



STRATEGIC PLANNING

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Plan:

- ❖ Implications of strategic planning
- ❖ Defining the company's business and mission
- ❖ Designing the business portfolio
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- ❖ Managing the marketing effort

Implications of strategic planning

- Strategic planning requires the company to develop a company mission, objectives and goals. This in turn involves developing the business portfolio and functional plans. Other growth alternatives that the marketing department needs to consider are the product/market expansion grid, which shows 4 avenues for growth: market penetration, market development, product development, and diversification.
- There are 3 different types of plans that companies might use:
 - I. Annual plans;
 - II. Long-range plans;
 - III. Strategic plans.

Strategic planning is defined as the process of developing and maintaining a strategic fit between the organization's goals and capabilities and its changing marketing opportunities.

- There are 4 steps to the strategic planning process:
 - a) Defining a clear company mission;
 - b) Setting supporting company objectives;
 - c) Designing a sound business portfolio;
 - d) Planning and coordinating marketing and other functional strategies.

Defining the company's business and mission

- An organization exists to accomplish something. It usually starts off with a clear mission. Over time, due to expansion, addition of business units, or faced with changing environment, its mission becomes absolute.
- The first step in the planning process is defining **the company mission**.
- **A mission statement** is a statement of the organization's purpose – what it wants to accomplish in the larger environment.
- **Mission statements must:**
 - Be realistic;
 - Be specific;
 - Fit the market environment;
 - Indicate distinctive competencies;
 - Be motivating.

Designing a business portfolio

- A business portfolio is a collection of businesses and products that make up the company.
- In order to design the business portfolio, the business must:
 - ❑ Analyze its current business portfolio and decide which business should receive more, less, or no investment;
 - ❑ Develop growth strategies by adding new products or businesses to the portfolio.

Analyzing the current business portfolio

Two steps are important in this analysis:

- 1) The first step is to identify the key businesses called Strategic Business Unit (SBU);
- 2) The second step is to assess the attractiveness of its various SBUs and decide how much support each deserves.

Analyzing the current business portfolio

- The best known portfolio planning method is Boston consulting group (BCG) matrix. It will evaluate its market growth rate and the relative market share.
- In adopting the matrix, 4 types of SBUs can be identified:
 - ❖ Stars – high growth, high share businesses and products;
 - ❖ Cash cows – low growth, high share businesses and products ;
 - ❖ Question marks – low share business and in high growth markets;
 - ❖ Dogs – low growth, low share businesses and products.



Developing growth strategies

- One of the useful approaches is the product/market expansion grid. This expansion grid is a portfolio planning tool for identifying company growth opportunities through:
 - market penetration;
 - market development;
 - product development;
 - diversification.

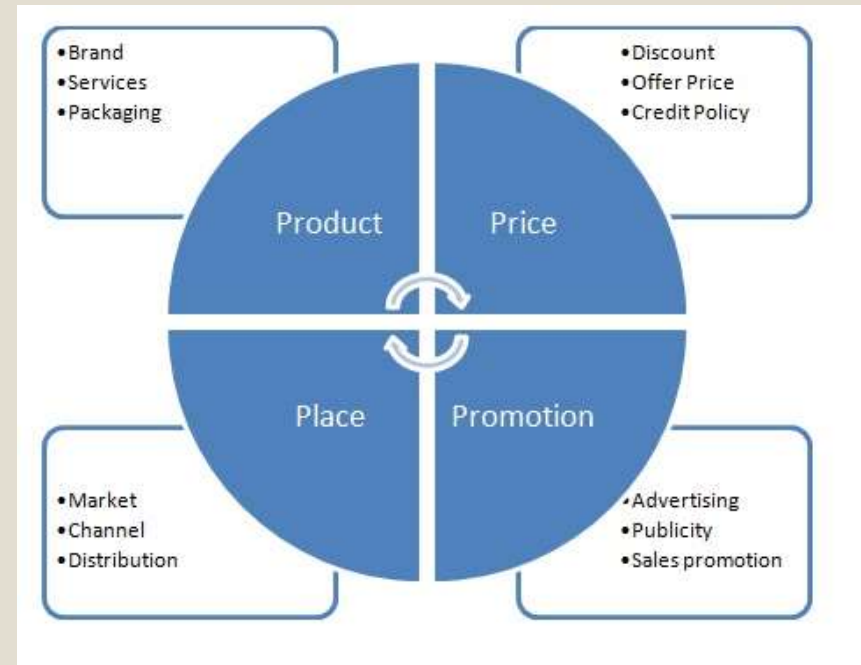


GRID MATRIX		
	EXISTING PRODUCTS	NEW PRODUCTS
EXISTING MARKET	Market Penetration hamburgers, cheeseburgers, chicken products, French fries, breakfast items, soft drinks, milkshakes and desserts. More recently, it has begun to offer salads, wraps and fruit.	Product Development Innovation in all products, Introduction of new products (Brands)
NEW MARKET	Market Development Uruguay Venezuela Yemen	Diversification Pret A Manger Chipotle Mexican Grill

Marketing Mix

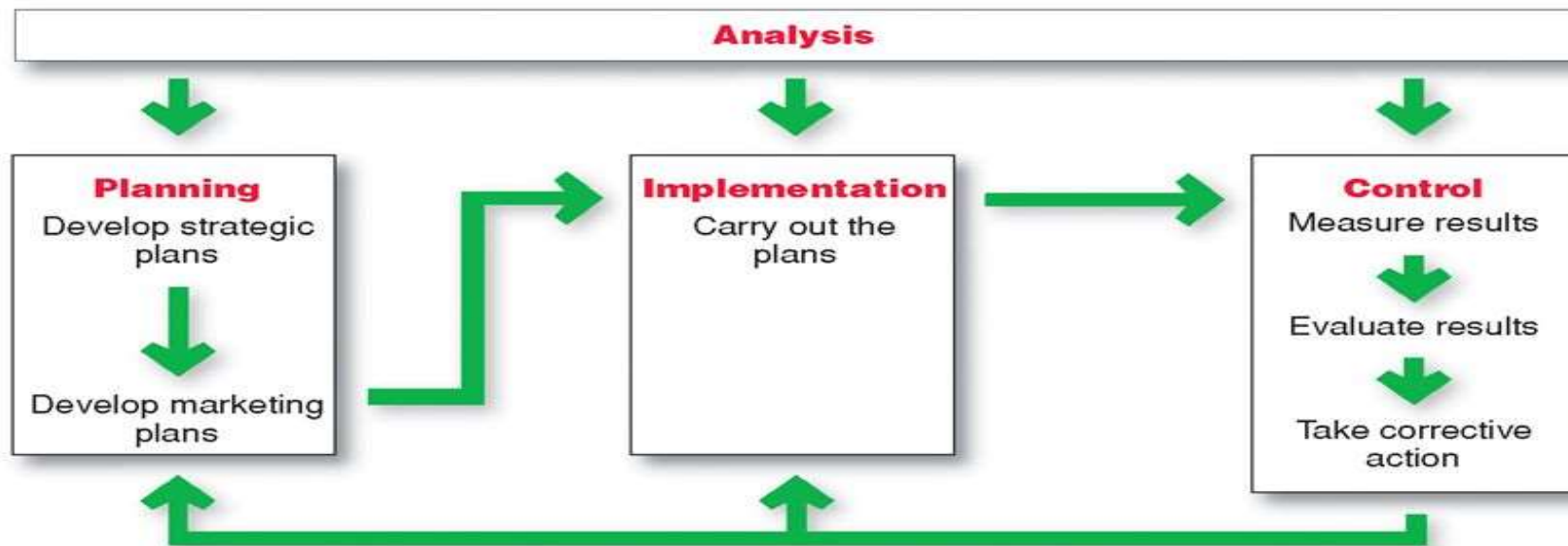
- The marketing mix is defined as a set of controllable marketing variables that the firm blends to produce the response it wants from the target market.
- the marketing mix is the set of tools that marketers use as the “4 Ps” which is made up
 - Product;
 - Price;
 - Place;
 - Promotion.

An effective marketing program use of the all 4Ps into a coordinated program designed to achieve the company's marketing objectives by delivering value to consumers.



Managing the marketing effort

Managing the Marketing Effort



Thank you for your attention!