

The Case for a Business and Marketing Plan

WHY A BUSINESS PLAN?

A well-written business plan functions as a roadmap for the future of your financial practice. It's a look ahead that enables you to determine how you will market yourself, allocate resources, and prepare for problems and opportunities to achieve your business objectives. Most financial professionals have a one to three-year business plan that includes short-term productivity goals. While these plans may provide focus for the immediate future, they may not provide a strategy for long-term growth and success.

Where Do I Start?

Set aside a day with your staff to conduct your long-term planning process and review your plan on an annual basis. Think about where you want to be and how you want your business to look in ten years. Furthermore, build a business plan that separates your goals into one, three, five and ten-year segments.

- One-year goals – These must be accomplished.
- Three-year goals – These have attainable results.
- Five-year goals – These are more ambitious targets.
- Ten-year goals – This is your long-term vision.

SUGGESTED SECTIONS OF A WELL-DEFINED BUSINESS PLAN:

- **EXECUTIVE SUMMARY** – Overview of your business.
- **MISSION STATEMENT** – Three to four-sentence statement about you, your business and your principles. Your mission statement should be goal oriented, but able to withstand the test of time.
- **OBJECTIVES** – Your one, three, five, and ten-year goals.
- **MARKET ANALYSIS** – Market size and trends you are seeing, along with a general view of your competitors.
- **TARGET** – Demographic description of the type of client you plan to target and attract.
- **MARKETING PLAN** – Describe how you will brand and promote your business in order to reach your target market. This is one of the most important segments of a business plan and should be able to stand alone as its own separate plan.
- **OPERATIONS PLAN** – Identify key operational milestones and review how you plan to remedy or navigate around operational issues.
- **FINANCIAL PLAN** – Conduct a cash flow analysis and revenue projections. Note: This section may be more robust if you are preparing to present it to a lender for business funding, but it is also critical that you have a clear understanding of the financial requirements of your business.
- **EXIT STRATEGY** – Develop a plan to sunset your individual participation in your business, if retirement

An Important Part of the Business Plan is the Marketing Plan

Part of your business plan is about marketing. Each plan is important, but they are quite different. While a business plan should cover up to a ten-year period, the marketing plan is generally for one to three years. They are typically updated differently as well. Business plans tend to be somewhat static unless there is a significant change in the business itself. Marketing plans, on the other hand, will change frequently with the way the resources are channeled. Your marketing plan should be able to stand alone to identify your target market and your strategy for reaching your ideal client.

Marketing can be overwhelming, But don't let that dissuade you from putting together a detailed blueprint to guide you as you allocate your marketing time and dollars. You can't afford to be consumed with marketing, but it must be an ongoing component of your business model.

Your marketing plan should employ various types of activities that work together to support your overall message and visibility. Studies show that it often takes a minimum of five contacts for someone to decide to do business with an individual. While one marketing approach may not seem overly fruitful, consider the value it has when combined with your other efforts. Using a variety of tools concurrently increases the chance that your prospects will see your message at the right time.

Steps in Developing a Marketing Plan:

1. Identify your target market

This is the bedrock of your marketing plan. Therefore, selecting who to direct your marketing efforts toward is an essential part of a successful strategy. Narrow your focus to an area where you already have an edge. Do you have a number of clients in a specific industry; do you specialize in retirement services or estate planning? Be as specific as possible in describing your client profile; “individuals in automotive manufacturing” isn’t detailed enough. “Automotive manufacturing executives approaching retirement with over \$250,000 in investable assets” is more precise.

Once you have your profile, complete a geographic analysis to stress test your selection. Make sure that the number of individuals in your surrounding area who meet the criteria of your target market, will support your business.

The final step in identifying your target market and ideal client is getting to know their business.

- What product or service do they provide?
- Who are their clients?
- What is the state of their business? What is the state of their industry?
- What benefits does the company offer? Get to know the company’s benefit package, including defined benefit and defined contribution plans, executive compensation packages, and pension plan (if one exists). Being an expert in the areas that confuse most employees enables you to add a tremendous amount of value.

2. Get to know the competition

Once you have your target market identified, assess your competition. Try to determine how many, if any, other financial professionals in your area may also be focusing on the same type of investor. This is particularly important for financial professionals who live in areas where there is a smaller population dominated by a particular industry.

Remember that your competition is not confined to other financial professionals and financial planners in your area, but also includes online trading platforms supported by call centers, where investors feel they can achieve their investment objectives at a low cost. Your competitors also include magazines, books, and websites that offer investment advice. Look at this from your clients’ perspective. Ultimately, your competition may be any other source of investment information that your clients view as valuable.

After you have evaluated your competition, define your value proposition. Position yourself and your brand to show clients what you have to offer and why they should form a relationship with you, rather than your competition. Point out the value of your experience and the customized services that you offer relative to the competition.

3. Select your marketing tools

- Start by making a list of all of the marketing you are currently using and evaluate the ability of those efforts to reach your intended audience.
- Create a larger list of marketing methods that you believe will reach, and resonate with, that audience. The more you know about your target market, the easier this list will be to create.
- Formulate a plan to put these marketing methods to work. Remember to have multiple marketing activities working for you at one time. Each of your various marketing efforts should reinforce the others and strengthen your message.
- Don’t forget referrals. Asking for referrals may be the best marketing tool to attract potential clients who are qualified members of your target audience.

Put Your Plan Into Action

Once you have identified your target market and ideal client, your competition, your value proposition, and selected the types of marketing you would like to incorporate into your strategy, it’s time to put your plan into action. Have your marketing plan outlined in a working document that is easy to follow and share with your team. Break your plan down into monthly or quarterly segments to make monitoring easier and evaluate the results of your efforts on an ongoing basis.

Having a detailed, well-defined business plan and marketing plan will keep you organized, focused, and on track for success. The components of these plans are like pieces of a puzzle. When placed together, they reveal the opportunity around you, and become the blueprint for capturing that opportunity and the results you expect to achieve.

TO DISCUSS WAYS IN WHICH AQUILA GROUP OF FUNDS MAY BE ABLE TO HELP WITH YOUR MARKETING EFFORTS, PLEASE CONTACT YOUR AQUILA REGIONAL SALES MANAGER OR CALL 800-437-1020.