

Risk and the Marketing Plan

"I get up every morning determined to both change the world and have one hell of a good time. Sometimes this makes planning my day difficult." E.B. White

For business "visionaries," the future is wide open. They have great dreams, energy and that cartoonish light bulb constantly hovering over their heads. Ideas? Lots of them. Plans?...(Insert sound of chirping crickets here)...

To a visionary entrepreneur, plans are for those timid cubicle dwellers who pop their fuzzy little heads out every now and then to see if the real world is safe—those who are more interested in talking than doing; who prefer safety over challenge. Ultimately, you might think, life is what happens while everyone else is making plans, while you are out in the arena making life happen!

To quote an anonymous poem, "Risks must be taken because the greatest hazard in life is to do nothing...only the person who risks can be free."

Yes, risk, vision and ideas are the crucial driving forces behind any successful endeavor. But power of this magnitude without focus becomes diluted and ultimately ineffective. In the world of business, it is not the person who has the most ideas and inspiration who succeeds, it is the person who is able to consistently focus that energy!

This is where a good marketing plan comes in—not an expensive, time-consuming dust collector full of fluff, but a focused and concise plan you will use on a regular basis; as dynamic as your ideas, while putting them into a framework. Think guided missile. Your plan is the guidance system, aiming the ideas, energy and vision of you and your team at the right target, at the right time, for maximum impact. A focused, effective marketing plan ensures minimal very little wasted time, energy or money. Here are three essential elements:

Goals: Specific, measurable outcomes that show a contrast between where you are and where you want to be. You might be amazed at how many businesses operate without clearly-defined and regularly updated goals, hoping for luck as they throw money at unguided strategy-level decisions. Strategies are an extension of your goals detailing how you will reach your goals. For example, your goal may be to increase your revenue in sales of a product line to teen-agers by 20% within a year. Your strategies would include the details of which media to advertise in and when, as well as other activities as diverse as attending social functions. Clear goal, clear path to reaching it. Make your advertising decisions based upon your goals, rather than on what an ad sales person tells you will work.

Budget: Goals and strategies, of course, usually require money to prime the pump. A lot of money is recklessly thrown away in the absence of an effective plan. Better to have a conservative budget with clear planning than an aggressive budget with hazy notions. The relative amount you spend on marketing and advertising will vary depending on many factors, such as how new or well-established your brand is in the market. As you can see on the graphic, new businesses (or businesses re-branding) should allocate most of their focus and budget on establishing their brand. Once your brand is catching on, gradually increase focus and funds to general marketing and advertising, while keeping a baseline brand message out there. Better to have a strong brand with a conservative budget than a weak or negatively-perceived brand with all the promotional dollars in the world.

Target: It's pretty easy to understand that you aren't going to hit your audience if you don't know who you're aiming at. To make your advertising dollars go further, define what kind of person is typically going to stop and listen to what you have to say, but balance this with wisdom and insight. What you say is more important than who you say it to. Better to have an effective message going out to a wider audience than a poor message going out to a tightly-defined demographic who will promptly tune it out.

Don't make the mistake of getting overly targeted, however; the person coming in the door may not be the actual decision maker. A 45-year-old mom may not be interested in skateboarding, but very interested in getting a skateboard for her 13-year-old. A 13 year-old probably doesn't have the money that the parental units have, homeslice. (*Note: It's dorky when people over 25 try to sound cool.*) You can probably figure, in this case, that your audience is adults and teens, but would not effectively extend to seniors. Although Grandma might buy Chad a skateboard for his birthday, it's not likely to be the one with the flaming skulls—the one he can talk mom and dad into chipping in on! Your strategy will probably be: stay out of the senior publications, get into the teen ones if you have the budget, but by all means, get the message into the publications that both the teens and the adults who make the money decisions will come across.

These are just the basics, but present three pillars upon which to build a solid marketing and advertising plan. So get out there, idea person and put your energy into focus with a solid plan. And please, by all means, please stay off the flaming-skull skateboard, homeslice. ●