

# Acme High Tech Consulting Marketing Plan (SAMPLE)

## *Executive Summary*

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### **1.0 Executive Summary**

Acme Consulting is a consulting company specializing in marketing of high-technology products in international markets. Its expertise is the marketing of personal computers and market research, all in international markets.

## *Situation Analysis*

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### **2.0 Situation Analysis**

Acme Consulting offers high-level expertise in international high-tech business development, channel development, distribution strategies, and marketing of high-tech products. It focuses on providing two kinds of international triangles:

- Providing United States clients with development for European and Latin American markets.
- Providing European clients with development for the United States and Latin American markets.

This year we intend to take on consulting work in related markets, specifically the rest of Latin America and the better markets in the Far East. We will also look for additional leverage by taking brokerage positions and representation positions to create percentage holdings in product results.

### **2.1 Market Needs**

When a high-tech manufacturing company wants to open a new market outside its home country, there is a temporary need for very high-powered expertise. They need to establish distribution, evaluate distributors' merits and problems, select and open new channels. While this is also true of all other manufacturers, we specialize in high technology products because we have true expertise in this area.

Our clients come to us for scalable, temporary expertise. They understand that our kind of expertise would be very difficult and expensive to get from full-time, permanent employees. Furthermore, their needs are temporary: the crunch is at the time of opening the new market and setting up the channel; later on it is not as important.

From the point of view, as managers, our clients come to us at least in part because we reduce their sense of risk in the management and politics of new market introductions. If things go wrong, they have experts to blame. If things go right, they get the credit. There's the old saying that "nobody ever got fired for choosing IBM," meaning choosing a highly respected visible source for computers. We are that kind of low-risk option for opening new markets. The CYA factor is important.

### **2.2 The Market**

Acme Consulting focuses on high-technology manufacturers of computer hardware and software, services, and networking, who want to sell into markets in the United States, Europe, and Latin America. These are mostly larger companies, and occasionally medium-sized companies.

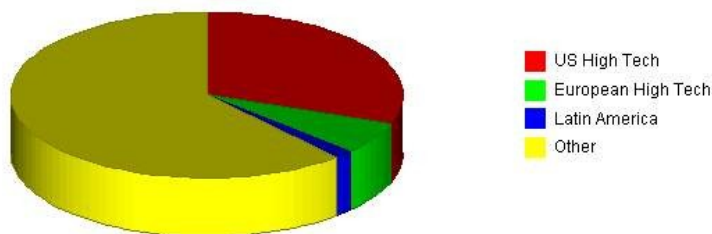
Our most important customers are executives in larger corporations. They are marketing managers, general managers, sales managers, sometimes charged with international focus and sometimes charged with market or even specific channel focus. They do not want to waste their time or risk their money looking for bargain information or questionable expertise. As they go into markets looking at new opportunities, they are very sensitive about risking their company's name and reputation.

## Market Analysis

### Market Analysis

		2006	2007	2008	2009	2010	
<b>Potential Customers</b>	Growth						CAGR
<b>US High Tech</b>	10%	5,000	5,500	6,050	6,655	7,321	10.00%
<b>European High Tech</b>	15%	1,000	1,150	1,323	1,521	1,749	15.00%
<b>Latin America</b>	35%	250	338	456	616	832	35.07%
<b>Other</b>	2%	10,000	10,200	10,404	10,612	10,824	2.00%
<b>Total</b>	6.27%	16,250	17,188	18,233	19,404	20,726	6.27%

### Market Analysis (Pie)



## 2.2.1 Market Demographics

### Large high-tech manufacturer corporations

Our most important market segment is the large manufacturer of high-technology products, such as Apple, Hewlett-Packard, IBM, Microsoft, Siemens, or Olivetti. These companies will be calling on Acme for development functions that are better spun off than managed in-house, for market

research, and for market forums.

### Medium-sized high-tech growth companies

Particularly in software, multimedia, and some related high-growth fields, Acme will offer an attractive development alternative to the company that is management constrained and unable to address opportunities in new markets and new market segments.

## Market Demographics

### Market Demographics

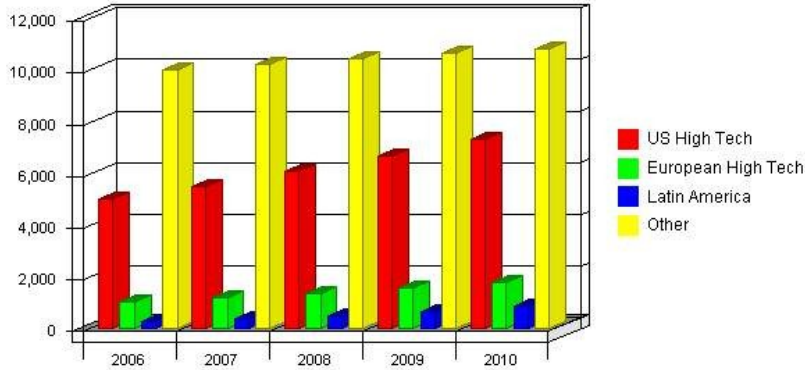
Market Segments	Summary	Decision Level	Loyalty Status	Buyer Readiness	Product Attitude
US High Tech	Mature	Manager	Medium	Skeptical	Positive
European High Tech	Growth	Director and up	High	Informed	Indifferent
Latin America	Growth	CEO	High	Informed	Indifferent
Other	Develop	Variable	Variable	Variable	Indifferent

### 2.2.2 Market Trends

We stand to benefit from some specific market trends:

- There is a major trend towards internationalization. The Internet has brought a larger world into direct communication with the manufacturers. Europe has created a major new unified market, this time for real. Latin America is healthy and growing. Asia, despite recent setbacks, is still a very good market. Our potential client base, the manufacturers, wants to expand into new markets.
- Communications technology is a new industry explosion. Also because of the Internet, growth in communications technology items is explosive. Modems, network cards, communications software, routers, cables, connectors, all of these are growing at 35% per year and up. Margins aren't great in the more standard hardware categories, but growth is enormous.
- Contracting, consulting, and ad-hoc management teams are a trend. Even the larger businesses are turning more frequently to temporary expertise instead of permanent fixed cost employees. This is the latest new application of the buzzword "scalable." Acme Consulting is an especially attractive alternative to our clients, because of the economic advantages of variable vs. fixed costs, and the growing liabilities and overhead of taking on long-term employees.

## Market Analysis (Trends)

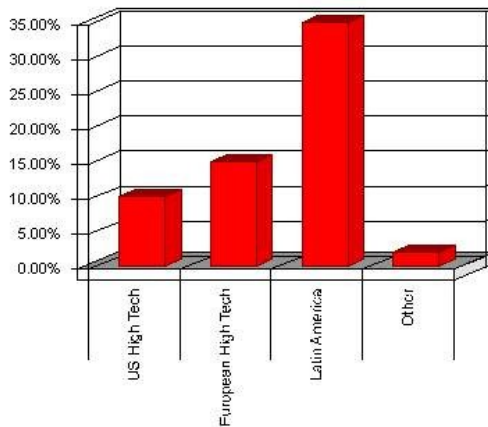


### 2.2.3 Market Growth

The U.S. Association of Marketing Consultants reports a 30% growth in average revenues for consultants focusing on marketing of high-tech products. We are a subset of this market, possibly due for even higher growth than the mainstream. The local electronics industry association in California reports a trend towards additional consulting solutions, as manufacturers turn to variable cost solutions.

We talked to industry associations in Japan and several in Europe. Overall, the growth in interest for moving into new markets is phenomenal. Tahahashi Sato, director of the local association in Tokyo, told us "we don't have statistics, but the growth in new international marketing projects has to be greater than 100 percent per year." Jens Lundeson, of the Association in Europe, said "We see growth in this kind of project at 40 percent or better per year."

### Market Analysis (C.A.G.R)



### 2.2.4 Macroenvironment

New technology has become the driving force of our market. The Internet is changing high-tech marketing overnight. While the manufacturers used to deal with distributors in smaller national markets, nowadays the distributors are terribly concerned about our pricing and marketing over the

Internet.

On one hand, the manufacturers need loyal local allies, good distribution, and value added. On the other hand, they can't pretend to offer protected markets. The Internet changes the game.

Another major factor is the growth expected in Europe and Latin America. While Asian markets are hanging back a bit with the lingering effect of recent economic problems, the Latin American markets are growing smartly as a result of decreasing protectionism, and the European markets are enjoying the new Eurodollar boom.

## **2.3 The Company**

Acme Consulting is a California C corporation based in Santa Clara County, owned by its principal investors and principal operators, providing high-level expertise in international high-tech business development, channel development, distribution strategies, and marketing of high-tech products. It focuses initially on providing two kinds of international triangles:

- Providing United States clients with development for European and Latin American markets.
- Providing European clients with development for the United States and Latin American markets.

As it grows it will take on people and consulting work in related markets, such as the rest of Latin America, the Far East, and similar markets. It will also look for additional leverage by taking brokerage positions and representation positions to create percentage holdings in product results.

### **2.3.1 Mission**

Acme Consulting offers high-tech manufacturers a reliable, high-quality alternative to in-house resources for business development, market development, and channel development on an international scale. We are a true alternative to in-house resources because we offer a very high level of practical experience, know-how, contacts, and confidentiality.

Clients must know that working with Acme is a more professional, less risky way to develop new areas than working completely in-house with their own people. Acme must also be able to maintain financial balance, charging a high value for its services, and delivering an even higher value to its clients.

We focus on development in the European and Latin American markets, or for European clients in the United States market. We provide our employees with an exciting, intellectually challenging workplace in which intelligence and initiative is rewarded, hierarchies are minimized, and everybody is fairly compensated.

### **2.3.2 Service Offering**

Our most standard offering will be consulting, normally billed by the project, with project milestones build in. We will not quote rates per hour, per day, or per anything, but we will develop a proposal and then bill according to completion.

We will be open to considering retainer consulting relationships if the offer comes up. Generally we prefer the project though, because it matches our sense of the client's need.

We may from time to time prepare multi-client studies, almost as if they were products, but these will be pre-sold to collections of clients before development. For example, new developments in the Mexican market.

The service itself is a key component to our marketing mix. Our service should be our best advertisement. In this case even more so than with many other similar businesses, because our specialization on channels for international product marketing means we develop contacts with people who can be our recommenders.

We need to fulfill the promise we make: we take a product across national boundaries into new markets, explore channels, guide our client through the maze, and establish the relationships the client needs. This is a very focused deliverable. We aren't just doing international marketing or marketing consulting; we're getting products into channels.

### 2.3.3 Positioning

For high-technology companies who are looking to enter new international markets, Acme Consulting offers a unique team of experienced managers with proven expertise, on a temporary contract basis. Unlike in-house expertise, Acme Consulting is a temporary variable cost. Unlike most management consultants, Acme Consulting is specialized on a very focused expertise that is hard to duplicate.

### 2.3.4 SWOT Summary

The SWOT analysis covers strengths, weaknesses, opportunities, and threats. Strengths and weaknesses are generally internal attributes, which we can address by changing our business. Opportunities and threats are generally external.

Overall, the mix is exciting. We live in an age of growth, change, and business revolution. The Internet offers us opportunities and threats. We need to make our dealing with it one of our biggest strengths, to minimize our weaknesses.

#### 2.3.4.1 Strengths

1. True expertise. All of our principals know this area very well. Our experience and expertise is better than anybody we know of in this particular niche area.
2. Dominance of communications technologies from a users' point of view. We have an excellent website, secure File Transfer Protocol (FTP) facilities with password protection for sending and receiving documents from clients, major bandwidth, and an automatic link to training allies to help clients come up to speed with the facilities we offer. We can even hold Internet meetings with shared interface and visuals.
3. Manageable size. We don't have to support a large overhead, and our clients know that we deliver what we promise ourselves. Our competition, the larger consulting houses, tend to build on the structure of the major partners doing the selling and younger associates, with far less experience, actually delivering the consulting.
4. Contacts. Years of industry experience means a lot of word-of-mouth marketing, contacts, and networking.

#### 2.3.4.2 Weaknesses

1. Marketing. As a group, we are good at the direct sales involved in making a close, but we don't have the resources required to do much general marketing. We will depend on word of mouth first as our main form of generating leads.
2. Staff. Without the overhead of staff, we can't leverage on people to develop documents and presentations, research in detail, and fill in the blanks. We are short on support for telephones, fax, and email.
3. Brand. Sometimes a Booz Allen or McKinsey is a safer buy for the executives, in the sense of "nobody ever got fired for hiring IBM." We are a new entity, we can be perceived as an innovative -- and therefore risky -- choice.

#### 2.3.4.3 Opportunities

1. Internet growth. Companies are being dragged into worldwide marketing, like it or not. Growth rates are very high, opportunities are obvious.
2. International market growth. Europe and Latin America are booming. Asia has suffered a bit but is recovering. Manufacturers are anxious to take their new technologies across borders.
3. Growing red tape involved with hiring full-time employees, especially internationally, especially at the executive level.

#### 2.3.4.4 Threats

1. The Internet is a threat as well as an opportunity. Our expertise is about crossing borders, managing multiple markets, and the problems we solve are being reduced in importance by the growing availability of information. Specific example: software companies used to charge huge premiums for software available in the different smaller markets, but their potential customers are now much more likely to see available prices elsewhere and buy over the net.
2. The larger, branded competition is recognizing our niche. They are beginning to compete in our area, recognize our niche. We are no longer alone.
3. New competitors are developing in new markets. Particularly as the European market grows, competitors developing in that area become more significant.

#### 2.3.5 Historical Results

To analyze our historical data, we've made a projection based on what might have been, had the partners been involved in a separate company. It is a composite of the combined consulting of the three main partners.

What we see in the table is that we're taking up a very small portion of the overall consulting dollar spent in this market, effectively our market share is less than one percent. There is a lot of room to grow. We have always been profitable, but we expect to do much better than we have after we combine our forces.

#### Historical Data

##### Historical Data

Variable	2003	2004	2005
<b>Industry Revenue</b>	\$10,000,000	\$15,000,000	\$20,000,000
<b>Company Market Share</b>	0%	0%	0%
<b>Company Revenue</b>	\$10,000	\$37,500	\$84,000
<b>Industry Variable Costs</b>	\$2,500,000	\$3,750,000	\$5,000,000
<b>Company Variable Costs</b>	\$2,500	\$9,375	\$21,000
<b>Industry Gross Contribution Margin</b>	\$7,500,000	\$11,250,000	\$15,000,000
<b>Company Gross Contribution Margin</b>	\$7,500	\$28,125	\$63,000
<b>Marketing Expenses</b>	\$1,750	\$3,500	\$5,750

<b>Company Net Contribution Margin</b>	\$5,750	\$24,625	\$57,250
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## 2.4 Competition

The key element in purchase decisions made at the Acme client level is trust in the professional reputation and reliability of the consulting firm.

### **The competition comes in several forms:**

1. The most significant competition is no consulting at all, companies choosing to do business development, channel development and market research in-house. Their own managers do this on their own, as part of their regular business functions. Our key advantage in competition with in-house development is that managers are already overloaded with responsibilities; they don't have time for additional responsibilities in new market development or new channel development. Also, Acme can approach alliances, vendors, and channels on a confidential basis, gathering information and making initial contacts in ways that the corporate managers can't.
2. The high-level prestige management consulting: XXXXX,XXXXXXXXXXXX,XXXXX-XXXXX, (names omitted to protect confidentiality), etc. These are essentially generalists who take their name-brand management consulting into specialty areas. Their other very important weakness is the management structure that has the partners selling new jobs, and inexperienced associates delivering the work. We compete against them as experts in our specific fields, and with the guarantee that our clients will have the top-level people doing the actual work.
3. The third general kind of competitor is the international market research company: XXXXXXXXX, XXXXXX, XXXX-XXXXX, (names omitted to protect confidentiality), etc. These companies are formidable competitors for published market research and market forums but cannot provide the kind of high-level consulting that Acme will provide.
4. The fourth kind of competition is the market-specific smaller house. For example: Nomura Research in Japan, Select S.A. de C.V. in Mexico (now affiliated with IDC).
5. Sales representation, brokering, and deal catalysts are an ad-hoc business form that will be defined in detail by the specific nature of each individual case.

### 2.4.1 Direct Competition

Direct competitors are the name-brand consulting firms and smaller consulting firms. These are competing offerings of similar services, presumably possibilities that come up in discussions as our target market looks at way to add expertise before building programs to reach new markets.

## Growth and Share Analysis

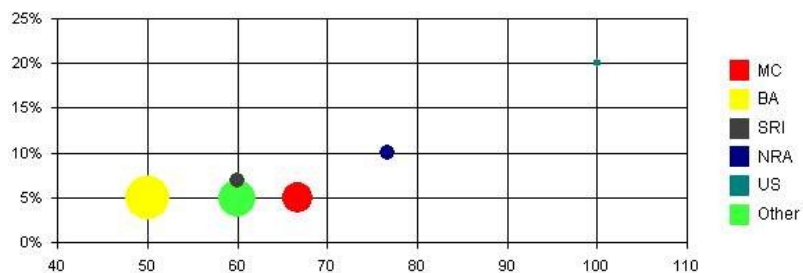
### Growth and Share

Competitor	Price	Growth Rate	Market Share
<b>MC</b>	\$20	5%	20%
<b>BA</b>	\$15	5%	30%
<b>SRI</b>	\$18	7%	10%
<b>NRA</b>	\$23	10%	10%



<b>US</b>	\$30	20%	5%
<b>Other</b>	\$18	5%	25%
<b>Average</b>	\$20.67	8.67%	16.67%
<b>Total</b>	\$124.00	52.00%	100.00%

## Competitor by Growth and Share



## 2.4.2 Indirect Competition

Indirect competition is everywhere. Its strongest and most important form is the decision to stay in-house and manage market entry with existing marketing teams. From there it goes into horizontal marketing consulting, distributors offering cross-market options, and many other possibilities.

## Marketing Strategy

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### 3.0 Marketing Strategy

Strategy is focus. Our strategy involves focusing on a specific area of expertise in which we are as strong a group as in any company anywhere in the world. We are true experts in the introduction of new technology products, especially through channels of distribution.

Acme will focus on three geographical markets; the United States, Europe, and Latin America, and in limited product segments; personal computers, software, networks, telecommunications, personal organizers, and technology integration products.

The target customer is usually a manager in a larger corporation, and occasionally an owner or president of a medium-sized corporation in a high-growth period.

### 3.1 Value Proposition

Our value proposition is high-powered extremely valuable expertise to boost major-league market entrance to new markets across international borders, at a price premium commensurate with the high value. We are not going to compete on price, we compete on quality that makes the price more than worth it.

### 3.2 Critical Issues

The most critical issue is repeat business. We can't build this company on a faulty foundation; we have to have a core group of satisfied clients who come back to us on a regular basis. We can't afford to spend the capital it would take to generate new clients constantly. The repeat business costs about a tenth as much in sales and marketing as the new client.

Repeat business is built on the correct strategic mix of excellence in delivery, clear communication of promise and scope, and follow through.

Most of our competitors build on a structure that has the partners selling the jobs and new hires, bright young people without a lot of experience, delivering. We can't afford to follow that lead. We can use a staff to leverage some of the footwork and analysis work, but ultimately our work must be our own.

### 3.3 Financial Objectives

1. Sales of more than half a million dollars in 2007 and more than \$1 million by 2009.
2. Gross margin higher than 80%.
3. Contribution margin of approximately 50% of sales by the third year.

### 3.4 Marketing Objectives

1. We need to establish ourselves as experts. This means being quoted in major trade press, speaking at industry events, and gaining recognition. Our measurable and specific objective is to be introduced in three major events as established experts in the field of international market entry.
2. We need brand-name reference clients. By the end of this year, we need three major brand names we can cite as clients. We need to be able to reference by name and contact phone number.
3. We need at least one client in each of three main regions. United States and Europe for sure, and also either Latin America or Asia. We can't be who we claim to be without being truly multi-continental.

### 3.5 Target Market Strategy

As indicated by the previous Target Market Forecast table, we must focus on a few thousand well-chosen potential customers in the United States, Europe, and Latin America. These few thousand high-tech manufacturing companies are the key customers for Acme. We are not after every possible potential client, we want the stronger clients that can appreciate quality.

We are focusing on vertical markets, but relatively broadly defined. Our knowledge and expertise is most valuable when applied to the market entrance phase of high-tech products to be marketed through channels in new markets -- usually across international borders -- so they need to establish new channel relationships.

### 3.6 Messaging

We do have a strong message, a major part of which is the impression of confidence and certainty

we create as we deliver that message. We have more detail below, but we can summarize here: we are experts in this topic.

We are not inexpensive. We are worth what we charge. We will save your company market and improve its market entry substantially.

More details are in the messaging table.

### 3.6.1 Branding

With our kind of consulting, branding is a slow process of word of mouth and repeat business. We do however need to use the logo on stage as much as possible in major events, and with our reports, etc. We also need to always work towards establishing ourselves as the acknowledged experts in our field.

### Target Market Messaging

#### Target Market Messaging

#### Market Segments

#### Messaging

#### US High Tech

Making mistakes will cost you much more than we do.

#### European High Tech

This is an investment in the future.

#### Latin America

How much does it cost to do it wrong?

#### Other

### 3.7 Strategy Pyramids

Our strategy is to focus on our main area of expertise. We have plenty of competition in international marketing and in product introduction expertise, but nobody can match us when we stay focused on introducing a high-tech product into channels in international markets.

Our tactics to make this real? First, the quality of work. Second, expertise-based marketing. Third, we rest on heavy use of the newest technologies in international communications (i.e. Internet technologies).

The diagrams show how our marketing programs map into the tactics.

### ***Marketing Mix***

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### 4.0 Marketing Mix

Ours is a delivery-intensive, word-of-mouth, repeat-business business. We aren't marketing as much as selling direct. Obviously we know we need to understand our marketing process -- which is why the attention to quotes in magazines, speaking engagements, etc. -- but we are really selling more than marketing.

## 4.1 Product Marketing

The service itself is a key component to our marketing mix. Our service should be our best advertisement. In this case even more so than with many other similar businesses, because our specialization on channels for international product marketing means we develop contacts with people who can be our recommenders.

We need to fulfill the promise we make: we take a product across national boundaries into new markets, explore channels, guide our client through the maze, and establish the relationships the client needs. This is a very focused deliverable. We aren't just doing international marketing or marketing consulting; we're getting products into channels.

The service itself is a key to our markets.

## 4.2 Pricing

Our pricing needs to match our positioning. We cannot be cheap or economical, we must be at the high end of the pricing scale, job for job, project for project. We aim to be 25% more expensive than the more generic bid for the same project.

## 4.3 Promotion

Our promotion strategy focuses heavily on Public Relations, with very little or no emphasis on advertising or direct marketing.

### 4.3.1 Advertising

Advertising is not part of our marketing mix. We depend on quality delivery and word-of-mouth recommendations.

### 4.3.2 Public Relations

Public relations is an important part of our marketing mix. Even if advertising is irrelevant, the right PR can get us quoted as experts in publications and on websites frequented by our target market. We want to launch with a retainer relationship and a detailed plan for press releases and events, press tours and interviews. The underlying objective of the PR program is to establish our expertise in the media and on the Web so that the potential clients who need our services can find us.

## PR Milestones

### Milestones

PR	Start Date	End Date	Budget	Manager	Department
<b>Plan established</b>	2/1/2006	3/15/2006	\$0	ABC	Department
<b>First objective review</b>	1/1/2006	1/15/2006	\$0	ABC	Department
<b>Second objective review</b>	1/1/2006	1/15/2006	\$0	ABC	Department

<b>Renewal review</b>	1/1/2006	1/15/2006	\$0	ABC Department
<b>Total PR Budget</b>			\$0	

## 4.4 Web Plan

The Acme Consulting website will be the virtual business card and portfolio for the company, as well as its online "home."

It will showcase the Internet background of the partner consultants, as well as the portfolio of all the past and current online projects done by Acme.

The Acme Consulting website needs to be a simple yet classy and well designed website that, at the same time, is in keeping with the latest trends in user interface design. A site that is too flashy, or tries to use too much of the latest Shockwave or Flash technology can be over done, and cause potential clients to look elsewhere for online distribution expertise.

To further show off its expertise, the Acme website should create a resources area, offering articles, research and regular newsletters to interested parties.

After initial implementation of the Acme website, future development will be based on resources and business needs.

### 4.4.1 Website Goals

The website has two specific goals:

1. Support specific sales efforts like collateral have traditionally done, providing background and credibility.
2. Generate leads through the Web publishing of related articles and possibly even surveys of interest to potential customers who are part of the target market.

### 4.4.2 Website Marketing Strategy

Marketing in a high-end Internet consulting business depends on recognition for expertise. It starts with our known contacts in positions to recommend us, and continues with long-term efforts to develop recognition in professional forums.

We will use some limited pay-per-click expenses to push very carefully targeted traffic. Tracy, with the help of conferral with partners and outside experts (budgeted in expenses), is to establish the right keyword strategies. At the outset, keywords like "international distribution" and "international market entry" seem like targets.

Keyword strategy will be set in the initial website plan due at the end of March.

We will develop and maintain a database of people in the right positions. It starts with the contacts we bring in as we start the business. We use the database to make regular contact with email notices for additional forums and seminars, possibly group studies and market research reports.

### 4.4.3 Development Requirements

Acme Consulting's website will be initially developed with appropriate resources. The website is obviously a critical sales collateral in today's world. Tracy will be responsible and has the experience to make this happen, particularly with the back-up budget of more than \$30K for outside contracting and resources. Tracy plans to use a simple hosting provider, Yahoo! Web services or equivalent, to host the site and provide the technical back end.

Tracy will work with a contracted Web designer to develop the simple, elegant, content-rich site. The maintenance of the site will be done by Tracy with content support by the partners themselves. As the website rolls out future development such as newsletters and downloadable market research reports, a technical resource may need to be contracted to build the trackable download and the newsletter capabilities. Acme can also look into pre-packaged solutions through hosting providers.

A table of specific website related expenses has been included in the appendix.

## Website Milestones

### Milestones

Web Development	Start Date	End Date	Budget	Manager	Department
Detailed plan	1/5/2006	2/15/2006	\$0	Tracy	Marketing
Up and running	2/15/2006	3/31/2006	\$8,000	ABC	Department
Fine tuning and refresh	9/1/2006	10/31/2006	\$8,000	ABC	Department
Other	1/4/2006	12/31/2006	\$16,600	ABC	Department
<b>Total Web Development Budget</b>			<b>\$32,600</b>		

## 4.5 International Markets

International markets are the key to Acme Consulting. Our expertise applies equally to a US company looking at entering Europe, Latin America, or Asia, or to a European company entering US, Latin America, or Asia, or an Asian company entering US, Europe, or Latin America, or a Latin American company entering US, Europe, or Asia.

We have to also recognize what we don't know. We don't have expertise in market entry in China, Russia, Middle East, or Africa. To say so outright when these issues come up is to validate our credibility in other areas.

## 4.6 Implementation Schedule

The Milestones table and chart identify the key marketing programs, with their managers. Dates and budgets are clearly established. The managers are informed of their main programs and they are on board with implementation.

We will be tracking plan-vs.-actual results for each of these programs and discussing them at our monthly marketing meetings.

The programs will be revised each year. This year's plan includes only the programs to be implemented this year.

## Milestones

### Milestones

<b>Advertising</b>	Start Date	End Date	Budget	Manager	Department
n.a	n.a	n.a	\$0	n.a	n.a
n.a	n.a	n.a	\$0	n.a	n.a
n.a.	n.a	n.a	\$0	n.a	n.a
<b>Other</b>	n.a	n.a	\$0	n.a	n.a
<b>Total Advertising Budget</b>			\$0		
<b>PR</b>	Start Date	End Date	Budget	Manager	Department
<b>Plan established</b>	2/1/2006	3/15/2006	\$0	ABC	Department
<b>First objective review</b>	1/1/2006	1/15/2006	\$0	ABC	Department
<b>Second objective review</b>	1/1/2006	1/15/2006	\$0	ABC	Department
<b>Renewal review</b>	1/1/2006	1/15/2006	\$0	ABC	Department
<b>Total PR Budget</b>			\$0		
<b>Direct Marketing</b>	Start Date	End Date	Budget	Manager	Department
n.a.	n.a.	n.a.	\$0	n.a	n.a
n.a.	n.a.	n.a.	\$0	n.a	n.a
n.a.	n.a.	n.a.	\$0	n.a	n.a
<b>Other</b>	n.a.	n.a.	\$0	n.a	n.a
<b>Total Direct Marketing Budget</b>			\$0		
<b>Web Development</b>	Start Date	End Date	Budget	Manager	Department
<b>Detailed plan</b>	1/5/2006	2/15/2006	\$0	Tracy	Marketing
<b>Up and running</b>	2/15/2006	3/31/2006	\$8,000	ABC	Department
<b>Fine tuning and refresh</b>	9/1/2006	10/31/2006	\$8,000	ABC	Department
<b>Other</b>	1/4/2006	12/31/2006	\$16,600	ABC	Department
<b>Total Web Development Budget</b>			\$32,600		
<b>Other</b>	Start Date	End Date	Budget	Manager	Department
<b>Recruit Additional Partner</b>	10/1/2006	12/15/2006	\$1,000	All	Admin
<b>First Asian Client</b>	6/1/2006	12/15/2006	\$500	Wong	Sales

<b>Name me</b>	1/1/2006	1/15/2006	\$0	ABC Department
<b>Other</b>	1/1/2006	1/15/2006	\$0	ABC Department
<b>Total Other Budget</b>			\$1,500	
<b>Totals</b>			\$34,100	

## 4.7 Sales Plan

We don't really "sell," in the classic pejorative sense. Instead, we listen. We offer our services to clients who have the needs we can fill, and we listen well enough to establish whether or not we do. The most powerful long-term sales pitch is to tell somebody "I'm sorry, that's not what we do. We are not the best answer to your problem." That unusual "pitch" establishes credibility and positions us well for the future time when that company does need our services.

Selling doesn't work well in this area except honest expertise well delivered. We don't overpromise, we don't embellish, we don't even attempt to sell to anybody who isn't buying it. We don't answer objections, we move on to the next client. We are offering true expertise and we sell only to those who already know they want it.

The key is repeat business: never lose a client.

### 4.7.1 Sales Strategy

Acme will focus on three geographical markets, the United States, Europe, and Latin America, and in limited product segments: personal computers, software, networks, telecommunications, personal organizers, and technology integration products.

The target customer is usually a manager in a larger corporation, and occasionally an owner or president of a medium-sized corporation in a high-growth period.

### 4.7.2 Sales Process

1. Listen first. Understand the client's market introduction objectives, in detail.
2. Don't ever convince a client that he or she needs our services. Focus on the ones who already know they need us.
3. Always underpromise and overdeliver.

The underlying objective of the PR program is to establish our expertise in the media and on the Web so that the potential clients who need our services can find us.

## Sales Account Plan

### Sales Account Plan

<b>Target Accounts</b>	<b>History</b>	<b>Status</b>	<b>Annual Sales Potential</b>	<b>Key Account Manager</b>
<b>Name omitted for confidentiality</b>	n.a.	50%	\$250,000	Kelly



<b>Name omitted for confidentiality</b>	n.a.	25%	\$100,000	Tracy
<b>Other</b>	n.a.	40%	\$100,000	Leslie
<b>Existing Key Accounts</b>	History	Status	Annual Sales Potential	Key Account Manager
<b>Name omitted for confidentiality</b>	n.a.	-	\$200,000	Kelly
<b>Name omitted for confidentiality</b>	n.a.	-	\$100,000	Tracy
<b>Other</b>	n.a.	-	\$250,000	Tracy
<b>Total</b>			\$1,000,000	

## ***Financials***

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### **5.0 Financials**

Our plan calls for sales of nearly \$600,000 this year growing to \$1.2 million by 2009, on marketing expenses of slightly more than \$200,000, which is about 35% of sales. By the last year in the plan, our marketing expenses of \$480,000 will be only 25% of sales.

The plan assumes two important trends:

First, a steady decline in cost of sales and growth in gross margin percentage as we build more of our resources, as full-time personnel and fixed costs instead of contractors and outside consultants. That means that as we grow we take on more risk -- if the plan is implemented. Step by step we'll have to watch the growth of sales relationships that imply the advisability of taking on more people as partners and employees, instead of as contractors.

Second, a decline in marketing expenses as a percent of sales. The 35% figure we project for the first year is quite high, unacceptably high except that we are building a reputation and marketing without the leverage of past marketing, starting from zero. By the fifth year of the plan, we should be spending 25% of sales on marketing. This is a better figure.

### **5.1 Break-even Analysis**

For consultants, we have an unusually high variable cost of 30% of sales. This makes sense for us at this point, because turning to experts on a per-job basis, as long as these are the people we know and trust, reduces the risk of fixed costs.

This break-even is a reflection of our first year, in which we are building our fulfillment based on variable cost people instead of fixed-cost people. The risk profile should look very different by the last year.

## **Fixed Costs**

### **Fixed Costs**

#### **Cost**

<b>Rent or Lease</b>	\$4,500
<b>Professional Services</b>	\$1,000
<b>Payroll</b>	\$30,000
<b>Interest Payments</b>	\$0
<b>Utilities &amp; Telephone</b>	\$1,000
<b>Non-discretionary Marketing Expenses</b>	\$0
<b>Other</b>	\$1,000
<b>Total Fixed Costs</b>	\$37,500

## **Break-even Analysis**

### **Break-even Analysis**

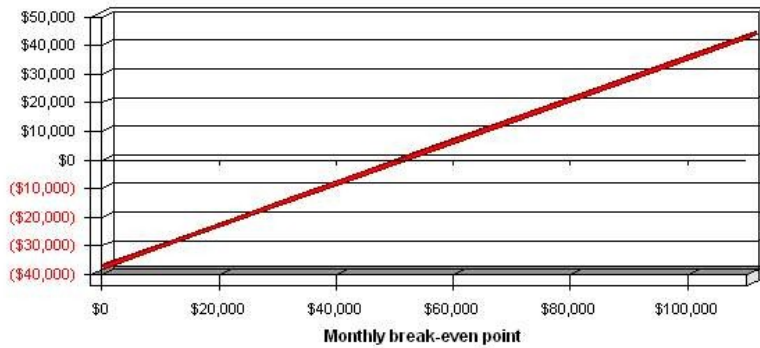
**Monthly Revenue Break-even** \$51,270

#### **Assumptions:**

**Average Percent Variable  
Cost** 27%

**Estimated Monthly Fixed Cost** \$37,500

## **Break-even Analysis**



Break-even point = where line intersects with 0

## 5.2 Sales Forecast

Our sales for this start-up period grow from \$10,000 per month at the beginning -- retainer business from our founding partner, with existing clients -- to \$90,000 next fall. The sales forecast is aggressive, assuming financing for our marketing expense and bringing on partners and staff as planned.

We intend to continue to increase billings throughout the forecast period, reaching annual totals increasing from less than \$600,000 in the first year to \$1.825 million in the fifth.

### Sales Forecast

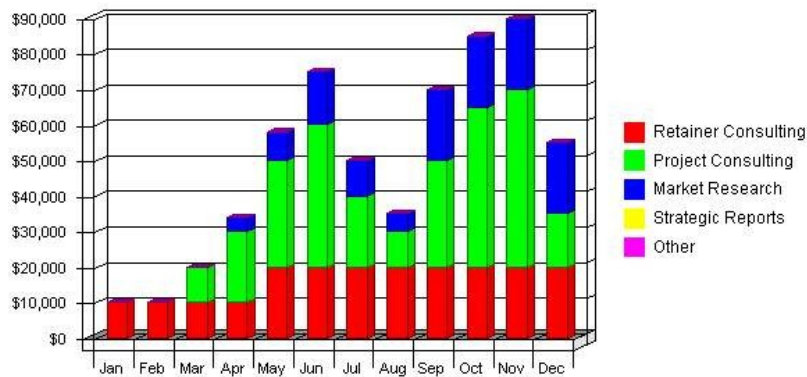
#### Sales Forecast

	2006	2007	2008	2009	2010
<b>Sales</b>					
<b>Retainer Consulting</b>	\$200,000	\$350,000	\$425,000	\$500,000	\$550,000
<b>Project Consulting</b>	\$270,000	\$325,000	\$350,000	\$400,000	\$450,000
<b>Market Research</b>	\$122,000	\$150,000	\$200,000	\$250,000	\$300,000
<b>Strategic Reports</b>	\$0	\$50,000	\$125,000	\$250,000	\$375,000
<b>Other</b>	\$0	\$25,000	\$50,000	\$100,000	\$150,000
<b>Total Sales</b>	\$592,000	\$900,000	\$1,150,000	\$1,500,000	\$1,825,000

<b>Direct Cost of Sales</b>	2006	2007	2008	2009	2010
<b>Retainer Consulting</b>	\$30,000	\$20,000	\$15,000	\$10,000	\$10,000
<b>Project Consulting</b>	\$45,000	\$20,000	\$15,000	\$10,000	\$10,000
<b>Market Research</b>	\$84,000	\$86,000	\$88,000	\$90,000	\$92,000

<b>Strategic Reports</b>	\$0	\$20,000	\$25,000	\$32,500	\$40,000
<b>Other</b>	\$0	\$10,000	\$10,000	\$10,000	\$10,000
<b>Subtotal Direct Cost of Sales</b>	\$159,000	\$156,000	\$153,000	\$152,500	\$162,000

### Sales Monthly



### 5.2.1 Sales by Partner

As the projection shows, we expect our billing to come from all three of our main partners first. The partners have relationships that should create these billings at that level.

Later on, we expect the billing to come from additional resources and additional partners, so the billings attributed to the main three go down as a percentage of the total.

The detail for this table is included in the appendices.

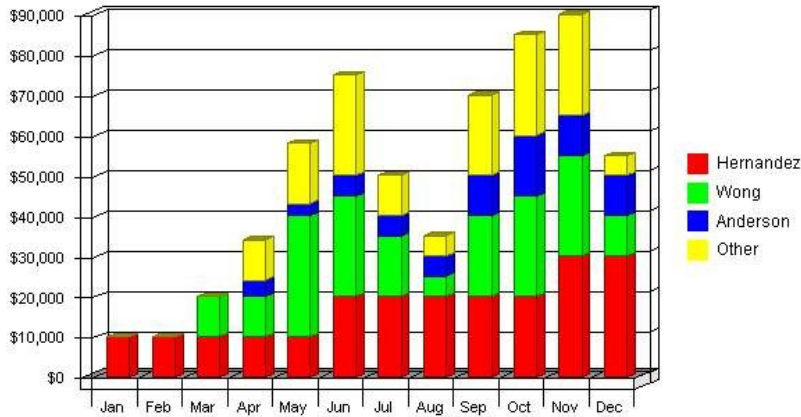
### Sales Breakdown by Partner

#### Sales by: Partner

	2006	2007	2008	2009	2010
<b>Sales</b>					
<b>Hernandez</b>	\$210,000	\$250,000	\$350,000	\$450,000	\$600,000
<b>Wong</b>	\$175,000	\$200,000	\$250,000	\$350,000	\$450,000
<b>Anderson</b>	\$67,000	\$175,000	\$200,000	\$250,000	\$350,000
<b>Other</b>	\$140,000	\$275,000	\$350,000	\$450,000	\$425,000
<b>Total</b>	\$592,000	\$900,000	\$1,150,000	\$1,500,000	\$1,825,000

**Average**    \$148,000   \$225,000    \$287,500    \$375,000    \$456,250

**Sales Breakdown by Partner Monthly**



**5.2.2 Sales by Segment**

We expect to focus more on the mainline hardware this first year, but the growth in our industry is in communications and Internet-related business, so during the five years our projection shows a continual trend towards the other segment.

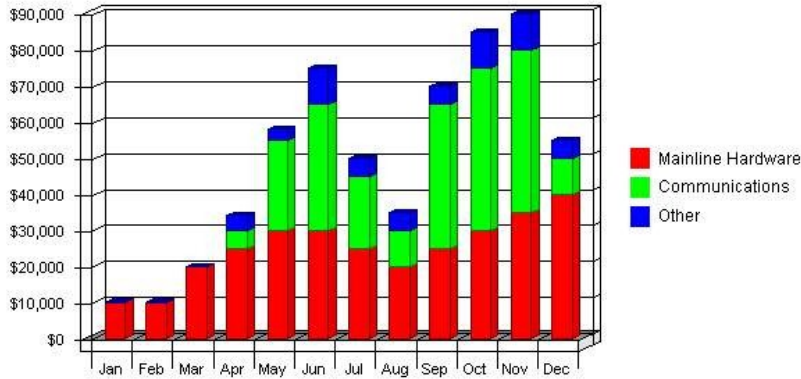
The detail for this table is included in the appendices.

**Sales Breakdown by Segment**

**Sales by: Segment**

	2006	2007	2008	2009	2010
<b>Sales</b>					
<b>Mainline Hardware</b>	\$300,000	\$350,000	\$450,000	\$500,000	\$550,000
<b>Communications</b>	\$235,000	\$450,000	\$600,000	\$900,000	\$1,175,000
<b>Other</b>	\$57,000	\$100,000	\$100,000	\$100,000	\$100,000
<b>Total</b>	\$592,000	\$900,000	\$1,150,000	\$1,500,000	\$1,825,000
<b>Average</b>	\$197,333	\$300,000	\$383,333	\$500,000	\$608,333

**Sales Breakdown by Segment Monthly**



### 5.2.3 Sales by Region

In our regional billings, we expect to see the market in Europe growing much more quickly than in the United States, although the U.S. market starts out much bigger, so that in five years we are billing in equal portions in the United States and Europe.

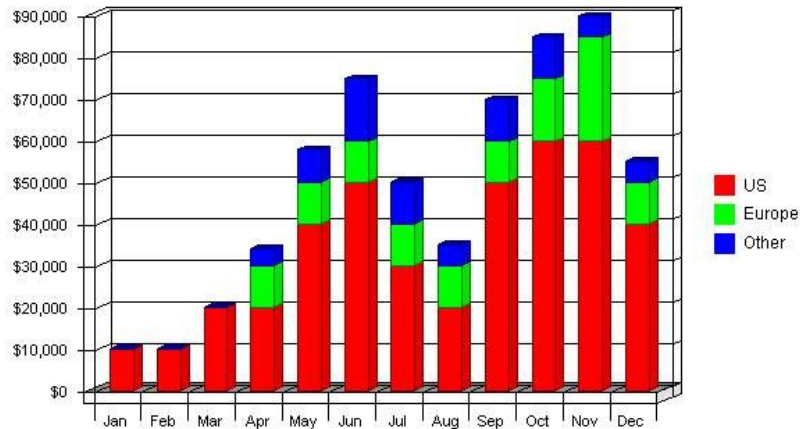
The forecast isn't a reflection of total market directly. It also assumes that we are doing what we have to do to take advantage of the growth potential in Europe. This includes marketing, developing the practice, and developing the repeat business.

### Sales Breakdown by Region

#### Sales by: Region

	2006	2007	2008	2009	2010
<b>Sales</b>					
<b>US</b>	\$410,000	\$525,000	\$600,000	\$725,000	\$800,000
<b>Europe</b>	\$110,000	\$250,000	\$400,000	\$600,000	\$800,000
<b>Other</b>	\$72,000	\$125,000	\$150,000	\$175,000	\$225,000
<b>Total</b>	\$592,000	\$900,000	\$1,150,000	\$1,500,000	\$1,825,000
<b>Average</b>	\$197,333	\$300,000	\$383,333	\$500,000	\$608,333

### Sales Breakdown by Region Monthly



### 5.3 Expense Forecast

Overall we project sales and marketing expenses to more than double from \$215,000 this first year to \$480,000 in the fifth year. This compares to sales increasing threefold during the same period. We believe that effective marketing requires a very high percentage of sales and marketing expenses to sales during the early years, and that over time we can bring that percentage down to more acceptable levels.

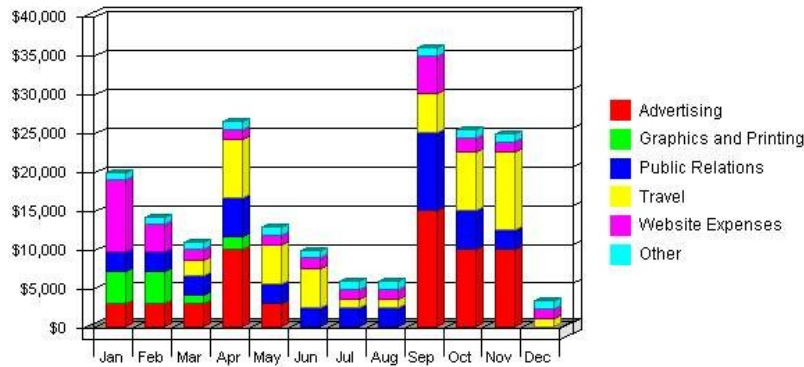
Expenses divide over four main categories: advertising, public relations, travel, and website. A smaller budget is included for Graphics and Printing expenses, and we also have a substantial additional budget for contingencies. A separate table has been included to tabulate the expenses. Totals have been brought forward to the Marketing Expense Budget table below.

### Marketing Expense Budget

#### Marketing Expense Budget

	2006	2007	2008	2009	2010
<b>Advertising</b>	\$57,000	\$65,000	\$75,000	\$90,000	\$100,000
<b>Graphics and Printing</b>	\$10,500	\$15,000	\$20,000	\$25,000	\$30,000
<b>Public Relations</b>	\$40,000	\$50,000	\$55,000	\$60,000	\$65,000
<b>Travel</b>	\$45,000	\$55,000	\$60,000	\$75,000	\$100,000
<b>Website Expenses</b>	\$30,100	\$34,500	\$41,500	\$35,000	\$41,500
<b>Other</b>	\$12,000	\$25,000	\$40,000	\$50,000	\$60,000
-----					
<b>Total Sales and Marketing Expenses</b>	\$194,600	\$244,500	\$291,500	\$335,000	\$396,500
<b>Percent of Sales</b>	32.87%	27.17%	25.35%	22.33%	21.73%

## Monthly Expense Budget



### 5.3.1 Expense by Partner

As the table and chart shows -- with more information in the appendices -- most of our expenses are managed by marketing, not by the partners themselves. Each partner has some expense allocation to deal with specific client development programs, marketing of expertise, and related projects.

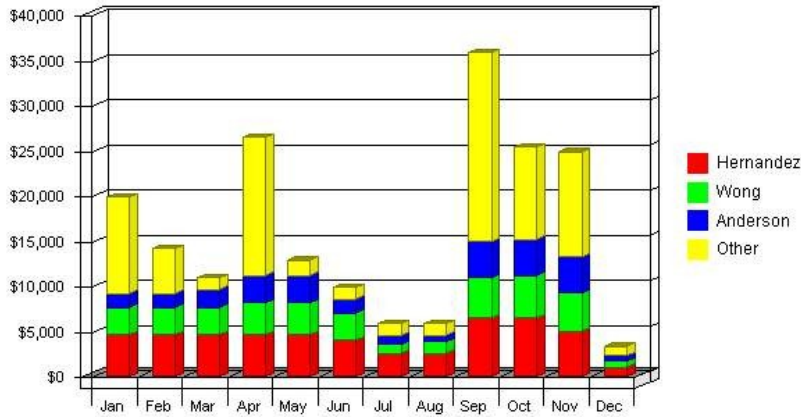
### Expense Breakdown by Partner

#### Expenses by Partner

	2006	2007	2008	2009	2010
<b>Expenses</b>					
<b>Hernandez</b>	\$50,800	\$44,000	\$48,000	\$53,000	\$58,000
<b>Wong</b>	\$35,400	\$24,000	\$26,000	\$29,000	\$32,000
<b>Anderson</b>	\$26,800	\$24,000	\$26,000	\$29,000	\$32,000
<b>Other</b>	\$81,600	\$152,500	\$191,500	\$224,000	\$274,500
<b>Total</b>	\$194,600	\$244,500	\$291,500	\$335,000	\$396,500
<b>Average</b>	\$48,650	\$61,125	\$72,875	\$83,750	\$99,125

### Expense Breakdown by Partner Monthly





### 5.3.2 Expense by Segment

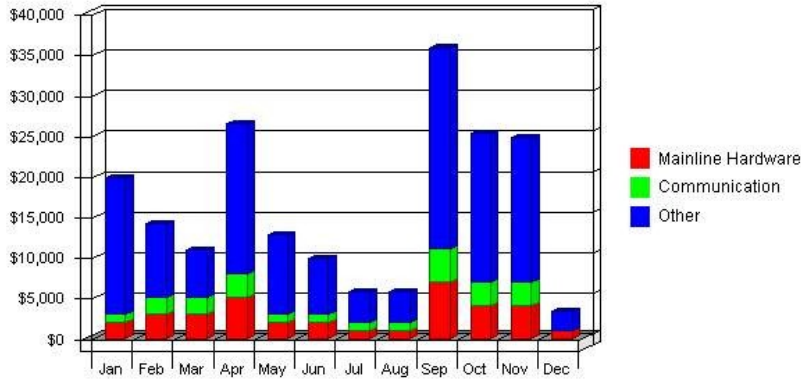
As with partners in the preceding topics, most of our expenses go towards general marketing expenses instead of tailored to a specific segment. This is particularly important for our development of the industry reputation we need even as the product structures and divisions change. We expect billings to shift towards communications, but with expenses we need to market our expertise and let the projects come in their appropriate segments.

#### Expense Breakdown by Segment

##### Expenses by Segment

	2006	2007	2008	2009	2010
<b>Expenses</b>					
<b>Mainline Hardware</b>	\$35,000	\$35,000	\$45,000	\$55,000	\$65,000
<b>Communication</b>	\$22,000	\$33,000	\$51,000	\$75,000	\$95,000
<b>Other</b>	\$137,600	\$176,500	\$195,500	\$205,000	\$236,500
<b>Total</b>	\$194,600	\$244,500	\$291,500	\$335,000	\$396,500
<b>Average</b>	\$64,867	\$81,500	\$97,167	\$111,667	\$132,167

#### Expense Breakdown by Segment Monthly



### 5.3.3 Expense by Region

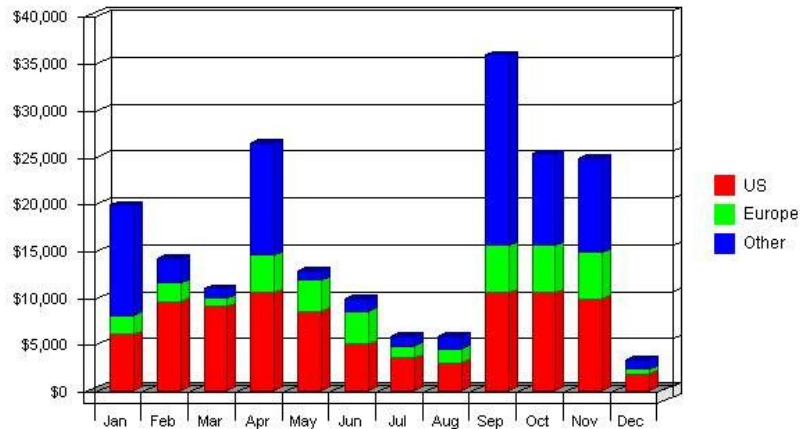
Although we don't see our expenses tagged a great deal to specific regions, the projection does call for an increasing level of expenses directed at the European market. The main bulk of expenses, however, goes to the "other" category that includes marketing programs directed at the general marketing of our specific expertise among high-tech companies worldwide.

### Expense Breakdown by Region

#### Expenses by Region

	2006	2007	2008	2009	2010
<b>Expenses</b>					
<b>US</b>	\$87,600	\$43,000	\$51,000	\$63,000	\$75,000
<b>Europe</b>	\$34,000	\$65,000	\$90,000	\$110,000	\$150,000
<b>Other</b>	\$73,000	\$136,500	\$150,500	\$162,000	\$171,500
<b>Total</b>	\$194,600	\$244,500	\$291,500	\$335,000	\$396,500
<b>Average</b>	\$64,867	\$81,500	\$97,167	\$111,667	\$132,167

### Expense Breakdown by Region Monthly

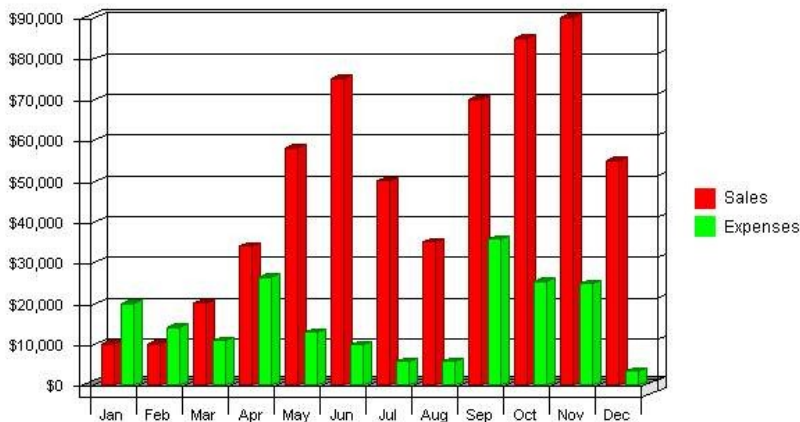


### 5.4 Linking Expenses to Strategy and Tactics

Where we see the strategic match in expenses to sales in the steady increase in relative spending for Europe and for the communications/Internet segments. These strategic shifts may be hidden somewhat because of the bulk of spending going into the non-specific areas, but they are still evident in the sales and expense breakdown by categories.

Our expenses and strategy seem very well matched because we are putting the bulk of marketing expenses into the key elements for building our leads: quotes in magazines, magazine articles, speaking engagements, and some very strategic advertising, including Internet advertising.

### Sales vs. Expenses Monthly



### 5.5 Contribution Margin

The contribution margin should increase steadily during the five year plan period, because of two factors:

1. The cost of sales goes down as we develop the business and grow, bringing on the expertise we need to fulfill our promise with in-house partners and associates as employees, rather than contracting expertise. Risk goes up with the increased fixed costs, but the margins go up too, because cost of sales is less.

2. Our sales and marketing expenses will stabilize. We don't expect to decrease the overall level of expenses, but they should decline in percentage terms as sales go up.

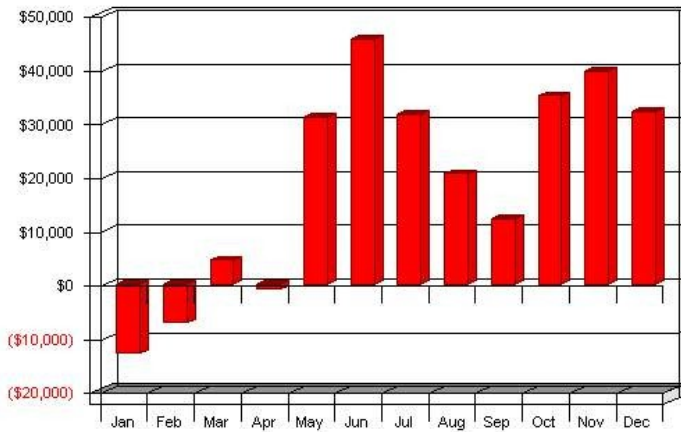
Given both factors, we project our contribution margin to increase from 36% the first year, to 63% the last year.

## Contribution Margin

### Contribution Margin

	2006	2007	2008	2009	2010
<b>Sales</b>	\$592,000	\$900,000	\$1,150,000	\$1,500,000	\$1,825,000
<b>Direct Cost of Sales</b>	\$159,000	\$156,000	\$153,000	\$152,500	\$162,000
<b>Costs of Sales</b>	\$6,000	\$12,000	\$25,000	\$35,000	\$50,000
	-----	-----	-----	-----	-----
<b>Total Cost of Sales</b>	\$165,000	\$168,000	\$178,000	\$187,500	\$212,000
<b>Gross Margin</b>	\$427,000	\$732,000	\$972,000	\$1,312,500	\$1,613,000
<b>Gross Margin %</b>	72.13%	81.33%	84.52%	87.50%	88.38%
<b>Marketing Expense Budget</b>	2006	2007	2008	2009	2010
<b>Advertising</b>	\$57,000	\$65,000	\$75,000	\$90,000	\$100,000
<b>Graphics and Printing</b>	\$10,500	\$15,000	\$20,000	\$25,000	\$30,000
<b>Public Relations</b>	\$40,000	\$50,000	\$55,000	\$60,000	\$65,000
<b>Travel</b>	\$45,000	\$55,000	\$60,000	\$75,000	\$100,000
<b>Website Expenses</b>	\$30,100	\$34,500	\$41,500	\$35,000	\$41,500
<b>Other</b>	\$12,000	\$25,000	\$40,000	\$50,000	\$60,000
	-----	-----	-----	-----	-----
<b>Total Sales and Marketing Expenses</b>	\$194,600	\$244,500	\$291,500	\$335,000	\$396,500
<b>Percent of Sales</b>	32.87%	27.17%	25.35%	22.33%	21.73%
<b>Contribution Margin</b>	\$232,400	\$487,500	\$680,500	\$977,500	\$1,216,500
<b>Contribution Margin / Sales</b>	39.26%	54.17%	59.17%	65.17%	66.66%

## Contribution Margin Monthly



## Controls

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### 6.0 Controls

This plan is about implementation, changing the business, and making it better. It is worth nothing if not implemented. In this chapter we look at specific implementation programs, and the details that it takes to make it happen.

### Other Milestones

#### Milestones

Other	Start Date	End Date	Budget	Manager	Department
<b>Recruit Additional Partner</b>	10/1/2006	12/15/2006	\$1,000	All	Admin
<b>First Asian Client</b>	6/1/2006	12/15/2006	\$500	Wong	Sales
<b>Name me</b>	1/1/2006	1/15/2006	\$0	ABC	Department
<b>Other</b>	1/1/2006	1/15/2006	\$0	ABC	Department
<b>Total Other Budget</b>			\$1,500		

### 6.1 Keys to Success

We need to be aware of metrics of course so we can revisit plans and measure our progress towards

plan.

1. In our case, with our small size and direct owner-operator-partner management, the key organizational metric is projects, as in sales. Theoretically as we grow and compartmentalize we would introduce more of the classic sales process metrics such as lead generation, presentations, etc., steps in the pipeline. For now however this would be disproportional to size.
2. We should measure website traffic as unique visitors. We can live with a realistic 100 unique visitors per month for now, but the planned investment in the website should be tied to traffic increases to 1,000 unique visitors per month by the end of this year, 5,000 by the end of the planned period.
3. PR should produce specific metrics, in the plan to be completed by March 15 (in the milestones). Our PR effort should be responsible for quotes in publications, articles produced, and speaking opportunities. Of course there must be shared responsibility with the partners on who the PR effort will depend.

## 6.2 Market Research

We need to cover two main elements of market research:

1. Manufacturers. We need to know the market of manufacturers in all three target continents, including market trends and developments related to manufacturers of personal computers, peripherals, connectivity and Internet, and software.
2. Channel marketing. We need to know the trends in channel competition, emergence of new channels, economics, major competitors, new technologies, and major players in all three continents.

At this stage of our development, our research is mainly secondary research generated by keeping up with the media, including trade press and the Internet. We should quickly establish a strong filing system so that we can use the information that appears in secondary sources and catalog and organize for effective use later on.

## 6.3 Contingency Planning

The most likely change in the marketing scheme is a major increase in Internet website traffic and the importance of website marketing. We will all keep a close eye on website developments and, if needed, increase our focus on website marketing.

As of this writing, we expect we can develop our niche and focus without direct competition from the name brand consulting companies. If we attract direct competition operating within our key area, we should then...(omitted for reasons of confidentiality).

## 6.4 Marketing Organization

Our marketing department is managed by Leslie Howard, a full-time professional, responsible to all of the partners as a group but to no specific partner. We need the marketing department to maintain its professional integrity above and beyond the specific partners, looking out for our marketing goals and implementing the marketing programs as best fits our strategy.

Leslie has two full-time employees, one in charge of the website implementation (Tracy) and the other a staff manager to help with the logistics of getting it all done (Kelly).