



BREAKTHROUGH MARKETING PLANS

SECOND EDITION

How to Stop
Wasting Time and
Start Driving Growth

TIM CALKINS

Kellogg School of Management

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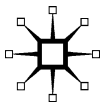
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For Carol, Claire, Charlie, and Anna

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Chapter 1

INTRODUCTION

IT WAS NOT A GOOD DAY WHEN Procter & Gamble marketer Kathleen Carroll learned she was being put in charge of Puritan cooking oil. The brand had been struggling for many years, and there was little reason to think things were about to change. Indeed, when her manager briefed her on the business, Kathleen got the distinct impression that her job was mainly to phase out the brand. This was not a career-enhancing assignment.

As Kathleen learned about the Puritan brand, she realized that the situation wasn't hopeless at all. The product was good. It had a point of difference in the market that people cared about; it had a unique blend of sunflower and safflower oils that many believed provided important health benefits. As she recalled, "Everything about it was perfect. The target was just off."¹

So Kathleen put together a marketing plan to rejuvenate the brand through a bold repositioning. The plan involved three key initiatives: introduce a new product formula, communicate its health benefits, and reach food editors. Kathleen presented the plan to the division president and received approval to move forward. She explained, "I sold them on the fact that the brand could be relaunched."²

The results were striking. Kathleen and her cross-functional team executed the plan, and the business responded, with share more than doubling over the next three years.

* * *

The ability to craft a strong marketing plan is a critical skill. Business leaders who can create a thoughtful, strategic, and focused plan can have a huge impact on an organization. Plans are vitally important.

I have been writing and reviewing marketing plans for more than twenty years, and teaching people how to write good marketing plans for more than a decade. During this time, I've reviewed more than 3,000 marketing plans from organizations all around the world. This book reflects what I have learned during that time.

Breakthrough Marketing Plans is built upon three very simple propositions. First, marketing plans are important for every organization and every marketer. Indeed, it is virtually impossible to be a successful marketing leader today if you can't create a clear, effective plan and then gain support for it from senior management and your cross-functional team.

Second, a startling number of marketing plans written today are completely ineffective. Many should simply be put in the trash—or, better yet (from an environmental perspective), the recycling bin. Despite the fact that people and organizations frequently spend months working on a marketing plan, the final document often contributes little. All too many marketing plans are reviewed in a perfunctory way and then put on a shelf, where they function as highly effective dust-gathering devices. This wastes time and money, and considering the power of a good marketing plan, it is a missed opportunity.

Third, creating a good marketing plan is really not all that complicated; the theories behind accomplishing this task reflect a good deal of common sense. Indeed, the very best marketing plans are strikingly simple. They are short and easy to understand.

I suspect that after reading this book you might say to yourself, “Well, that seems pretty obvious.” And you would be correct; the basic principles behind creating a good marketing plan are not complex. Yet many marketing plans do not follow these basic principles; far too many plans fall victim to the problems described in this book. As one of my students wrote on a class evaluation form, “The strategies discussed were very intuitive and based on common sense. The fact that I could not come up with any of the strategies on my own further showed that common sense, after all, is not very common.”

This book has two goals. The first is to highlight the fact that many marketing plans are ineffective and there is an urgent need for change. The second is to help people create stronger marketing plans that galvanize an organization and deliver strong business results.

WHO NEEDS THIS BOOK?

This book is for people who create or review marketing plans. This includes people in large and small organizations, people in for-profit and not-for-profit organizations, and people in new and old companies. This includes those who work in marketing, of course, but also people who perform other functions. Indeed, anyone who writes or reviews a marketing plan can benefit from reading this book.

Breakthrough Marketing Plans is primarily for people new to writing marketing plans, such as business school students and people transitioning into marketing from other functions. To these individuals, this book is an introduction to marketing plans and a guide to what to do and what not to do when creating them.

This book is also valuable for more seasoned marketers, people familiar with the marketing planning process. For these people, *Breakthrough Marketing Plans* has a slightly different purpose: to highlight how marketing plans go awry and to help improve them. After reading this book, some people will want to completely rethink how they approach marketing plans and adopt the ideas here.

Finally, this book is for senior executives, the people accountable for leading an organization and delivering results. Senior managers are, at the end of the day, the people who approve marketing plans and the people who are most accountable for the results. These are also some of the people who are most frustrated by the plans currently being written. Some senior executives may want to use the ideas in this book to improve the marketing plans being written in their organization. Others may use the book to create a formal marketing planning process if one doesn't already exist.

Not everyone will agree with the ideas in this book. People wedded to the traditional marketing plan format, for example, may well reject the ideas presented here; this book is a call for change, and many people don't like change. For those willing to look at things in a fresh way, read on.

USING THIS BOOK

If you are working on a marketing plan that is due in the relatively near future, flip directly to [chapter 10](#). This chapter provides a template for a marketing plan; if time is short, simply follow the template provided. You will find the template a pretty good starting point; it will certainly get you moving in the right direction.

If you don't know whether or not you should be worrying about marketing plans in the first place, start with [chapter 2](#), which explains why every organization needs one.

If you have a bit more time, you can immerse yourself fully in the topic and the theories. [Chapter 3](#) describes the typical marketing plan and highlights why it frequently misses the mark. This chapter also explores the factors that lead to weak plans and examines this rather important question: Why do smart, experienced people create terrible marketing plans? [Chapter 4](#) reviews the key elements of a marketing plan. [Chapter 5](#) describes the characteristics of the best plans.

Chapter 6 presents a planning process with a step-by-step approach. If you are just starting to develop a plan, this will be particularly useful. Chapter 7 includes advice about and suggestions for actually writing the document. Chapter 8 provides best practices for presenting a marketing plan effectively.

Chapters 9 to 13 provide tools and answer questions. Chapter 9 presents twenty strategic initiatives to highlight the range of options available and spark your thinking. Chapter 10 presents a marketing plan template. Chapter 11 reviews frequently asked questions. The book finishes with two marketing plan examples. Chapter 12, a plan in a presentation format, is for Flahavan's, a brand of Irish oatmeal. Chapter 13 is a written plan for Edzo's Burger Shop, a restaurant in Evanston, Illinois.

* * *

Creating a strong marketing plan is a critical job for marketers. Unfortunately, far too many people do a miserable job of it. The ideas in this book can help marketers create plans that are approved and supported and that drive strong results. The ideas may also encourage more than a few people to deposit their current marketing plans in the recycling bin and start over.

Chapter 2

WHY BOTHER?

IF YOU CAN CREATE, SECURE SUPPORT FOR, and execute a strong marketing plan, you can have a huge impact on a business. If you can't, you will struggle.

Hewlett-Packard CEO Léo Apotheker provides a rather notable example of this. On August 18, 2011, Apotheker revealed his plan for growing the company. It included the acquisition of a software company, Autonomy, and the likely spin-off of the Personal Systems Group. He positioned the moves as critical for the long-term health of HP, saying, “We are at a pivotal part of our history.”¹

The impact was almost immediate; HP shares plunged as skeptical investors sold their holdings. The stock dropped from a price of \$29.51 per share just before the announcement to \$23.60 per share. Analysts questioned the strategy, wondering how it could be successful.

Apotheker tried desperately to convince people that his plan made sense, but he failed to do so. HP's board fired him on September 22. As Chairman Ray Lane explained the decision at the time, “We are at a critical moment and we need renewed leadership to successfully implement our strategy and take advantage of the market opportunities ahead.”²

Marketing plans set the course; the plan spells out the goals for the business over a certain period of time and what precisely should be done to achieve those goals.

More than anything, marketing plans are recommendations; a marketing plan states precisely what steps should be taken to drive the business forward. As Sharon D'Agostino, president of Johnson & Johnson's Consumer Products Division, observed about marketing plans, "This is where we're going, and this is how we're getting there."

A marketing plan is the point of connection between data and action. It is the place where an executive takes all the information available and turns it into a plan for the business.

In many respects, a marketing plan is the focal point. It is where a marketing leader boils down everything she knows about a business and identifies the most important initiatives. Those initiatives are then broken out into all the various tactics and activities (see Exhibit 2.1).

Ultimately, marketing adds value when it leads to action, because action leads to results. In most companies, profits matter most. When profit results are good, everything works at the organization: bonuses are generous, stock options can grow dramatically in value, promotions come along more frequently, and people are fundamentally happy. The reverse is also true: when profit results are bad, bonuses are lower, the value of the stock options falls, employees are under pressure, and people are grumpy. Having experienced both scenarios

Exhibit 2.1 Role of a Marketing Plan

