Lecture 4: Strategic Marketing Planning

MK355 Marketing for Not-for-Profit Organisations

Why do strategic planning?

- A strategic plan provides direction
- Helps make organizational decisions, consider important variables and principal stakeholders
- Strategic planning helps NFPs prepare for the future

Why don’t organisations plan?

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- Some organisations live day-to-day and follow their instincts. Why?
  - Lack of time
  - Pace of change
  - Lack of expertise
  - Better use of money

The strategic planning process

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Identify the mission

Analyse the situation

Determine the objectives

Develop the strategy

(target markets, segmentation, and marketing mix)

Implement, evaluate and control the strategy

Mission / Organisation

ANALYSING THE INTERNAL ENVIRONMENT

- Mission
  1. what the organization does
  2. why the organization exists
  3. who the organization serves
- Culture
- Strengths of the organization
- Weaknesses of the organization

- Be objective !!

SWOT ANALYSIS

Situation Analysis

ANALYSING THE EXTERNAL ENVIRONMENT

- Public environment
- Competitive environment
- Macroenvironment
- Opportunities presenting to the organization.
- Threats presenting to the organization.

SWOT ANALYSIS

ACTIVITY

- Find a real-world example of a SWOT Analysis and share with the class
- Why did this one grab your attention? What have you learned from it?

Objectives

- Be SMART
  - Specific
  - Measurable
  - Actionable
  - Realistic
  - Time-specific

Setting SMART objectives

SPECIFIC

The objective should be narrow enough to be measured

MEASURABLE

The objective should be able to be quantitatively measured. It needs to include a baseline as well as an amount and direction

ACTIONABLE

The objective needs to be developed so that the leadership can act on it

REALISTIC

Objectives should have a chance to be accomplished

TIME-BOUND

Objectives need to include a deadline

Marketing strategy

Three components:

1. Target market
2. Competitive advantage
3. Marketing mix

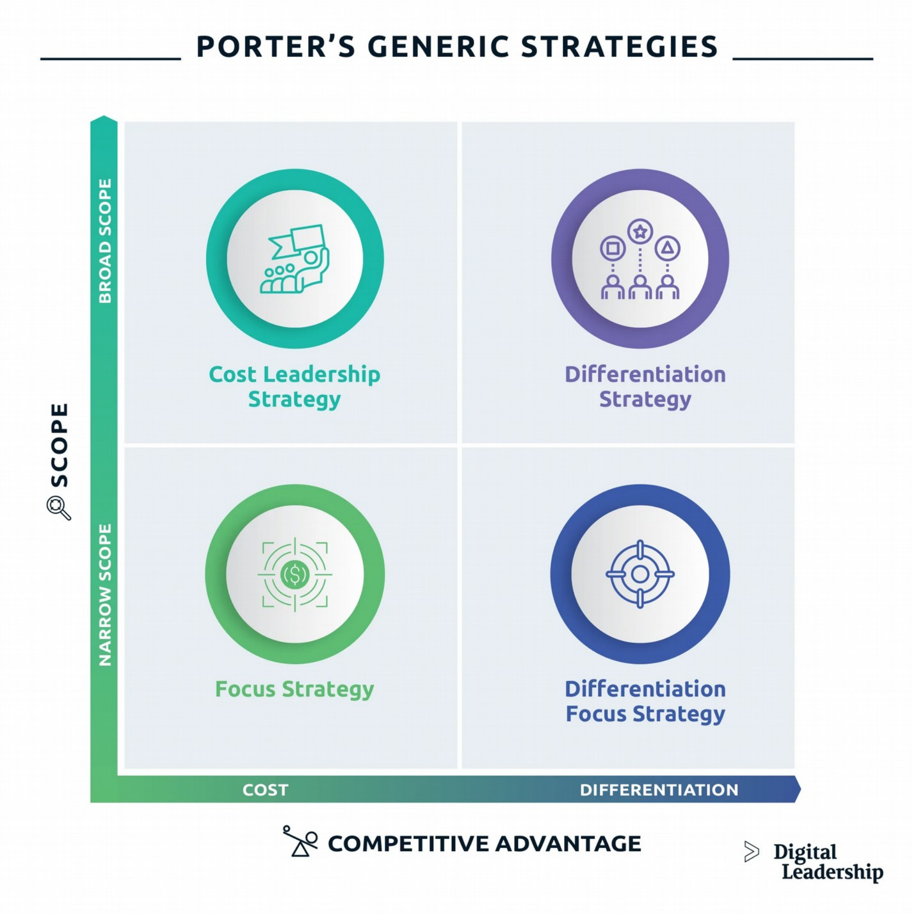
Target market

- Not-for-profit organisations examine target markets:
    1. Donors
    2. Volunteers
    3. Clients
- Easier to target product or service (ie clients) than to target donors and volunteers
- More in Week 8 on this.

Competitive advantage

Michael Porter

1. Cost competitive advantage
2. Product and service differentiation
3. Niche competitive advantage



Source: https://digitalleadership.com/blog/porters-generic-strategies/

Portfolio planning

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Market penetration
- Increasing market share

Market development
- Attracting new donors or clients

Product development
- Creating new products and services for existing clients

Diversificatio n
- Introducing new products and services to new people

Marketing mix

Implementation, evaluation and control

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IMPLEMENTATION

- Everything it takes to make the plan happen, plus staff expertise, plus time

EVALUATION

- Measuring whether marketing objectives are accomplished

CONTROL

- Mechanisms set in place to monitor progress and take correction actions

ACTIVITY

- Research and develop a list of different kinds of control activities

Building alignment

- How do you ensure that the activities of the organization are integrated and aligned to the marketing strategy?
- This is hard work !!
- Must get internal buy-in without becoming the “logo police”
- Define roles and responsibilities of marketing vs leadership
- Define staff members’ own roles
- Make sure outcomes are clear. Make sure priorities are agreed upon

ACTIVITY

- Find an example / case study of poor organizational alignment with marketing strategy and share with the class.

Partnerships

Board of directors

- Size and make-up of Board determined by governing documents
- Strong and effective Board is key to success
- Can be hard to recruit

Board of advisors

- Provides advice without formal legal duties
- Works best when there is a clear goal and purpose for the group

Outside marketing consultants and agencies

- Useful for larger campaigns (eg capital campaigns)
- Set realistic goals and do good research on the external marketing professionals

Other options

- University faculty or students
- Corporate alliances
- Legal services

Ethical considerations

- Compensation
- Conflicts of interest
- Publications and solicitations
- Financial integrity
- Investment policies
- Accountability and strategic management