

The Marketing Plan

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Last month, we discussed the products or services your business offers or will offer. This month, we will look at how to present your business and its products and services to your customers.

Marketing is more than just selling. It is everything that goes into your "offering" to your customers — your products or services, as well as the distribution channels to get from you to your customers.

The first step in developing a marketing plan is to gather good intelligence. Another term for this is "market research." Specifically, you should:

- Identify your competition.
- Determine the number and size of businesses that offer what you are offering.
- Quantify the demand. How much is being sold right now?
- Determine the characteristics of your competition and your industry. Specifically, what is the typical cost structure? Revenue structure? Profit margin? Then you must decide if your business will follow this trend.
- Find out how your competitors deliver to their customers.
- Identify how your competitors compete with one another.

• Check external factors. Is your industry one with steady growth? Are there other factors such as interest rates, government funding, and whether they impact the demand for your product or service?

You will think of other avenues of inquiry as you go through this process. After you have described the environment in which you will operate, you need to place yourself and your

business in that environment. Why? To see how you will function in this complicated marketplace.

Some questions you should answer include:

- How are you going to compete?
- What do you bring to the market that no one else has?
- How are you going to get your offering to the customer?
- How will your competition react?

Once you complete your initial market research, you must look in greater detail at how you will market your business. Specifically, you should focus on four areas.

PRODUCT

We discussed your product or service in a previous article. In this section of your plan, you will describe what makes your offering better than the competition's, and why the customer will buy.

PLACEMENT

What we mean by placement is describing how you are going to get your offering to your customer—specifically, your distribution channel. Are you going to be on the shelf at Home Depot, or are you catering to individuals or specific demographic groups? You need to answer the following questions:

- How does your competition get their offering to the customer?
- Is your customer the same as theirs?
- Is your distribution channel the same? If not, what are the advantages and disadvantages of your channel?
- How many "middlemen" are in your channel and how much does each expect to be paid?

PRICE

It seems simple, but you need to decide how much to charge very carefully. How does your price compare to your competition? Are you competing on price or some other factor (quality, convenience, etc.)? How will your competition react? How are your pricing decisions going to impact your profit margin?

PROMOTION

How are you going to let your customers know about your business and its offerings? There are all manner of choices—radio and TV ads, trade shows, magazines, newspapers, and word-of-mouth. How much are you going to spend on promotion? What image are you going to convey? High quality? Low price? Convenience? Notice how price and promotion are related.

There are so many things that should be included in this section of your plan. You need to discuss any packaging issues, warranties, and after-sales service. In addition, you should identify other touches that set your business apart, like 800-phone lines or same-day shipping. You also need to

know what these will cost and the impact they will have on your bottom line.

Lastly, in preparation for the financial section of your plan, your marketing plan should include sales projections and expense projections. Note the use of the plural here. You should develop several scenarios, from worst case to best case. These projections should be general in this section. The details of your financial projections will be discussed in an upcoming article. (DJ)

Acreage Insights



Control Weeds and Woody Plants

Since the growing season is a little ahead of schedule this year, pasture and grazing land weeds should reach the correct stage for treatment by mid-June. These weeds, usually treated in the later part of June, include vervain, goldenrod, snow-on-the-mountain, and western ragweed.

Many of us tend to treat on the late side rather than too early. A good guideline for treating most perennials is to mow or apply herbicide when the weeds reach the early flower bud stage. However, biennial thistles should be treated in the

rosette stage.

June is also the best time for foliage applications of most herbicides for woody plant control. Woody plants are now in full leaf and the foliage is tender. Later in the summer, dry conditions stress the plants and herbicide effects are lessened. Thorough coverage of the foliage now provides the best control. (DJ)



Farmers' Markets on the Rise in Lincoln

More and more farmers' markets are starting up across the state. These markets have expanded from the basic 'sell your extra produce' to commercial food vendors, selling just about everything you could find in a small grocery store. People often ask what can and can't be sold at a farmers' market. Here are some answers to these questions.

What foods can be sold without a permit?

Fresh fruits and vegetables, especially home grown items, certain baked goods, and prepackaged commercially prepared snack items, such as canned pop, candy bars, and potato chips.

What items cannot be sold at a farmers' market?

Home-canned low acid foods. What foods require a permit and inspection of the preparation area?

The requirement states: No person shall operate a food establishment without a valid

permit which sets forth the type of operation occurring in the establishment.

A 'food establishment' is an operation that stores, prepares, packages, serves, sells, vends, or otherwise provides food for human consumption. Although, many vendors at the farmers' markets fall into the 'food establishment' definition, there is an exemption for the sale of fresh fruits and vegetables. Market sponsors want the markets to be a success and have as many participants as possible without them being taken over by commercial businesses.

How is a permit obtained?

Persons needing a food establishment permit should contact the Nebraska Department of Agriculture's Food Division at (402) 471-2536. The sanitarian will meet with you to discuss your operation, inspect the preparation area for your product, if necessary, and offer you the permit application. (DJ)



Pine Wilt Disease Deadly to Pines

A deadly killer of exotic pines is becoming more prevalent in southeast Nebraska. Pine wilt, a disease caused by a nematode moved by the pine sawyer beetle, is causing some large pine trees to brown out and die with the needles still attached. The disease is most fatal to scotch pines and has affected some Austrian and white pines, but not the Nebraska native Ponderosa pine.

The disease was first discovered in Missouri around 1978. Within the last year, Nebraska has seen more of it. Pine wilt has mainly affected the southeast corner of the state, including Lincoln to Omaha and even one case near Fremont. It is unsure how wide spread the disease will become.

Another symptom of the disease is the association of the blue stain fungus in the dead or stressed tree. The fungus, which is a food source for the nematode, leaves a blue stain on the trunk interior.

At this point, no insecticides

are available to stop the disease or the beetle, so sanitation is a must to control the disease. Affected trees must be removed before the beetles emerge from the wood and carry the nematode to non-infested trees. The beetle is used as a taxi service for the nematode. If trees exhibited these symptoms last fall, usually from August to October, they must be diagnosed and removed.

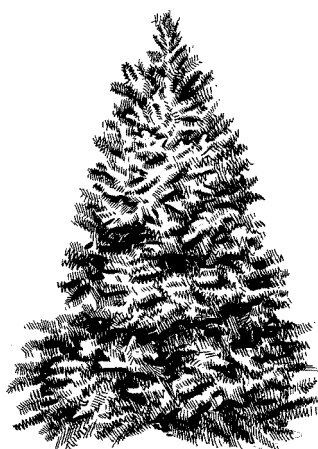
To confirm a tree has pine wilt disease, send in a wedge from the trunk or a one to two inch wedge of a two inch or larger diameter branch near the trunk, to the University of Nebraska Cooperative Extension Plant and Pest Diagnostic Clinic, 448 Plant Science Hall, Lincoln, Nebraska 68583, or call (402)472-2559.

Timely removal of the infested pines is important. Don't hold the wood for firewood. The trees must be destroyed by chipping, burying or burning. Many people are recommending not to plant

scotch pine in the Midwest or southeast Nebraska because of this recent problem.

The beetles usually feed on stressed trees and with a drought this year, the desire to feed may increase.

For more information, a new publication, EC00-1878, "Pine Wilt: A Fatal Disease of Exotic Pines in the Midwest," is available at a local cooperative extension office. SOURCE: Loren Giesler, plant pathologist, Ph.D., NU/IANR. (DJ)



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