## Strategic Planning, Competitive Strategy and Marketing

Good marketing starts with an understanding of what business we are in; who are our customers; the nature of competition; a vision for the company, and so on. This is the realm of strategic planning and the nature of competitive strategy.

Do most firms have a good grip on all of this? Do they in fact have a strategic plan with an easy to understand mission and vision?

Michael Porter says that most firms do not have a good sense of strategy <https://www.youtube.com/watch?v=DViVtgD0xwE>

Guy Kawasaki explores the issue of mission and vision, and feels many firms are not good at this either

<https://www.youtube.com/watch?v=WMeCsnhH10c>

So, what is at the essence or core of strategic planning? It involves your company, your customers, and your competitors. Three key domains. What is your ability to attract customers, to gain more from your customers, to gain new customers, and to ward off competitors. Strategic planning and competitive strategy is explained well in the following three minute video <https://www.youtube.com/watch?v=bl5cyZlay4k>

This presentations shows how we relate to our customers and the competition. What if we go after more from the same customers; how about new customers; how about going after the competition. How do we do this… Porter says the two ways to compete are either as a Cost Leader or as a differentiator. <https://www.youtube.com/watch?v=-FA-eJvHP_s>

So how do you compete on differentiation? How do you gain more from customers, gain new customers, and ward off competition? Porter talks about a concept called the value chain. Every aspect of the business can be analyzed and studied in order to consider how you might add value for the customer. Here is a discussion of the value chain concept. <https://www.youtube.com/watch?v=hEeVocMBHHQ>

Another way to think about the value chain has been proposed called the Ten Types of Innovation. The Ten Types gives us a stylized view of the Value Chain and ten specific levers we can pull to create added value. <https://www.youtube.com/watch?v=2DMJ8cHwD0I>

Once we have a sense of the business; a vision and mission, strategic objectives, ideas about the competition…the customers …. the industry …. Our company and its position and role … and where we want to go (vision), we have a strategy!

Making the strategy real and happen falls on the shoulders of everyone in the firm, but in particular, the marketing department will be working to learn more about the customers, and then create, communicate and deliver the value that was part of the strategy and objectives created in the process of doing the strategic and competitive plan.

Create, communicate and deliver value …. This is the essence of marketing as noted in Kotlers talk here at the London Business School … <https://www.youtube.com/watch?v=bilOOPuAvTY>

I hope that this helps to explain the importance of strategic planning and competitive strategy development as the basis for good marketing planning and execution.

We can now proceed to the marketing plan and the various functions of marketing.

Jh

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