



4 Essential Components of an Effective Marketing Plan

By Jonathan Ebenstein

I believe that marketing defines your commitment to business growth. That's why it has always baffled me when business owners and C-level executives view marketing as an expense vs. an investment. Companies that view marketing as an expense run the risk of missing out on opportunities to increase top-of-mind awareness, build customer loyalty and strengthen key business relationships. While I understand that marketing appears as a line item expense on every company's balance sheet, treating it as such is a mistake.

Think for a minute...what does every business owner/C-level executive try to do with expenses? This is not a trick question. The answer, of course, is reduce or eliminate them. That being the case, isn't it counterintuitive to try to grow a business by doing less to promote it?

If you are serious about growing your business, you need to invest in it. This is done every day by companies that invest in recruiting the most talented people, new equipment and the most efficient technology to run and grow their business. Marketing should be treated no differently. Again, marketing is an investment, not a cost.

OK, convinced? Good. Now, where do we go from here? Answer: develop a strategic marketing plan. A strategic marketing plan is the essential first step to successfully connecting your brand to your customers. A marketing plan does the following:

- Sets sales and marketing objectives
- Focuses on strategic target markets and their underlying needs
- Defines strategies, tactics and programs
- Sets sales and expense budgets
- Assigns marketing functions, responsibilities and timelines
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There are four core components of a marketing plan.

1. Goals & Objectives

Every company must have goals and objectives. It's simply a matter of deciding where you want to be and when you want to get there.

Example: Increase design-build service revenues by 10% over the next 12 months. Note: your goals must be specific and measurable.

2. Strategies

Strategies are plans of action you need to take to accomplish your goals. If your goal dictates where you want the company to be, the strategy is the route you need to take to get there.

Example: Strategies to Increase Revenue 10%

- Increase company brand awareness
- Increase fees/higher markup on subcontractors/outside costs
- Increase overall sales volume
- Any combination of these

3. Tactics

While strategies establish a broad outline of how you want to achieve your goal/objectives, tactics are the specific actions you will take to accomplish them. People often confuse strategies and tactics. For example:

- Increasing the number of brand touches among potential customers to create name awareness is a **strategy**.
- Advertising in a trade publication is a **tactic** for implementing that strategy.

4. Budget

Each tactic has a cost. Add up the cost for everything you plan to do and you'll know what your budget must be in order to achieve your goals. Keep in mind, budget is not just dollars. It also must include your team's time and resources to implement each tactic. When thinking about setting a budget, it is important to understand that your budget should not necessarily be determined by the size or sales revenue of the company. It should be determined by how much you want to grow and how fast you want to get there.

For example, startup companies have no brand awareness, no customers and no revenue. As such, a startup's primary marketing goals would focus on creating awareness, securing qualified leads and acquiring customers. Setting a marketing budget that is a reflective percentage of sales, which is zero, won't achieve much in the way of creating brand awareness or customer acquisition.

Now, five years later, that same startup has knocked the cover off the ball and grown into a \$50 million business. In fact, it has grown so fast that it's struggling to service its existing customers. Having more business than it can handle the company's marketing goals have changed. Rather than prioritize its marketing spend on aggressive brand awareness and customer acquisition tactics, it now needs to implement marketing tactics focused on customer retention, while it works behind the scenes to address the operational and infrastructural issues caused by its rapid growth. Marketing is still necessary, but it is needed at a smaller level and with a reduced budget.

The core elements of your strategic marketing plan should be built around:

- Your most significant opportunities for growth
- Your core competitive advantage. **Note:** You can't have 15 core competitive advantages; limit it to no more than three.
- Your ideal customers/clients
- What your competitors are doing well and not so well
- Your strengths, weaknesses, threats to business/industry and key opportunities
- Budget and resources

A strategic marketing plan will dictate how much time, money and resources you are willing to invest in your company and define your commitment to business growth. In the end, the plan will only be as good as your commitment to implement it. Do not make the mistake, once the plan is completed, of putting it away on a shelf, where it will likely never be looked at again. Instead, review it monthly with your team to check your progress and adjust it to accommodate any shifts in the business landscape. Like anything else, marketing works best when the dedication is there, so buy-in and accountability from your team will ultimately drive success.

Are you interested in learning more about how to develop a strategic marketing plan for your company? Contact **Jonathan Ebenstein** at 440-449-6800 or **simply fill out our contact form** and someone from our team will be in touch to discuss developing a strategic marketing plan that makes sense for you.