Creating a Powerful Marketing Plan

2016 Heads of School Conference
January 29, 2016
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Kellogg School of Management
Objective

Help you create powerful marketing plans that deliver strong results.
Key Points

• Marketing plans are important tools for every organization

• The best plans are clear and convincing

• Marketing plans should be build around three elements: goals/objective, strategic initiatives, tactics
Agenda

1. Why marketing plans matter
2. The problems
3. Creating a strong plan
4. Keys to success
Marketing is difficult because it involves making choices

The Great Marketing Challenge

→ Deciding what to do

→ Deciding what *not* to do
Complexity makes it harder

The Growing Problem

Complexity

- Too Much Information
- Too Many Options
Marketing plans are the focal point

- Feedback
- Emerging Trends
- Competitive Analysis
- Market Research
- Staff Ideas

- New Programs
- Marketing Campaigns
- Tuition Changes
- Staffing Moves

ISACS - Creating a Powerful Marketing Plan
Marketing plans do two things. First, plans set the course

- Marketing plans force you to be clear on what you plan to do in the market to build the business
  - Plans specify what you will do and when you will do it

- This is important
  - Prioritization is critical
  - Making tactical decisions is almost impossible without a broader plan
Second, marketing plans help you sell your recommendations

- Making a decision and creating a plan is just the first step

- In virtually every organization you then have to convince people to support your recommendation

- A strategy without support will not succeed
Knowing how to write a good marketing plan is an important skill

- Many people write marketing plans
- Every organization should create a marketing plan
- People tend to support well-written plans
- Writing a plan can consume a lot of time if you aren’t careful
Three critical insights

1. Marketing plans are recommendations

2. The best marketing plans are clear and persuasive

3. Simplicity is always best
A question

Does a school need a marketing plan?
Agenda

1. Why marketing plans matter
2. The problems
3. Creating a strong plan
4. Keys to success
There are two common marketing plan problems. Problem 1: There is no plan

- All too many organizations don’t create a marketing plan at all

- The result is that marketing becomes a series of tactics

- This is a huge missed opportunity
Problem 2: The plan is ineffective

“5% of them are good, most of them suck wind.”

-Eli Lilly executive

“Maybe 20% of companies do it right. Most have absolutely no clue.”

-P&G marketer

“So much of marketing is common sense, but it all goes away when you write marketing plans.”

-Barilla executive
The typical marketing plan

→ A long document

→ Starts with a detailed situation analysis

→ Ends with many programs, lots of details, lots of tactics
The result is disappointing

- There is no clear direction
- The plan has little impact
- The team struggles to implement the programs
A question

Why do people create long and unwieldy plans?
“Marketers complicate things because they can. And they feel good about doing it.”

Amy Curtis-McIntyre
SVP, Hyatt
Former CMO, JetBlue
Agenda

1. Why marketing plans matter
2. The problems
3. Creating a strong plan
4. Keys to success
Marketing plans should be focused on three things

Goals/Objectives  What you are trying to accomplish

Strategic Initiatives  The most important things you will do in order to achieve the goals

Tactics  How you will move forward against each initiative. These are specific actions
A marketing plan needs to start with clear goals

• A marketing plan should begin with the goal in mind: what are we trying to achieve?

• Goals and objectives are the same thing

• Goals should be SMART
  – Most important: specific, measurable, time-specific

• Having too many goals is a problem. Best is to have one or two
Goals should tie to the financials

- The main reason to worry about marketing at all is to drive results
- As a result, a marketing plan needs to include financial goals
- Examples of effective goals:
  - Increase student population by 5%
  - Build tuition income by 8%
Managing expectations is important

- Critical formula:
  \[
  \text{Satisfaction} = \text{Perception} - \text{Expectation}
  \]

- Need to strike a balance
  - Manage expectations down to achieve numbers
  - Manage expectations up to get support
Strategic initiatives are the big moves

- Strategic initiatives are the most important things you need to do to deliver the goals
- Initiatives should convey action: This is what we will actually go and do
- Successfully executing against the strategic initiatives should deliver the goals
Good strategic initiative, or not a good strategic initiative?

New programs

- Improve middle-school parent satisfaction
- Use Facebook
- Increase tuition revenue by +4.3%
- Build school awareness among new parents
- Strengthen perceptions of academic excellence
Strategic initiatives are the big moves

- Strategic initiatives are the most important things you need to do to deliver the goals

- Initiatives should convey action: This is what we will actually go and do

- Successfully executing against the strategic initiatives should deliver the goals
Three useful questions to consider when developing initiatives

Are we building share or category?

Are we increasing penetration or buying rate?

Is the priority awareness, trial or repeat?
Focus is critical

• Having too many strategies is a problem
  – Dilutes focus
  – Creates confusion

• There should be 3 to 5 initiatives
  – The best number of strategic initiatives is 3

• Remember that great strategy is based on choice
Focus is critical

“Every leader needs to clearly explain the top three things the organization is working on. If you can’t, then you’re not leading well.”

-Jeff Immelt, CEO, GE
Focus is critical

“When I took over as group chief executive, the immediate task was to restore the integrity and the efficiency of BP’s operations. I set out three priorities.”

-Tony Hayward, Chief Executive, BP

Focus is critical

“People think focus means saying yes to the thing you’ve got to focus on. But that’s not what it means at all.

It means saying no to the 100 other good ideas that there are. You have to pick carefully.

I’m actually as proud of many of the things we haven’t done as the things we have done.”

-Steve Jobs, Apple
Tactics are the specific actions

- Tactics explain precisely how the initiative will happen
- Tactical moves include specific action steps

- Tuition changes
- Advertising plans
- Website updates
- New course offerings
- PR campaigns
- Social media programs

The 4 Ps
One Page Plan Summary

Goals/Objectives
- Primary objective
- Secondary objective

Strategic Initiatives
- Strategic Initiative 1
- Strategic Initiative 2
- Strategic Initiative 3

Tactics
- Tactic
- Tactic
- Tactic
- Tactic
New Product Marketing Plan Summary

Goals/Objectives

Primary objective
Generate year 1 sales of $19 million

Secondary objective
Limit year 1 operating profit loss to $1.8 million

Strategic Initiatives

Drive product and category awareness

Implement aggressive trial building plan

Ensure quality distribution in key accounts

Tactics

- Create strong, integrated creative
- Build PR buzz
- Use non-traditional programs

- Execute $49.99 price
- Support trial promotions
- Secure strong retailer support

- Expand distribution at key accounts (Wal-Mart, Grocery)
- Win “last 3 feet” with retail excellence
Breakthrough Marketing Plans
Outline

Introduction
State of the Business
Objectives
Strategic Initiatives and Rationale
Tactics and Rationale
Financial Implications
Risks and Contingency Plans
Summary
Agenda

1. Why marketing plans matter
2. The problems
3. Creating a strong plan
4. Keys to success
Key to success 1: Start by checking the foundation

- A marketing plan is a short-term document

- Before developing a marketing plan, it is important to review:
  - Mission and vision
  - Long term strategic plan
  - Positioning
Key to success 2: Involve the cross-functional team

- Many opportunities and issues only surface when the cross-functional team is involved

- To gain support, it is critical to involve people early in the process
Marketing Plan Development Process

Create a Cross-Functional Team

Check the Foundation

Clarify the Goals and Objectives

Analysis, Analysis, Analysis

Identify Strategic Initiatives and Tactics

Check the Numbers

Sell the Plan

Execute and Track Progress
Key to success 3: Keep things simple

- People embrace simplicity, and run from complexity

- It is easy to make things complicated and hard to keep things simple

- Focus on a few initiatives and make sure your analysis is easy to follow
Simplicity is critical

“The best marketers are those that are able to take a complex situation and distill a few simple actionable truths.”

Andy England
Global CMO, MillerCoors
Simple analyses are best

“You can’t believe how hard it is for people to be simple — how much they fear being simple.

They worry that if they’re simple, people will think they are simple-minded.

In reality, of course, it’s just the reverse. Clear, tough-minded people are the most simple.”

-Jack Welch
# 2014 Business Plan – Category Analysis

## Total Category

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Simplicity does not replace rigor

“I want rigorous analysis and thoughtful assessments, but I don’t want complexity. If strategies and plans aren’t easily understood by everyone, they will be acted on by no one.”

-Jim Kilts, CEO of Kraft, Nabisco and Gillette

Creating a tight marketing plan requires hard work, but it can transform your efforts

• The easy route: create the usual long, complicated, data intense business review

• The more promising route: present a tight, focused plan on that presents your key initiatives and explains why they make sense

ISACS - Creating a Powerful Marketing Plan
Key Points

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Questions?

Option 1: Contact me

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@timothycalkins

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Option 2: Read *Breakthrough Marketing Plans*