Your business plan health check

Click on the topic titles to uncover advice, templates and tools to help you implement in your business. You can also Open a document of all the text as a copy, or Restart the tool.
Wow! It looks like you have everything under control!

Assessment of demand

Establish if there's a demand for your business as early as possible to reduce the chances of investing time and money in an idea that won't take off.

Without demand for your product or service, you just don't have a business. Even if you've already attracted interest and a few contracts, you need to establish sustainable demand so you and your investors can move forward with peace of mind.

Do the math

First, set a benchmark of income your business must provide. If your target market can't reach your benchmark, see if you can reposition your business idea to a more sustainable target market or take another look at your costs and financial needs.

Define your target market

Successful businesses thrive on targeting the customer types most likely to respond to their product or service offering. It's all about focusing on your best customers to the maximum your return on investment. In most businesses, 20% of the customers provide 80% of the income, so there's no point investing equal amounts of time and money marketing your business to all your customers when you'll receive a much higher return from the top 20%.

If you've identified a gap in the market, you'll already have some idea of who you need to target, so the next task is to find out their quantity and spending habits.

Research your target markets and build customer-type profiles. You can use them to establish demand and help you tailor your business to your target markets' needs.

Researching and profiling target markets

Carry out online research

Desk research is the most efficient way to start researching your target market. This way, if you spot any early red flags, you haven't wasted much time or money.

- Build a picture of your potential target market's demographics by using statistical information and reports you find online. Are they 20-something males, for example, or senior citizens with grandchildren? Both government and private organizations commission and publish reports and assessments online that could help you identify growing markets.
- Consult your local chamber of commerce or industry and business groups. They may have valuable insight into the markets you're profiling.
- Look at the peaks and troughs in demand in your target market to establish their pattern.

Carry out in-market research

Online research will only take you so far. If the statistics on your target market demographics add up, go talk to your target customers directly.

- Meet with a selection of your target market. Conduct surveys face-to-face or set up a focus group to gather information on their preferences and spending habits.
- Meet with other businesses in your industry, from suppliers to business associations. They may be able to give you valuable insights.
- Consider trial marketing a sample of your product or service on a limited scale to gain direct feedback on the customer experience and how you can further target your offering. Advance orders may indicate real market demand.
- Experience the customer service offered by your competitors to truly weigh up their strengths and weaknesses.

Value propositions

To set your business apart from the competition, you'll need some competitive advantages that together form a potent value proposition to help you compete for customers and take market share.

Your first step needs to be competitor research, then rather than directly compete with established and powerful competitors, find your own niche.

Find out:

- Who your competitors are and where they're located.
- How and where they sell.
- The power they have in the market.
- How they'll likely respond to your market entry.
- Their pricing and marketing strategies.

Conduct a SWOT analysis to form a positioning strategy by evaluating your competitors':

- Strengths (internal competitive advantages).
- Weaknesses (areas where you're more likely to take market share).
- Opportunities (external market trends they could target with their strengths).
- Threats (external market trends such as a new competitor like you that will cause them some headaches).

Competitor research tips

- Carry out online research by searching for information about your competitors and similar businesses.
- Be a customer and try to identify any strengths or weaknesses.
- Check out their pricing strategy. Can you compete or differentiate enough to charge more?
- Most industries have consumer websites containing reviews and forums where customers go online to vent about or recommend businesses. Check them out and ask some questions.

Choose your competitive advantages

Once you find an available or badly defended position in the marketplace, you need to choose strong competitive advantages that'll make up your value proposition, so you can fill that gap effectively.

Remember, if you have any success, new market entrants may try to ride on your coat tails and established competitors may react by repositioning to push you out.

If you're targeting other businesses rather than consumers, they may be locked into long-term supplier contracts. If so, find out when they'll be up for tender again and keep your business top-of-mind with the customer in the meantime.

Market and defend your value proposition

- Create marketing messages around your value proposition. Make it central on all your marketing material by building your brand around it, identifying keywords you can consistently use, and developing a slogan that ties in with it.
- Use sales techniques and promotions that align with your value proposition and avoid those that don't.
- Protect your value proposition by using intellectual property protection on the competitive advantages you can patent or trademark.
- Consider the longevity of your competitive advantages. Are they based on any technology that could become outdated or be threatened by a forthcoming innovation, development or change in government policy?
- Refer to your value proposition and competitive advantages throughout your business plan to help you develop or change them as part of a business-wide strategy.

Capability and capacity

Capability refers to skills. Does your team have the skill set to deliver to the required standard on time? Capacity refers to production limitations.

Both should always be top-of-mind before you go to market, so you can deliver on your promises. If you fail to do that, you can harm your reputation and your brand.

Assess your capability and capacity

Make sure you know your own capability and capacity before opening your doors for business. If you don't, that order you accept could end up costing money. Ask yourself the following.

Capability

- What's the extent of the skills you can offer?
- Are there vital related products or services our customers might expect you to deliver that you've overlooked?
- If you were taken out of action, would business stop or could your staff carry on competently without you?
- Do you have a second-in-command you can trust to make major decisions in your absence?
- Could you extend your skills temporarily by bringing in contractors?

Capacity

- What's your top production ability in a month without extra resources?
- If you wanted to double that by bringing in extra contractors, how much would that cost and how long would it take to arrange?
- What's the average order size in your sector and could you deliver on it?

- Are you adequately factoring delivery, freight, and other supply chain issues into your timelines?
- Where are your potential bottle necks? How can you guard against that being a problem?

Manage contractors and suppliers

Contractors

Many businesses rely on contractors to meet tough deadlines but you could find yourself being overly reliant on them. If the contractor is supplying sought-after skills you can't easily replace, you may be ceding too much control to them.

If possible, employ specialists in key posts so they can become an asset to your business. The demand for their high-value skills may be sporadic so market them to improve demand, or possibly train them in other areas of your business so they can spend their work time in other roles too. The opportunity to learn complementary skills can be very attractive to job seekers.

Managing suppliers

You may be able to increase your pace in response to demand, but can your suppliers? Price is usually the main consideration when choosing suppliers, but flexibility should also be considered. Otherwise, you may find your ability to meet an order dictated by someone else's business.

Pricing feasibility

Your prices must be set to cover your costs and provide you with a healthy margin, but they also need to be set with consideration of your target market's tolerance for pricing. If you don't do this, you could price yourself out of the market or underestimate the value of your products or services.

You'll be tempted to let your competitors dictate your pricing, but you need to build a comprehensive pricing strategy that reflects the value of your product and the price your market might be willing to pay for it.

Carry out market research

Finding out the price expectations of your target market may be as easy as simply asking them. Conduct surveys or, if you already have a working product prototype or service concept, form a focus group to gain their instinctive responses and opinions on how much value they'd place on your offering. The key is to get an accurate idea of your offering's value before you enter the market. The best way to do that is by directly talking to your target market.

Ask them:

- The price they'd expect to pay for a product or service like yours.
- Where else they buy, and why.
- What typically influences their purchasing decisions (you may find competitive pricing isn't as important as you expected).

Keep in mind that the prices you choose must reflect the position in the marketplace you want your brand to thrive in.

At the end of the process you need to know:

- Whether your product or service needs to directly compete on price, or whether it's innovative enough to charge a premium for.
- The maximum price ceiling the target market will tolerate.

Consider test marketing

If you struggle to estimate your market's price tolerance, consider releasing your product or service on a small, limited scale as part of a test marketing exercise.

You'll be able get direct, valuable feedback from customers on what they think about your product or service and its pricing.

Assess costs and margins

Once you have an idea of your target market's price expectations, you can start looking at the feasibility of meeting them.

Assess your cost and supplier options, and produce financial forecasts that could give you the long-term view on profitability.

A cash flow forecast will give you a detailed idea of the possible return on investment you could expect, while a break-even calculation will estimate the minimum performance (in units sold or hours) you'd need to meet before you start making a profit.

These forecasts will be critical to your strategic decisions. Consult an accountant to make sure you've accounted for all your costs.

Use your forecasts to answer these questions:

- Will the return on investment be worth your while?
- Can you trim your costs to improve your margins?
- Should you consider a more premium pricing strategy to improve your margins?

Intellectual property

Intellectual property (IP) can be a lot of things, a unique brand and logo, an original invention or an innovative process, but what they all have in common is their ownership and usage rights are registered to their creators.

If they're not registered, then they're free to be used by anyone and can't be classed as assets. If you're basing your business's competitive advantages on an innovation, for example, you can't claim that as your asset and protect it from your competitors until you give it the protection provided by a patent.

Every year, thousands of businesses fail to protect their original creations or even recognize them as potential IP, don't be one of them.

If your competitive advantages are left unprotected, it's essentially open season.

Use an asset register

An asset register lists all the assets in your business, from property and machinery to intangibles like IP, but it also allows you to reference important information - such as the length of time left on your patent before it needs renewing.

Asset registers are one of the core financial documents every business needs. They're commonly used to track asset ownership and depreciation for tax purposes.

Apply for IP protection

IP protection comes in three forms:

- Patents (for inventions).
- Trade-marks (for brands and logos).
- Copyright (for written works).

Patents and trademarks can be applied for online.

Copyright is automatic at the point of creation of a written piece of work, but the rights and benefits of copyright can be bolstered by registering copyright.

Make sure you check the IP databases before making any applications. The process costs time and money to complete.

Patents

Patents are used to protect inventions. There are three types:

- Utility patents - for unique or improved processes, machines, articles of manufacture or materials.
- Design patents - for new, original and ornamental designs on articles of manufacture.
- Plant patents - for distinct and new varieties of plant.

All patent types only give limited protection - they must be renewed at intervals to maintain the rights they offer. Make sure you include these in your asset register.

Patent rights exclude others from:

- Making the item.
- Using it, or
- Selling it.

Trade-marks

Trade-marks are used to distinguish product or service providers by protecting brands and logos. There are three types:

- Ordinary mark - to identify goods or service of one individual or organization.
- Certification mark - for licensing to others to specify a product or service meets certain standards.
- Distinguishing guise - to identify the specific shape of goods or their containers, or the mode of wrapping or packaging, to an individual or organization.

A trade-mark can be any unique combination of words, phrases, symbols or designs.

Registering a trade-mark offers a number of benefits, including the fact that registration can be used as direct evidence of ownership.

Break even

When you break even, you start to turn a profit. So if you know you're surpassing your break-even point each week or month, you know at the very least you're covering your costs.

But break even calculations can be used for more than just discovering your bottom line. If you make a change of supplier or have to take on more compliance costs, you can measure the impact on your margin by calculating a new break-even point.

Break even calculations can also be applied to specific situations and projects. You can measure break even, for example, in sales targets, income, hours of work and advertising return.

Use break-even analysis

Break even analysis can be used in a wide variety of situations. It's quite a simple calculation, so it can be used to quickly help you answer various questions:

How much product do I need to sell this month to break even?

Knowing your bottom line is essential, especially when you've just started your business. Using break even calculations to measure if you're covering your costs is business 101.

What profit could I expect?

A contract or order can often seem more appealing than it actually is. Use break-even calculations to estimate whether they really stack up in the cold light of day.

What's the minimum price I need to charge to cover my costs?

Pricing strategy is a common concern for small businesses. Use break-even analysis to help you establish a margin between your costs and market expectations.

Am I getting a healthy return on investment on my advertising?

Small businesses rarely measure their advertising spend. Buck the trend and make sure you're not throwing good money after bad by using the advertising spend break-even calculation.

Understand basic break even calculations

The principle way of calculating break-even is based on product sales volume. In other words, finding out how many units of product you need to sell in a given period to cover your costs.

Say you're still weighing up the feasibility of your business idea and you're not sure if demand for your product or service concept will be enough to drive income to the kind of levels you want.

You can use the traditional sales volume break-even calculation to establish the minimum units you need to sell to cover your costs and then compare this with the demand in units you estimate as part of your feasibility study.

This way, you can commit to a business idea with more certainty that the entire endeavor will be entirely worth it.

Sales volume break even calculation

1. Separate your costs into variables and fixed overheads.
2. Establish your total fixed costs and your variable cost per unit (or per product).
3. Subtract your sales price from your variable cost per unit to establish your profit margin.
4. Divide your total fixed costs by your profit margin to establish the sales volume required to break even.

Income break even calculation

1. Convert your profit margin into a decimal figure from a percentage.
2. Divide your total fixed costs by your profit margin to establish the income required to break even.

Hours to work break even calculation

Service providers can simply divide their total fixed costs by their hourly charge to calculate the hours of service that need to be provided and paid for to break even.

Advertising spend break even

Many businesses fail to measure their advertising spend, but it's essential to managing your costs and making sure you receive sufficient bang for your buck.

Break even analysis helps you find the point when your investment on advertising should begin to return a profit. If the figure seems unrealistic, reassess your advertising strategy before you commit to any costs.

Simply divide your advertising spend by your profit margin on the products or services advertised to establish the bump in sales volume required to break even.

Use weighted average pricing calculations

Weighted average pricing gives you one break-even point for a range of differently priced products.

1. Multiply the *sales price* of each individual product by the average forecasted sales volume, and then add the results up into a total.
2. Divide the total combined unit price by the total forecasted sales volume to establish a weighted average sales price.
3. Repeat the process but this time substitute sales price for the individual variable cost per unit, to establish the weighted variable cost per unit.
4. Subtract your weighted variable cost per unit from your weighted average sales price to establish your weighted profit margin.
5. Then carry out the standard break-even calculation using these weighted figures.

Then use these weighted figures in the standard break-even calculation.

Maintaining margins

Raising prices can be a sore subject. Many business owners assume doing so will spell the end of their competitiveness.

But by not raising prices they're simply letting inflation and their suppliers' maintenance of their own margins quietly eat away at profitability.

The bottom line is that costs, in the long term, will always rise - at least with inflation.

That means you have to pass on the costs to your customers or consume those costs yourself to the point where one day you'll have to either suddenly raise prices or accept the eventual failure of your business.

The worst thing you can do is avoid measuring your costs by sticking your head in the sand. Cost rises will catch up with you eventually, so take action to maintain your margins.

Analyze and reduce your costs

Regularly check the accuracy of the prices you use in your forecasts and break even calculations. If you're using outdated costs, your forecasts could be dangerously off course from the real performance of your business.

Ideally, you should have your figures analyzed by a professional accountant with experience in your industry - and even then you should remain directly involved so you can maintain an understanding of your own books.

But if that's not possible and you have to make your own costs and margin analysis, try using the following tips to help you resolve any profit issues.

- Analyze costs and profits on an individual product and service level first before looking at the business as a whole. If you try and cut straight to the chase, you may miss important financial details.
- Try making small, subtle adjustments throughout your range rather than hiking prices on one product, even if the margin on that particular item is the one causing the biggest headache. Sharp, sudden price rises are more likely to attract a long-term negative reaction from the target market than almost imperceptible ones they can easily accept.
- If you find a loss-making product or service in your books, don't immediately delete it. Consider first whether it's required to aid sales of profitable products.
- Schedule small price increases every six months or every year rather than waiting every few years to raise prices more noticeably.

Increase your prices

If your costs are optimal, start looking at the other end of your margin - the price.

You may be hesitant to raise prices because you think any price advantage you have over the competition is too important to lose, but if you give customers more compelling reasons to shop with you, you may be able to justify a higher price.

Remember, it's all about positioning. Premium pricing reinforces the value of a premium product.

If your market research tells you there's a gap in the market for a value alternative, then by all means fill it. But if there's also a gap for a premium alternative, take that option if you can deliver a product or service to the required standards.

Why? Put simply, there's always someone willing to go cheaper. Just look at the way large shopping outlets apply their buying power to find ultra-cheap stock and take customers away from smaller businesses with tighter margins.

Many small business owners take it as gospel that the last thing they should do is raise prices, but in fact the opposite is true more often than not.

Just make sure that if you do raise your prices, you do so:

- At a fair pace and at intervals, instead of raising prices in a way that will shock the market.
- With consideration to the market's price tolerance.

Alter your product or service mix

It's rare that any two margins are the same in a range of products, so why focus equally on selling all of them if focusing on the higher margin products will increase your income?

If costs and pricing are optimal, the only other way to maintain or increase your margins is to alter your product mix.

This means being ruthless and chopping products or services that may be close to your heart to focus instead on those that bring people in through the doors.

Look at your margins, pick the top earners, and focus your marketing efforts on promoting these products and services above the others.

Unique Selling Points

A USP is a compelling reason for your target market to choose your business over your competitor's.

Examples range from cutting-edge product features to simply being more convenient and easier to find for the target market.

But what it all boils down to is meeting the target market's needs in a more accurate and improved way than the competition, and being able to market these points more effectively.

By doing this, your business can really stand out in the marketplace with a strong reputation that attracts more customers.

Identify your USPs

USPs can come in many shapes and sizes. Here are some common examples:

- Unique product features.
- Convenient locations.
- Expert knowledge.
- Superior service.
- Superior quality.
- Faster delivery times.
- Better payment options.
- Better price.
- Strong, unique branding.

Make USPs central to your business planning

If you're still in the stage of planning a new business, you have the opportunity now to make USPs central to your business concept.

You can build USPs around a business's strengths later on, but USPs can be much more effective if the business is planned and developed around them.

Research the market, look at the propositions your competitors make to your target market, and see where you could do better.

If, for example, you're opening a café or restaurant, your business proposition must be more than your own passion for a certain style of food.

You could set your store front apart in the market by focusing on organic produce, incorporating innovative service concepts, or developing a strong, quirky brand.

Sometimes, a business's strongest USP is simply a brand the target market identifies with more than others.

It all depends on your target market's needs and how they're already being catered to by established competitors.

If you have trouble identifying possible USPs for your start up, make sure you:

- Talk to the target market.
- Assess existing solutions in the marketplace and the strength of your established competitors' USPs.
- Write a short executive summary for your business plan that can help you zero in on your USPs.

Research your competitors USPs

Whether you're still in the pre start-up phase or you're already in business, you'll find you won't be able to develop accurately targeted USPs without checking out your competition first.

The key to effective competitor research is to experience what their customers experience.

1. Identify competitors:

Online and business directory research will only take you so far.

Talk directly to the target market to find those competitors who generate strong, positive word of mouth and don't have to rely on advertising, directory listings or even strong online presences.

These businesses are harder to find but if they exist in your market, they could be your strongest competition.

2. Become a customer:

Once you have a list of your core competition, visit them, interact with staff as a customer, and - budget permitting - buy a contrasting range of products from them through different sales channels.

If you only test the customer experience in one way, you won't gain a complete picture of your competitor's strengths and weaknesses.

After you've sampled their offering, talk to their customers and suppliers to gather opinions that could support or challenge what you found in person. If you find the perception of the business is better or worse than the experience, take note and incorporate this into your assessment.

If your competitors will recognize you, ask a friend to gather information for you or consider hiring a professional mystery shopper.

3. Compare and analyze:

Assign USPs to each of your competitors and compare them with your own. After you rate the USPs on their potency with the target market, group them together.

If you find some or most of your competitors share the same USPs, pick others that will help your business really stand out.

Market your USPs effectively

Developing USPs is only half the battle. The other is communicating them to your customers.

Try marketing your USPs by:

Encouraging positive word of mouth:

Word of mouth marketing can be highly cost effective and powerful if it's carried out consistently. You need to ensure your business delivers above and beyond the call of duty - within reason, of course - to your target market, and incentivize your customers to recommend your business to others.

As your database grows, you keep communication up with e-newsletters and special 'member-only' offers to further help spread the word.

If you focus on delivering on your USPs in person and marketing them to your growing community via your database, you may never need to advertise again.

Training staff to deliver consistent messages:

Consistency is key to delivering any message. Train your staff to emphasize your USPs while interacting with customers in the same consistent manner, and test them on a regular basis to make sure the message is being delivered in the way you require.

Match this with consistent branding, and it'll be difficult for anyone not to get the message.

Designing consistent branding:

Your brand should communicate your USPs in one word or phrase. Make it simple, easy and memorable.

Avoid obscure references or in-jokes, and instead focus on communicating your USPs with crystal clarity and a unique quality that reflects the values of your business.

Once you've developed a brand, make sure it's featured on all your marketing materials - from your shop window to your website, business cards and vehicles.

If you're already in business but you've identified USPs that don't fit the brand, carry out a full cost analysis on the long-term financial impact of repositioning your business before you go ahead.

Thinking outside the box:

Think of eye-catching, memorable ways you can align your marketing with your USPs. If your quality is superior, for example, can you publicly demonstrate your product or service longevity, or offer a prize for customers who reach a certain milestone in usage? The more engaging and original you can make your marketing, the better.

While you develop a marketing message to communicate your USPs, also consider developing arguments that answer or minimize the effects of your competitors' USPs.

Customers will come to you with common queries comparing your offerings with your competitors', so it's worth developing consistent and thoughtful answers beforehand, rather than thinking on the spot.

Market research

Plan and schedule regular market research rather than doing it haphazardly or informally.

Occasionally asking customers informal questions when they buy from you will only give you part of the picture, and possibly a biased one at that.

Not only do you want to know how you can improve, you also want to know the directions the market is taking and the trends driving this movement. Remember, no market is static and it's your job to keep up.

The only way to stay informed is to schedule and budget for regular market research that reaches the people you need to reach.

Strategize

Choose a frequency and method of market research that suits your market.

You should carry out market research at least once a year, but if your industry is fast-paced or going through a phase of critical change, you might want to schedule market research more frequently.

The methods you choose should be appropriate for your target market. In other words, they need to maximize the chances of reaching the target market and gaining a response from them.

A survey, for example, could be emailed as part of a direct mailing campaign to former customers who haven't bought from you in a while, with participation incentivized by a prize draw or free gift.

But try to think beyond surveys. Consider forming focus groups from your target market, diving into online forums about your sector of business, and joining industry groups that can funnel market research information to you on a regular basis.

Set parameters

Carrying out market research is kind of like conducting an experiment. Before you start, you need to set down without any doubt the processes and rules you're going to use.

You may unearth some eye-opening and surprising answers from people you survey or groups you pose questions to, so you need to know beforehand whether those answers warrant further questions or are a dead end.

Whatever method of market research you use, it needs to have a set structure that doesn't deviate and threaten to influence the responses you gather.

If, for example, one respondent is rushed, they're more likely to think less about the questions and answer instinctively, which could throw off your data if others have been given the time to respond carefully.

Other tips include:

Surveys

- Keep it short - people are more likely to finish questionnaires that don't take up time.
- Be honest - don't say a survey will take three minutes to complete when it's more like 30.
- Choose appropriate delivery methods - if your target market values privacy, for example, email them a survey they can complete in their own time instead of phoning them intrusively.
- Phrase your questions appropriately - always ask them in a professional and polite way, and avoid blunt language that could come across as overly familiar.

Focus groups

- Avoid bias - choose a selection of your target market, not a selection of your best customers.
- Reward participation - you're not going to gain people's full buy-in to the process without giving them something in return for their time.
- Invest in the environment - hold the focus group in a professional environment that doesn't stimulate certain responses (such as a meeting room off-site, rather than your showroom).
- Use appropriate questions - focus groups are designed to gain qualitative responses (emotional or opinion-based answers, in other words) so design your questions to be open-ended.

Online research

- Keep your ear to the ground - regularly review your competitors' websites and social media pages.
- Stay in touch - sign up for industry updates and newsletters from business group websites and relevant news sites.
- Take flack on the chin - if you're going to engage in a discussion on a forum or social media site, the responses you gain will not always be positive. But if you don't respond in a measured way to negative comments, you risk damaging your reputation.

Long-term marketing strategy

Where do you want to be in five years? It's a question often asked in job interviews, but it's perhaps more pertinent for the self-employed.

Every business needs direction and goals. Otherwise, their markets develop around them and eventually leave them behind.

You need to not only know where your business should be positioned beyond the next year or two, you also need to know how to get there. Formulating a long-term strategy provides you with a compass to do just that.

Positioning goals

Your positioning goals should be based on more than personal preference. If your market research is telling you there is a growing gap in the market, you should seriously consider moving into a position to take advantage of it.

For example, if legislation is slated to come into effect that reduces the margin on your main products through added compliance, you'll want your business to be in a position to withstand those changes by finding a new niche to focus on.

This would require a consistent long-term marketing push to achieve.

Make sure you carry out thorough and regular market research so you can forecast developments in your market more accurately.

Milestones

Once you've set your long-term goals, break them down into short-term milestones on separate marketing channels.

For example, your short-term milestones might include growing your customer database by 5% through a 'discount offer' direct marketing strategy, which contributes to the long-term goal of raising brand awareness and achieving a 10% raise in income over the next few years.

Breaking your ultimate goals down into more achievable milestones increases your chances of success by making your performance much easier to measure.

Calendar events

One of the great advantages of a long-term marketing strategy is that it can provide benchmarks every year if it incorporates annual events, scheduled launches and regular opportunities.

Trade shows, new product launches and other marketing opportunities give you consistent deadlines to meet and ways to measure your success. If you gain a higher profile each year, you know you're going in the right direction.

It's important to not only identify all the opportunities you can plan for but also to have a consistent benchmark to measure the success of your marketing.

Ongoing monitoring

There's always a certain element of trial and error with any marketing strategy, whether it's long or short term, so you need to make sure your return on investment remains high through ongoing monitoring.

- Schedule regular reviews every three or four months to assess the success of your campaigns and review marketing budgets.
- Use break-even calculations to measure the viability of an advertising campaign before you commit to the spend. Simply divide your advertising spend by your profit margin to find the volume of sales you'd need to reach to break even on the campaign.
- Find out why successful marketing or advertising campaigns work before you repeat them, to see if there are any ways you can improve their effectiveness or better tailor them to your target market.

Unexpected opportunities

While long-term strategies should be consistent in terms of the message and overall positioning goal, they shouldn't be inflexible.

As you progress, you'll identify new opportunities and marketing tactics you can employ at short notice, so leave room in your plan and budget to take advantage of any unexpected turn of events.