The strategic marketing plan:

Key elements for success

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Companies that view marketing as an expense as opposed to an investment, run the risk of missing out on the opportunity to grow their business, build customer loyalty and strengthen key business relationships — in favor of saving some cash.

"Depending upon how you look at it, marketing defines your commitment to business growth," says Jonathan Ebenstein, managing director/partner, Strategic Marketing Group, Skoda Minotti.

"Viewing marketing as an expense versus an investment creates an interesting paradox. While we all intuitively try to reduce or eliminate expenses, I think most people would agree that it is counterintuitive to try to grow a business by doing less to promote it," Ebenstein says.

Smart Business talked with Ebenstein about how to properly align a marketing program with a business plan, emphasizing the importance of focused goals and objectives.

What is the first step to developing a strategic marketing plan?

The first step is to determine your marketing philosophy. Many business owners see marketing as a necessary evil, a cost that their bottom line must endure. Conversely, others view marketing as an investment that when leveraged properly provides significant ROI. People are hardwired to cut costs and maximize investments, so determining which philosophical approach to marketing you subscribe to is important because it will influence how much time, money and effort you are willing to invest. And that will directly impact the structure of your plan.

What is the next step?

Start with the end in mind by establishing short-, mid- and long-term marketing goals and objectives for your business. Most companies do some form of marketing, but they often do so without a specific measurable goal in mind. Setting *measurable* goals and objectives is critical. Rather than, 'We want to increase lead generation this year,' think, 'I want to increase qualified leads by 20 percent.' When everyone understands the goals, they can adjust tactivities accordingly so each person may plan for and focus time, money and effort on necessary activities to achieve them.

What else should be considered when developing a strategic marketing plan?

Here are a couple of areas often overlooked: one being determining your organization's competitive advantage. It may seem obvious, but many companies struggle to do this as they think they are great at everything and then try to market themselves as such. This leads to painfully long, boring text-driven ads, brochures, websites, sales presentations, etc., that are all focused on the company and not on the customers, a critical mistake.

As part of your planning process, narrow your competitive advantages to the essential 1-3 core advantages. Narrowing the focus will streamline and clarify marketing efforts and simplify communications.

Next, develop tangible marketing statements around each core competitive advantage. So, rather than boast generically about 'providing premier customer service,' which by the way, who doesn't, try 'We provide 24/7 live tech support and a 100 percent money-back guarantee.'

Defining your customers is another area. Understand everything about them.What is the best way to communicate with your customers? How you can best serve their needs? Know their 'hot buttons' and the challenges they face. How is their world changing and how can you help them through those changes?

What is an appropriate budget for marketing, and how do you establish it?

A rule of thumb says a company's marketing budget should be between 1 and 5 percent of revenue. However, that's not always an accurate guideline. For example, if you are a startup company, you have zero sales. Now what? Again, it all points to your corporate goals and objectives. If your goal is to triple revenue in a 12-month period, budgeting even 5 percent of sales may not be enough to reach your goal. And, the dollar spend is just one part of the budgetary equation; you also need to consider how much time you and your team have to manage and execute the plan. You only have so many hours to get things done. If you don't have the time to effectively manage the plan, it is irrelevant how much money is available to spend. ●