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What is Marketing Planning?

Planning is the process of anticipating the future and determining the courses of action for achieving organizational objectives. As the definition indicates, planning is a continuous process that includes specifying objectives and actions required for attaining them. The planning process creates a blueprint that not only specifies the means for achieving organizational objectives but also provides checkpoints at which actual performance can be compared with expectations to determine whether current activities are moving the organization toward its objectives.

Marketing planning – the implementation of planned activities as they relate to the marketing objectives – is the basis for all marketing strategies. Product lines, pricing decisions, selection of appropriate distribution channels, and decisions relating to promotional campaigns all depend on plans formulated within the marketing organization.

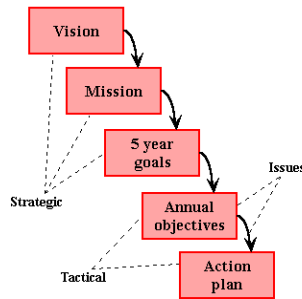
Planning is the major responsibility of every manager.

Strategic Planning versus Tactical Planning

Planning is often classified on the basis of scope. Some plans are quite broad and long-range, focusing on certain organizational objectives that will have major impact on the organization for the time period of five or more years. Such plans are typically called *strategic plans*. Strategic planning is the process of determining the organization's primary objectives, the course of action and the allocation of resources necessary for achieving them. The word *strategy* is derived from a Greek term meaning "the general's art." Strategic planning has a critical impact on the organization's destiny because it provides long-term direction for decision-makers.

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Planning elements



Tactical planning focuses on the implementation of those activities specified in the strategic plan. Tactical plans typically are more short-term than strategic plans, focusing more on current and near-term activities that must be completed to implement overall strategies.

Planning at Different Levels

Planning is a major responsibility for every manager. Although managers at all levels devote some of their workdays to planning, the relative proportion of time spent in planning activities and the types of planning vary at different organizational levels.

Top management – the board of directors, president and C-level officers – spend greater proportions of their time engaged in planning than do middle- and supervisory-level managers. For example, between 30 and 50 percent of a chief executive's time may be spent on strategic planning. Also top management is more likely to devote more of its planning activities to long-range strategic planning than are middle-level managers, who tend to focus on operational planning – creating and implementing narrower tactical plans for their departments. Supervisory personnel are more likely to engage in developing specific programs for meeting the goals in their responsibility areas. ☐

Steps in the Marketing Planning Process

The marketing planning process involves both the development of objectives and specifications for how they will be accomplished. There are five basic steps in this process.

Determining Organizational Objectives

The basic objectives or goals of the organization are the starting point for marketing planning. They serve as the foundation from which marketing objectives and plans are built. These objectives provide direction for all phases of the organization and serve as standards in evaluating performance. Soundly conceived goals should be S.M.A.R.T – specific, measurable, attainable, realistic and time-specific.

Assessing Organizational Resources

Planning strategies are influenced by a number of factors both

within and outside the organization. Organizational resources include capabilities in production, marketing, finance, technology, and personnel. By evaluating these resources, organizations can pinpoint their strengths and weaknesses. Strengths help organizations set objectives, develop plans for meeting objectives, and take advantage of marketing opportunities. Resource weaknesses, on the other hand, may inhibit an organization from taking advantage of marketing opportunities.

Evaluating Risks and Opportunities

Environmental factors – competitive, political, legal, economic, technological and social – also influence marketing opportunities. The emergence of new technologies or innovations may open new opportunities for under-marketed products. The market environment may also

(“Steps,” page 2, column 3)

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The way I see it...



Bill Kelly is VP of Sales & Marketing for CCI and helps companies define objectives, evaluate strategies and implement programs that achieve measurable results.

Optimize Your Channel Incentive Programs

Many organizations that sell through two-tiered distribution models are searching for methods to align channel incentives closer to the end-user, or consumer. The objective is to optimize the dynamic relationship among manufacturers, channel distribution partners, and consumers to achieve a *more effective use of existing marketing funds; improve channel performance and relationships; and attain a competitive advantage* through their channel programs.

Guiding Principles

In order to insure success, organizations should base their strategies on some guiding principles. In doing so, these points will form the backbone of program recommendations and the tactics that follow. Consider these guiding principles:

- Concentrate rewards on *exceptional behavior* and avoid rewarding ordinary behavior.
- Include comprehensive *quantitative and qualitative* metrics — learn and evolve program activity based on results.
- Focus on *high-opportunity* partners and market segments.
- Keep the program exciting and fresh to *maintain enthusiasm* throughout the promotion period. This is achieved through use of a comprehensive communications strategy with frequent “touch-points” and special promotion overlays.
- Provide rewards for reasonable goals that are attainable, *dramatically reward great performance*, and avoid rewarding underachievement.
- Offer *non-incentive business-building tools* to help program participants achieve goals. Assess use of these tools as a key measure of participant involvement.
- Proactively *engage* all participants.
- Reseller principals are gatekeepers — they need to be compelled by “*what’s in it for them.*” They are not interested in share-shifting programs, but rather in *business-building programs* that will help them be more competitive and effective.

Redirect Incentives to Resellers

In developing incentive programs that extend closer to the end-user, consider designing programs aimed at reseller or dealer principals. Set sales quotas or goals during a program period, ideally quarterly. Then reward the principal based on the attainment of milestones with rebates or other incentives. Combine this with non-incentive support programs (e.g., training programs, leads, co-marketing activities) to help resellers achieve the established milestones. If possible, position these support programs as “exclusively” for the use of select participating resellers.

Move Incentives Closer to the Sale

Develop a point-based incentive program designed to reward reseller sales representatives (SRs) and/or sales engineers (SEs) for desired activities. The benefit to using points is that their relative value can be scaled to correspond with desired behaviors including, but not limited to, earning “jump-start” points for program enrollment and providing comprehensive profile information; product sales (with points scaled to correspond with the goals for value and volume resellers); completing product training courses (self-paced or classroom); lead status reporting or proposal delivery; and completing a target account plan.

Utilize Tactical Program Overlays

Generate tactical “program overlays” where participants get opportunities to win additional or “bonus” points for performing specific, short-term activities. These programs help keep the program fresh and top-of-mind for the target audience. Further, these tactical overlays can be designed and executed depending on the needs of each vertical industry, sales territory, or class of reseller. Some of these program overlays may include “pop quizzes” on product knowledge, achieving short-term sales goals, completing questionnaires or marketing feedback documents, and attending classroom training/certification programs within a specified period. Points may be redeemed for money or prizes at any time — not just at the program’s conclusion. Rewards may include the following: cash via check or company-branded debit cards (preferred), travel, or merchandise related to the program theme.

Establish clear goals and assign comprehensive metrics — both *qualitative* and *quantitative* — so you can evaluate and evolve your programs over time. ☐



Breakaway 2003 Conference an Overwhelming Success

The CompTIA Breakaway 2003 conference was an overwhelming success this year with more than 500 attendees. The focus of the event was on business solutions, networking forums and the latest in industry trends and technologies. “Create a Measurable Difference...Today” is the theme that united this year’s group of executive-level representatives from computer industry manufacturers, distributors, value-added resellers, systems integrators, independent software vendors, service providers and consultants.

Developing and implementing programs for effective use of MDF and co-op funds is a tough proposition

A key focus of the conference was providing opportunities for members to learn how to grow their business. As an industry leader in trade promotion program solutions, CCI was invited to participate with industry leaders to build a forum around key business initiatives — sales, marketing, and finance. The session developed and delivered by CCI provided insight to this reseller audience on cutting-edge business strategies to build their business using software programs.

“Steps”

(continued from Page 1)

pose threats to marketing opportunities. For example, a new genetically engineered drug may be developed with the potential to become a \$1 billion-a-year product. But a government agency may delay requests to market the drug due to regulations.

Marketing Strategy

The marketing strategy is the overall company program for selecting a particular target market and then satisfying consumers in that segment. The marketing planning effort must be directed

“The roles of distributors and VARs and the services they offer to manufacturers to reach end users have changed dramatically,” says Scott Lincoln, CCI’s Director of Client Services. “With our direct involvement with manufacturers’ trade promotion programs worldwide, we were able to share essential insight about leveraging software dollars to support marketing and promotions.” During Lincoln’s sessions resellers heard about the variety of programs that manufacturers provide their partners and how they evaluate requests for funding. Because of CCI’s role in automating, measuring and managing channel programs, resellers gained a unique insight into what best practices their vendors use to evaluate the worthiness of reseller requests for financial support when it comes to funding promotional programs.

While MDF and co-op funds are powerful tools for motivating reseller partners and for helping them build their business with vendor-supplied products and drive end-user demand, developing and implementing programs for effective use of these funds is a tough proposition. Lincoln shared how VARs and distributors can use MDF and co-op to fund their promotional programs and illustrated what types of programs are being deployed as strategies to stimulate demand, differentiate products, accentuate product value, and support sales promotion. And best of all, Lincoln provided advice on what and how these funds can best be combined to give the most efficient and effective ways to grow your business.

To receive a copy of Lincoln’s presentation, visit us at www.ccionline.biz/subscribe. ☐

toward establishing marketing strategies that are resource efficient, flexible, and adaptable.

Implementing and Monitoring Marketing Plans

The overall strategic marketing plan serves as the basis for a series of operating plans necessary to move the organization toward accomplishing its objectives. At every step of the marketing planning process, marketing managers use feedback to monitor and adapt strategies to ensure that results match expectations. ☐