**The Goal:** The goal of any sales and marketing plan is to either sell more product or sell your product at a higher margin – or both. To do this you must understand your own product, the marketplace, and especially your customers and your competitors.

When you have an understanding of all of these elements, the job is then to develop a plan that will best match your product’s attributes with what the customer wants. You can achieve this match by either modifying your product to meet customer requirements or by messaging your product’s attributes in such a way as to appeal to your customers.

**The Process:** The development of a good sales and marketing plan is very much like the development of a good battle plan – it is based on knowing what you can know and making the best guess you can about what you don’t know.

All plans are based on the words of Sun Tzu, the famous Chinese warlord and strategist….

* See yourself
* See the enemy
* See the battlefield

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**Step 1:** **The environmental scan**. The process starts with a fact-finding process, which is called the ‘environmental scan’. In the environmental scan, we seek to develop the attributes of all of the elements that make up our environment. We will look at the marketplace, our products, our customers and stakeholders, the competition, and anything else that might affect our sales and marketing effort. The result of the environmental scan will be a thorough understanding of all of the parts of the environment in which we operate and how they all work together.

To provide some order to the environmental scan we have developed the ‘5W’ process. The 5W’s are the five questions you need to ask yourself over and over again to ensure you understand the marketplace as best you can. The five questions are:

* Who?
* What?
* Where?
* When?
* Why?
* ……..and eventually when you have asked and answered all the W’s you will be able to develop the ‘How’

If we start with looking internally, at ourselves and our product that we would like to sell, the 5W’s might look something like this:

* Who are we?
* What are we selling?
* What is our sales and marketing strategy?
* What is our plan?
* What is our current sales and marketing program look like?
* What is our current sales and marketing program doing?
* What is our current message?
* Where will we sell our products?
* When is the right time to sell our product?
* Why is our product better or worse than the others?

If we are looking externally at the marketplace the 5 W’s might look something like:

* Who are our customers?
* Who are our competitors?
* Who are our partners?
* Who are the other stakeholders and how do they affect us?
* What are the customers really buying?
* When do the customers want to buy?
* Where are our customers located?
* Why do the customers like - or - not like our product?
* Why is our product better - or - worse than the competition?

The key to a good environmental scan is asking the right questions – and then developing the best answers you can. This list of questions can be expanded well beyond what is listed here as required. Keep asking questions until you get all the answers you need.

Once you have developed all your W questions and gotten the best answers you can – you can move on to developing the ‘How’ questions and answers. The ‘how’ part of the environmental scan process provides the foundation for your sales and marketing plan. Some ‘how’ questions might look like:

* How do I develop a product my customers will like better?
* How do I find my customers?
* How do I best reach my customers to let them know what I have to sell?
* How do I best craft my marketing message?
* How will my customers react to my marketing message?
* How do I differentiate my product from the competition?
* How do I best convert my sales leads into closed sales?
* How do I get the best price for my product?

The 5W process can and should be conducted using as many information sources as possible. Representatives from all parts of the organization including: sales and marketing, finance, manufacturing, logistics, and different levels of staff and leadership should be included. These groups can meet in a focus group setting to brain storm the questions and the answers, or they can be approached in one to one meetings, or they can be queried using surveys. The best process is the one that gives you the most face to face time with these stakeholders, because it is easier to capture the real tenor of the discussion in person.

The output of the 5W process should be a comprehensive list of the attributes of the various parts of the environment in which the organization operates. Some attributes may be contradictory at this point, but that will be resolved in the analysis of the data.

**Step 2:** **Analysis of the data gathered in the environmental scan**. The purpose of this step of the process is to turn the data we gathered in Step 1 into actionable intelligence we can use to make decisions in developing our sales and marketing plan.

To accomplish this task, we will need to segment our customers and stakeholders. This is the process of breaking down the customer and stakeholder base into groups based on shared attributes. When the segmentation is complete we will need to prioritize our customers and stakeholders to determine who is more important – and to do this we must determine what ‘important’ means.

In most cases this ranking of customers and stakeholders is focused on the allocation of resources in the sales and marketing plan in order to yield the highest return on the sales and marketing investment. Said another way – where should we spend our limited resources in the sales and marketing effort to achieve the maximum return to the company? To best answer this question, you will have to define what ‘maximum return’ means for your organization.

**Step 3: Develop the plan from the analysis of the environmental scan data**. The process of developing a plan from the information you have developed from the environmental scan is one of both induction and deduction. You can deduce from the information you gathered what should be done and in those cases where classic deduction is not workable, then you must use your inductive capabilities to fill in the blanks. Developing a sales and marketing plan is part science and part art. No plan will ever be perfect.

There and many ways to set forth a plan, but all plans have elements in common that need to be called out, defined, analyzed, and presented to ensure that everyone understands where the plan is going, the required resources, and the desired outcome. These elements are:

**Title of the Plan**. Simply put, we must have a name for the plan in order to differentiate it form other plans.

**Name of the Plan Leader:** It is important that an individual, not a group, be named as the one responsible and accountable for the management of the plan.

**Description of the Current Status**: This is a description of where we are now. This is the start point of this effort.

**Performance Metrics:** Here we list the performance metrics that will define the success or failure of this plan. The development of these performance metrics is a task in and of itself and requires thoughtfulness and care – because – good metrics drive good behavior and bad metrics drive bad behavior.

**Situation:** A more detailed statement of where we are now with this plan. This should include current processes in place and how well they are operating; the processes that are not in place and need to be developed, the resources currently involved; the length of time the process requires; and its current output. This is often referred to as ‘the problem statement’.

**Mission/Desired End State:** This is a description of what this plan will accomplish.

**Execution:** Here we list all of the steps, tasks, and subtasks required to accomplish the Mission/Desired End State. This section needs to be very detailed, may run several pages, and may require additional graphics, calculations, and references.

**Administration & Required Resources**: Here we set forth how the plan will be administered and the specifics of the resources that will be required. Resources include people, time, physical plant and equipment, as well as money. If funding is to be taken from another project to accomplish this one, then that should be noted here.

**Communications, Coordination and Required Approvals.** All plans need to be coordinated with other groups. Likewise there is a necessity to communicate the goals and objectives of the plan as well as the required resources to others in the organization to ensure a smooth implementation.

**Cost Analysis Summary:** This is a summary of the detailed cost analysis that is required for every plan. The highlights should be listed here to include: Total Cost, Time to Complete, Lost Opportunity Costs, and any other Cost Factors.

**Risk and Mitigation Analysis:** Here you should present the summary of the risks that the implementation of this plan will incur and your plan for the mitigation of those risks. There are several types of risks to be contemplated to include: risk to the Mission/Desired Outcome of the plan, risk to other plans, risk to the organization, reputational risk, compliance risk, physical risk to personnel, financial risk, and the ‘unknown’ risks. For each risk you should develop to the extent possible a plan to mitigate that risk.

**Return on Investment Analysis (ROI):** This is where you combine all of the factors into an analysis and determine what the return on the investment in this plan will be. In most cases the ROI is expressed in dollar terms, but in more complex plans there may be an ROI that is expressed using metrics other than dollars.

**Step 4**: **Review and approval by leadership.** In most organizations, there is an approval process for all plans that will use resources. The process differs with each organization, but the process has a value in and of itself. By requiring the plan to be written up in a standard format for presentation to some level of authority, the developers of the plan are forced to ‘check all the boxes’ which helps to ensure that no data point or analysis is overlooked.

**Step 5: Implementation.** Implementing the plan can be accomplished directly off the plan template for many plans, but some more complex plans may require additional implementation measures, personnel, and resources. The choice of the method of implementation is best made between the developers of the plan and the authority that approves the plan.

In the implementation of the plan we will need to take into account the reactions of our customers and stakeholders. Not all customers and stakeholders will be enthusiastic about the plan. Some may resist the plan while others may embrace it enthusiastically. To prepare for these reactions we will need to prepare conduct a ‘change management’ analysis.

In the change management analysis we ‘war game’ the plan using the information gathered in the environmental scan to ‘test’ the plan to determine how different groups of customers and stakeholder will react.

**Summary:** We all develop and implement plans every day. Most of the time we do not go to the lengths described in this paper. But when a plan is developed for an organization that will require the allocation of assets – possibly away from other projects - it is a necessity to complete such an analysis as we described here because there are others competing for the resources and leadership must have a method to determine who gets what. While the focus of this allocation process is always primarily on the ROI, there are other factors that go into the leadership decision. While no plan ever works out exactly as planned - a good plan goes a long way towards accomplishing the mission.

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