



Marketing Communications Firm

BUSINESS PLAN

CORNELIUS MARKETING

1207 Rosemont St.
Madison Heights, MI 48071

April 1, 1996

This marketing communication firm's business plan draws heavily on the business owner's thirty years of marketplace experience. The owner's numerous years of expertise make this business unique.

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BUSINESS DESCRIPTION

Cornelius Marketing is a full-service marketing communications firm, specializing in small-sized and mid-sized manufacturers. It is a home-based, sole proprietorship.

It relies heavily upon project management skills gained over a period of thirty years in business-to-business marketing communications, as many of the service tasks are performed by known and ed suppliers and vendors.

What are its services?

In general, marketing planning, communications program planning and implementation. Implementation consists of the creation, production and distribution of marketing communications which consist of all or any combination of the following:

- Advertising
- Direct Marketing
- Sales Literature



- Catalogs
- Public Relations
- Web Site Design
- Sales Promotion/Merchandising
- Product/Service Names
- Trade Show Exhibits
- Engineering Presentations
- Sales Presentations
- Point-of-Purchase Displays

We will do all planning and as much of the creative writing as possible. We will always do the planning. We may do less of the creative writing as the business expands and requires more planning and project-management time.

What Makes Cornelius Marketing Unique?

We believe that a major factor which separates Cornelius Marketing from other marketing communications endeavors is our depth and breadth of experience.

Cornelius Marketing is also developing a Resource Line which will allow our target manufacturing firms to more effectively use their customer and prospect lists.

TARGET MARKET

What is Cornelius Marketing's target market and why?

Cornelius Marketing's target market is manufacturing firms in the Detroit metropolitan area with \$ 10 million to \$75 million in annual sales.

Opportunities to do business with larger firms and smaller firms will certainly be considered.

Because Detroit is the center for the North American auto industry, there are many firms in the targeted annual sales range in the Detroit metro area.

In the proprietor's twenty years of experience, he has found that virtually no manufacturing firms have formal marketing plans or marketing communications plans. Many have annual sales objectives which they may call "marketing plans". The exceptions, in some instances, are companies that are divisions of larger corporations or those which already have a marketing communications firm affiliation.

How will target firms be identified and a prospect list be prepared?

Potential clients will be identified by several means. Such directories as the Michigan Manufacturers Directory and Bryant's Michigan Business Directory are useful in this effort, as are the Redd's Directories, as they identify annual sales volume and personnel. The initial list will be analyzed with respect to which companies already have ad agencies. Primary effort will be directed to those without agency affiliation.

Clients from previous business relationships will be solicited.

Leads are expected to be produced through networking in various trade organizations and from trade media contacts.



How will Cornelius Marketing communicate with prospects?

Initial efforts will consist of direct marketing via letters and telemarketing. Telephone directory listings and trade organization roster issues will also be used. This business plan will serve as an example of marketing planning.

THE COMPETITION

The competition consists of:

- Ad Agencies
- PR Agencies
- Misc. Communications services
- Freelance writers
- In-house communications departments

The Colman Club's 1996 Roster Edition has 542 listings which are considered competition. Included are categories such as freelance writers, advertising & sales counselors, advertising & sales promotion, direct marketing and public relations firms.

The Detroit metro area business Yellow Pages lists approximately 300 firms under the category - Advertising Agencies & Counselors. There are approximately 125 other firms listed under the category - Public Relations Consultants.

Many of these firms are only competitors in certain services. Some are non-competitive because they deal strictly in consumer/retail business. Others are non-competitive because they only work with very large clients.

This analysis does not take into account so-called in-house agencies, companies with their own advertising operations. This is becoming a greater source of indirect competition as desktop publishing becomes more and more sophisticated. In-house operations are not head-to-head competitors per se, however they reduce the number of potential clients.

An educated guess of the number of head-to-head competitors is 250 to 300. Competition is great.

MARKETING STRATEGY

How has Cornelius Marketing positioned itself?

Cornelius Marketing has positioned itself to be primarily a niche-market service supplier. Most established marketing communications firms, because of their overhead, cannot afford to spend time on the lower end of our annual sales volume objective.

The proprietor has an extremely varied background in terms of different kinds of clients served. This experience encompasses virtually all marketing venues and media.

We have an excellent grasp of technical processes, both in terms of product manufacturing and product application.

Cornelius Marketing represents an excellent match for the small-sized to medium-sized manufacturing firm that doesn't have a large enough budget to attract an ad or PR agency with equal experience and expertise.

What is the nature of the target client?

Many of the target firms are entrepreneurial in nature. Their principal(s) wear many hats. They are intimately familiar with their business milieu. If they are successful, they figure they're doing just fine and don't want or



need advertising. The old saw is, "we know who our customers and prospects are, we talk to them regularly."

To a degree, they are right. They may be selling in a niche market. Their customers and prospects may be small in number. The nature of their product(s) may be self-localizing, i.e. shipping costs and time may help define their geographical marketing area, hence its size. Almost everyone has local competition, however.

What makes Cornelius Marketing different?

We're specializing in small-sized and medium-sized manufacturers, especially auto industry suppliers.

Although we're a new marketing communications firm, we possess over twenty years of experience working with our target market firms. The bulk of the experience is in the automotive original equipment supplier venue, we also have automotive aftermarket and consumer marketing communications experience.

Cornelius Marketing is developing the Resource Line, a new tool for most of the target market.

Cornelius Marketing is well versed in many manufacturing processes so it understands how products are manufactured and marketed.

Cornelius Marketing understands and has worked with single-level and multi-level distribution systems.

Cornelius Marketing is familiar with the various kinds of sales organizations used by manufacturers and their distribution systems and the methods behind them.

Although the thinking of business-to-business advertising agencies is changing, advertising and the resultant media commissions still represent a major revenue component. Many of our business targets are unattractive to ad agencies because they may never be significant trade media advertisers.

Because this area is a center of automotive activity, a majority of the target universe is comprised of automotive-related suppliers. These firms represent the largest, and in our opinion, the most receptive group of prospects for the service we've created.

Care should be taken to build a balanced clientele. Having all one's "eggs" in the automotive "basket" is an invitation for difficulty if not disaster at the first auto industry downturn.

What is the precise marketing geography?

The counties of Wayne, Oakland and Macomb constitute the primary marketing geography.

Secondary geography is Washtenaw, Livingston and St. Clair counties.

After these, out state areas along the I-94 corridor would be tested.

Business opportunities from any source in neighboring areas would certainly be evaluated.

MARKETING ASSUMPTIONS

Information on which potential clients have ad and/or PR agencies is not readily available. This information must be obtained in order to reduce the number of prime prospects.

Many potential customers do not recognize the need for regular marketing communications activity. This may suggest the availability of more per-project work.

The target first contact, the Sales/Marketing Manager, is an extremely busy person and may be difficult to reach.

If there is no Sales/Marketing person, the CEO will be contacted, although he may be even more difficult to reach.

In the Detroit metro area, there are many North American headquarters for off-shore automotive suppliers.

Источник бизнес-плана: <http://www.referenceforbusiness.com>



Most off-shore companies are not serious users of advertising and sales promotion.

BUSINESS OBJECTIVES

First-year objectives (April-December, 1996):

1. Acquire two Annual-Fee-Based clients.
2. Acquire as many Project-Based clients as possible.
3. Complete the Resource Line Program and sell one.

Second-year objectives (January-December, 1997):

1. Acquire two additional Annual-Fee-Based clients for a total of four.
2. Continue with as many Project-Based clients as possible.
3. Sell two more Resource Line Programs for a total of three.

Third-year objectives (January-December, 1998):

1. Acquire an additional two Annual-Fee-Based clients for a total of six.
2. Evaluate the viability of continuing Project-Based activity with respect to time constraints. Determine if this is a worthwhile "new business" activity, i.e. track record of converting this type of business to Annual-Fee-Based clients. Revenue production of Project-Based activity would certainly be considered.
3. Sell an additional three Resource Line Programs for a total of six.

Fourth-year objectives (January-December, 1999):

1. Evaluate the situation and make a decision re: expansion of client base or maintain the existing level, assuming objectives are met. Expansion would require moving into commercial space, perhaps incorporating and hiring employees.
2. Set or adjust objectives depending on direction taken.

Fifth-year objectives (January-December, 2000):

1. Set or adjust objectives depending on direction taken.

Annual objective review

Objectives will be reviewed prior to the beginning of each calendar year and adjusted as necessary.

SALES STRATEGY/TACTICS

Sales Strategy

Make cold contacts via letters of introduction followed by telephone calls. The approach will be made to the Marketing and/or Sales Manager where no Ad Manager can be identified.

Marketing/Sales Managers are extremely busy people who are responsible for the generation of sales materials where no Ad Manager exists. Some may rely upon an ad or PR agency.

If there is an Ad or Communications Manager, this person should be approached first.



The existence of such a person usually means one of two situations: 1) The company already has an agency, or; 2) They have an in-house operation.

Whatever situation is uncovered, contact should still be made. They may be dissatisfied with their present agency or in the process of disbanding their in-house operation. Even with an in-house operation, they may still go outside for some services including creative.

In addition to this formal effort, all opportunities resulting from networking and referrals must be followed up on.

Sales Tactics

1. Commence sales efforts with letters to 25 Fee-Based prospects per week, every other week. Use the two week period to follow up with telephone calls for appointments.
2. Commence sales efforts with letters to 10 Project-Based prospects per week, every other week. Use the second week in the cycle for telephone follow-up.
3. Commence development work on the Resource Line. Prepare a best-guess time line for completion of a saleable program.
4. Re-evaluate sales efforts near the end of June for adjustment, if necessary.

The first-contact sales letter must introduce Cornelius Marketing as the assistance the busy person needs to help simplify his or her busy life. It must identify with the prospects milieu. It must back up CM's claim to be an experienced, versatile service partner. It must get across the fact that CM will work on either an annual-fee basis or on a per-project basis. The letter will close stating that a telephone call will follow within one week of receipt of the letter. It is important to follow up as stated as this will be the first indicator of performance, that we are dependable.

Sales Assumptions

The quantity of letters sent out weekly, may have to be modified if experience suggests that it takes longer than anticipated to gain phone contact with prospects.

The letter copy will change when updates are necessary.

More than one version of the letter copy will probably be required.

BILLING RATE

Cornelius' billing rate will be \$100.00 per hour.

Billable time will include all planning, research, creative, administrative and travel time devoted exclusively to a given account or project.

Annual Fee Billing Arrangement

The minimum annual fee will be \$24,000.00 which guarantees a client six weeks or 240 hours of agency time per year. The fee may be paid in equal monthly installments which will be billed at the end of each month. A less-frequent payment schedule can be negotiated.

The Annual Fee does not include out-of-pocket expenses incurred in conjunction with the implementation of a client's program. The fee covers agency hours only. Such services as design, layout, typesetting, photography, illustration, printing and other outside services associated with the creation and production of a client's program will be billed to the client with no agency markup. Supplier's invoices will be provided to support such outside costs.



A budget, based on all known components, will be prepared, submitted and approved by the client prior to the beginning of the client's program. Individual projects may be re-estimated during the program year, if circumstances require.

Per Project Billing Arrangement

Individual projects will be managed at the rate of \$100.00 per hour, plus out-of-pocket expenses as described in the Annual Fee Arrangement section.

Projects will be cost estimated by the agency and budget-approved by the client in advance.

Out-Of-Pocket Expenses

Out-of-pocket expenses, such as travel, lodging and meals will be evaluated on an individual basis and may be re-billed to the client.

BUSINESS START-UP BUDGET

Estimated Cost for Home Office Set-Up

Personal computer/printer/work station	\$3,300.00
Desk/work table	250.00
Chairs (2)	300.00
File cabinet	300.00
Misc. equipment	150.00
Business phone (separate line/phone)	186.00
Formal letterhead, envelopes, business cards	500.00
Utility letterhead, plain paper	300.00
Misc. supplies	250.00
Total Estimated Start-Up	\$ 5,536.00

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File cabinet	300.00
Misc. equipment	150.00
Business phone (separate line/phone)	186.00
Formal letterhead, envelopes, business cards	500.00
Utility letterhead, plain paper	300.00
Misc. supplies	250.00
Total Estimated Start-Up	\$5,536.00

Estimated Monthly Expenses (w/o salary)

Telephone	\$100.00
Supplies	50.00
Postage	35.00
Rent	500.00
Total Monthly Expenses (w/o salary)	\$ 685.00

Estimated Monthly Expenses (w/o salary)

Telephone	\$100.00
Supplies	50.00
Postage	35.00
Rent	500.00
Total Monthly Expenses (w/o salary)	\$685.00