

My Farmcentred Marketing Plan Workbook

1. *Introduction*

The purpose of this workbook is to assist you in developing a marketing strategy for your proposed product or service. It is meant to help you to think through your strategy to ensure that you have worked through all options and based your decision on sound business practices. This is not a linear process but rather it is iterative as you develop your plan.

The following is a general roadmap that will result in a marketing plan built on sound analysis and reflection. We expect the road will cause you to journey along many paths and perhaps even into areas that you may not have considered. You may find yourself challenged to explain your choices and justify your decisions. The final product will strengthen your business case with investors should you need financing. Most importantly, your plan will improve your chances of success in what can and often is a very tough marketplace.

We recommend that you develop your plan in parallel with the self-assessment found on the website (www.myfarmbusiness.com). The self-assessment presents a number of questions and requires that you score your agreement on an array of different marketing topics. This work plan provides a step-by-step process for you to write out and commit to your marketing plan.

The end-point of this process is threefold. First, it is a living marketing plan that you can update and keep current as new information comes to light. Second, it is your written commitment to both the effort and the resources needed to be successful. Thirdly, is it a document that can become the cornerstone of your business plan? It can be used to demonstrate to lenders that you have thought through and are committed to this opportunity.

2. *Commitment and Readiness*

Developing new products and markets requires a significant effort and commitment, typically greater than is initially thought. It is important to determine if you are truly serious about this venture and prepared to commit the time and resources necessary to be successful. It is also important to assess if this venture will complement or take away from your existing activities.

Start by going to the www.myfarmbusiness.com website and click on the “**Marketing Self Assessment**” in the sidebar menu. You will have to enter your email address in order to enter the survey tool. This is necessary in order to keep your data for future visits. Make sure that you use the same email address in subsequent visits. Select and

open the section entitled “**Commitment, Readiness and Match with Existing Business**”.

Score all questions using the scale provided. The assessment tool allows you to review your score, go back and revisit individual answers and directs you to resources that can help you address specific areas of concern. Once you are satisfied with your score you can describe, in your own words, the following:

1. Briefly describe what it is that you propose to do.

2. Why do you feel that you and your team have the capability and commitment to proceed and be successful with this plan?

3. What is it about your team that makes you the best candidates to do this?

3. *Background to the Marketing Plan*

A thorough analysis and understanding of the market is critical to the success of any new product or service. Ensure that all aspects of the market have been looked at prior to launching. Proper market research sets the stage for selection of market strategies and tactics.

Assess your situation by answering the questions in the “**Market Research & Analysis**” section of the survey on the website. Once you are satisfied with your score you can document your situation by answering the following questions. Be concise, yet thorough.

1. Describe who would buy your product or service and why?

2. Describe the general marketplace for your product or service? Identify key trends, issues and developments in this marketplace.

3. Who or what is your competition?

4. What will be your competitive advantage relative to your competition?

5. What market research have you done to assess your product or service?

6. What might be some of your product's or service's weaknesses or disadvantages?

7. How will you deal with these in the marketplace?

4. **Marketing Strategies and Tactics**

Before proceeding further, it is necessary to place the product into one of four general categories based on the market and product characteristics. This decision will dictate what type of marketing will be necessary for this product or service. The four options are as follows:

| Product | Market | Strategy |
|----------------|---------------|----------------------------|
| Existing | Existing | ==> Market Penetration |
| Existing | New | ==> Market Development |
| New | Existing | ==> Market Differentiation |
| New | New | ==> Market Creation |

Proceed to the “**Marketing Strategies and Tactics**” section of the online assessment and select the market strategy that best fits your chosen product or service. Click on the appropriate radio button and continue with the questions for that particular market strategy. If the questions do not particularly fit your situation it might be that you have not chosen the most appropriate strategy. If this is the case, we recommend that you go back and select another market strategy and try those questions.

When you have completed the self-assessment and are satisfied with your score, you can document your particular situation by answering these questions. Be thorough.

1. Describe the profile of your customer.

2. Explain why they will buy from you and not your competitor?

3. How will you communicate with your potential customers to make them aware of your offering and convince them to buy from you?

4. How will the product or service reach the client?

5. What key alliances must you establish to make this work?

5. *Marketing and Financial Objectives*

All business ventures must be financially viable. While this seems obvious and not worth mentioning, there is much more to it. Many worthwhile ventures are not profitable on day one, or year one for that matter. It sometimes takes ventures time to become financially viable. Profitability is not an on or off switch. It is also a question of degree. Some ventures can handle price drops and cost increases much more than others. These are all concerns that should be addressed and understood prior to commencing a new venture.

Proceed to the “**Marketing and Financial Objectives**” section of the online assessment and score your proposed venture for each of the questions. If necessary, look at some of the resources available to gain further information and insights. Answer the following questions once you are satisfied with your score and are prepared to continue.

1. What are your annual sale targets for the first 5 years of this venture?

2. How many customers will you need to obtain these sale targets? Is this realistic?

3. What will be the annual cost of producing and delivering these products or services?

4. What other expenses will be incurred for this venture to take place?

5. How sensitive is profitability to changes in price and costs?

The answers to these questions can then be transposed onto a spreadsheet, such as the one below, that will allow you to vary the major variables such as input costs and sales levels to assess the impacts of such realistic fluctuations.

Financial Projections

| Revenues | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| Total potential market | | | | | |
| % of market captured | | | | | |
| # of units sold | | | | | |
| Sale price / unit | | | | | |
| Total sales revenue | | | | | |
| Expenses | | | | | |
| Cost of production / unit | | | | | |
| # of units sold | | | | | |
| Total cost of production | | | | | |
| Cost / unit for distribution | | | | | |
| Marketing costs | | | | | |
| Administration costs | | | | | |
| Other costs | | | | | |
| Total costs | | | | | |
| Gross profit (revenue - costs) | | | | | |

More sophisticated tools can be used to further refine your financial forecasts. If you are not familiar with such tools, you could consider contacting various service providers, identified in the directory, to assist you in this.

6. *Making Adjustments to Address Market Responses*

Market places are always changing, especially after the entrance of a new competitor. You must plan for this and have mechanisms in place to monitor marketing efforts and provide you with timely information so that you can address market responses.

Proceed to the “**Evaluating Market Response and Making Adjustments**” section of the online assessment and score each of the questions. Look at some of the resources available to gain further information and insights. Answer the following questions when you are prepared to continue.

1. Describe how you will evaluate the performance of your marketing efforts.

2. How will you ensure the consistent quality of your product or service?

3. How will you know that your customers are satisfied with your offering and are willing to buy more or recommend it to others?

4. How will you stay abreast of new developments in the industry that could affect the future sales of your offering?

7. *Putting it all together – Where to from here?*

You now have the core information necessary to initiate this venture. The answers that you provided to the above questions are the cornerstone for your marketing plan. They also allow you to make informed decisions based on the level of uncertainty typical of new ventures.

It is possible that through this process, you have identified areas that require further investigation. Your decision to proceed, halt or delay this venture will depend on the seriousness of these issues and your ability to deal with them. It is much better to have identified them at this stage rather than once you have initiated the venture.

Through this process you have developed a document that clearly describes and supports your marketing strategy for this new venture. You have transferred an idea or concept into an action plan. This marketing plan will become part of the more extensive business plan.

A summary of what your plan should be structured is found on the next page.

Finally, remember that there is no one single formula or format for a successful marketing plan. Every situation is unique. What is key however are these elements:

- A clear definition of the product or service that you are marketing.
- Understanding the market requirements and opportunities.
- What makes your product or service unique?
- Your target customers.
- Your main competitors and their strengths and weaknesses.
- How you will communicate with your customers.
- How you will actually deliver your product or service?
- Your financial viability (revenues vs. costs).
- Your ability to adjust and respond.

An Outline for Your Marketing Plan

1: An Overview of What You Propose to Do

Describe in a few brief sentences the essentials of your plan: what is your proposed product or service offering? Who are your customers? What do you offer that is better, different or unique? How will you establish a relationship with your prospective customers?

2: An Assessment of Your Commitment and Readiness

Evaluate and assess your capabilities, commitment and experience with respect to the requirements and challenges of your business venture.

3: Background: Market Research and Analysis

Describe the major trends, characteristics and issues in the market in which you will be operating?

4: Marketing Strategy and Tactics

What is your product strategy?
What is your customer strategy?
What is your competitive strategy?

5: Marketing and Financial Objectives

What are your sales or market share objectives?
How does this translate into revenues, costs and returns?

6: Making Adjustments

How will you evaluate your marketing efforts?
How will you obtain customer feedback?
How will you stay abreast of new developments in your industry?