

The Fundamentals of Strategic Marketing and Sales

Good Marketing Separates the Winners from the Losers

By Alan Caron and Stephen Haines of the Haines Centre for Strategic Management®

Managing the Speed of Change

In today's fast moving business environment, it is difficult to keep pace with changes in one's marketplace. Every aspect of the marketing and sales arena is being affected by the global information age. Far more opportunities are being created than ever before in our history. Small organizations can compete with the large ones in cyberspace with little difference apparent to the consumer. New marketing methods are challenging the success of the traditional. Differentiation is getting more difficult to achieve and sustain. Finding unarticulated customer needs can lead to the greatest wealth creation. You can't find these by asking customers what they want; they can't want what they don't know they need. You must study trends and changing behaviors, look how to make something easier, and create new ways of doing things, for example.

To keep pace in today's world, a company must be flexible and agile, and must continually reinvent itself. It must have more than a traditional Strategic Plan to guide its direction; it requires a Strategic Management System built from a vision of the future and created using the proven Best Practices of our Systems Thinking Approach®, that works backwards from the future. Equally important (and sometimes more important) is a Strategic Marketing and Sales Plan created using the proven Systems Thinking Approach®.

Ideally, the Strategic Marketing and Sales Plan is built from the overall Corporate Strategic Plan. Unfortunately, many times it must be built as the first step, without a Corporate Plan. In this instance, it can serve as the model for inspiring the creation of an overall Corporate Strategic Plan. Marketing and Sales Plans can be corporate, for a business unit, or for a specific product or service launch...or all of the above in a comprehensive system and plan. Like the Corporate Strategic Plan, the goal is to have in place an entire management system for the Strategic Marketing and Sales Plan covering plan creation and development, budgeting, implementation, and an annual strategic review, all designed to see that implementation of the plan is accomplished successfully, and that it drives day-to-day activities throughout the organization.

Three Goals of Strategic Marketing and Sales Management

The Centre has a simple and systematic way to focus the planning process. Most planning falls short because of failure to build in the mechanisms for the second and third goals:

- Goal 1: Develop the Marketing/Sales Strategic Plan and document.
- Goal 2: Ensure successful implementation and change.
- Goal 3: Sustain high performance over the long term.

Following the approach we outline below will assure that your planning efforts don't fall short. It is important to gain an understanding of the process for each of the seemingly simple elements of our approach. We carefully organize the process to guard against the past shortcomings of strategic marketing and sales planning, and strategic planning in general.

The ABCs of Strategic Management™

Differentiation is critical to success in today's marketplace more than ever before. Price, quality, and customer satisfaction are poor differentiators. You must work to find a truly unique position.

—Alan R. Caron

ELEMENT #1: PLANNING AND CHANGE ARE A PRIMARY PART OF MANAGEMENT AND LEADERSHIP

Strategic Management results in having the leadership and management conduct business day to day with a market focus as never before. The key difference between our model and the others is that ours doesn't sit on the top shelf gathering dust. Having top management involved is critical to achieving our three goals. A Strategic Marketing and Sales Plan is a blueprint that requires senior marketing and sales executives and all executives affected by the plan to fill in the implementation details.

ELEMENT #2: PEOPLE SUPPORT WHAT THEY HELP CREATE

A core planning team of seven to twelve people from the collective leadership and the marketing and sales group should lead the Strategic Marketing and Sales Planning process, do the hard work, and make the tough decisions. A key task in the process is the "Parallel Process" with key affected stakeholders, to involve them in a meaningful way. It is necessary to get their input on all draft documents to increase their ownership of the plan. Leaders must be trainers, coaches, and facilitators to carry out this parallel process, as well as to develop the Strategic Marketing and Sales Plan. Gone are the feared bosses of the past (in most companies); in are the visionary, participative leadership practices that build effective 21st century organizations.

ELEMENT #3: CUSTOMER-FOCUSED SYSTEMS THINKING

Our Systems Thinking Approach® to becoming truly market/customer focused provides all of the key elements necessary for long-term success. While there is no secret formula or one right answer, every organization just become an outcome, market oriented system focused on the customer. We developed our Systems Thinking Model based upon the latest proven Best Practices, our experiences as executives and consultants, and constant, practical application and refinement from clients. Unlike other approaches to planning, we create a strategic management system focused on the customer, implementation, and market outcomes, not just a plan.

Our Ten Step Planning Process

Step 1: PLAN TO PLAN

This unique step is very important to set the stage for what is to come in the planning process: to inform/educate executives about the elements of the process, to get everyone's input and agreement on

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the process, to customize the process to suit the client, to set realistic expectations, to do a preliminary environmental scan, to develop a critical issues list, to decide upon the planning team composition and required support, to do a mini strategic organizational assessment, and to identify the key stakeholders. In short, it is an educating, organizing, and tailoring day to ensure that everyone has the same foundation and expectations with regard to the process and expected outcomes.

This is one of our unique steps that helps to build in some assurance of buy-in and success right up-front in the process.

PHASE A

CREATING THE IDEAL MARKET POSITION

Step 2: IDEAL FUTURE MARKET POSITIONING

Here we determine where we would like to be in the marketplace three to five years out. The key is that everyone agree on the future desired position, sometimes a very challenging undertaking. Many times in interviewing senior executive teams, I have found that their views are significantly different, even after the CEO says that all are in agreement; this means everyone is working toward a different outcome. The tasks to be completed are:

- #1. Conduct an environmental scan of the marketplace of the future (3-5 years out): competitors and potential competitors, customers and potential customers, pricing, technology, etc.
- #2. Examine the corporate vision and values and make sure everyone understands them in the same way. If there is no corporate vision or values, establish a common framework for where the organization is to be in five years and determine the values by which we will do business.
- #3. Develop a mission and positioning statement with a rallying cry (if no corporate one). A positioning statement may be needed overall and for each product or service, depending upon the situation. However, they must all be compatible with each other.
- #4. Develop a Parallel Process to involve all stakeholders in the planning process. The goal is to identify the key stakeholders and determine how we have them contribute to the plan—people support what they help create.

PHASE B

QUANTIFIABLE OUTCOMES

Step 3: MARKETING SUCCESS MEASURES

Develop quantifiable measures of success. What will it look like when we have achieved success (3-5 years out)? Market share, profitability, customer satisfaction, marketing/sales focused organization, etc. Measurement targets for each of the next five years in 4-7 critical areas of performance should comprise the Marketing Success Measures.

There can be overall marketing measures and measures for individual products or services. Marketing Success Measures should always measure what is really important, not just what is easy to measure. They can be subdivisions of an overall measure in the corporate strategic plan or may become elements of the corporate measures.

PHASE B

DEVELOP MARKET STRATEGIES TO DRIVE DAY-TO-DAY BUSINESS AND LONG-TERM GROWTH

Step 4: CURRENT STATE ASSESSMENT

This is where we examine ourselves against the outside world. What are our inherent strengths and weaknesses as compared with competitors and other external forces? And what are our opportunities and threats given the elements of our environmental scan? The idea is to assess today in light of our ideal future positioning, not just in light of today. In many forms of past strategic planning, this was the first step to long range planning which merely projects the present state into the future in some form or another. This sometimes results in the planning equivalent of driving a car by looking in the rear view mirror.

Step 5: DEVELOP STRATEGIES

Create core marketing and sales strategies to achieve the ideal future market position by closing the gap between the current state assessment and the future position. Three to seven core strategies are ideal. Frequently, less can be more in this case. These strategies should support the corporate strategies if you have them. Perhaps the marketing and sales strategies get adopted as part of the overall corporate strategic plan strategies. Perhaps they are supportive on one overall corporate marketing strategy. Customize the process to fit the particular business situation.

These should primarily be revenue, profit, and market building strategies. Don't forget to address the interactive world which is rapidly changing traditional marketing practices and strategies. While many companies corporately focus on cutting and saving strategies as the core, you focus on prudent building strategies here, together with any necessary productivity improvement (vs. cutting—a philosophical difference) strategies. *Companies cannot save their way to prosperity* in any economic environment; yet, many companies develop these death spiral cutting strategies nonetheless, without concentrated focus on smart investment in growth, even during hard times.

While both cutting and building strategies have an appropriate role, the marketing strategies should focus on effective, efficient, well targeted, productive, and profitable growth. Cost cutting should be addressed where required to refocus, reposition, and increase efficiency and productivity, or to adjust to changing market situations. This requires not only creativity, but an astute sense of cost/benefit and timing, as well as a sense of what is reasonable risk in a fast changing, largely unpredictable marketplace.

One objective in creating the core strategies is to match marketing goals to customer goals and marketing resources to customer needs as depicted in the diagram on the next page.

Step 6: DEVELOP ACTION ITEMS/SET ANNUAL PRIORITIES

Action plans must now be created to execute each strategy. Usually, from four to more than a dozen action plans are created under each strategy. They provide detailed steps for executing each strategy. The actions plans may cover actions and activities to be undertaken over the entire 3-5 year planning period. All action items should have specific measures of success and/or dates by which they are to be accomplished, as well as someone assigned as responsible for executing or overseeing the execution of each action item. The collective leadership and next level management participate in selecting the responsible parties. The names may reach several layers down into the organization.

Next the overall annual top priorities need to be selected from among the action items. Many times the organization over commits as to what can actually be accomplished in a given year and later must adjust the priorities.

Step 7: ANNUAL PLANS AND BUDGETS

Each responsible department or practice area under Marketing/Sales now must develop its annual plan built from the overall strategies and top priority action items. There may be only one unit or practice group overall in Marketing/Sales depending upon the organization size and structure and the product/service line structure. This process is customized to fit accordingly. If there are multiple units, the plans of each should be presented for review and critiqued by the collective leadership team. From these plans, the annual budget should be constructed. This assures that the annual budgets are focused on achieving the strategic marketing and sales plan, which through this process, actually drives day-to-day activities. Tension will naturally exist in the budgeting process in deciding among current allocations and future priorities. The objective is to focus on the tough choices needed to prioritize for success.

Step 8: PLAN TO IMPLEMENT

This many times overlooked step is critical to the plan's success. Missing this step usually results in a plan that simply sits on the shelf and never really gets implemented as intended. Several elements need to be considered and customized to fit the size and scope of the organization:

1. Create cross disciplinary, top level Marketing/Sales Steering Committee (or Team).
2. Develop a yearly comprehensive implementation map.



3. Use cross-functional Strategy Sponsorship Teams.
4. Determine any necessary change management steps.
5. Develop an appropriate communications plan for the M/S Strategic Plan.
6. Assign Marketing Success Measure tracking coordinators.
7. Modify performance/reward systems to assure effective execution.
8. Decide upon required training.
9. Develop a plan for leadership development for the Marketing/Sales management.
10. Decide upon necessary steps to align all departments for plan executions and to make the entire organization marketing/sales/customer focused.

Consider conducting workshops for the entire company management team on any necessary change management and in how to become a

PHASE D

market driven, customer-focused organization.

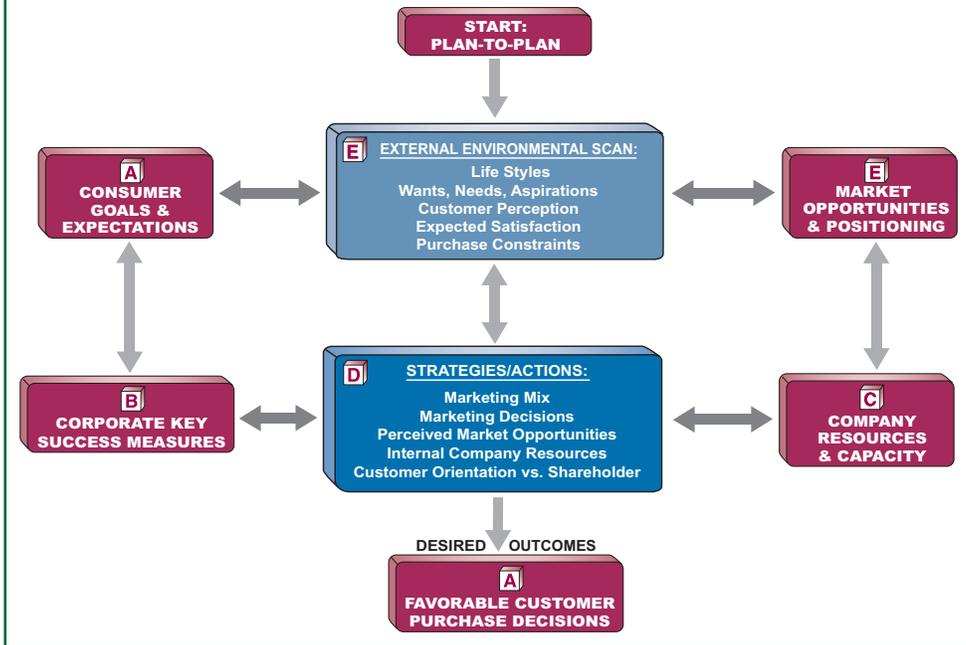
IMPLEMENTATION

Step 9: REGULAR PLAN REVIEW

A schedule of plan review meetings by the steering committee needs to be organized. Initially monthly or bi-monthly meetings should be conducted. The strategy teams should also meet monthly for review of the action plans under their strategy. These strategy teams are not responsible for implementation—that must rest with line management. They are responsible for being champions of the strategy, making sure the action items are coordinated across the organization, making recommendations to the responsible line management and to the steering committee, and nudging and assisting in moving

TOTAL MARKETING CONCEPT

CLEAR, INNOVATIVE, DATA-BASED, WELL-REASONED MARKETING STRATEGIES



1. Reacting to changes in the environment overall and in the marketplace.
2. Formally auditing the plan.
3. Updating annual priorities for the next year and adding and adjusting action plans to improve focus and effectiveness given any new knowledge and changes in the market and environment.
4. Updating the team structure and processes, if needed, and making any other needed adjustments in the plan management system to improve overall effectiveness, assure effective implementation and coordination and stakeholder buy-in.

Suggestions on How to Get Started

- OPTION A: A one-day Executive Briefing and Plan-to-Plan event (Step #1). This is the orientation, organizing, and tailoring day mentioned earlier (with a Centre Partner or affiliate—if you don't get value from this day, you don't pay our fee).

obstacles. They generally act as an oversight group to be sure the strategy is accomplished and the action plans are being smoothly and effectively executed across the organization.

This strategy team structure assures that the typical silo behaviors within the organization are mitigated in favor of an organization-wide view of plan execution and effectiveness. Without some form of this structure, silo behavior generally takes over and reduces implementation effectiveness.

Once this structure is functioning effectively (usually several months), the steering committee can adjust to quarterly meetings. The strategy teams may be best to continue monthly or, at least, bi-monthly meetings. Implicit in this process is the management of necessary changes in the organization to become truly market and customer focused.

The people's hearts and minds must be won to assure effective implementation and to achieve becoming a market/customer/relationship centric company. This may include redesigning processes, re-aligning delivery systems, customer focus related training, revamping reward systems, and numerous other necessary change management activities.

Step 10: ANNUAL STRATEGIC MARKETING AND SALES PLAN REVIEW

Make sure that an annual plan review is on the schedule. This step is necessary to sustain high performance over the long term. A great deal of knowledge and input will have been gathered over the year. This is the time to formally put it to good use. The annual review minimally should include:

- OPTION B: Conduct a one-day session on any step in the process to tie in with your current planning activities or to assess our process in any area.
- OPTION C: Conduct training on Strategic Marketing and Sales Planning and Becoming a Market/Customer-focused Organization.
- OPTION D: Have us begin at any point in the process or customize a process to fit with your existing planning process(es).
- OPTION E: Conduct only a step that you need now.

The key is to just start!

Detailed Workbook:

See www.SystemsThinkingPress.com for the Executive Briefing Booklet on Strategic Marketing and Sales.

Another in the
Becoming Customer Focused Series.

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