Seven Steps To An Effective Annual Marketing Plan

Discover The Forrester B2B Marketing Planning Process
A Sound Annual Marketing Plan Begins With Process

The approach of a new fiscal year brings marketers an opportunity: to create an annual plan that drives business objectives forward and uses resources in the most effective way. Yet many marketing organizations squander this opportunity, instead building disjointed, tactic-heavy “plans” that keep teams busy — but have limited impact.

A structured annual planning process is key to marketing success.

In this guide, discover the Forrester B2B Marketing Planning Process, a logical approach to annual planning that ensures that marketing’s work advances the overall business strategy and objectives and aligns with other revenue-generating efforts. The following pages describe each step of the process and how to use it to unite marketing functions around shared goals, plan specific actions, and anticipate potential risks.
1. Review And Align On Business Objectives

A critical yet often overlooked first step in marketing annual planning is to gain agreement with sales and product leaders on the overarching business strategy and objectives. Without a shared understanding, each function will interpret the business goals on its own, creating inefficiencies and undermining impact.

Forrester’s research shows that when an organization’s sales, marketing, and product functions are aligned, that organization achieves 19% faster revenue growth and 15% higher profitability. Aligning with your sales and product counterparts at the start of the process sets a foundation for cross-functional collaboration throughout the process.

2. Define Marketing Approaches

With the business objectives in hand, marketing leaders need to define the strategic direction and approaches that it will take to support them.

The B2B Marketing Planning Process includes six strategic approaches to achieve a business objective:

- **Innovate.** Aim to disrupt the status quo through new offerings, business models, services, outsourcing, supply/value chain, or delivery.

- **Grow.** Add revenue through new customers or accounts, market share, or selling more to existing customers.

- **Retain.** Keep existing customers, accounts, wallet share, or revenue through loyalty programs, customer advocacy, and other means.

- **Harvest.** Actively “farm” an existing business segment to improve profitability.

- **Pause.** Cease new activity in a business segment and allow activities in flight to work.

- **Exit.** Terminate marketing support in a business segment and deploy resources elsewhere for greater impact.

It’s important that the approaches chosen are communicated clearly. Otherwise, different functions or teams may develop their own interpretations of the direction marketing should take, leading to disconnects across the business.

3. Establish Marketing Priorities

Understanding the business objectives and strategic approach helps you move to the next step: narrowing down the possibilities for what marketing could do to what it will actually commit to. Marketing resources are finite, so you need to be shrewd in deciding how you will commit them.

Two exercises are helpful at this phase. The first is a value analysis that helps organize and prioritize potential projects across stakeholders and time frames. Because marketing needs to choose between projects that show short-term results (e.g., pipeline acceleration for sales) and projects with a longer-term ROI (e.g., thought leadership reputation programs), setting effective criteria for such projects is important. The second is to create a list that communicates specifically what marketing will do, and will not do, to support the business objectives in the coming year. This mitigates confusion about any implicit expectations of marketing.
4. Set Marketing Goals

With a clear view of what marketing will focus on, the next step is to set goals and establish measurement criteria. Marketing goals describe specifically what marketing will do to help support the business and how achievement will be measured.

Marketing goals may vary for different planning segments. For instance, revenue, profit, and retention might be appropriate for a mature market segment, while new customer acquisition and cost of customer acquisition may be appropriate for an emerging growth segment. The B2B Marketing Planning Process includes four categories of goals: revenue goals such as sales, bookings, and retention; priority goals that set quantifiable objectives for non-revenue aims, such as M&A integration or employee advocacy; pipeline goals that measure how marketing drives better sales outcomes; and ROI goals to examine the costs and benefits of the marketing investment.

5. Determine Key Actions

Here, the process transitions to tactics — the specific actions to accomplish marketing’s goals. The aim of this phase is to determine a set of recommended campaigns, programs, and other actions that marketing will execute to achieve the goals that you have defined.

Start by reviewing and assessing current and proposed campaigns, programs, and tactics, then identify how the plan overlaps and aligns with the efforts of global, regional, channel, and functional teams. It’s critical to address centralization versus localization issues at this phase and determine which regions, countries, and segments require local content and programs. Good planning will prevent unnecessarily localized assets and programs from proliferating.

6. Identify Risks And Dependencies

Unexpected factors can derail even the most carefully laid plans. Once you’ve defined the actions you will take, consider what could prevent the plan from succeeding — and what needs to be in place for success.

A few key questions to weigh include whether new processes need to be implemented; whether gaps in team competencies exist; how success will be measured (and whether there’s agreement on those metrics); and how clearly plans have been communicated with sales and product groups. The alignment established with these functions at the start of the planning process is important to maintain throughout.

7. Govern And Evolve The Plan

The planning process isn’t finished even after the final plan is prepared. A resilient planning process embraces change. A key benefit of developing a marketing plan that clearly aligns to the business objectives is that it becomes easier to identify what’s working and what’s not and to plan for needed adjustments.

There will be changes in the market landscape and learnings that drive both tactical changes and strategic shifts. Be prepared to revise the plan periodically — and more frequently in times of rapid change.
Make Annual Planning A Foundation For Success

It may be tempting to use the planning process to jettison current activities and start over with new messaging, new campaigns, and new content. It’s important to instead identify what’s working and keep doing it. A structured planning process that’s rooted in the business objectives provides a thoughtful approach to making changes. B2B sales cycles can be long — changing campaigns, messaging, and content too often can be disruptive.

Forrester offers a comprehensive suite of tools and templates to help you succeed with every phase of the annual planning process. These tools are designed to help marketing leaders prioritize initiatives; communicate specifically what marketing will commit to; define what’s working and what needs adjustment; and more. We also provide hands-on guidance throughout the planning process. Reach out to us to learn more.
Take The Next Step

Explore a few additional resources to help you build and communicate an aligned and actionable marketing plan.

The Forrester Marketing Strategy Compass
Learn a step-by-step approach for building a B2B marketing strategy that delivers on business objectives and forms the foundation for annual planning.

DOWNLOAD NOW

The Forrester Marketing Plan-On-A-Page Overview
Learn about our template for capturing the outputs of your planning process and communicating them within marketing and to other key stakeholders.

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Forrester Decisions for B2B Marketing Executives
Explore our service for senior B2B marketing leaders that's designed to help tackle their most pressing priorities and drive measurable impact on growth, retention, and advocacy.

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