

EXERCISES

As the brief notes have indicated, there are a number of conditions to be met if the marketing planning process is not to become a sterile, closed-loop system. The 10 principles of marketing planning listed in the notes go a considerable way to ensuring that the process does not degenerate into a ritualized 'numbers game'. However, there are still some problematical issues to be addressed.

Exercise 12.1 looks at the theory issue of how formalized the planning process should be, and how to take the correct steps to get close to the ideal system for your company.

Exercise 12.2 examines how to set up a timetable for planning. This is particularly useful in getting all contributors to the marketing plan working in unison, and coming up with the necessary information at the appropriate time.

In these exercises, you will focus on the marketing planning system best suited to your company.

By way of consolidating all of your work through this book, you will design an appropriate planning system and lay down the 'ground rules' for its implementation.

Selecting the appropriate approach

Exercise 12.1 Designing the marketing planning system

Figure 12.19 shows how the degree of formalization of the marketing planning process relates to company size and the diversity of its operations.

1. Select a position on this figure which best describes your company's situation.
2. In the space below, write down a few key words or sentences that would best describe the marketing planning system you would need for your company, e.g. high formalization, etc.

		Company size		
		Large	Medium	Small
Market/product diversity	High	High formalization	High/medium formalization	Medium formalization
	Medium	High/medium formalization	Medium formalization	Low formalization
	Low	Medium formalization	Low formalization	Very low formalization

Figure 12.19: Marketing planning.

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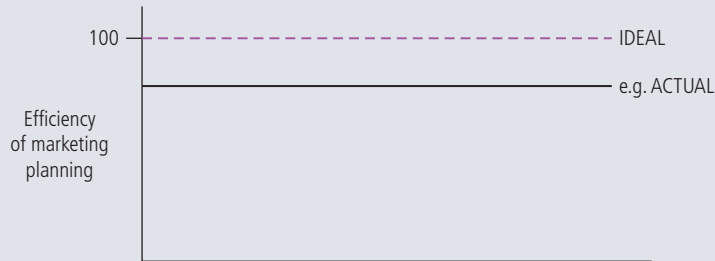


Figure 12.20: Efficiency of marketing planning ideal and actual.

Identifying the improvement areas

1. Imagine that it is possible to measure the efficiency of a marketing planning system on a scale 0–100, where 100 is equivalent to a 100 per cent efficiency, i.e. the system works well and conforms with your model. How would you rate the current approach to marketing planning in your company? To what extent does it match up with your ideal?
2. Enter your score on Figure 12.20, drawing a horizontal line as shown.

The difference between your score line and the ideal must represent where there is room for improvement.

Transfer your score line to the worksheet, the force field diagram, then complete the worksheet by following the instructions given below.

Worksheet Force field diagram (1) (Exercise 12.1)



3. Identify all those factors that have 'pushed' your actual efficiency line below the ideal. Add them to the worksheet, showing them as actual forces pushing down. If you can, represent the biggest forces with longer arrows, as shown in Figure 12.21. You will probably have more than three factors, so list as many as you can. Remember, you should be noting only those that affect the marketing planning system, not the company's general approach to marketing. We will call these downward forces 'restraining forces', because they are acting against improvement.
4. Now ask yourself, why isn't the actual performance line you have drawn lower than it is? The reason is, of course, that there are several parts of the system that work well, or there are other strengths in your company. Identify these positive forces and add them to

the worksheet, as shown in Figure 12.22, again relating the arrow size approximately to the influence of each factor.

Again, the factors shown above are only examples. You will identify many more. We call these 'driving forces' because they are pushing towards improvement.

5. The worksheet should now be complete, showing the two sets of forces lined up against each other. What next? Well, it might have struck you that what you have assembled is somewhat analogous to a ship at sea. Your ship (the marketing planning system) is wallowing below its ideal level in the water but is prevented from sinking by buoyant forces (driving forces). To restore the ship to its correct level, it would be natural to remove or jettison some of the cargo (the restraining forces), not to try to get out and push from below. As it is for the ship, so it is for your marketing planning system, therefore:
 - (a) Select the major restraining forces and work out ways that you can reduce their impact, or preferably eliminate them altogether. These will be the source of the greatest improvements, but some remedies might need time to take effect.
 - (b) So, concurrently, select minor restraining forces and plan to eliminate them also. Although their impact on improvement might be less, you will probably find they respond more quickly to treatment.

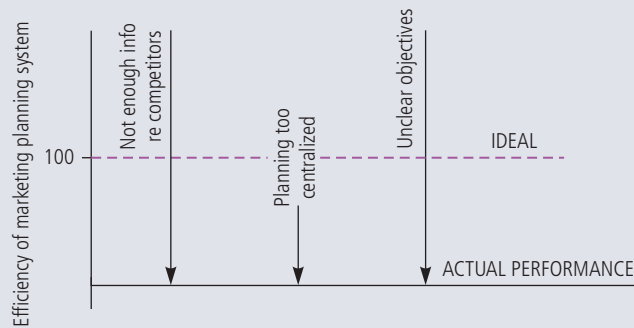


Figure 12.21: Force field diagram (2).

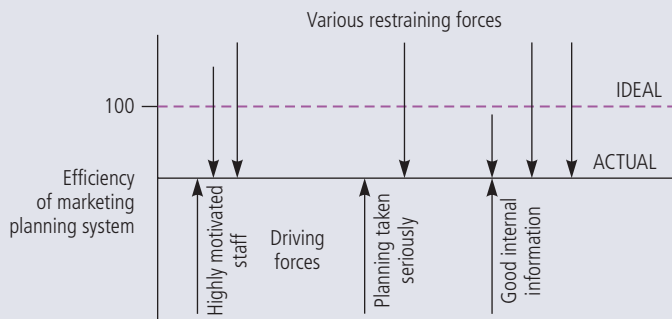


Figure 12.22: Force field diagram (3).

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- (c) Finally, select the smallest driving forces and work out if there are any ways to increase their impact.
6. Assemble your various responses to 5(a), (b) and (c) together into a comprehensive improvement plan, then take steps to get it accepted and acted upon.

Put most of your energy into removing the restraining factors. To focus on the major driving forces, e.g. trying to make highly motivated staff even more motivated, is likely to be counterproductive.

Force field analysis theory

The force field analysis, upon which much of designing a system is based, stems from the work of Kurt Lewin (*Field Theory in Social Science*, Harper, 1951). His reasoning, adapted to the programme situation, operates thus:

1. If a company's marketing system is functioning well, then the company could be said to have no problems. Diagrammatically, the efficiency level could be shown at something approaching 100 per cent. See Figure 12.23.
2. Few companies reach this happy state of affairs. Without resorting to precise measurement (a consensus of views is generally enough), most companies would 'score' their planning system somewhat lower, as shown in Figure 12.24.
3. Wherever the 'actual' line is drawn, it poses two interesting questions upon which the subsequent analysis hinges, namely:
 - (a) What causes the performance level to be where it is?
 - (b) Why doesn't it fall any lower?
4. Clearly the answer to 3(a) is that things are going wrong in the system; that there are missing or malfunctioning areas. Until these are put right, there will always be a drag on the efficiency, holding it down. These negative forces are termed *restraining forces*, because they are restraining improvement.
5. Similarly, the reason that efficiency doesn't drop lower than has been shown is that there must be several parts of the planning system that work quite well. There are many strengths in the system. These positive factors are termed *driving forces*, because they are the forces pushing towards better efficiency.
6. In Figure 12.13, for the efficiency of the planning system to be below the ideal level, then the restraining forces must be greater than the driving forces.



Figure 12.23: Force field diagram (4).



Figure 12.24: Force field diagram (5).

7. Let us take a simple illustration. We are driving a car and it is going more slowly than it ought to because the brakes are rubbing (restraining force). If we want to resume driving at normal speed then we have two courses of action open to us:
 - (a) We can put our foot down on the accelerator (increase the driving force)
 - (b) We can free the brakes (remove the restraining force)

We can see that by putting our foot down all sorts of troubles are likely to materialize. Unless something is done to free the brakes, then probably they would overheat, perhaps catch fire or jam up completely.

8. A similar overheating could take place in the company's marketing planning system unless it is tackled properly. To get lasting improvements, it will be important to identify all the restraining and driving forces. Indeed, many of the earlier exercises were designed to do just this. Using this information, it will be important *to plan how to reduce or remove the restraining forces and, only when that is done, consider how to plan to boost the driving forces.*
9. Figure 12.25 is an example of how a finished force field diagram might look, although most people will have identified several more factors than shown here. Many of the factors identified by you ought to be unique to your company.

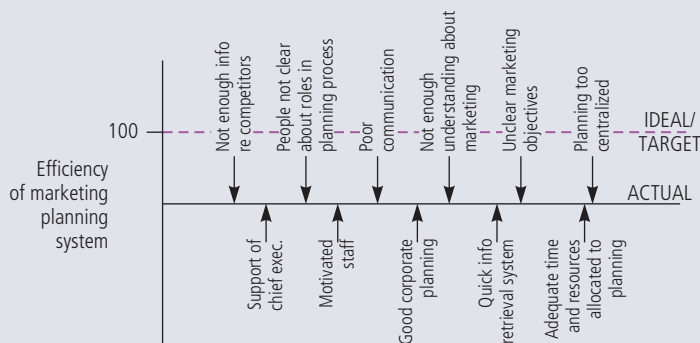


Figure 12.25: Completed force field analysis.

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Notes

1. Remember that only factors that affect the marketing planning process ought to appear in the force field diagram.
2. It is possible to draw the force arrows proportional in length to their influence.

Exercise 12.2 Implementing the marketing planning system

Perhaps you will be unable to implement a marketing planning system until your improvement plan from Exercise 12.1 has eliminated the more serious obstacles. Nevertheless, from what you have read in this book, you will know that a successful marketing planning system will have to follow these steps.

1. There will have to be guidance provided by the corporate objectives.
2. A marketing audit must take place.
3. A gap analysis must be completed.
4. A SWOT analysis must be drawn up.
5. Assumptions and contingencies must be considered.
6. Marketing objectives and strategies must be set.
7. Individual marketing programmes must be established.
8. There must be a period of review and measurement.

Because of the work required, all this takes time. Various people might have to participate at different stages. There will certainly have to be several meetings or discussions with other functional departments, either to get information or to ensure collaboration.

Therefore, in order to keep the planning 'train' on the 'rails', it will be in everybody's interest to be clear about the sequencing of these different activities, to have a schedule or timetable.

As the company gets more experienced in planning, then probably the timetable can be tightened up and the whole planning period shortened. However, to get events into perspective, it is often helpful to present a timetable of the planning activities, as shown in Figure 12.26. The circle represents a calendar year and the time periods are merely examples – not to be taken as recommended periods.

In the second planning year, months 11 and 12 could be used to evaluate the first year's plan and thereby prepare information for the next round of corporate planning.

This diagrammatic approach clearly shows how the planning process is a continual undercurrent throughout the year.

Now, as your final task, try drawing up the planning timetable for your company on Figure 12.27.

Exercise 12.3 Organizational structure

Business environments are always changing. Demand patterns change, new technology comes in, new legislation is introduced, there is an economic crisis, and so on.

Since the key to successful marketing is to have a suitable organization structure, one that can adjust and cope with the environment, it is not surprising that much experimentation



Figure 12.26: Marketing planning timetable.

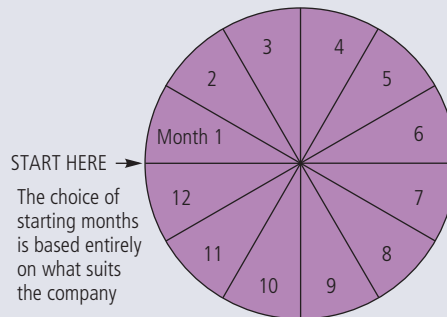


Figure 12.27: Marketing planning timetable template.

has taken place with the different types of structure. Perhaps no one has yet found the perfect answer to this complex problem of getting the organization right. Nevertheless, research studies have shown that, in certain circumstances, some types of structure are going to be more successful than others.

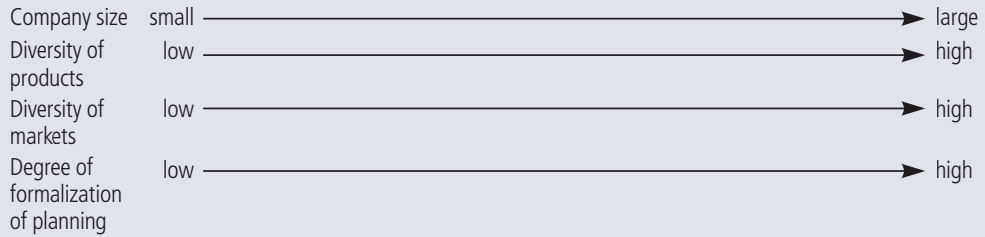
The accompanying worksheet tries to encapsulate these findings in a fairly crude way, showing that structure will to some extent relate to company size and the diversity of its operations. The degree of formality in the marketing planning process will also be related to these factors.


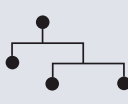
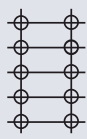
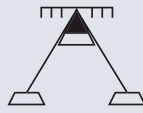
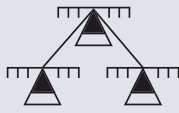
Please answer the following questions:

1. Where would you place your company on the size/complexity of operations continuum?
2. How does your current structure compare with that suggested on the chart?
3. Do the breakdown signals sound familiar?
4. In what ways do you think your structure ought to change?

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Worksheet Organizational structure (Exercise 12.3)



Typical organizational structure					
Description	'Pioneer'	'Scientific'	'Matrix'	'Centralized'	'Decentralized'
Description	No need for big systems One person can cope Frequent but informal communications Highly flexible	System becomes developed Specialist roles created Communications more formal	More flexibility in dealing with products and markets Communication frequent and informal	Centralized marketing restores element of control Expertise from specialist roles	Marketing specialists in close touch with operating units
Breakdown signals	Person can't cope Becomes difficult to get answers	Communications breakdown People get frozen into roles	As size/diversity increases, management loses control Communication breakdown	Get out of touch with what is happening in the field Slow responding	Duplication of effort, work Costly in manpower

Personal notes