



## **Strategic Sales and Marketing Planning**

### **Part I: Developing the Plan**

*By: Donald J. Hahn, Managing Partner of Hahn Training*

It has often been said that, “Things are created twice; first in vision, second in reality. That which you cannot envision cannot be attained.”

Strategic sales and marketing planning is one of the most critical components in today’s business world. Unfortunately, it is also one of the most widely misunderstood components. There are two key aspects of strategic planning: building it, then executing upon it. Sadly, few companies do both well. I have experienced instances in which a company devises a brilliant strategic plan which is comprehensive, realistic, and well conceived. I have also seen plans that have been well communicated, reinforced, measured and controlled at the tactical level. Rarely have I seen companies that both build and execute well. Those organizations that do both well consistently outperform those that only build or execute the plan.

The vast majority of sales organizations do not have a tactical, written sales and marketing plan. Generally the sales plan consists of revenue targets, absent strategic initiatives and tactical, measurable activities. Establishing a tactical plan with timelines and accountabilities will enable you to sustain profitable growth within target markets, reduce customer attrition and maximize revenues. There are many reasons why strategic plans fail, among them:

<b>Failure to understand the customer</b>	<b>Poor communications</b>
<b>Failure to obtain employee commitment</b>	<b>Over-estimation of resource competence</b>
<b>Under-estimation of time requirements</b>	<b>Failure to coordinate</b>
<b>Failure to follow the plan</b>	<b>Inability to focus</b>

You must “reverse engineer” your goals to create an integrated sales and marketing plan. Successful managers begin by aligning their business objectives with their sales and marketing goals and in the end create short term tactical performance metrics and accountabilities to meet those business objectives. They then regularly coach their people to better execution.



The strategic plan is fundamentally a process of answering five questions:

1. Who is our customer?
2. What does our customer value?
3. What is our mission?
4. What is our plan?
5. What are our desired results?

To be effective, the plan must be built on knowing who the customer is and what results we must deliver to that customer. While the concept is simple, answering the five basic strategic questions can be complex. Experience has proven that much of the time spent planning fails, simply because it is intrinsically focused. **The best strategic plans are customer and market centric.** They answer the question who is our customer, what is their business need, and how do we best fill that gap?

Despite completion of a sound strategic plan, there are still enormous barriers in executing on that plan. Management feels compelled to constantly examine and measure the results and accomplishments and they end up focusing on the wrong end of the problem, often times months too late. Great leaders will invest the appropriate time to help their people to define the specific activities required to consistently exceed their sales plan. The real focus should not be on results, but rather the daily activities which enable your sales people to win DAILY. These daily wins are defined as key performance indicators, (KPIs) which consist of specific well defined and measurable tasks that support the attainment of the strategic plan. The challenge in the successful execution of a strategic sales and marketing plan is to insure that your sales people take ownership in the plan, not because you told them they had to, but because they had a part in engineering the tactics needed to support the strategy that drives results. All too often sales people do not recognize the need to drive corporate marketing strategies within their territory so they do not invest sufficient time, nor do they have sufficient ownership in developing their territory.

What constitutes a strategic plan? The best plans will:

- Incorporate clear, organizational purpose, direction & resources and allows ways to respond to a dynamic environment – both internal & external.
- Position and align all levels of the corporation in working toward a common purpose.
- Be communicated clearly and frequently

What are the benefits of strategic planning? A well constructed and communicated plan will:

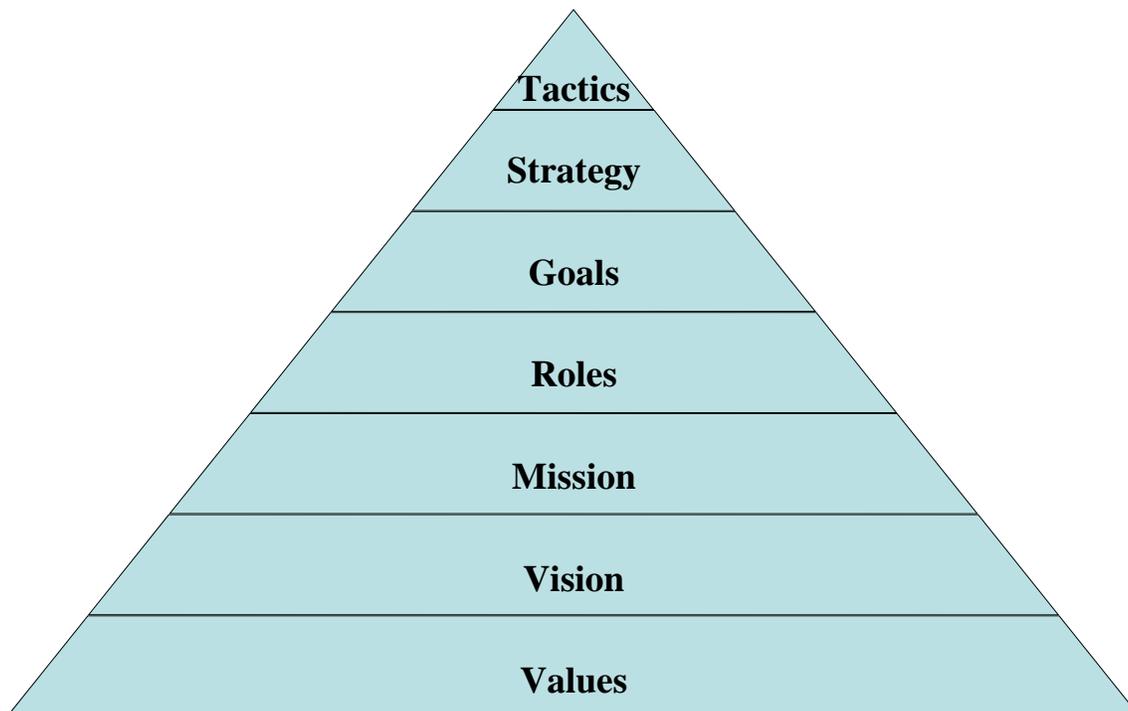
- Focus energy on your customers
- Aligns goals... Ensuring all are working toward common objectives
- Allow adjustments as environment dictates
- Provide a Roadmap from which EVERYONE can navigate
- Allow frequent feedback both up and down the organization

As with most planning endeavors, the devil is in the details.

- You must create an empowering process which allows the sales team to be part of creating the plan, not merely taking orders dictated to them.
- Make sure your people are using a solid and standard planning template which provides structure but allows for their individual strengths.
- Planning should be conducted at length a minimum of three months prior to year end. (Timeframes will vary depending on your sales cycle).
- Inspect the plan, at minimum quarterly, through one-on-one coaching and mentoring.
- Tie the strategic plan to specific quantifiable activities which can be measured and improved. Use scorecards!
- Remember the greatest benefit of having your reps create a strategic plan is that they will become better strategists over time.
- As Eisenhower once said, the plan is not as valuable in the end as the process of planning itself.

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The remainder of this discussion will center on the first component: building the plan. There are several components to the business plan.





**Values:** How do we want the rest of the world to describe us (customers, vendors, competitors, community)? How do we want to be treated on the job?

**Vision:** Vision aligns the organization answering questions such as: Where will we be in the next 3 years? Where are we going? What is our Big Hairy Audacious Goal (BHAG)?

- Revenues
- Gross margins
- Business segments
- Geographic reach

**Mission:** What is our hedgehog?

**Goals:** Goals are both broad reaching, and more global. There are also “sub goals” at a divisional or departmental level. The challenge is to get SMART goals that can cascade down to each employee.

Some samples of broad reaching goals include:

- Profitability
- Revenue Growth
- New Products, New Markets or Geographic Expansion
- Acquisition/Merger
- Sale of the Company

Each goal has supporting goals which insure the corporation attains its objectives. Some examples are:

- Financial
- Marketing/Sales
- Engineering Driven
- Manufacturing Driven

**Roles:** What are the specific roles need to execute on the plan? Do we have sufficient resources to address each market? Can we execute on our Vision and fill our customer’s gaps? If not, what roles must be created, revised or eliminates?

**Strategy:** Only now can we evaluate the specific long and medium term initiatives needed to realize our plan. (Generally this component is placed earlier in the planning process, much to the detriment of the plan itself. The strategy must cascade to each level of the organization

**Tactics:** What are the Key Performance Indicators (KPIs) at a division/departmental and individual level? Can we measure and manage these KPIs? Define not just what must be done, but the Standards of Performance (SOPs) by which they must be done.



## **Getting Started:**

In order to proceed with the strategic planning process we recommend each member of the planning team first reads “Good to Great” by Jim Collins. In his writings, Collins refers to the Hedgehog Concept, which is a single minded focus on three things:

1. That which the organization is deeply passionate about
2. That which you can be the best in the world
3. That which drives your economic engine

This hedgehog principle insures that you maintain a crystalline focus on the driving forces of the organization. Wavering from your hedgehog can have dire consequences, just ask Kodak and Xerox! Everything else must be a derivative of this first step.

There are many different forms and tools that you can find online which will help you to create a plan. There is no “best” planning tool, it really depends on your organization’s preference. The best strategic sales and marketing plans should however include the following table of contents:

### **EXECUTIVE SUMMARY**

- Value Proposition
- Sales & Marketing Objectives & Timeline

### **MARKET ANALYSIS**

- Target Market
- Customer Profile
- Price Position
- Market Share

### **SWOT ANALYSIS**

- Priority Gaps and Strategies

### **MARKETING**

- Image and Branding Strategy
- Contact Management Strategy
- Lead Generation

### **SALES STRATEGY**

- Distribution Strategy
- Selling Tactics
- Growth
- Retention
- Activity Standards



Remember the purpose of the plan is to define the future before you create it. A good plan requires enormous discipline and considerable foresight. Most companies are fair at planning, at best.

How good is your plan? It depends on the extent to which your organization's front line sales and service people can answer the following questions:

- What is our mission?
- Who is our customer?
- What does our customer value?
- How specifically do we solve our client's PAIN?
- How do we differentiate ourselves from the competition?
- What is our message to the market?
- How do I tactically support that plan?
- What are our KPIs?
- As I look at my scorecard daily, did I move the ball forward?

To be effective, the plan must be built on knowing who the customer is and what results we must deliver to that customer. Failing to plan is planning to fail.