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Setting Up Your Own Business: Developing Your Marketing Plan and Sales Goals

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Overview

The ability of your business to generate and sustain product sales and services will determine net revenues and the profit you make. Unless you are the one in a thousand who has products or services that sell themselves – the generally unrealistic dream of every business owner – the level of sales and profits realized by your business will be directly related to your efforts to identify and respond to market opportunities.

Experience indicates that developing a marketing plan and identifying your sales goals are vitally important activities. Your marketing plan reflects your realistic assessment of the market potential of the products and services you want to sell. A typical marketing plan is based on data from census reports, trade sources, and reflects your decisions on the geographic area you intend to serve.

A marketing plan will focus on the strategy you will use to get your message to your target market (those with the purchasing power and unsatisfied needs that can be met with the product or service you plan to offer) and create more sales and profits. It will help you focus your marketing efforts and advertising dollars on the market segments where people are most likely to buy your products and services. It provides part of the basis for financial planning. A well-developed marketing plan with marketing goals that are both optimistic and realistic will help you secure needed credit from suppliers and lenders.

Preparing Your Marketing Plan

The following worksheet focuses on a number of issues important in your marketing efforts. It is intended to be "user friendly," with a simple questionnaire style approach. However, it is important to assess the market – to do your market research – before starting to mark your responses to each of the issues. To complete a marketing plan, you need to learn: (1) who your target market is, (2) what that

market needs, (3) how your market prefers to buy, (4) how your product or service stands out in the crowd, and (5) the feasibility of marketing your product or service in a particular market segment.

Focus your information gathering based upon the issues addressed in this worksheet. Talk to people who may be your future customers. Ask about and record their interest in products and services like those you intend to sell. Try to determine if there is a niche for something of higher quality or of lesser quality that can be sold for a lower price. Learn everything you can about your customers and their spending habits. Write down all the information so you can refer to it later. Identify the competition and study the strengths and weaknesses of their businesses. Go to a library and look up population trends and the age distribution of the local population. The Chamber of Commerce in your area should also be able to provide additional statistics about your market. You can't know too much about your customers and markets.

MARKETING PLAN AND SALES GOALS

A Product/Service for the Market:

Our main product or service will be:

Our product/service will sell because:

If our product or service is something people do not need, they will buy it because:

The benefits of our product/service are:

The competitors are:

Location and Type of Market:

Our market will be:

☐ local ☐ multi-county ☐ statewide ☐ multi-state
☐ national ☐ international ☐ a combination (list) ☐ other (describe)

Our typical customer is:

☐ an individual ☐ a family ☐ a business ☐ gov't unit

The typical customer is located in:

☐ a rural area ☐ suburbs ☐ a trade center ☐ large city

Typical Individual or Family Customer:

The customer is: ☐ male ☐ female ☐ male or female

and is a

☐ child ☐ young adult ☐ elderly adult
☐ youth ☐ middle-aged adult ☐ person of almost any age

The typical customer's income level is: ☐high ☐middle ☐low ☐no typical level

The typical customer buys: _____ items/purchase, makes _____ purchases/year, for _____ items/year

The majority of purchases are made: ☐seasonally ☐yearly ☐for special occasions

The principal reason an individual/family customer will buy our product/service is:

The number of customers in our market is: ☐ increasing ☐ constant ☐ decreasing

Typical Business Customer:
Our business customer is: ☐ male ☐ female ☐ male or female, and is an ☐ owner ☐ employee

Our business customer's yearly revenues are: ☐ < $50,000 ☐ $50,000 - $200,000 ☐ > $200,000

Our business customer buys: _____ items/purchase, makes _____ purchases/year, for _____ items/year

The principal reason a business will purchase our product or service is:

The number of business customers in our market is: ☐ increasing ☐ constant ☐ decreasing

Sales, Distribution, and Service:
Our principal sales method will be:

Our principal distribution method will be:

Our principal method of providing follow-up service to customers will be:

Advertising:

We will secure advertising advice from:

Our principal means of advertising will be:

In addition, we will advertise by:

The target audience of our advertising will be:

The geographic area for our advertising will be:

A brief summary of our advertising plan is:

Our advertising budget will be: $_____ in 1st year; $_____ in 2nd year; $_____ in 3rd year.

Or, as a percent of sales: ____% in 1st year; ____% in 2nd year; ____% in 3rd year.

We will evaluate advertising effectiveness by:

Sales Goals:

Our 1st year sales goal is: _____ units @ $_____/unit = $_____ total sales

Our 2nd year sales goal is: _____ units @ $_____/unit = $_____ total sales

Our 3rd year sales goal is: _____ units @ $_____/unit = $_____ total sales

Market Penetration:

Attaining our first year goal will give us _____ percent of the market for our principal product or service.

Attaining our second year goal will give us _____ percent of the market,

and the third year penetration will be _____ percent of the market.

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