

Buying or Selling A Business?



WRITING A SOUND MARKETING PLAN

Preparing a sound Marketing Plan

The marketing plan is an integral and essential part of any overall business plan. You will agree that without defining how you will go about marketing your services or products, you may not be making the best of the opportunities around you.

Preparation of a written marketing plan is key step in ensuring the effective execution of your strategic thinking because it spells out what actions are to be taken, when and by whom. You are probably aware of the old maxim – if it is not written down, it may not be implemented!

The phrase: "**opportunities around you**" is a significant phrase. One successful businessman said that he saw potentially twenty different opportunities every day taking different routes to and from his office that could be exploited.

Hence, a prerequisite to a marketing plan is literally studying your environment and the industry you are in, both in terms of potential customers and competitors.

Researching the market

There is a lot of information out there to help you and if you are equipped with Internet access, so much the better. In strict marketing language, accessing information already out there is called **secondary market research**. Some examples are: magazines, census data, demographic profiles of consumers, the chambers of commerce and university and business surveys to name but a few. It is ironic that you investigate *secondary* sources *first*. Keep in mind that this information is usually easy to access and usually free - a real advantage to small business. Of course, there is always your eyes and your ears.....sometimes the best source of information.

A more formal approach to getting information is known as **primary market research**.

This is where you actually embark on a formal approach to obtaining information from consumers such as surveys, questionnaires, meeting with focus groups and getting their feedback. Primary market research can either be conducted by a market research company on your behalf or you could do this yourself. There is one caution, though. If you do not ask the right questions and apply the right answering format, you could base your marketing plan on flawed information. There is quite a skill attached to primary market research.

After gathering this information, you will be in a **better position to clearly define** the profile of your potential customers in terms of their earning power, their product preferences and other demographic factors such as age, sex, geographic area, etc. By doing this exercise you are defining your target market and then you need to decide how best you will reach them.

Some examples could include email communication, distribution of brochures to key points, trade shows, dealer incentives, word-of-mouth, network of friends or professionals, or placing advertisements in selected journals.

How you distribute your product or service is another key factor in the plan. What outlets will you use or how will you get your product to the consumer? You will have to answer these questions.

By having done the above you have essentially addressed three of the four key elements of marketing: **product, promotion, place** (distribution). The final one relates to pricing. Once you have determined your costs, markup or service charges, you are in a position to determine the likely sales you can make within a year and the costs attached to achieving those sales that will include the necessary human resource.

As your business becomes more entrenched, you will include in your marketing plan aspects such as customer service, market share, response times, staff training, etc.

You are now in a position to draw up a comprehensive marketing plan and the following is an example of an outline to follow:

Outline of a Marketing Plan

- **Current situation:** This summarises the relevant research and observations you have made.
- **Objectives:** What you would like to achieve should be clearly stated in terms of numbers or volumes, time period and measurability. (How will you know what you have achieved, if you have not defined the parameters?)
- **Marketing strategy:** Document your decisions on how you are going to market your services and products.
- **Actions plans:** the most critical section of the annual plan for helping to ensure effective and timely implementation and coordination of activities and answers such as what must be done to achieve the objectives, by whom, by when and at what cost.

A projected profit and loss statement presents the expected financial payoff from the plan. There should also be controls in place to monitor progress and to devise contingency plans in case performance is not as expected.

It is not so much how you do it but that you do it that is important: it is phrased "planning for success."

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