

THE MARKETING PLAN



Let us now turn our attention to the marketing plan.

The marketing plan is an integral, sometimes complex, part of your overall business plan. Despite its importance, it can be simplified into three basic questions:

1. Where are we now?
2. Where do we want to be?
3. How are we going to get there?

It really is that basic.

What is more difficult than determining your goals, is writing down all the objectives - those intermediate steps necessary to obtain these goals. This is no easy thing! There needs to be a lot of careful preparation in the development of an effective marketing plan. That is, the development of a plan which really has a chance to move you forward relative to

your competition. You'll have to grapple with issues such as your own strengths and weaknesses, the strengths and weaknesses of your competition, your desired positioning in the marketplace, and your current public image. Then, you'll deal with external factors and the realities of the marketplace, what rewards there are for you, how significant these rewards are, and whether they will come to you in the short or long term. Internally, you'll have to examine what has to change in order for you to achieve your goals.

People are great at developing plans, but it is not as common that behavior is truly modified and that something actually gets done. Unless you can perform an "internal audit" with a strong resolution for action, you'll spend years "spinning your wheels." You only have a limited amount of time, talent and resources. Therefore, your plan must be based on what is actually achievable and not on some fantasy committed to writing.

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This thinking process, this self analysis, and this soul searching about what the organization is capable of has to take place long before you write a brochure, publish a newsletter, or start an advertising campaign. It also has to take place before you set up all the internal controls and procedures that will be necessary for any marketing effort to be even marginally successful.

It is important to know where your "business" is coming from.

This information is as important as a client's name, phone number and how he or she expects to pay the fee. Often, there is a space on your client intake form to capture this important source information, but if your staff is not going to complete it – if they're going to shake off being work oriented and file oriented enough to take the time to collect this very basic information – then you have a major problem before you even start!

Many people want to "do some marketing," but they are less willing to modify even basic behavior in order to achieve their desired goals. However, the firms which are willing to modify behavior are the ones which are going to maximize the use of scarce firm resources and strengthen their position in the marketplace relative to the competition. Plans in the abstract are worthless if the business can't employ them in the real world. The development of a realistic plan and the actual implementation of it are crucial to success.

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Your marketing plan should always be a flexible document

and should be organized along these lines:

1. Identify goals, problems, and opportunities.
2. Determine tasks to meet your goals.
3. Review the firm's resources, such as what time, talent and money is available to perform these needed tasks?
4. Establish priorities.
5. Allocate resources to achieve objectives immediately and in the long term.
6. Assign time lines and deadlines.
7. Determine methods of accountability.
8. Design systems for assessment.
9. Review and monitor results.
10. Modify.

Once marketing moves beyond intuition, personal preferences, and guesswork, the gathering and analysis of information will be an integral part of making the right decisions for your business. Service businesses have to gather data on a regular basis and it has to be available on a timely basis in order to assist in informed decision making. However, this is also a good example of when more is not necessarily better. Many companies develop grand plans for their information gathering which are so complex, contain so much minutiae, are so burdensome for the staff to prepare, and can never be

produced on time, that they are totally worthless. Frequently people tend to go out and buy huge volumes of software to produce reams of spreadsheets, but it is often wasted effort. Simpler systems are usually going to contribute more to your making the right decisions for your business than all of the fancy intentions that may never get off the ground.

The basic information you need for your marketing program is the following:

1. Financial analysis.
2. Billing history.
3. Client analysis.
4. A review of your personnel and staff capabilities.
5. A method to efficiently generate information.
6. A realistic look at your external reality.

When reviewing the firm's finances you'll be looking at the revenue generated, at billable hours or chargeable time, and particularly at how to break this information down into particular services you provide. By doing so you can actually see which areas of your business are more or less profitable relative to the business as a whole. When you look at your client base, determine whether your clients are mostly institutional, clients who keep coming back on a regular basis, or whether they are primarily clients who represent one-time transactions. Take note of the actual number of clients and

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the files opened in each area of your business. Be certain to identify the clients who don't come back. Determine who the clients are who have been lost by the firm and why they did not come back. Is it because they truly represented a single transaction type of client, or is it because the firm did not effectively manage the relationship with the client during and following the actual rendering of services?

Reviewing your personnel and internal systems for the entire organization will determine if you can meet the promises you make when you market the firm. Everybody promises great quality products and a caring, full-service experience for clients. But, your actual delivery of that is quite another matter!

Does your firm have systems in place to properly manage the relationships with the clients? Review basics such as returning calls and being accessible. Look at how you are providing clients with information automatically, as part of the daily routine. Does your staff acknowledge and accept the importance of enhancing and maintaining the relationship with the clients or do they merely give lip service to this while sitting atop their rationalizations and excuses as to why calls aren't returned and things don't get done on time?

Solid marketing programs are information driven. Does your business have the information systems in place which will

provide practical and timely data so that you can maximize new business and referrals?

We can all talk about trying to clone our best clients, but if you don't know, really know, based upon hard numbers, not gut instinct, who your best clients are, how are you going to find more like them? We can also talk about getting more business into the most profitable areas of your business, but if we don't have a solid handle on the profitability of various areas of the business, how are we going to know which business to attract? Then of course, we can talk about maintaining and enhancing relationships with our best clients and referral sources. If there are no systems in place to determine whether this is actually being done, it will never get done. Even if you have the grandest, most thought out marketing program in the world, it won't do any good if you don't implement it.

Do you have some system of accountability, so that you can determine if things are actually getting done? Your external analysis must involve your competition and which markets produce a significant share of your revenues. Study how the strengths and weaknesses of your competition affect your strategy and which markets present the best targets for your own firm's growth and profitability. Once the firm has done this external analysis, it is now in the position to think strategically. With this concrete information which is not

based on guesswork and wishful thinking, the strategically thinking firm is able to:

1. "Feed opportunities and starve problems" (as Peter Drucker once said).
2. Focus on profitability rather than growth for growth's sake.
3. Identify opportunities to be more highly leveraged.
4. Target unprofitable practice areas for elimination.
5. Be pro-active rather than re-active.
6. Do things that allow it to win early and often.
7. Set the long-term goals which enable the firm to sustain profitability.

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Developing a strategic marketing program does not mean seeking growth for growth's sake. More fundamentally, the firm will be seeking to maintain or increase its profit levels. Profit levels are determined not only by fees generated as a whole, but also by what volume you're doing in each of your service areas relative to your costs and margins. Those variables of fee volume, costs, and margins are going to be greatly influenced by your strategic marketing plan. More growth doesn't necessarily mean more profits. Your marketing efforts may help you to grow, but if the clients who are generated by your marketing are in a dying or unprofitable area of business, it's all counterproductive. If the clients generated don't pay, or if they are unlikely to

generate referrals for the kind of new business desired by your business, then all the misdirected time and money you will have devoted to those marketing efforts will have actually weakened your position in the marketplace. The goal is not to grow randomly. The goal is, rather, to serve the needs of your business and to allow the firm to control its own destiny as to what kind of business it wants to be.

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Your strategic marketing plan must, obviously, have some goals. These goals often tend to be very broad. Frequently, when firms are asked, "What is it that you want your marketing programs to accomplish for you?" they will respond that they want more clients or that they want to enter a new market. In order to have an effectively strategic marketing plan, the goals have to be something more than very broad, general statements. These goals have to be specific and your objectives have to be measurable. Only then can you determine whether your marketing efforts are effective at hitting the mark.

Many people fail to distinguish between goals and objectives. Goals are a set of long-term, purposeful destinations with a reasonably sufficient probability of eventual achievement. Objectives, on the other hand, are realistic, attainable, short-term "action priorities." Objectives are the stepping stones to achieving your goals. They are the means to the end. As your business develops objectives, recognize that

these must be fluid and able to change as the marketplace changes. Specific and measurable objectives are action priorities. For example, obtaining three referrals from new sources for real estate work, increasing fees by a specific amount over the next three months, six months or one year, or stating that you are going to speak to at least one client every week who has made referrals to you in the past but whom you have not spoken to for at least six months. Your objectives should be stated in terms like "increasing revenue from companies grossing more than \$2 million by 20%," or "for a certain number of new files to be opened within 12 months or 24 months." Having specific goals and measurable objectives forces the firm to tighten up internal systems.

Many times marketing plans don't move from the abstract to the concrete because firms don't know, or don't have access to, information about how many new matters were attracted each month or year-to-date, in what areas of practice they were, how much in fees or revenue was collected in each area of the business, or how many billable hours the firm expended to collect that revenue. At other times, this information, when it is obtained, is so old that it is almost totally worthless. Remember this, every firm that has an effective, well-targeted, marketing program has up-to-date information at its finger tips. They are successful, and they improve their position in the marketplace relative to their competition because they are slaves to the numbers. They

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are able to act and capitalize upon opportunities because they have generated this information automatically. They avoid mistakes and they don't waste time, talent, or resources because they know what matters to avoid. It's all amazingly simple when you get your facts together!