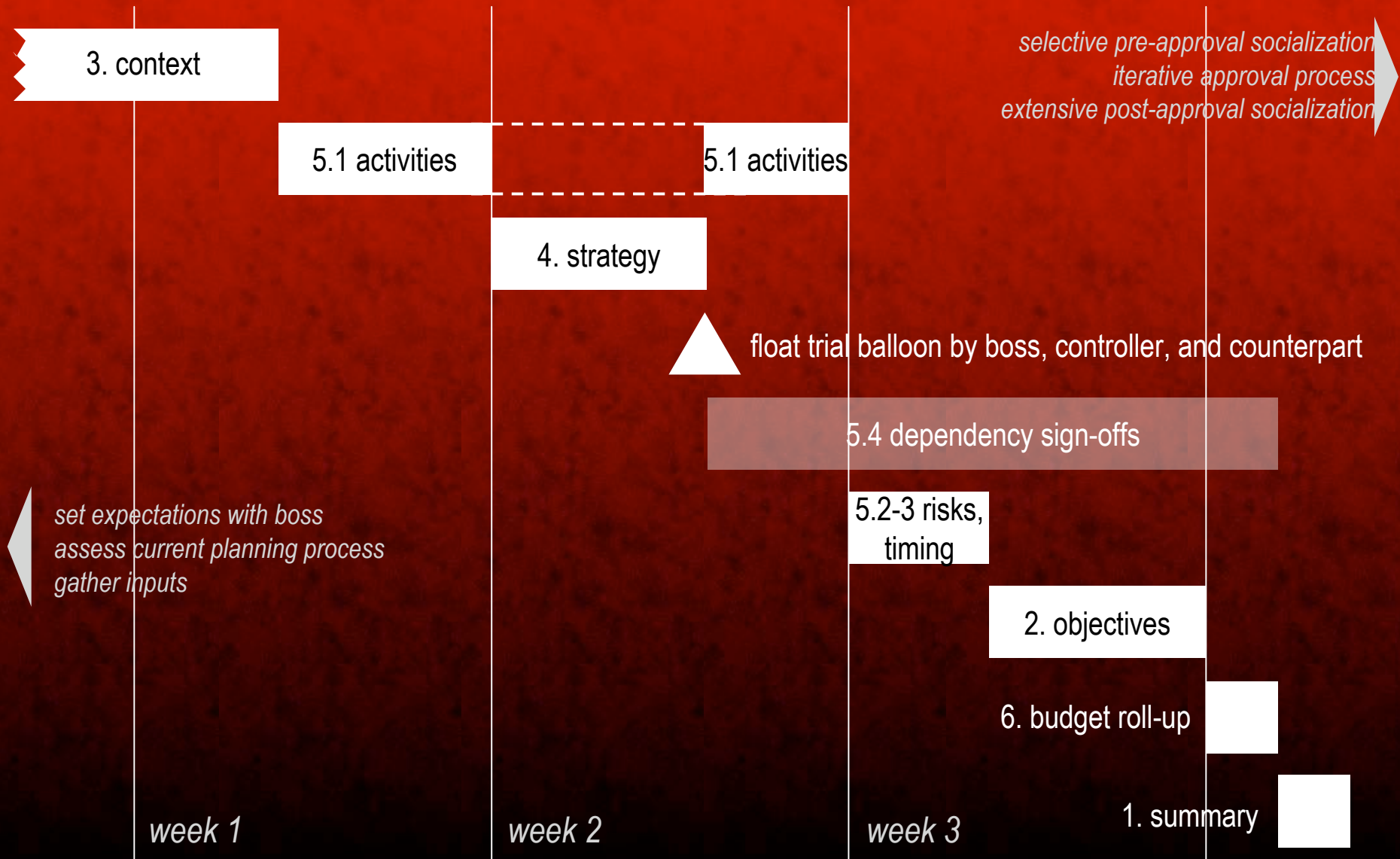


download at: www.crossbridge.com/marketingplan

Structure

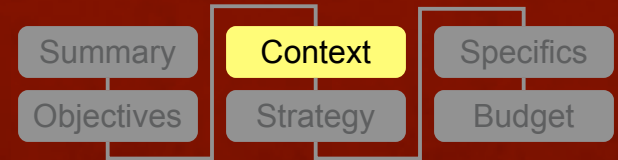
- I. Summary
 - 1.1 Scope
 - 1.2 Funding request
 - 1.3 Targets
 - 1.4 Major issues & initiatives
2. Objectives
 - 2.1 Review of performance
 - 2.2 Discussion of variance
 - 2.3 Forecast
 - 2.4 Other objectives
3. Context
 - 3.1 Market
 - 3.2 Segments
 - 3.3 Customer base
3. Context (continued)
 - 3.4 Competition
4. Overall Strategy
 - 4.1 Target audiences
 - 4.2 Positioning
 - 4.3 Marketing strategies
5. Specific Plans
 - 5.1 Planned activities
 - 5.2 Risks and contingencies
 - 5.3 Timing
 - 5.4 Dependencies
6. Budget Summary

Timing



Context

- Purpose: to lay a factual foundation about the market, customer base, and competition
- **Tip**
 - Resist temptation to regurgitate everything you know. Include only the information that is relevant or standard in your company.



3.1 Market

- 3.1.1 Definition
- 3.1.2 Size & growth
- 3.1.3 Trends & outlook
- 3.1.4 Key developments

3.2 Segments

- 3.2.1 Definitions & size
- 3.2.2 Awareness, attitudes
- 3.2.3 Purchase logic

3.3 Customer base

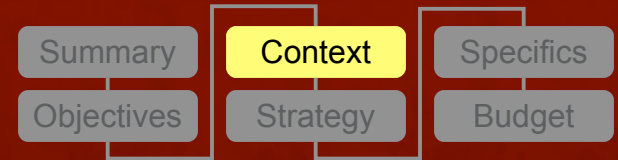
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- 3.3.2 Satisfaction, attrition

3.4 Competition

- 3.4.1 Shares, profiles
- 3.4.2 New developments
- 3.4.3 Attribute comparison
- 3.4.4 S.W.O.T.

Context

- Markets for truly new products are tricky to define
 - rely on sales estimates for related products or indirect competitors



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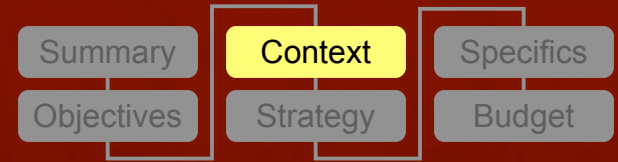
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Context

- Slice and dice the market in whatever ways are meaningful
 - industry, size, geography, age, etc.
- Opportunity to include primary or secondary research on buying behavior
- “Purchase logic” describes why and how people buy your product.
 - differences are the most meaningful basis for segmentation



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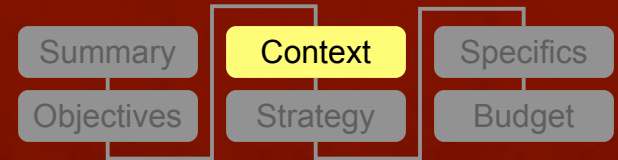
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Context

- Customer segments should generally follow market segments
 - compare compositions (market vs. customer base)



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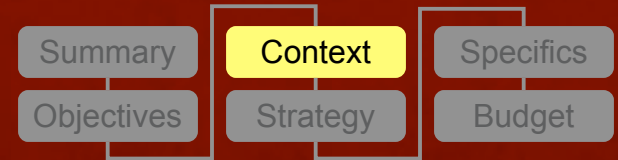
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Context

- S.W.O.T. is always from the perspective of your product.
 - Your product's weaknesses vs. those of one or more competitors.



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Specific Plans

- Purpose: To describe the revenue-building activities for the product that...
 - address key issues, many of which were described in Context
 - are consistent with the Objectives and Strategy sections
 - are thematically grouped
- Source of Volume analysis applies mainly to volume-based businesses



5.1 Planned activities

- 5.1.1 value creation
- 5.1.2 awareness
- 5.1.3 value reinforcement
- 5.1.4 lead generation
- 5.1.5 lead conversion
- 5.1.6 services
- 5.1.7 international
- 5.1.8 internal comm.

5.2 Risks & contingencies

5.3 Timing

- 5.3.1 product road map
- 5.3.2 marketing activities

5.4 Interdependencies

5.5 [Source of Volume]

Specific Plans

- Themes are highly specific to the product
- Elements
 - critical issue
 - activit(ies)
 - who's responsible
 - timing
 - budget request
- **Tips**
 - keep the details in subordinate plans: marcom, sales, channels, etc.
 - try to use 1-3 simple, declarative sentences per point

as applicable

examples



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5.2 Risks & contingencies

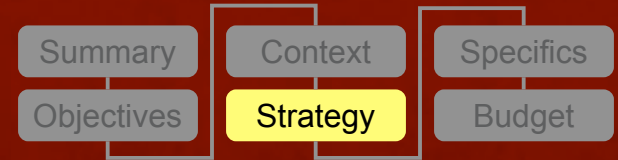
5.3 Timing

- 5.3.1 product road map
- 5.3.2 marketing activities

5.4 Dependencies

Overall Strategy

- Purpose: to introduce overarching messages and to cluster activities into a few commonly accepted themes



4.1 Target audiences

- 4.1.1 customer prospects
- [4.1.2 financial markets]
- 4.1.3 technology analysts
- 4.1.4 partner prospects

4.2 Positioning

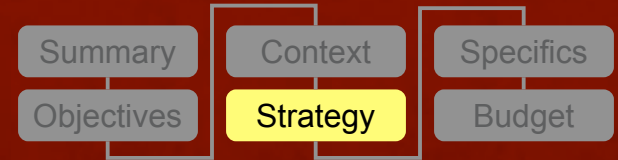
- 4.2.1 statements
- 4.2.2 key messages

4.3 Marketing strategies

4.4 Channel strategies

Overall Strategy

- What different kinds of prospects or buying influences are you targeting?



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4.2 Positioning

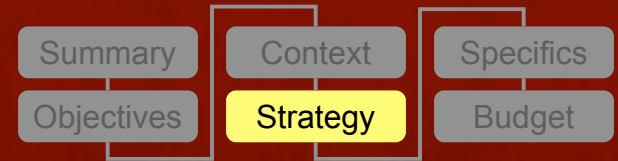
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Overall Strategy

- Positioning
 - meaningful to targets
 - differentiating
 - supportable
 - sustainable
 - does not have to double as a tagline
- Messages
 - e.g., value proposition



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4.2 Positioning

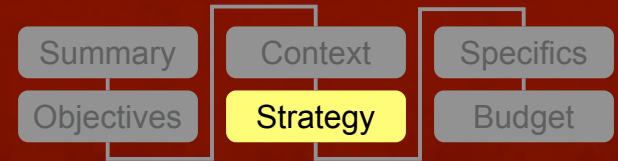
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Overall Strategy

- Examples:
 - invest in developing Asian markets
 - deny market access to competitor
 - acquire complementary technology to complete software stack
 - accelerate development of differentiating technology
 - increase awareness and trial in EMEA
 - preferentially develop platinum channel partners in North America



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Specific Plans

- Get agreement from counterparts your forecast depends upon
 - explicit email from them is best
 - email to them documenting your understanding is O.K.
- **Tips**
 - don't scare them with formality
 - use it, if you can, to showcase buy-in and to let others pursue pet projects



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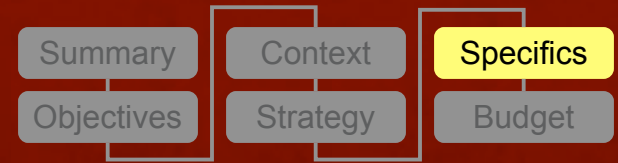
5.3 Timing

- 5.3.1 product road map
- 5.3.2 marketing activities

5.4 Dependencies

Specific Plans

- Risk is a function of...
 - the probability that something will happen
 - the impact if it happens
- Significance = probability x impact
- Before the fact: ameliorate
 - reduce the probability, the impact, or both
- After the fact: create contingencies
- **Tips**
 - include an estimated probability
 - get air cover by soliciting others



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5.2 Risks & contingencies

5.3 Timing

- 5.3.1 product road map
- 5.3.2 marketing activities

5.4 Dependencies

Specific Plans

- Internal road map
- Graphic of salient activities
- **Tip**
 - Put your most precious activities in Q1 or Q2, and try to pre-pay a portion of Q4 activities



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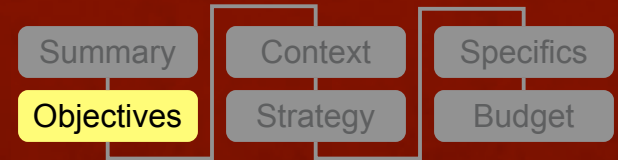
5.3 Timing

- 5.3.1 product road map
- 5.3.2 marketing activities

5.4 Dependencies

Objectives

- Purpose:
 - To document what you will deliver for the company if your plan is approved
 - To account for any difference between this year's actual results and what was forecast



2.1 Review of current performance against plan

2.1.1 revenues

2.1.2 market share

2.1.3 other objectives

2.2 Discussion of variance

2.3 Forecast

2.3.1 quarterly revenue, by product line

2.3.2 quarterly revenue, by channel

2.3.3 market share

2.4 Other objectives

Objectives

- Don't mince words
- You may hear that there's as much shame in being above plan as being below it.

Don't believe it.



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2.4 Other objectives

Objectives

- Sales will have their own forecast, but so must you, and it will probably be different

(remember: marketing's actions matter)



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2.3.3 market share

2.4 Other objectives

Objectives

- Examples
 - awareness
 - trial %
 - penetration into a new market
 - awards
 - press mentions
 - Web hits
 - leads
 - account mix
 - ...

Summary

Context

Specifics

Objectives

Strategy

Budget

2.1 Review of current performance against plan

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2.2 Discussion of variance

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2.3.1 quarterly revenue, by product line

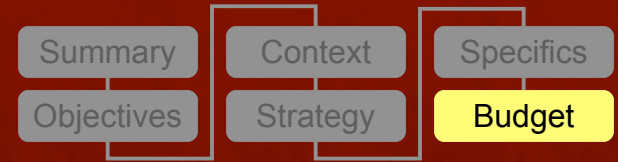
2.3.2 quarterly revenue, by channel

2.3.3 market share

2.4 Other objectives

Budget Summary

- Roll-up of requested discretionary spending and incremental headcount
- Cluster into related categories and separate by quarter

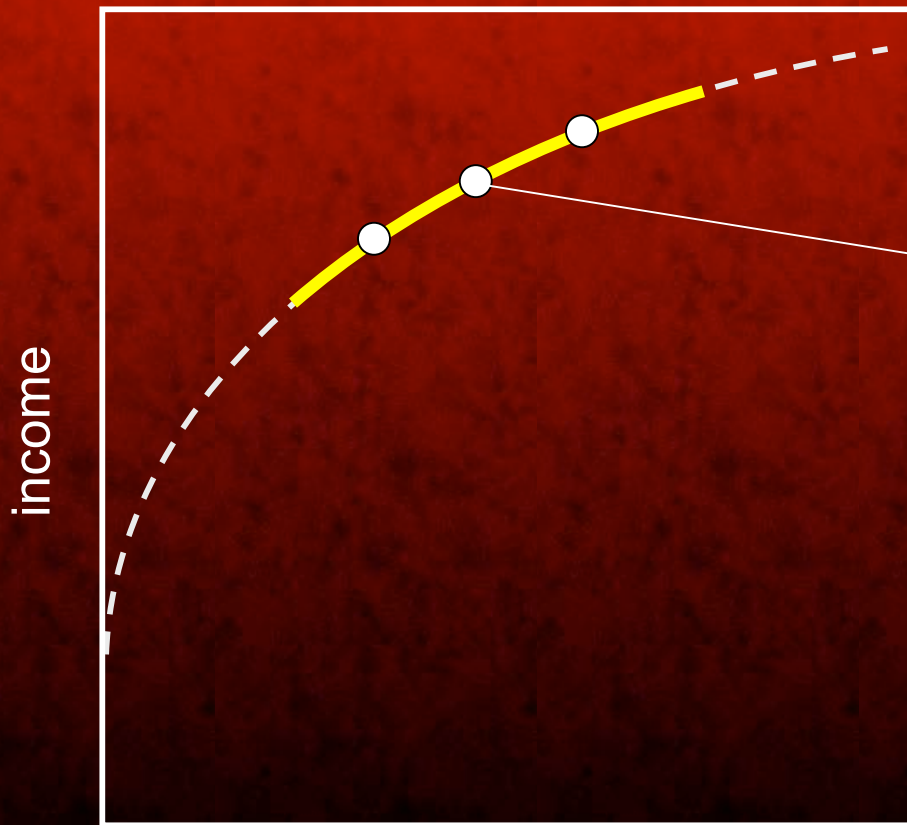


6.1 Budget request

6.2 Sensitivity analysis

Budget Summary

- Estimate a reasonable floor and ceiling



$$\text{budget}_{\text{max}} = \frac{\text{incremental income}_{\text{projected}}}{\text{risk multiplier}_{\text{perceived}}}$$

Summary

Context

Specifics

Objectives

Strategy

Budget

6.1 Budget request

6.2 Sensitivity analysis

Summary

- Besides its obvious function, this section defines the scope of the plan

Summary

Objectives

Context

Strategy

Specifics

Budget

1.1 Products covered

1.2 Funding request

1.2.1 total

1.2.2 qtrly, by category

1.2.3 qtrly, by region

1.3 Targets, year-end

1.3.1 revenues

1.3.2 market share

1.4 Major issues and initiatives

Aftermath

- Ensure its survival beyond the nest
 - Get it immediately and transparently into the hands of your highest-placed allies who have at least some need to know
 - Consider using some form of document control
- Maintain the integrity of the resources/results relationship
 - Negotiate in good faith
 - Don't stand on principle
- Socialization
 - Prepare a sanitized deck: you'll need it

Q&A