

(Marketing) Strategy is going from A to B



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Vision of the future
Goals
B Objectives

A

Segments
Competitors

Marketing Mix
KSF and Competitive Positioning
Market share
Profitability

Strengths
Weaknesses

7S, 5 Forces,...

Opportunities (now)
Threats (now)

...and other Tools and Techniques



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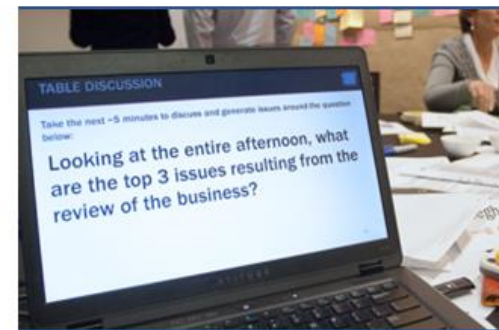
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Threats (now)

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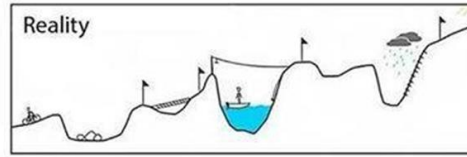
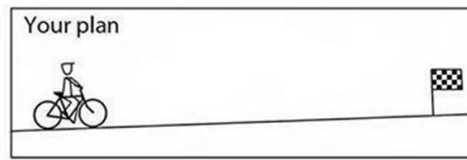
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Issues

- Group to level and discipline
- **Actions to maintain "A"**
- Plan: Grip, HtGT, ODMW, RACI



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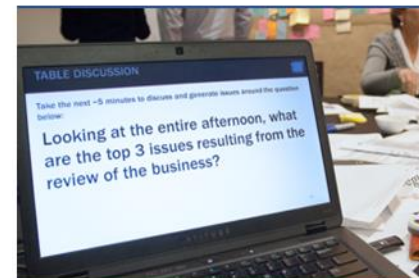
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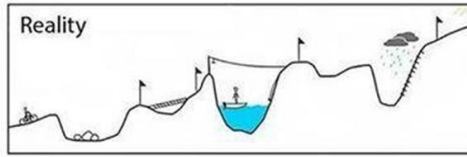
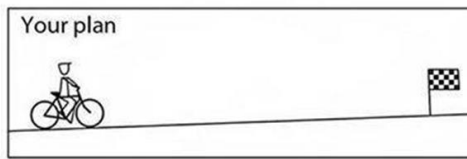
Opportunities
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Scenarios

S&W KSF etc.
in new environment



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Future Goals

A

B

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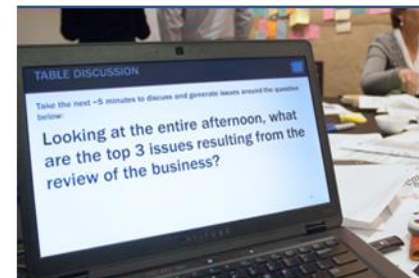
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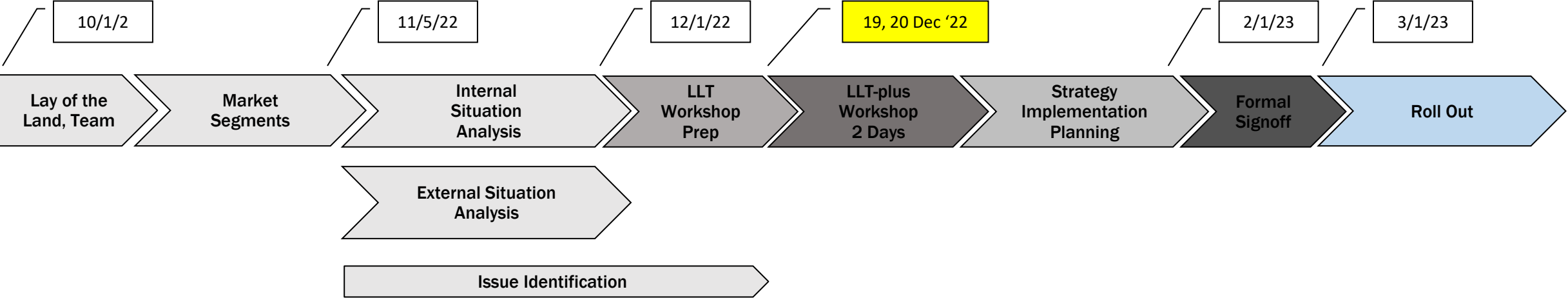
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- **Actions to get to "B"**
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Vision/Goal – Objectives – Strategy

- Vision/Goal
 - Describes in broad terms the future direction/state of the company
 - Aims to achieve commitment in the company to implement the longer term direction
- Objectives
 - Quantitative description of what the company wants to achieve
 - Market share, business growth rates, financial, access to resources
 - Changes in the business portfolio long-term
- **Strategy**
 - **Actions, decisions aimed at achieving the objectives and increasing KSF scores**
- Options
 - Detailed possible actions to carry out strategy

Illustrative Planning of a Marketing Strategy Project for a large industrial company



What is a Key Success Factor?

- KEY SUCCESS FACTORS determine:
 - Profitability
 - Relative competitive position of a business unit within an industry
- KEY SUCCESS FACTORS are the true source of **competitive advantage** and usually include:
 - Operating costs
 - Specific management skills
 - Marketing position
 - Market access
 - Proprietary technology
- They are usually NOT equal in their importance (Ranking)
- Assess in what respect they can be controlled by management
- Indicate the logic of 'how' and 'why' the factors determine success

KSF Ranking Illustrative Only. Segment Product X, Market Consumers, Channel Quick Lube Change

DRAFT 1

KSF (0=lowest, 10=highest)	Weight	A	B	C	D	E	F	G
Brand	2%	7	10	7	9	6	4	3
Channel	15%	8	8	8	8	2	8	4
Performance	12%	6	6	6	6	6	6	6
Price/Margin	25%	8	8	7	8	7	5	3
Linkage	1%	7	9	9	9	3	9	7
Portfolio	10%	7	9	8	9	3	8	3
Alignment	35%	8	6	6	7	7	5	4
TOTAL	100%	7.6	7.2	6.8	7.5	5.7	5.9	3.9
Estimated Market Share	100%	36%	34%	6%	18%	2%	3%	1%
	Rank	1	2		3		4	

Examples Key Success Factors (1/2)

- Logistics
 - Delivery on time
 - Pick up or company delivery
 - Quick delivery
 - Product availability
 - Stock control
 - Efficient depots
- Management Information System
 - Profitability and sales by customer, segment, etc.
 - Business appraisal
 - Credit control
 - Integrity on data
- Communication
 - SP&A
 - Direct marketing
- Channel management
 - Demarcation reseller and direct
 - Cross border issues
- Cost efficiency

Examples Key Success Factors (2/2)

- Sales Force
 - Trained (products, negotiation, trouble shooting)
 - Motivated
 - Clear objectives
 - Clear sales targets
 - Accountable
 - Focused on customers
 - Sufficient number and efficient time spending
 - Equipment
 - Support management
- Segmented approach
 - Based on customer requirements
 - Differentiated
 - Knowing competitors and customers
 - Knowing market trends
- Product portfolio
 - Range
 - Quality products
- Brand
- Technical service
- Organizational focus
- Price

Planning action implementation: steps from start to objectives



Objective

-

Deliverables

-

Method

-

Who, when

-

**Objective**

- To define the business areas with potentially largest improvement scope and select those object of study
- To agree data requirements, roles and responsibilities, and benefits of the study
- To obtain an overview of the business processes, plans and magnitudes as well as key issues already identified by management
- To obtain a first impression of the quality of data available
- To agree on the timing of the next phases of the project
- To list known gaps and planned actions

Deliverables

- Summary of deliberations to rank business areas and selection
- Summary of agreed country specific boundaries and definitions
- Summary of "To Do" list - list of next steps to be undertaken by who and by when
- Summary of already identified key issues
- Presentation on first impressions
- Agreed list on pre-identified gaps and planned actions

Method

- Preparation of effort/impact matrix per business unit
- To work through data questionnaire and glossary to discuss and modify data requirements
- Adaptation of standard data forms to specific circumstances of your business

Who, when, How much

- Business managers and their project team
- Project team
- January 2003
- US\$ 2500

