2A Writing a Marketing Plan

Have a plan. Follow the plan, and you'll be surprised how successful you can be. Most people don't have a plan. That's why it's easy to beat most folks.

—Paul "Bear" Bryant, football coach, University of Alabama

WHY WRITE A MARKETING PLAN?[1]

As a student, you likely plan out much in your life—where to meet for dinner, how much time to spend studying for exams, which courses to take next semester, how to get home for winter break, and so on. Plans enable us to figure out where we want to go and how we might get there.

For a firm, the goal is not much different. Any company that wants to succeed (which means any firm whatsoever) needs to plan for a variety of contingencies, and marketing represents one of the most significant. A marketing plan—which we defined in Chapter 2 as a written document composed of an analysis of the current marketing situation, opportunities and threats for the firm, marketing objectives and strategy specified in terms of the four Ps, action programs, and projected or pro forma income (and other financial) statements—enables marketing personnel and the firm as a whole to understand their own actions, the market in which they operate, their future direction, and the means to obtain support for new initiatives.[2]

Because these elements—internal activities, external environments, goals, and forms of support—differ for every firm, the marketing plan is different for each firm as well. However, several guidelines apply to marketing plans in general; this Appendix summarizes those points and offers an annotated example.

MARKETING PLAN VERSUS BUSINESS PLAN

Of course, firms consider more than marketing when they make plans and therefore commonly develop business plans as well. Yet as this book highlights, marketing constitutes such an important element of business that business plans and marketing plans coincide in many ways.[3] Both marketing and business plans generally encompass

1. Executive summary.
2. Company overview.
3. Objectives or goals, usually according to strategic plan and focus.
4. Situation analysis.
5. Market/product/customer analysis.
6. Marketing strategy.
7. Financial projections.
8. Implementation plan.
9. Evaluation and control metrics.

However, a business plan also includes details about R&D and operations, and both may feature details about other key topics, depending on the focus of the company and the plan.

STRUCTURE OF A MARKETING PLAN

This section briefly describes each of the elements of a marketing plan.[4]

Executive Summary

The executive summary essentially tells the reader why he or she is reading this marketing plan—what changes require consideration, what new products need discussion, and so forth—and suggests possible actions to take in response to the information the plan contains.

Company Overview

In this section, the plan provides a brief description of the company, including perhaps its mission statement, background, and competitive advantages.

Objectives/Goals

This section offers more specifics about why readers are reading the marketing plan. What does the company want to achieve, both overall and with this particular marketing plan?

Situation Analysis

Recall from Chapter 2 that a situation analysis generally relies on SWOT considerations; therefore, this section describes the strengths, weaknesses, opportunities, and threats facing the company.

STP Analysis

The analysis proceeds by assessing the market in which the company functions, the products it currently offers or plans to offer in the future, and the characteristics of current or potential customers.

Marketing Strategy

The marketing strategy may be very specific, especially if the plan pertains to, for example, a stable product in a familiar market, or it may be somewhat open to varied possibilities, such as when the firm plans to enter a new market with an innovative product.

Financial Projections

On the basis of the knowledge already obtained, the marketing plan should provide possible developments and returns on the marketing investments outlined in the marketing strategy.

Implementation Plan

This portion of the marketing plan includes the timing of promotional activities, when monitoring will take place, and how expansions likely will proceed.

Evaluation Metrics and Control

The firm must have a means of assessing the marketing plan's recommendations; the marketing plan therefore must indicate the methods for undertaking this assessment, whether quantitatively or qualitatively.

Appendix

The final section(s) offers additional information that might be of benefit, such as a list of key personnel, data limitations that may influence the findings, and suggestions of the plan, relevant legislation, and so forth.

INFORMATION SOURCES[5]

When writing a marketing plan, you likely can turn to a variety of your firm's in-house information sources, including annual reports, previous marketing plans, published mission statements, and so on. In addition, various sources offer suggestions and examples that may provide you with direction and ideas. A reference librarian can help you find many of these sources, which likely are available through your university's library system.

- Knowthis.com—"a knowledge source for marketing" http://www.knowthis.com/tutorials/principles-of-marketing/how-to-write-a-marketing-plan/21.htm.
- Encyclopedia of American Industries—introduces industry structure; arranged by SIC and NAICS codes.
- Standard & Poor's NetAdvantage—surveys of more than 50 different industries, with financial data about companies in each industry.
- Investext Plus—brokerage house reports.
- IBISWorld—market research on thousands of industries; classified by NAICS code.
- Statistical Abstract of the United States—a vast variety of statistics on a wealth of topics.
- U.S. Bureau of the Census—detailed statistical data gathered every 10 years on all aspects of the U.S. population.
- County Business Patterns: U.S. Bureau of the Census—payroll and employee numbers for most NAICS codes.

- Consumer Expenditure Study: U.S. Bureau of Labor Statistics—income and expenditures by household, classified by various demographics.
- LifeStyle Market Analyst—lifestyle information about geographic areas, lifestyle interest groups, and age and income groups.
- Mediamark Reporter—information about demographics, lifestyles, product and brand usage, and advertising media preferences.
- Scarborough Arbitron—local market consumer information for various media in 75 local markets for consumer retail shopping behavior, product consumption, media usage, lifestyle behavior, and demographics.
- Simmons Study of Media and Markets—products and consumer characteristics; various media audiences and their characteristics.
- Sourcebook America—demographic data, including population, spending potential index, income, race, and *Tapestry* data, presented by state, county, DMA, and zip code, as well as business data by county and zip code.
- Rand McNally Commercial Atlas and Marketing Guide—maps and tables showing demographic, industrial, transportation, railroad, airline, and hospital data.
- "Survey of Buying Power," Sales and Marketing Management—current state, county, city, and town estimates of population by age, retail sales by store group, effective buying income, and buying power index.
- Annual & 10-K reports from *Thomson One Banker, Edgar,* and *LexisNexis*—business descriptions, product listings, distribution channels, possible impact of regulations and lawsuits, and discussions of strategic issues.
- MarketResearch.com Academic—market research reports on a variety of consumer products.
- Mintel Reports Database—market research reports focusing on consumer products, lifestyles, retailing, and international travel industry.

LINGUISTIC AND VISUAL SUGGESTIONS

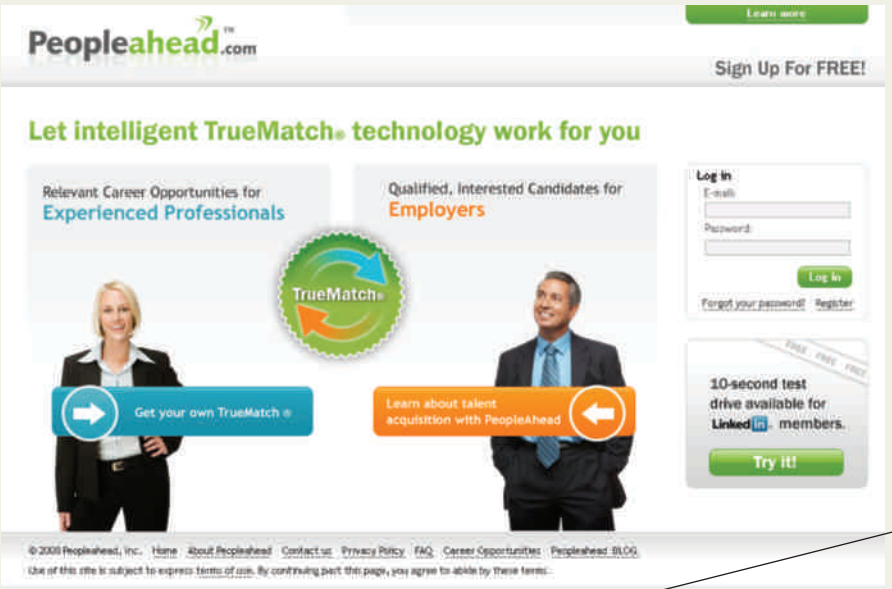
Again, recall that all marketing plans differ, because all firms differ. However, just as rules exist that dictate what makes for good writing, some rules or guidelines apply to all well-written marketing plans.

- Maintain a professional attitude in the writing and presentation.
- Keep descriptions and summaries concise. Get to the point.
- Use standard, edited English.
- Proofread the entire plan multiple times to catch grammatical, spelling, or other such errors that could dampen the professionalism of the writing.
- Adopt a businesslike tone; avoid flowery or jargon-filled writing.
- Employ direct, rather than passive, and present, rather than past, tense whenever possible (e.g., "We plan to achieve 30 percent growth in two years" rather than "The plan was that 30 percent growth would be achieved by the firm within two years").
- Be positive.
- Yet avoid meaningless superlatives (e.g., "Our goal is tremendous growth").
- Be specific; use quantitative information whenever possible.
- Insert graphics to convey important concepts succinctly, including photos, graphs, illustrations, and charts.
- However, avoid using so many visual elements that they clutter the plan.

- Lay out the plan clearly and logically.
- Organize sections logically, using multiple levels of headings, distinguished clearly by font differences (e.g., bold for first-level heads, italics for second-level heads).
- Consider the use of bullet points or numbered lists to emphasize important points.
- Exploit modern technology (e.g., graphics software, page layout software, laser printers) to ensure the plan looks professional.
- Adopt an appropriate font to make the text easy to read and visually appealing—avoid using anything smaller than 10-point font at a minimum.
- Avoid unusual or decorative fonts; stick with a common serif type to make the text easy to read.
- Consider binding the report with an attractive cover and clear title page.
- Generally aim for a plan that consists of 15–30 pages.

PEOPLEAHEAD MARKETING PLAN ILLUSTRATION[6]

PeopleAhead Marketing Plan: Condensed



1. **Executive Summary**
PeopleAhead focuses on career advancement done right. Instead of making job search a one-time event, PeopleAhead provides a platform for people to find, advance, and develop their careers by sharing career goals, discussing professional development plans, and socializing with other professionals.

PeopleAhead culminates the career advancement experience with its proprietary TrueMatch® technology, which identifies synergies between the companies hiring talent (employers) and PeopleAhead members (job candidates) who wish to be hired. By anonymously presenting only prequalified career opportunities to members, who confirm their interest and recommend others, PeopleAhead transforms the ineffective online hiring process into a highly efficient career-matching system. PeopleAhead was founded by Carlos Larracilla and Tom Chevalier to improve people's lives by helping them achieve their career aspirations. The vision for PeopleAhead was conceived of in January 2006, with a notion that personality alignment is critical to matching the right people with the right career opportunities. Since then, the idea has grown and morphed into a company that matches the right person with the right career opportunity by aligning personality, competencies, experience, and interests.

Tom and Carlos combine human resources, system development, and sales experience to deliver a groundbreaking, TrueMatch®-branded talent matching network that makes it easier for people to achieve their career aspirations and improves the way companies identify individuals who will be able to contribute to their long-term success. The organizational chart of PeopleAhead is available in Appendix A.

Instead of using separate "Executive Summary" and "Company Overview" sections, this marketing plan begins with a general overview that includes both aspects and answers the key questions: "What type of business are we?" and "What do we need to do to accomplish our objectives?" (see Chapter 2).

As this plan does, a marketing plan should start with a positive, upbeat assessment of what the company does and what it hopes to continue doing.

Note the personalization of the company founders, which may help readers feel connected to the company.

2. Strategic Objectives

2.1. Mission

PeopleAhead's mission is to help individuals with career advancement and improve the human capital in companies. The site will act as a networking platform for professionals and career matching as opposed to job and resume-posting searches.

2.2. Goals:

- Use brand matching technology: TrueMatch®
- Build critical mass of users.
- Drive traffic to the Web site through marketing blitzes.
- Utilize word-of-mouth advertising from satisfied users.

2.3. Business Summary

- *Business Customers:* This group provides PeopleAhead's revenues. Customers purchase contact information about the Top Ten PROfiles gleaned from the individual member base that have been sorted and ranked by the TrueMatch® technology. PeopleAhead will focus on small and medium businesses (see Market Segmentation section), because these entities are underserved by large competitors in the online recruitment market, and because research shows that this demographic has a less efficient recruitment process that would benefit most readily from PeopleAhead's services. Within this segment, customers include HR managers who are responsible for the sourcing of candidates, functional area managers who require new talent for their team, and executives whose business objectives rely on human capital and efficiency of operations.
- *Individual Members:* This group does not pay for services but is the main source of data points for PeopleAhead's TrueMatch® system. PeopleAhead will focus on building a base of individual members who range from recent graduates to individuals with 5–7 years of continuous employment. Ideal members are those who are currently employed or will be graduating within nine months and are "poised" to make a career change. These individuals can utilize the services to the fullest extent and are valuable candidates for business customers.

2.4. Competitive Advantage

- *TrueMatch® offers a branded technology,* marketed to both business customers and individual candidates for its "black box" value proposition, which establishes PeopleAhead as the category leader for recruitment-matching software. This technology provides a point of differentiation from competitors, which may have technically similar matching software but constantly need to reinforce their marketing messages with explanations of their value proposition.
- *For individual candidates,* PeopleAhead will be the favored career advancement platform online, where individuals enthusiastically create a history and have connections (invited friends, coworkers, and mentors) in place that will make PeopleAhead a staple among their favorite Web sites. PeopleAhead delivers TrueMatch® career opportunities, professional development plans that let people establish a professional record, and valuable career advancement tools, including automatic position feedback, "recommend-a-friend," and team-based career networking.
- *For business customers,* PeopleAhead makes online sourcing and qualification of candidates quick and efficient by prequalifying potential candidates, seeking recommendations for hard-to-find individuals, and delivering only the Top 10 most highly

The paragraph provides a general outline of the firm's objectives; the bulleted list offers more specific goals, and the subsequent sections go into more detail about the various factors that may influence these objectives.

By referring to another section, the plan makes clear where it is heading and enables readers to cross-reference the information.

The plan acknowledges both a general, potential target market and the ideal targets.

As Chapter 2 suggests, the plan notes PeopleAhead's sustainable competitive advantage as part of its overall mission statement.

qualified candidates who have preconfirmed interest in the available position. PeopleAhead will be the most effective candidate-company matching platform available in the market, delivering prequalified, preconfirmed candidates.

In discussing both the external market and the internal advantages of PeopleAhead, the plan carefully distinguishes between individual job candidates and businesses, thus differentiating the focus and objectives according to this segmentation.

3. Situation Analysis—Online Recruitment

Online recruitment is the system whereby companies use the Web to locate and qualify prospective candidates for available positions. The methods employed by online recruitment service providers to serve this market range from resume aggregation to assessment test application to linking strategies. However, the common underlying objective is to locate candidates who would not be found by traditional recruitment methods and use computing power to qualify candidates quickly and with more accuracy than would be possible manually.

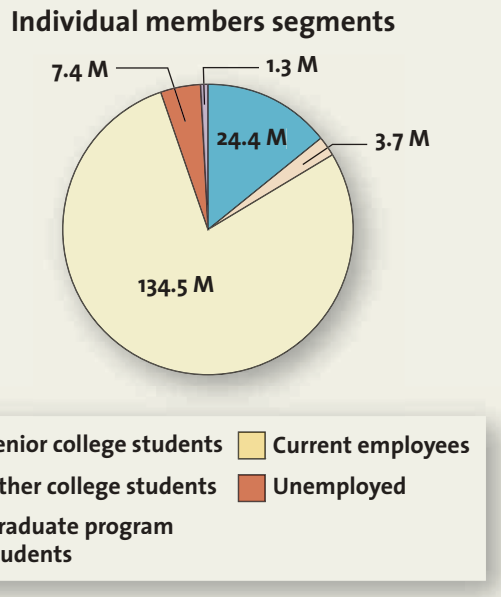
3.1. Industry Analysis

Large online recruitment Web sites make this a tedious process by requiring companies to search through many resumes manually to find the "right" candidate. Other sites solicit recommendations for positions. However, resumes are often "enhanced," such that almost all candidates appear qualified, and information found in the resume or provided through a recommendation is simply not sufficient to make an educated hiring decision. Companies need more information and intelligent tools that make this screening process more accurate.

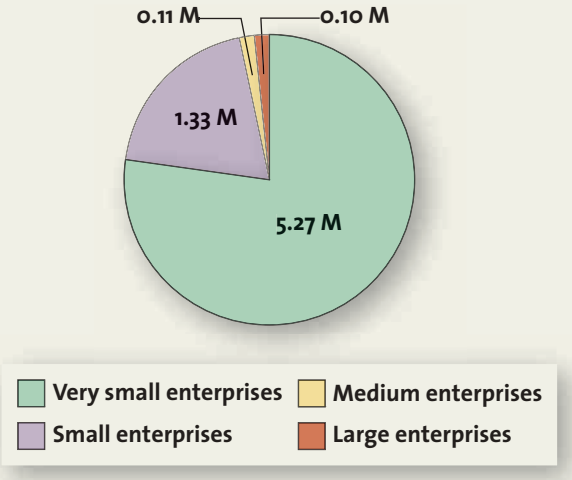
3.1.1. Market Size:

The market size for both member segments in 2005 was as follows:

Figures provide a visually attractive break in the text and summarize a lot of information in an easy-to-read format.



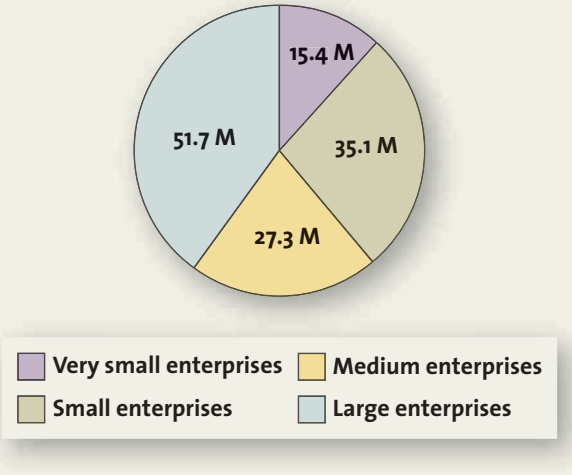
Company members segments



The most critical issue in examining market size is the relationship between the number of companies and the number of workers employed, because sales are based on the number of positions (profiles purchased), not the number of companies that use the service.

The following figure shows the number of people employed by each enterprise market segment as of January 2006, according to the U.S. Department of Labor. This segment information will be useful in defining PeopleAhead's target market.

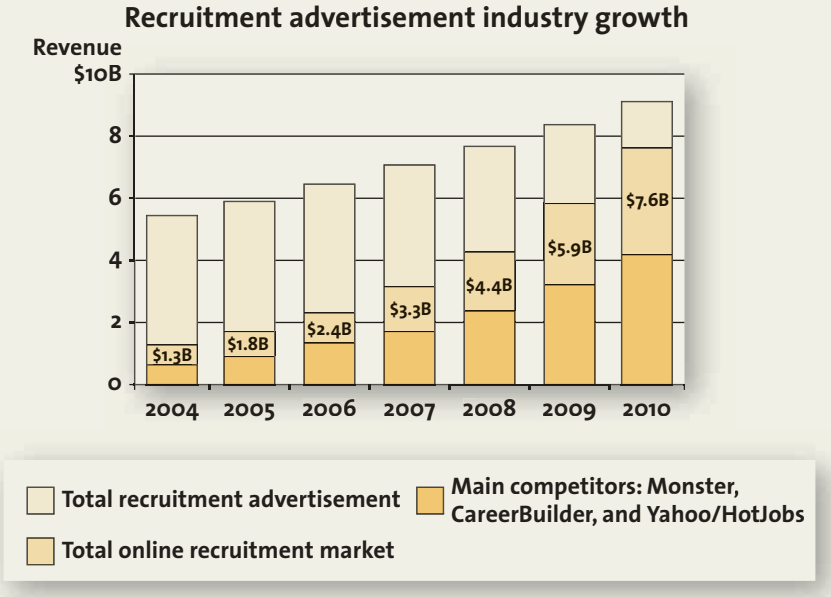
Employment by enterprise type



3.1.2. Market Growth

PeopleAhead will operate in the online recruitment market. The growth of this industry is subject to two primary constraints: U.S. economic health and online recruitment advertisement adoption rates. Understanding these constraints will help identify PeopleAhead's opportunity. General indicators suggest the U.S. economy (GDP) will grow at an average annual rate of 4% for the next decade.[7] Online recruitment advertising is expected to grow by 35% per year to reach $7.6 billion by 2010.[8] Not only is the market expanding, but it is exhibiting rapid adoption by new entities, as the following graph shows.[9]

Another visually attractive graph summarizes complicated information easily. The use of high-quality color can add a professional feel to a marketing plan.



3.1.3. Market Needs

- **The right person for the right position:** The right employee for one company or position is not the same for all others. Not only must companies locate intelligent individuals with relevant experience, but they also prefer people who are aligned with the position requirements in terms of personality, competencies, and fit with the company culture.
- **Prescreening qualification tools:** Increasing the number of candidates through online recruitment can be advantageous, but it can also be a hindrance. When sourcing candidates, recruiters need tools that help them qualify applicants.
- **Time savings:** Companies need to complete the online sourcing and qualification of candidates quickly. Leaving positions unfilled can cause critical performance gaps to emerge within the company.

3.1.4. Market Trends

The methods by which online recruitment service providers deliver candidates has been undergoing a migration from resume aggregation and search services like Monster and CareerBuilder to new Web 2.0 methodologies that include passive recruitment, "meta tagging," and social networking.

The underlying objective of these Web 2.0 services is to allow individuals to remain on a few, trusted Web sites while enabling companies to access those individuals for financial purposes. In parallel, the focus is moving from aggregation of unique visitors toward engaging existing users more intensively. Internet users are growing familiar with sites that encourage socializing, collaborating, and distributing private information online to help improve network benefits and need to be engaged to maintain contact.

Before engaging in a firm-specific SWOT analysis (see Chapter 2), this marketing plan assesses the external market environment further and thus establishes a basis for the subsequent SWOT analysis.

3.2. SWOT Analysis

Using a table and bullet points, the plan summarizes a lot of information succinctly and clearly.

	Positive	Negative
Internal	**STRENGTHS**	**WEAKNESSES**
	• Industry best practices: The networking model used by PeopleAhead draws on the industry accepted "best practices" contact protocols drawn from multiple industries, including online feedback, recruitment, and social networking and offline professional networking. TrueMatch® software aligns business objectives with appropriate candidates. • Team expertise: The combined talents of the founders include human resources, system development, sales, and marketing. • Web development expertise: PeopleAhead has partnered with an award-winning European software development provider. This company provides quality usually reserved for high-budget projects, at terms that are favorable for a start-up company.	• Absence of industry "influentials": As a start-up, PeopleAhead does not currently have resources to attract influential industry managers. • Inability to guarantee critical mass: As is true of many Internet companies, the business must solve the "chicken and egg" puzzle to build critical mass. • Verifying efficiency of matching capabilities: In theory, the system has an absolute guarantee of effectivity; computations make decisions rather than humans. However, the matching capabilities must be verified as accurate to gain widespread acceptance. • Broad target market: Because PeopleAhead is targeting a wide range of businesses, the product being developed has not been "customized" ideally for each segment.
External	**OPPORTUNITIES**	**THREATS**
	• Service gap: Recruiters are not pleased with current online recruitment vendors. • Industry gap: Job turnover is every 3.5 years per person. • Demand for productive candidates. • Online recruitment advertising: Growing by 35% per year, to reach $7.6 billion by 2010.[10]	• Convergence: existing competitors may form strategic alliances and establish powerful positions before PeopleAhead can establish itself. • Inability to protect model: Very little intellectual property created by online Web sites is protected by law. Although PeopleAhead will

Note that the analysis uses outside sources to support its claims.

(*continued*)

External	OPPORTUNITIES	THREATS
	• Fragmented business models: Online recruitment is fragmented by recruitment methodology: active (people who need jobs), passive (people who are not looking but would move if enticed), poised (people unsatisfied with jobs they have), and network (finding people of interest based on who or what they know).	pursue aggressive IP protection strategies, the model could be copied or mimicked by competitors. • Inadequate differentiation: Inability to explain our differentiation would relegate PeopleAhead to (unfair) comparisons with competitors. Without differentiation, PeopleAhead will not be able to create scale through network effects.

3.3. Competition

Most online recruitment Web sites compete in the active recruitment market, including Monster, CareerBuilder, and Yahoo/HotJobs. The pervasive segment includes job seekers who actively look for jobs, post their resumes, and search for jobs on company Web sites. Most active recruiters offer free services to users and charge companies on a fee basis. Companies can post jobs and search for candidate resumes in the database (average fee for local searches is $500 and nationwide is $1,000). In this first-generation online recruitment business model, competitors face the challenge to make the process more user friendly and reduce the effort required to make these sites deliver results.

- **Monster:** Monster.com is the sixteenth most visited Web site in the United States, with more than 43 million professionals in its viewer base. Monster earns revenue from job postings, access to its resume database, and advertisements on Web sites of partner companies.
- **Careerbuilder:** Careerbuilder.com has experienced 75% growth for the past five years. This job post/resume search company uses its media ownership to attract "passive" candidates from partner Web sites. It achieves growth through affiliate partnerships that host job searches on affiliated Web pages, such as Google, MSN, AOL, USA Today, Earthlink, BellSouth, and CNN. Job posting is the primary activity, sold together with or separately from resume searches.
- **Passive Recruitment:** The second generation of online recruitment locates candidates who are not necessarily looking for jobs but who could be convinced to move to a new position if the right opportunity was presented. The most recognized competitors in this category include Jobster, LinkedIn, and H3 (Appendix B).

3.4. Company Analysis

PeopleAhead's mission is simple: improve people's lives through career advancement. PeopleAhead recognizes that career advancement means many things to many people and provides a fresh perspective on career networking that is flexible yet powerful:

- **Users are not alone:** Finding a job is not easy. Why search solo? PeopleAhead unites groups of friends, coworkers, and mentors to create natural, team-based career discovery.
- **Job posting is not natural:** People spend countless hours searching job listings and posting resumes, only to be overlooked because their writing style or resume format does not match an overburdened recruiter's preference. Good people make great companies, not resumes. PeopleAhead's TrueMatch® technology matches the right people with the right position. No posting, no applying—just good, quality matches.

If PeopleAhead chooses to adopt a competitor-based pricing strategy (see Chapter 13), detailed information about how other recruitment firms work will be mandatory.

Information about competitors' revenues, customers, growth, and so forth often is available publicly through a variety of sources.

For information that may not belong in the main text, an appendix offers an effective means to provide detail without distracting readers.

This section offers the "product" component of the market/product/customer analysis. Because PeopleAhead's product is mostly a service (see Chapter 12), it focuses on some intangible features of its offering.

- **Professionals being professionals:** There is a place online for social networking, pet networking, and music networking. So why is there no outlet for career networking online—the activity that consumes the majority of our professional lives? PeopleAhead is a place where professionals share their experiences, achievements and objectives with other professionals that care and can be found by employers who value their professionalism.

3.5. Customer Analysis

PeopleAhead's R&D efforts show that the impetus to improve recruitment effectivity is pervasive and that unmet needs revolve around a few core issues: the ability to find qualified talent, establishing a fit between the candidate and the company culture, verifying the candidate's career progression, and working quickly and cost effectively. The following customer characteristics represent ideal attributes that align with PeopleAhead's service offering. This information might be used in conjunction with the Marketing Strategy.

3.5.1. Business Customer

- **Industry:** Because companies that value human capital are more likely to take a chance on a start-up that promotes professional development, the broadly defined professional services industry, including insurance, banking, and consulting, is the primary focus.
- **Functional area:** PeopleAhead's system identifies "people" people, so positions that require human interaction are more aligned with system capabilities than those with stringent skill requirements, sets such as programming or accounting.
- **Size:** Large businesses (>1000 employees) have high volume requirements and demand vendors with proven track records; small businesses (<25 employees) hire fewer people and may not justify acquisition costs. PeopleAhead aligns best with medium-sized customers.
- **Hiring need:** PeopleAhead serves two types of searches very well: those with too many applicants and those with too few applicants. By drawing applicants that most systems overlook and delivering only the most qualified applicants, the system assures the right candidate is identified quickly.

3.5.2. Individual Member

- **Background:** People who value professional development and are familiar with computer networking technologies; most are likely college educated, motivated by career success, and aware of their professional competencies/deficiencies.
- **Situation:** Members should have a professional development plan to share with others who can help them achieve their objectives—likely people who are inquisitive about their professional future and not content with their current situation. The common industry terminology for this group of people is "poised candidates."

Outlook: Proactive people who research, plan, self-educate, and talk about their career. Probably the clearest example of proactivity is a student who devotes time, effort, and financial resources toward career advancement.

The last—and some would say most important—piece of the analysis puzzle: customers.

Although the introduction to this appendix and the plan's organization suggest that analyses of competitors, products, and customers are separate, as this plan shows, a firm usually cannot address one without considering the other. Here, in the "customer" section, the plan notes what its competitors fail to do and therefore why it offers a more valuable service.

Understanding a target customer is not just about numbers. PeopleAhead tries to consider what customers think and feel when searching for jobs too.

4. Marketing Strategy

4.1. Market Segmentation

4.1.1. Business Customers

- **Small enterprises.** Businesses with 10–99 employees. Companies with less than 10 employees are categorized as "Very Small Enterprises" and will not be a primary target market.
- **Medium enterprises.** Businesses with 100–1,000 employees.

4.1.2. Individual Members

- **Senior college students.** Students in the process of searching for a first career.
- **Graduate program students.** Mid-career candidates searching for new career opportunities, such as internships, part-time during enrollment, or full-time after graduation.
- **Current employees.** Persons who are currently employed but are poised to locate better career opportunities.
- **Unemployed.** Persons searching for job not included in previous segments.

4.2. Target Market

PeopleAhead plans to focus resources on small to medium enterprises (SMEs) in the New England Metro market, including Boston, Providence, Hartford, Stamford, Norwalk, Worcester, and Springfield. Online recruitment companies compete for national recruitment spending, but most job seekers are locally based, so market penetration is possible by covering a single geographical location. By maintaining this focus, PeopleAhead will be better equipped to build a critical mass of users that represent the job-seeking population and thus improve both users' and customers' experience, customer service, and the use of financial resources.

4.3. User Positioning

To the proactive professional, PeopleAhead is career advancement done right—providing a platform to discover, plan, and advance careers by uniting friends, coworkers, and mentors with companies searching for the right talent.

5. Marketing Mix

5.1. Products/Services Offered

The first planned offering is **group profiling;** users self-associate with groups to share development plans. Access to groupings is permission based and similar to social networking. Members will be able to share professional experiences with people they know. Group profiling may prompt "voyeur" networking, such that members join to view the profiles of the people they know.

PeopleAhead will then open **group profiling to business customers,** who will be granted access to groups of members to target people they want to hire.

The next added feature will be **user feedback** on professional development plans. PeopleAhead will track data from successful member profile matches to provide feedback for members who have not been matched successfully.

The plan continues with the same segmentation throughout. Here the plan discusses targeting and what makes each segment attractive.

By already identifying key markets in the previous section, the plan provides a foundation for a more specific targeting statement in this section.

The final step in the STP process: Positioning for the segmented, targeted market.

PeopleAhead's mission

Given its own section in this plan, a discussion of the marketing mix constitutes a key element of the strategic planning process (see Chapter 2).

According to well-known marketing concepts, the marketing mix consists of the four Ps: product (service here), price, place (distribution here), and promotion.

The product (service) offering must establish the value for consumers: Why should they expend effort or resources to obtain the offering?

5.2. Price

In addition to a basic pricing schedule, PeopleAhead will offer bulk pricing and contract pricing to business customers to satisfy unique customer needs. The pricing model is expected to remain constant, but customer feedback will be analyzed to ensure alignment with their requirements.

Continuing the new customer acquisition plan, PeopleAhead will encourage new trials by offering promotional pricing to new customers.

5.3. Distribution

- **PeopleAhead Challenge:** The PeopleAhead Challenge will act as a primary user acquisition strategy. Selection will be focused on successful target segments demanded by customers.
- **Direct Sales:** Direct customer contact is the preferred method of communication during the first six months. Telesales is the anticipated eventual sales model, due to reduced costs and quicker customer sales cycle, but it limits intimacy between the customer and PeopleAhead. During the initial stages, intimacy and excellent customer service are more highly desired than reduced cost, and direct sales achieves that objective.
- **Industry Events:** Attendance at HR industry and recruitment events will supplement direct sales efforts.
- **Challenge Groups:** Word-of-mouth distribution by PeopleAhead members.

5.4. Promotion

- **Public Profiling:** When the product is ready, with proper precautions for protecting competitive advantages, PeopleAhead can increase its Web presence. Strategies include contributing articles to recruitment publishers, writing op/ed pieces, public profiling of the founders on Web sites like LinkedIn, Ziggs, and zoominfo, and blogging.
- **Blogger Community Testimonials:** Influential users of blogs will be invited to try the system and be granted "exclusive" access to the inner workings of the site. A subsequent linking blitz will put opinion pieces in front of recruiters, job seekers, and the investment community.
- **Strategic Alliances:** PeopleAhead offers a product that complements the services offered by many large organizations. Partner opportunities exist with
  a. Universities, colleges, academic institutions
  b. Professional associations, clubs, industry affiliation groups
  c. Online associations, groups, blogs
  d. Professional services firms, outplacement firms, and executive search firms

Strategic alliances serve multiple purposes: They can help PeopleAhead increase public exposure, increase the user base, expand product offerings, and increase revenue opportunities. These benefits will be considered and partnerships proposed prior to the official launch. For strategic purposes, PeopleAhead prefers to focus on product development in the near term (3 months) and then reassess potential alliances after system efficacy has been proven.

Making the product (service) available where and when consumers want it may seem somewhat easier for PeopleAhead because of the vast development of the Internet; however, the firm still needs to consider how it can ensure people know where and how to access its offering.

The plan offers a specific time frame, which recognizes the potential need to make changes in the future, as the market dictates.

6. Financials

Start-up costs consist primarily of Web site design and development, legal representation (business formation, contract negotiation, and intellectual property protection), and general overhead. PeopleAhead projects start-up expenditures of $70,000 during inception, of which $30,000 has been funded by the founding team.

After the Web site launches, the cost structure will consist of sales agent salaries, general and administrative operating costs, and marketing. In the first year, marketing expenses are projected to be $6,250 per month. Monthly overhead likely will reach $24,750 and remain constant.

A. **Projected Income Statement**

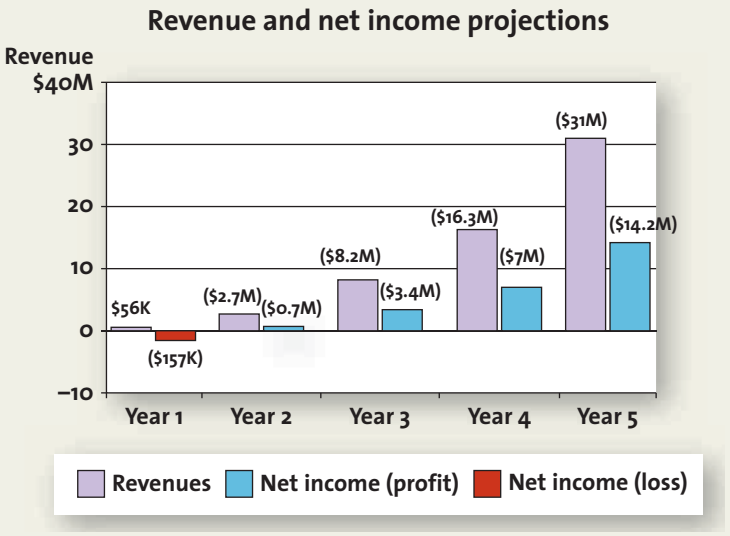
Pro Forma **Income Statement**

	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	**$56,453**	**$2,683,665**	**$8,170,655**	**$16,312,843**	**$30,921,013**
Gross Margin	$54,194	$2,316,318	$7,383,829	$14,780,329	$28,244,172
Gross Margin %	96.00%	86.31%	90.37%	90.61%	91.34%
Net Profit	**($156,906)**	**$717,403**	**$3,356,768**	**$7,035,155**	**$14,180,041**

The marketing plan needs to identify not only costs but also potential revenues to cover those costs.

Certain assumptions or marketing research form the basis for its estimation of start-up costs.

This section contains a lot of numbers in a small space; the graphs and tables help depict those numbers clearly and visually.



7. **Implementation Plan**
The launch of PeopleAhead will use a phased approach, beginning with building brand awareness. Brand awareness should be developed through the founders' visible presence at professional events, online searches, membership in professional associations, networking, and strategic alliances. This visibility will help gain investment capital.

7.1. Objective—Growth

- During the first six months of commercial availability , the primary objective is to expand both the user and customer base to maintain a 100:1 user to customer ratio.
  - **Business Customers:** Sign 24 regular customers and 72 occasional customers. Execute 117 position matches.
  - **Individual Members:** Convert 10,000 people to PeopleAhead members.

7.2. Marketing Objectives—Growth

- **PeopleAhead Challenge:** Pursue groups that were effective during Beta trial and represent a cohesive set of profiles. Expand and refine the Challenge to reflect lessons learned.
- **Increase member networking activity:** Increase user numbers through networking initiated by existing members. Improve user experience to promote networking.
- **Increase profile completeness:** Increase user engagement with platform.
- **Generate traffic.**
- **Public relations campaign (PR):** Increase awareness of PeopleAhead brand through concentrated PR efforts directed at the target market of customers and users.

This plan divides the objectives into three categories: overall objective, marketing, and financial. Although this is a marketing plan, it must also include other aspects that influence marketing, such as financial status.

7.3. Financial Objectives

- **Efficient marketing expenditures:** 9,000 target users (10,000 year-end total – 1,000 during beta) × $5.00 target acquisition cost = $45,000 budget.
- **Revenue:** $482.50 per position × 117 positions = $56,452.50 revenue.

By offering quantitative, direct goals, PeopleAhead ensures that it can measure its progress toward those goals.

7.4. Key Success Factors:

- **Economical marketing to relevant constituents:** PeopleAhead needs to establish communication (distribution) channels that pinpoint relevant constituents in a manner consistent with mission values. Limited by resources, chosen channels must aggregate many relevant eyes with free, minimal, or deferred costs involved.
- **Crafting of brand identity:** The contrast between PeopleAhead and competitors lies not only in product differentiation but also in the company's mission statement and delivery. One-time job search is available from thousands of online recruitment sources. Social networking has been covered from diverse angles, attracting many different audiences. The challenge is to associate www.PeopleAhead.com and TrueMatch® technology with "career advancement done right." The goal is to become the only company that a person thinks of for long-term career discovery, advancement, and development.
- **Efficient value delivery:** The base of customers (both individual and business) needs to receive the proposed value in a timely manner, with consideration given to quality versus quantity of results, alignment with existing objectives, and overall experience with the PeopleAhead brand.
- **Critical mass of business customers and individual users:** The matching process requires that both customers and users exist in the system from the outset of commercialization. This need brings to the forefront the "chicken and egg" scenario; establishing either customers or users requires the other constituent to exist already. The exact number that constitutes "critical mass" ranges from 100 users per position to 10 users per position, depending on compatibility between each constituency.
- **System effectivity:** The ability of PeopleAhead's TrueMatch® software to provide relevant candidate recommendations is critical. The effectiveness of the software depends on the algorithms that match users with positions and the networking protocol that initiates recommendations between users and the people they know. Proposing an inappropriate match could jeopardize the credibility of the system.
- **Intellectual property (IP) strategy:** PeopleAhead is engaged in two primary segments of online enterprise: online recruitment and social networking. Existing competitors have made many efforts to protect their methodologies through U.S. patents. However, precedent has not been established for the legal assertions made by these companies. As a result, PeopleAhead will assume an offensive IP strategy, consisting of diligent IP infringement review, patent application where appropriate, and aggressive trade secret protection of best practices.
- **Financial support:** The founders' investment is sufficient to form the business core and take delivery of PeopleAhead's Web site and software. Financial support will be required to fund operations, execute the IP strategy, and secure customers and users to meet financial targets. Without funding, PeopleAhead will not be able to proceed beyond the product development stage.
- **Sales process:** PeopleAhead's business model requires the acquisition of both business customers who have available positions and users who will be matched

with those positions. These two constituents may be reached through different sales processes without overlap.

8. **Evaluation & Control**
PeopleAhead will evaluate user profiles to identify sets of profiles that are valuable to new business customers, which will aid in the selection of subsequent target market customers.

8.1. Business Customer

Face-to-face meetings, phone conversations, and e-mail survey contacts with people from a range of industries, company sizes, and functional areas provide a means to (1) build relationships with prospective customers, (2) understand customer needs, and (3) ensure alignment between PeopleAhead's product and customers' recruitment preferences. A summary of the key findings is listed here:

- **Employee fit:** Will the applicant fit our corporate culture? Will the applicant fit with the team we're considering? Will the applicants' competencies fit with the position requirements?
- **Pay for performance:** Objections to recruitment services focus not on price (though it is a consideration) but rather on lack of performance.
- **Unqualified applicants:** Many people who want a job apply, whether they are qualified or not. Recruiters then must scan resumes and weed out unqualified applicants instead of getting to know the qualified applicants.
- **Hard costs vs. soft costs:** Most companies track the recruitment costs of hiring providers, but few measure the time costs of hiring, opportunity costs of hiring the wrong employee, or productivity costs of leaving a position unfilled. Recruitment performance must be easy to measure. Value selling is difficult in the human resources departments.
- **Valuable recommendations:** Most recruiters use online recruitment as a necessary but ineffective means of candidate sourcing, secondary to recommendations. Recommendations include the recommender's judgment of the candidate's fit with the available position.

8.2. Individual Members

Periodic surveys of various prospective users of online recruitment services indicate (1) current services, (2) methods that work well, and (3) biggest problems with online recruitment providers. The following is a qualitative summary of the key findings:

- **Willingness to try:** Careers are important to people; they are averse to spending time uploading resume information to online recruitment Web sites only because of the lack of perceived value. They will spend time when the career opportunities are perceived as valuable.
- **Frustration:** Job seekers are frustrated with available online recruitment providers. Networking is the favored method for career advancement.
- **Lack of differentiation:** Regardless of the qualifications a job seeker possesses, it is difficult to make them evident in a traditional resume.
- **Motivation shift over time:** Early professionals are motivated by financial rewards. Mid-career professionals recommend people because it helps the people they know. Late career professionals hope to improve their own job search opportunities.

Appendix A. Organizational Chart of PeopleAhead

Appendix B. Competition: Passive Recruiters

The evaluation section retains the segmentation scheme established previously between business customers and individual members.

Additional useful information that might clutter the plan should appear in an appendix, but is not included in this illustration.