

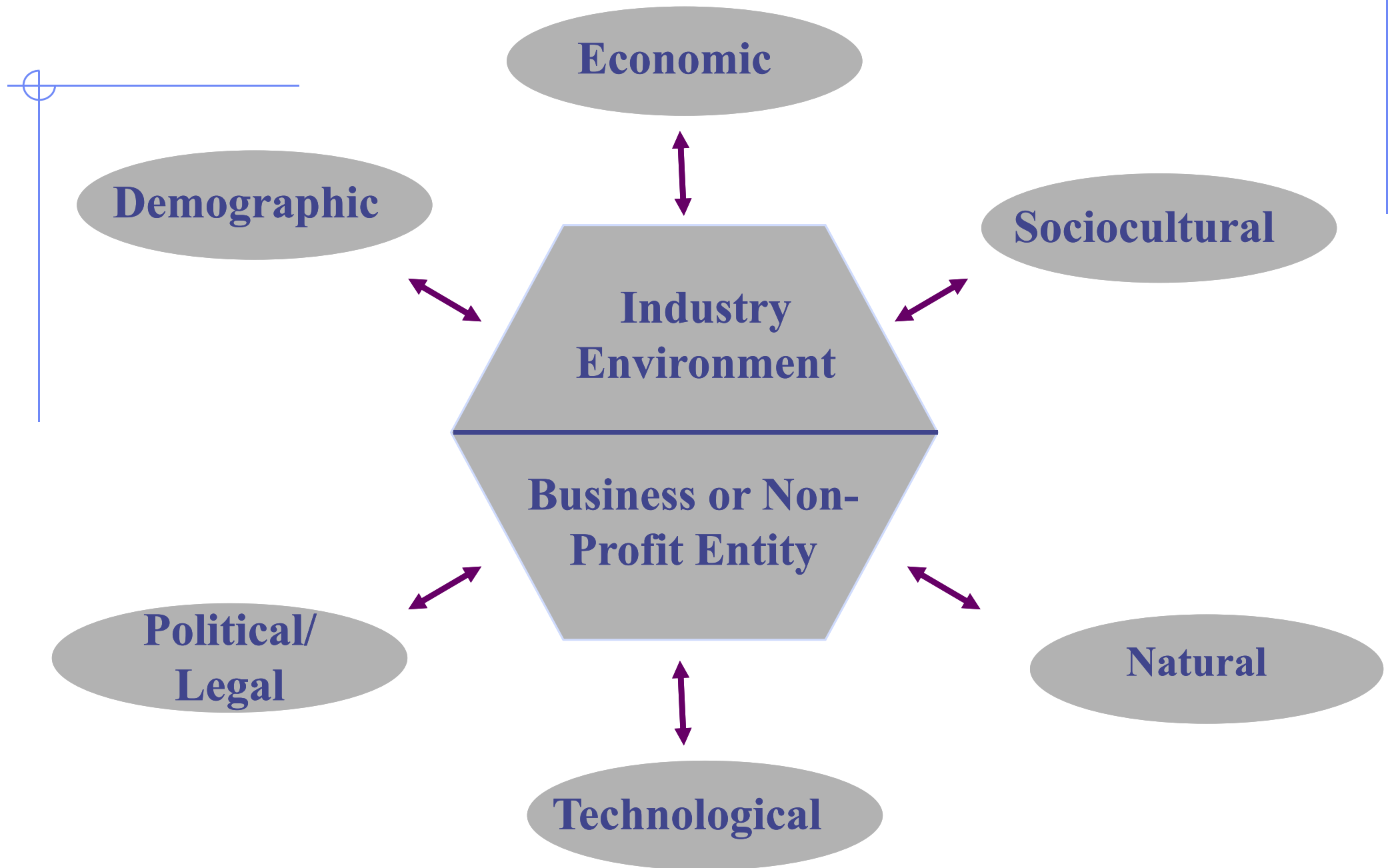
Continuation ENV - SWOT Developing a Market Plan



Marketing

10th March 2008

Components of the MKT Environment



Marketing Orientation Sounds Easy, Isn't it?

- ◆ Even the “best” firms sometimes backslide into a production orientation
- ◆ In today's highly competitive markets it is often difficult to
 - keep up with changing customer needs/changing market tastes
 - beat aggressive competitors to the punch
 - find the right focus -- one that matches the firm's objectives and resources to market opportunities
 - offer customers value



SWOT Analysis

- ◆ Strengths
- ◆ Weaknesses
- ◆ Opportunities
- ◆ Threats

The purpose of SWOT Analysis

- ◆ It is an easy-to-use tool for developing an overview of a company's strategic situation
 - It forms a basis for matching your company's strategy to its situation

Strenghts

◆ **What are the Strenghts?**

- Manufacturing Efficiency?
- Good Market Share?
- Strong Financial Picture?
- Qualified Labour Force?
- Superior Reputation?

Weaknesses

◆ What are the Weaknesses?

- Outdated Facilities?
- Inadequate R & D?
- Obsolete Technologies?
- Weak Management?
- Past Planning Failures?
- Product-related?
 - Market-related?

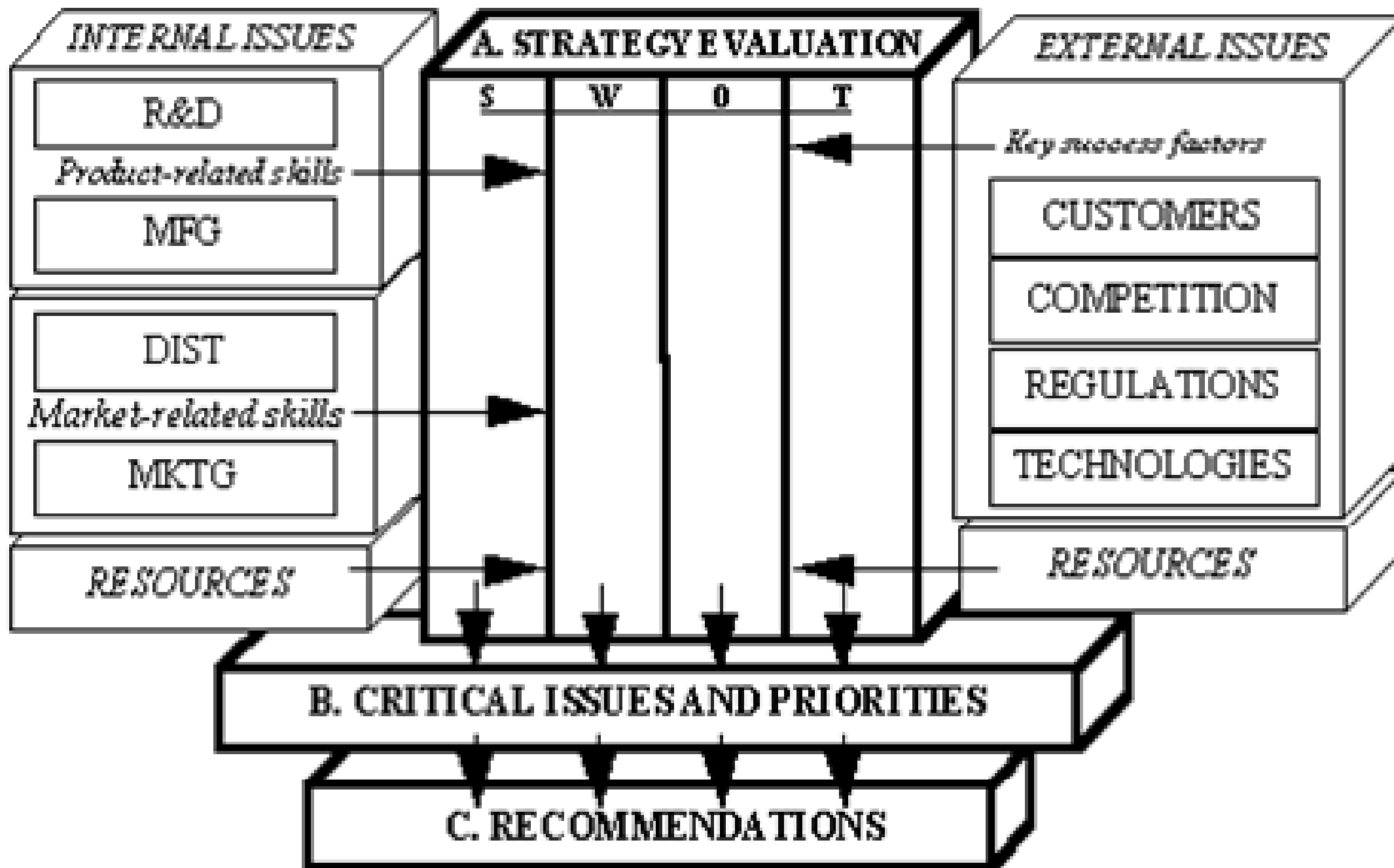
Opportunities

- ◆ An OPPORTUNITY is a chance for firm growth or progress due to a favorable juncture of circumstances in the business environment.
- ◆ Possible Opportunities:
 - Emerging customer needs
 - Quality Improvements
 - Expanding global markets
 - Legal requirements/limits

Threats

- ◆ A THREAT is a factor in your company's external environment that poses a danger to its well-being.
- ◆ Possible Threats:
 - New entry by competitors
 - Changing demographics/shifting demand
 - Emergence of cheaper technologies
 - Regulatory requirements

Evaluation



Identify Critical Issues and Priorities

- ◆ The SWOT analysis should lead to critical issues that a firm must address to maintain its competitive and financial performance

Recommendations

- ◆ Your recommendations MUST be based on the analysis performed.
- ◆ What are priorities:
 - short-term
 - long-term
- ◆ Capabilities of management
- ◆ Infrastructure: product, market
- ◆ Product-related functions (R&D, manufacturing, etc.)

Your Recommendations should:

- ◆ Help achieve good fit with the overall situation
- ◆ Help build competitive advantage
- ◆ Contribute to higher company performance or a better situation

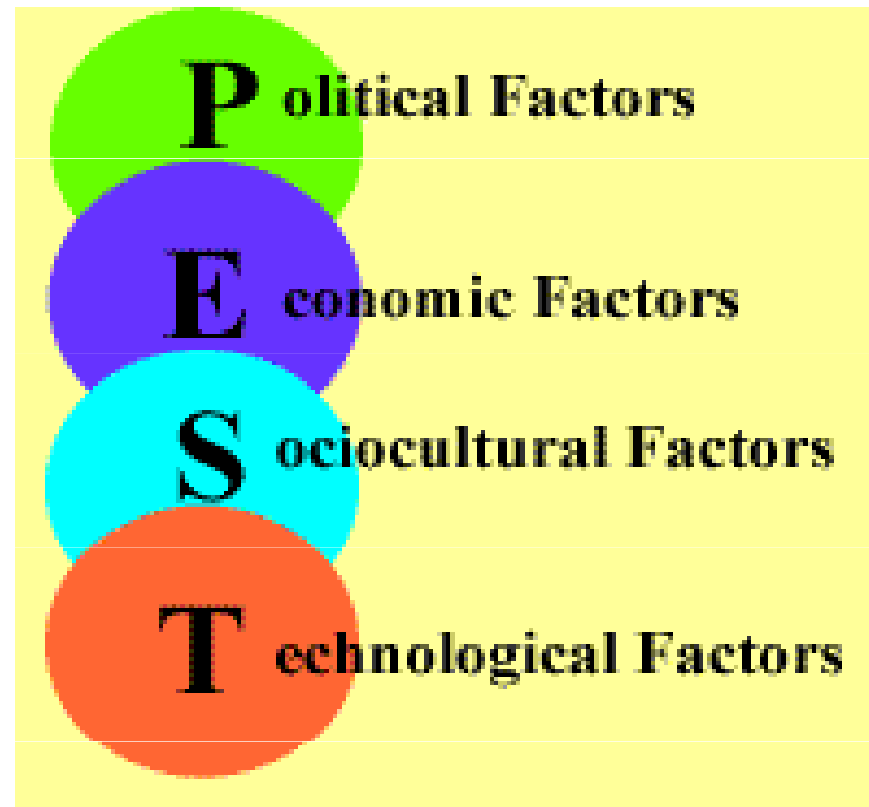
Opportunities and Threats form a basis for EXTERNAL analysis

- ◆ By examining opportunities, you can discover untapped markets, and new products or technologies, or identify potential avenues for diversification.
- ◆ By examining threats, you can identify unfavorable market shifts or changes in technology, and create a defensive posture aimed at preserving your competitive position.

Create a Plan of Action

- ◆ What steps can you take to:
 - Capitalize on your strengths
 - Overcome or minimize your weaknesses
 - Take advantage of some new opportunities
 - Respond to the threats
- ◆ Set goals and objectives, like with any other plan

Analyses PEST

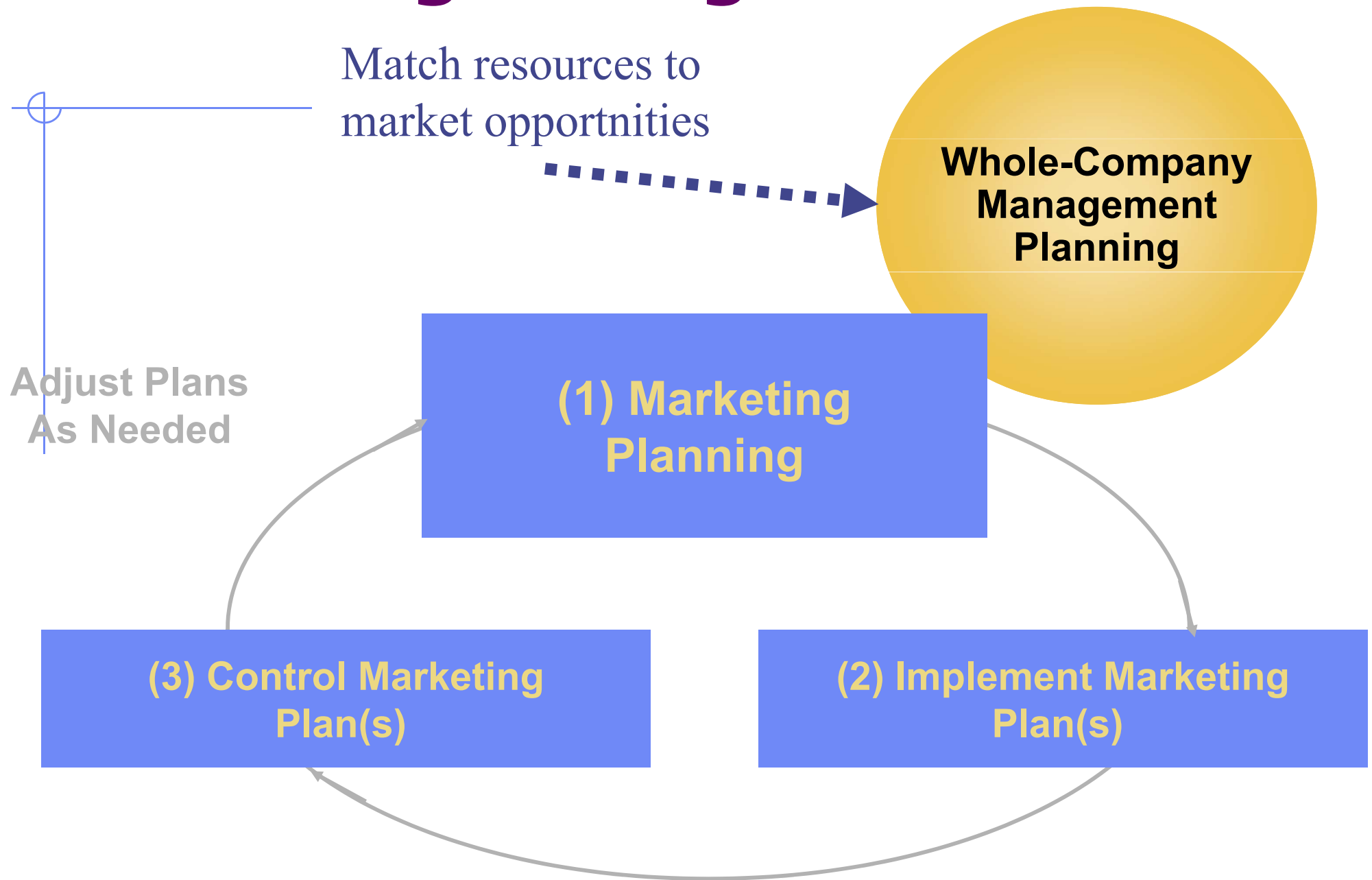


STEP, STEEP or PESTLE

Businesses Face Many Types of Uncertainty & Risk

- ❑ Uncertainty makes planning difficult
- ❑ Uncertainty also makes planning essential
- ❑ Planning changes reactive to proactive
- ❑ A marketing plan helps manage but does not eliminate risks

Marketing Management Process



Marketing Strategy Planning Process



Customers

*Needs and other
Segmenting
Dimensions*

Company

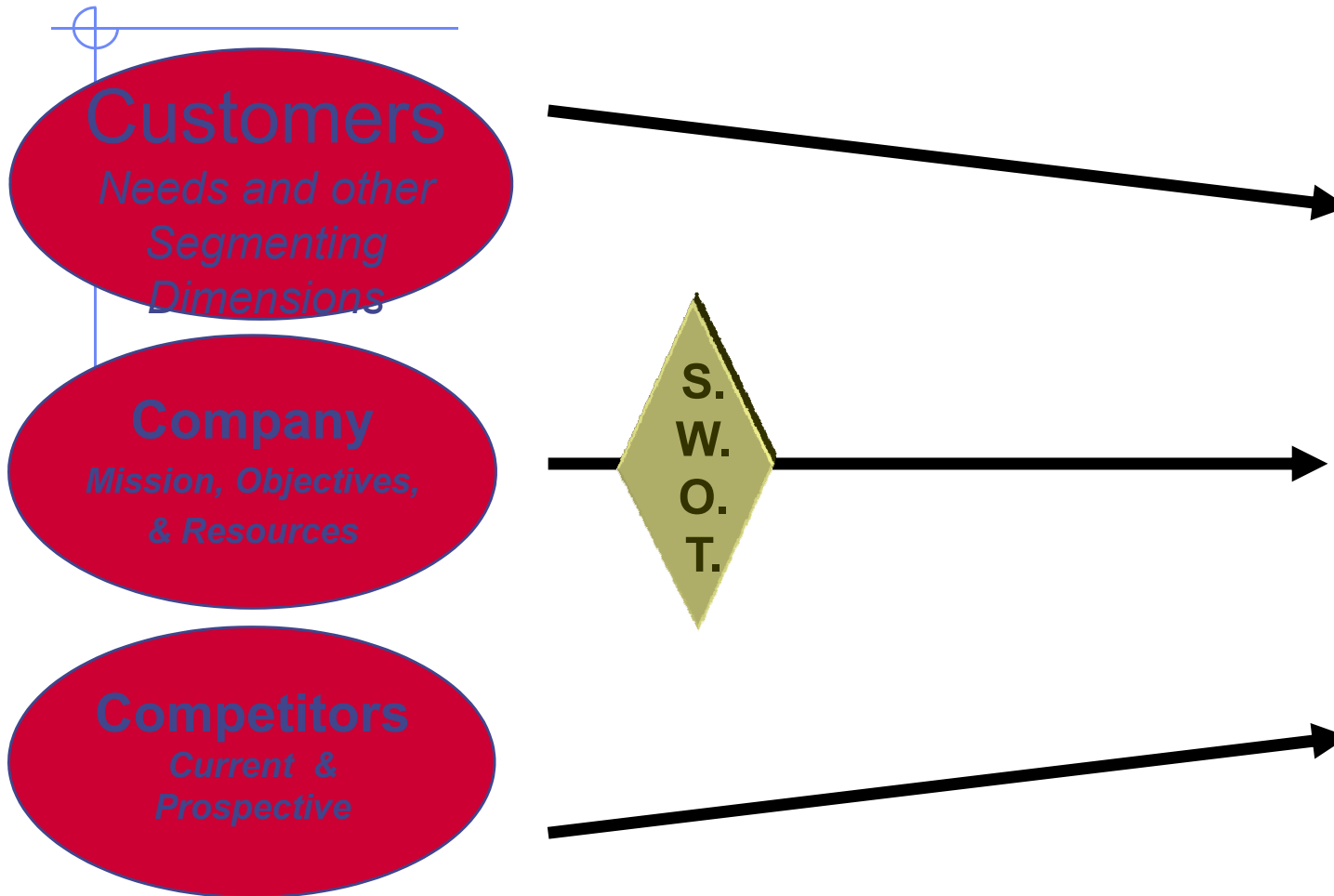
*Mission, Objectives,
& Resources*

Competitors

*Current &
Prospective*



Marketing Strategy Planning Process

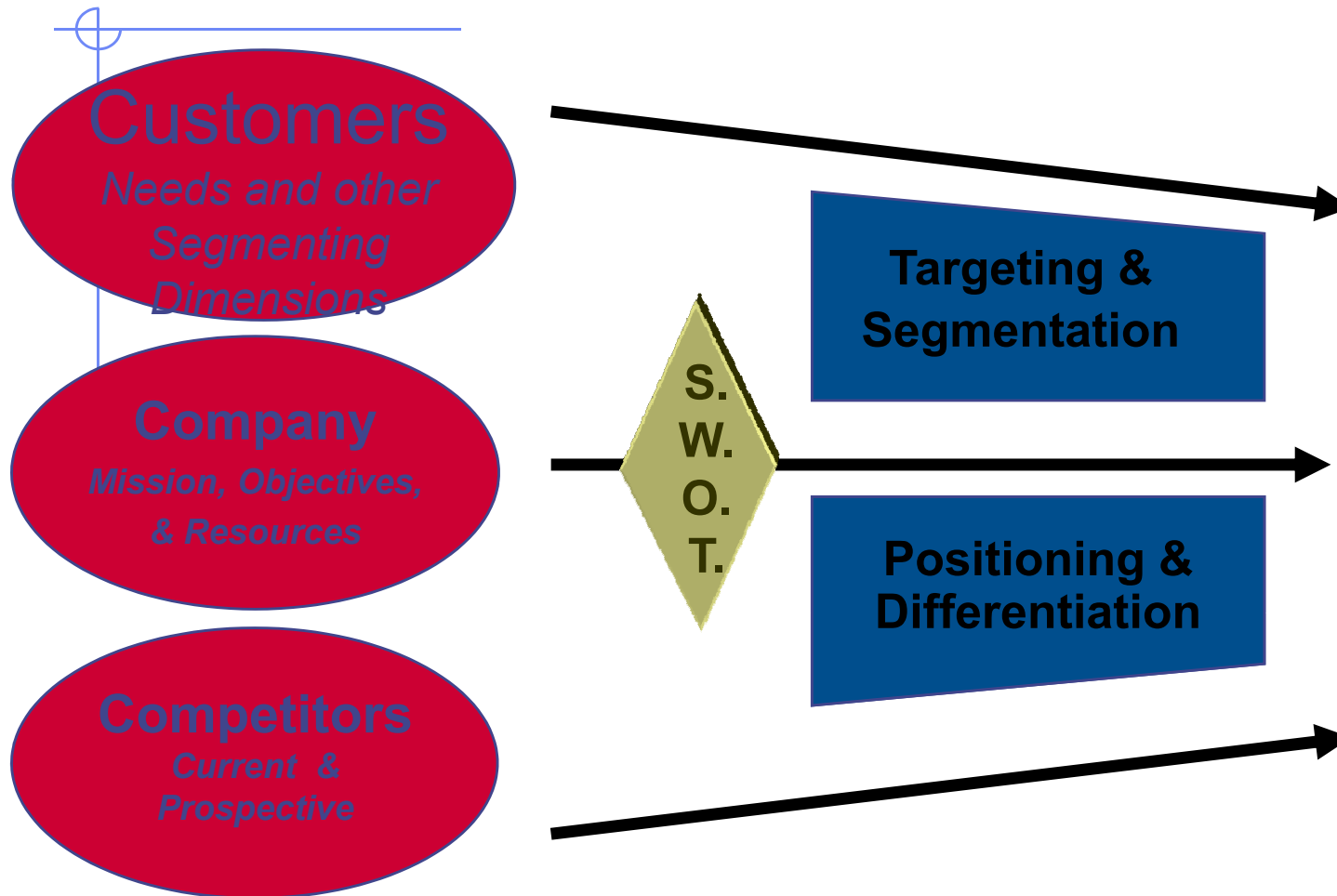


External Market Environment

Technology Political & Legal Social & Cultural Economic



Marketing Strategy Planning Process



External Market Environment

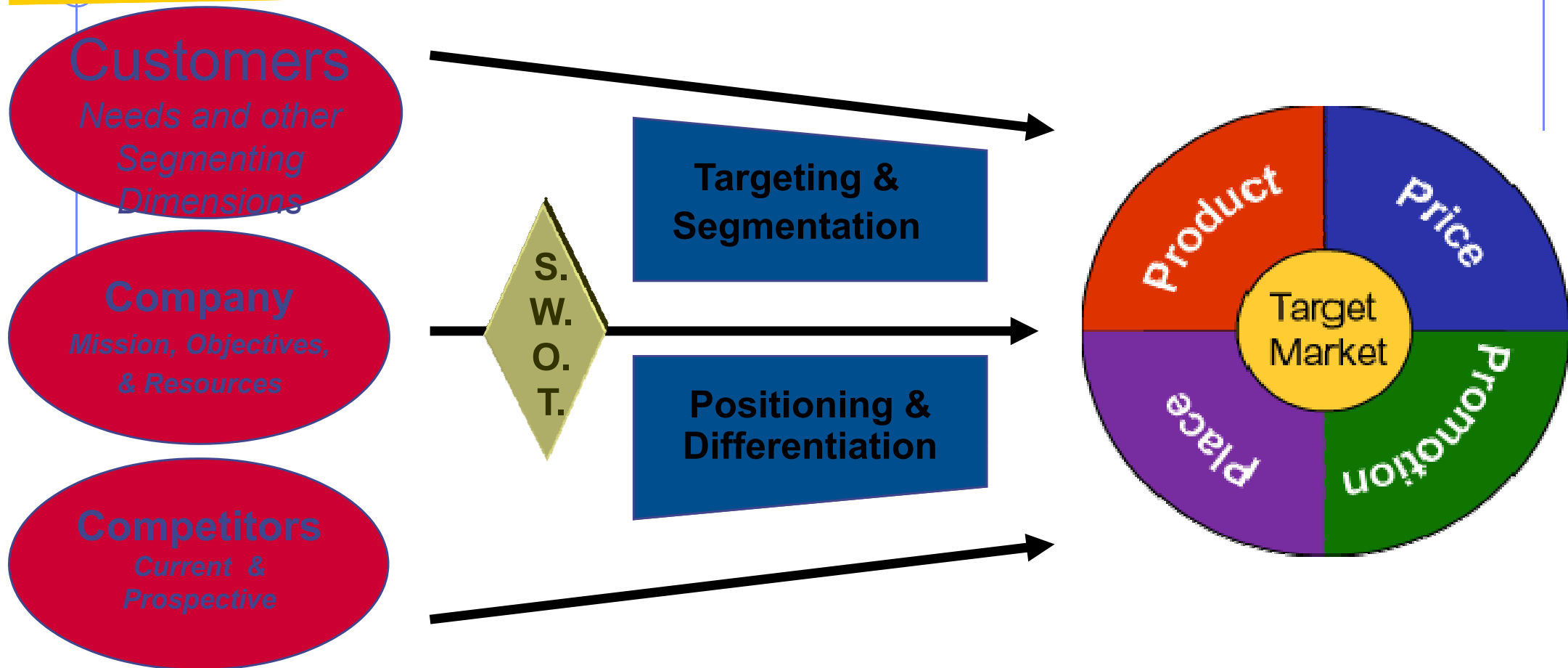
Technology Political & Legal Social & Cultural Economic



Marketing Strategy Planning Process



Narrowing down to focused strategy with quantitative and qualitative screening criteria

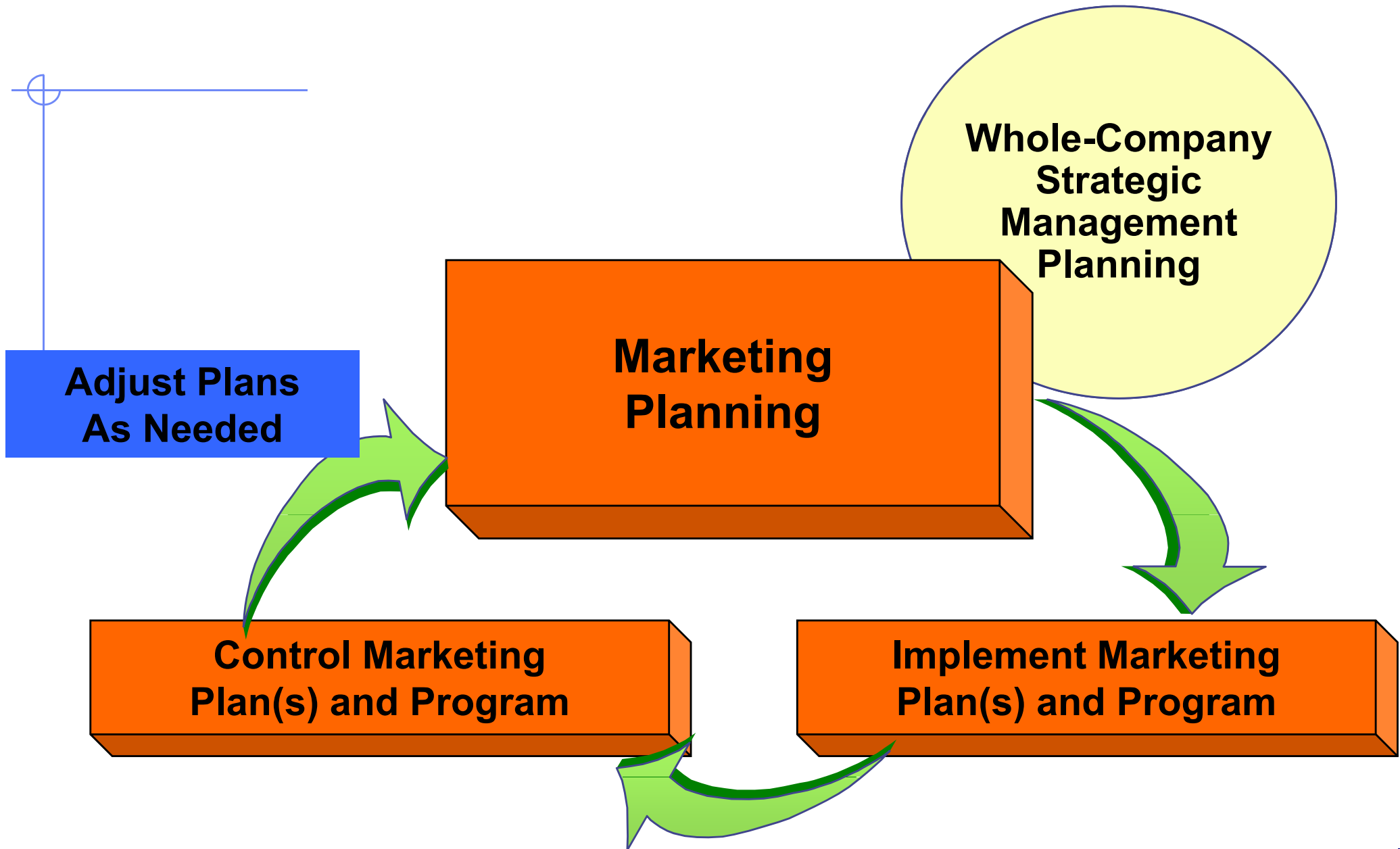


External Market Environment

Technology Political & Legal Social & Cultural Economic



Marketing Planning and Management in the Organization



Strategic & Business Planning

The Strategic and Business Planning includes six phases:

1. Mission/Vision of the Company
2. Analysis of the Internal Environment
3. Analysis of the External Environment
4. Strategy Formulation
5. Detailed Business Plan
6. Implementation Programme

Benefits of a Marketing Plan

- Coordinates every aspect of building your business on the basis of specific products & services
- Provides the who, what, when & where information
- Acts as a sales tool to convince decision-makers
- Demonstrates your recognition of the work required to reach your final objective
- Plays a role in timing and scheduling
 - Clearly outlines responsibilities
 - Schedules all activities for optimum performance
 - Implements strategy at the most opportune time

Benefits of a Marketing Plan

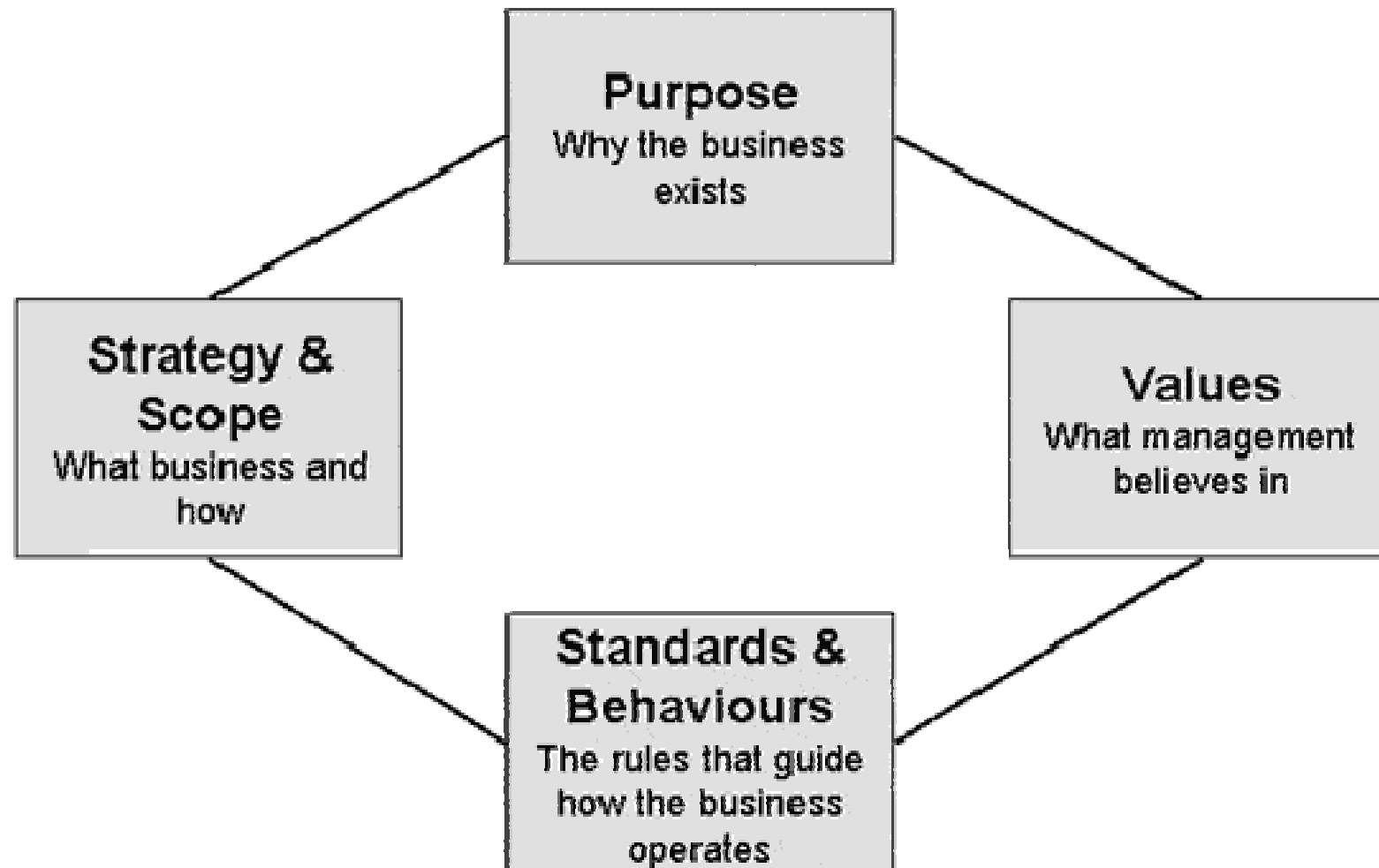
As you complete the researching, analyzing, and writing process involved in developing your marketing plan, you will become more aware of what it will take to achieve your objectives. You will gain information about:

- Potential pitfalls to be avoided
- Possible problems that need resolution
- Future threats to be on the lookout for
- Confirmation of current concerns
- Obvious opportunities to be taken advantage of

Components of a Marketing Plan

- ◆ **I. Executive Summary** – Nature of your business, products & services you offer, mission statement, company objectives, organizational structure, management team, & a summary of the marketing objectives & recommended marketing strategies in the plan
- ◆ **II. Current Situation** – Your location, target markets, competitive environment, & key issues your company faces; SWOT, PEST
- ◆ **III. Competitor & Issues Analysis** – Information about competitors, & key business issues that are potential challenges (i.e. – new legislation or the impact of an impending technological advance in your industry); Requires research.
- ◆ **IV. Marketing Objectives** – State your marketing objectives (i.e. – increasing the awareness of your product among your target audience) & the time frame for achieving them

Mission



Objectives should be SMART

- ◆ S – Specific
- ◆ M – Measurable
- ◆ A – Assignable
- ◆ R – Realistic
- ◆ T - Time-Limited

Components of a Marketing Plan

- ◆ **V. Marketing Strategy** – Your game plan for achieving your marketing objectives & details about the P's of your marketing mix
- ◆ **VI. Action Programs** – Your marketing “to do” list, what will be done, when it will begin and be completed, & who will accomplish the tasks
- ◆ **VII. Budget** – The cost of the marketing activities in your plan
- ◆ **VIII. Evaluation** – Numerical targets that will measure the results of implementing your marketing plan, including time limits for achieving your goals (i.e. – Increase white wine sales by 10% in 12 months)
- ◆ **IX. Supporting Documents** – Any supporting documents referenced in other plan sections, including resumes, spreadsheets, market research results, etc.

Strategic & Business Planning



Mission/Vision of the Company

- ◆ Identity/Character of the Company
- ◆ History of the Company
- ◆ Fundamental Objectives and Directions
- ◆ Presentation and Analysis of the Institutional Framework

Analysis of the Internal Environment

- ◆ Basic Activities and Operations of the Company
- ◆ Products/Services Offered
- ◆ Organisational Structure
- ◆ Human Resources
- ◆ Infrastructure
- ◆ Financial Analysis

Analysis of the External Environment (1)

- ◆ Market (...)
- ◆ Macro-Environment
- ◆ Micro-Environment

Analysis of the External Environment (2)

◆ Macro-Environment: which the organisation cannot choose or affect directly

- Institutional Framework
- Political
- Economic
- Socio-cultural
- Technological
- Natural

Analysis of the External Environment (3)

◆ Micro-Environment : which the organisation can choose or affect directly

- Suppliers
- Creditors
- Debtors
- Partners
- Allies
- Distributors
- Advertisers
- Consultants

Strategy Formulation

◆ Strategic Analysis

- SWOT
- Stakeholder analysis
- ...

◆ Expectations and Goals

◆ Management Resources

◆ Strategic Alternatives

◆ Evaluation of Strategic Alternatives

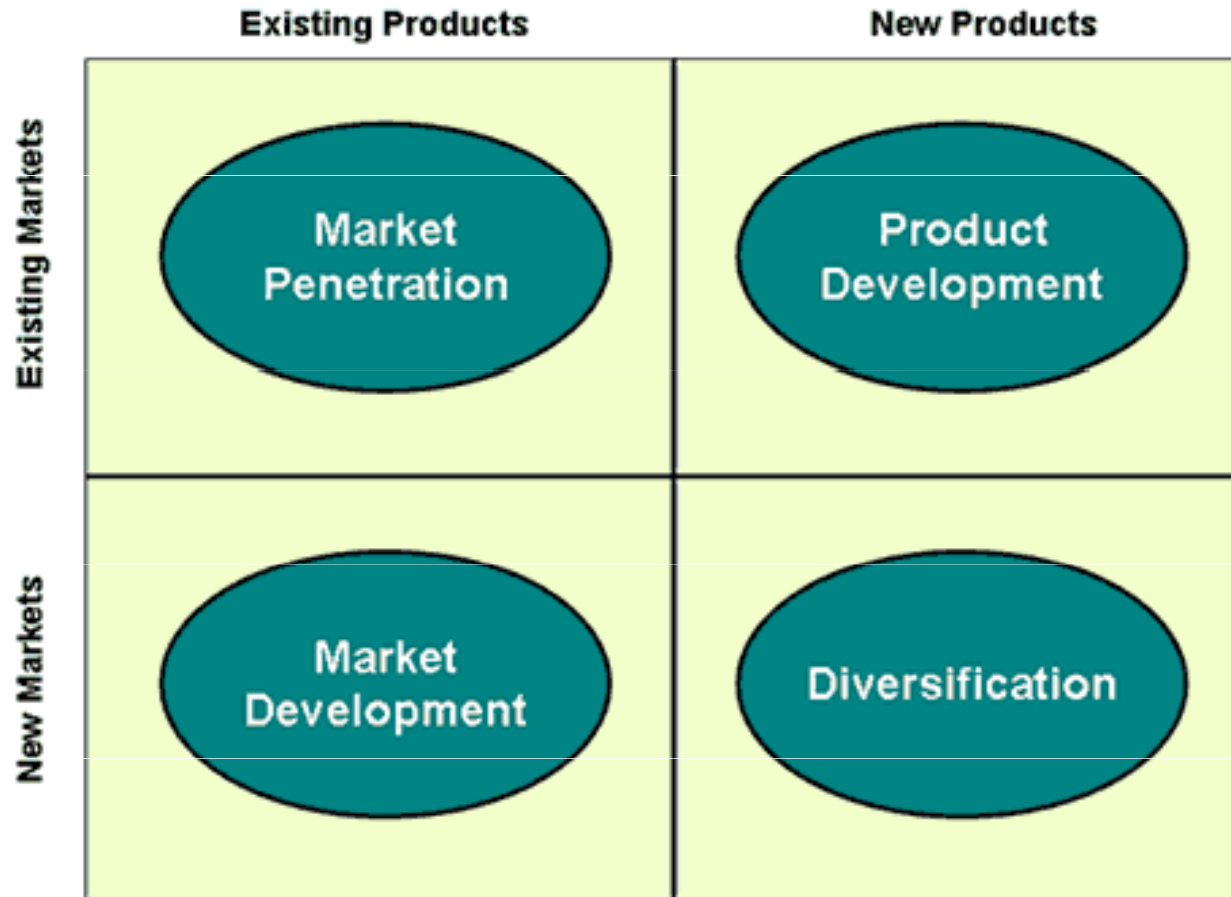
Detailed Business Plan

- ◆ A Business Plan includes the detailed planning of the:
 - Sales promotion and production activities
 - Investments and capacity planning
 - Configuration & organisation of Company
 - Human Resources
 - Financing
 - Basic support systems & Infrastructure
- ◆ Sensitivity Analysis of Business Plan
- ◆ Contingency Plans

Implementation Schedule

- ◆ Timetable of action plans
- ◆ Timetable of entire business plan
- ◆ Resource availability plan
- ◆ Processes for
 - Monitoring
 - Control
 - Revision
- ◆ Monitoring Systems of the Progress of the Project

Ansoff matrix



Ansoff Matrix

- ◆ Market penetration – seeks to achieve growth with existing products in their current market segments, aiming to increase *market share*
- ◆ Market development – seeks to growth by targeting its existing products to new markets

Ansoff Matrix

- ◆ Product development – new products targeted to its existing market segments
- ◆ Diversification – the most risky operation aiming at developing new products for markets to conquer



„Casual Dining“ – new concept for CZ and Poland developed by American Restaurants in 2006 (Brno)