

Nearly finished the business plan

 By [Chris Brewer](#)

13 Jul 2015

Last week I wrote about setting objectives, but we also have to consider the two integral parts that make the setting of objectives possible. And this, naturally, includes strategies and forecasting...

Forecasting and objectives

These two are very close relatives.

For example, we plan to spend X in order to achieve a forecast return of Y as:

Result (Sales) - Cost = Improved profit

In reality, it's very easy to prepare a forecast... but it's very difficult to get forecasts right.



© AlphaSpirit – 123RF.com

It is always an expensive exercise when forecasts are wrong (which they invariably are). Either we've undersold, in which case we have stock left on the shelf which represents "locked-in" money - or we've lost profitable sales opportunities. The best scenario is to have only one widget left after the campaign has finished - which means you've optimised supply (to a previously undetermined demand) and have no locked-in capital tied up in unsold stock.

It is inevitable that an advertising plan (within the framework of marketing objectives) will require forecasts. When compiling forecasts, it's obvious that the highest degree of accuracy is required but, given the fact that forecasts are always wrong,

it's better to be conservative than overly optimistic.

Strategies

The setting of strategies includes the art or science of planning and conducting of a war - from the French *Strategie* and the Greek *Strategia* - and can be applied equally to politics and business.

All advertising campaigns are based, in part or in whole, on some form of strategy or other. Without a strategy, there can be no clear vision, and without clear vision we will all be stumbling around in the dark (a quick appraisal of many South African campaigns will tell you that this is exactly what's happening).

The strategy is, simply, 'how we are going to achieve our objectives?'

Thus, strategies tend to be under two broad primary headings: the *planning strategy* will develop from the product, and *brand differentiation* from strategies/plans.

The planning strategy determines the tactics we are likely to use as a part of the marketing mix and, as such, includes creative and media considerations - together with an overall view of the product's nature and market.

The **tactical strategy** will, obviously, develop from the planning strategy and marketing objectives.

We have already discussed several of the elements involved in the grander scheme of things and will be looking at others in this, as well as in the future.

Essentially, however, the whole process follows this line of development (more or less):

Marketing plan... product strategy... planning strategy... promotional strategy... advertising strategy... tactical strategy... implementation/evaluation.

Under the two broad headings of **planning** and **tactical**, there are two further important approaches to strategies:

1. Aggressive: Where substantial brand share has to be gained, i.e. a share of a market must be taken from another product (or sometimes, another market). This is particularly relevant to the launch of a new product or the re-launch of a floundering product.

It requires that high levels of brand awareness be achieved as quickly as possible in order that other loyalties may be shifted or changes in perceptions of the other brand/markets' attitude be effected.

2. Protective: Where a brand is enjoying a high level of market share and wishes to retain it - or where, it is estimated, that a brand is reaching the end of its life cycle.

The obvious requirement here is to retain and reinforce consumer loyalty, and ergo, sustain their purchasing of the brand. The strategy, therefore, calls for high-level, top of-mind awareness - but does not require such quick impact within the marketplace that an aggressive policy would deliver.

If you've read [my last few articles](#), you should be in a good position to compile and/or construct an intelligent marketing plan.

If not, then phone me.

chris@brewers.co.za

Read my blog (brewersdroop.co.za) or see what other amazing things we do at brewers.co.za

Note that Bizcommunity staff and management do not necessarily share the views of its contributors - the opinions and statements expressed herein are solely those of the author.

ABOUT CHRIS BREWER

Having joined the ad industry in London, Chris Brewer spent most of his career in media analysis and planning - but has performed just about every advertising task from Creative to Research. He's an honorary lifetime member of the Advertising Media Association and regularly advises agencies and clients regarding their media plan costs and strategies. He is also often asked to talk at industry functions. Email: chris@brewers.co.za. Twitter: [@brewersapps](https://twitter.com/brewersapps). Read his blog: www.brewersdroop.co.za

- Welcome to the latest Monty Python fiasco - 21 May 2020
- Is digital advertising worth all the hype? - 4 Dec 2017
- TV we got right - 20 Nov 2017
- Innuendo and the power of the pen - 6 Nov 2017
- When was the sale lost? - 23 Oct 2017

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>