

### **D.3 COMMON ELEMENTS OF A MARKETING PLAN**

A marketing plan is designed to direct activities towards the satisfaction of customer needs; determine what the customer wants, develop a product/service to meet those needs, get the product/service to the end user and communicate with the customer—at a profit! A marketing plan explains how the farm business will market their product and looks at the five Ps: product, place, price, promotion and people.

#### **Business Overview**

This area is a necessary and mandatory part of every marketing plan. The information captured is essential to the reader's understanding of the background of the current operation through the business description and management description. The Executive Summary will provide a snap shot of the entire plan and identify the main issues of the plan.

Cover page

Table of contents

Executive summary

Purpose of plan

Business description

Management description

#### **Strategic plan**

In this area, information on the goals and objectives will be identified along with a step by step description of how the business will meet its goals.

#### **Industry and market analysis**

This area will provide information on the current market conditions and discuss the status of the industry. Outline the impact of economic, social or political change that could affect the commodity, or have an influence on the business within the industry.

#### **Marketing**

Information on the product offered, the target market, the competition, pricing, etc., are what a marketing plan is all about. The farm business is expecting considerable information

on this element. This section should also address the 5 – P's ([product](#), [place](#), [price](#), [promotion](#) and [people](#)) of marketing, as it relates to the new/diversified product or service.

### **Financial**

Two principles of ABP plans are to improve business planning and to have a financial component. The marketing plan is a business plan with a focus on marketing, so it requires financial information as a benchmark against which actual performance can be measured and reviewed. Financial information on the whole farm is not required, but the financial impact of the marketing plan on the whole farm should be measured.

### **Risk management**

Marketing risk reflects risks associated with changes in the price of output that may occur after the commitment to production has begun. Agriculture production can be a lengthy process that may not produce returns for several months - or years in the case of livestock. Strategies to minimize price risk, including forward contracting and hedging need to be explored.

### **Action plan**

The action plan is mandatory as an operational blueprint for the overall plan. It maps out the activities to be taken and the timeframe that those activities are to be completed in.

### **Operations**

This section describes the production capacity of the farm, and how everyday activities will be managed, but that is not essential in a marketing plan. The farm business might already have this information, or it could be provided in the action plan or in the business description.

### **Human Resources**

Many farms requesting a marketing plan are relatively small family farms that do not need the focus of a marketing plan to be on human resources. For larger operations, the advisor and farm business decide whether this section is required.

**Environmental**

Environmental concerns are more relevant for the production of a commodity than for the marketing of a commodity.

**Supporting Documents**

The advisor and farm business would agree on the supporting documents to be included.

*Updated September 6, 2013*