

November 12, 2006

Q: I am co-owner of a consulting business focused on the leadership development of women in Fortune 500 companies, law firms, nonprofits, and colleges and universities. Business has been brisk but we'd like to expand our sales pipeline further. Would a formal marketing plan help?

- Courtney Lynch, Lead Star, LLC, Fairfax, VA

A: Yes and no. Yes, a plan is always a good idea, to effectively apportion your marketing budget and set business targets, but it doesn't need to be formal.

Steven Batzofin, co-founder of Earthwise Bag Company, Inc. (www.earthwisebags.com), for example, says that he and his business partner first developed an "informal plan" early on and only recently decided to invest in a formal planning process and document. Earthwise Bags offers reusable – lightweight yet durable – shopping bags to supermarkets as an alternative to plastic disposable bags.

Do you have a marketing plan? Click Reply and tell us how it has helped your company grow.

Following a highly successful year, during which the company signed some major clients, the owners wanted to be sure they took advantage of every opportunity - they felt it was time to formalize their plan. The marketing planning process included identifying target markets, setting goals, and preparing a timeline for achievement of those goals. To complete the plan, Earthwise relied on the expertise of a marketing agency.

Was the investment of time and money worth it? "We're already seeing some return on investment and increased exposure as a result of starting to implement the plan," reports Batzofin.

Anshuman Vohra, partner in Bulldog Gin Company (www.bulldoggin.com), which sells super-premium London dry gin, explains that "the liquor industry is all about marketing," heightening the need for his company to develop a targeted approach to branding and marketing.

Vohra advises starting the marketing planning process by defining your target market as narrowly as possible and then segmenting that group further. Next, create a monthly plan for marketing tactics you'll use based on the annual budget you set.

Missy Cohen-Fyffe, president of Babe Ease, LLC (www.cleanshopper.com), suggests that 10% of gross sales is a good number to start with as your preliminary budget. To make her budget go further, she relies heavily on publicity to get the word out about her shopping cart cover.

To stretch his budget as far as possible, Vohra outsources as little as possible of the work. He also advocates focusing on tactical, sale-oriented marketing tools, rather than image campaigns.

Although he creates a 12-month marketing plan, Vohra “tweaks” it every few weeks. “Leave it like a roadmap, rather than being too specific,” he says.

However, Cohen-Fyffe says that you shouldn’t change your plan too soon – “you have to give programs time to take effect,” before you determine they are or aren’t working, she says.

For her, the key questions her marketing plan is designed to answer are: “What’s the best way to reach my target” and “where is my target likely to turn for information.” The answers to those questions tell her which tactics to invest in.

<http://forums.businessweek.com/n/pfx/forum.aspx?tsn=&nav=messages&wcbtag=amex&tid=25>