

Marketing Plan for TechChester Software Company

TechChester is a software design and IT support business, established in 1994 and based in Manchester. Next year is the 20th anniversary of the business. Still owned by the founder, TechChester has 25 staff, 300 clients across the UK and a turnover of £5 million.

Our clients are small and medium sized businesses, usually with 50 to 150 staff of which 80% are PC users. 30% of their clients are in manufacturing, 30% professional services and the remainder other B2B services. It has developed specialised manufacturing software which manages the supplier ordering system more effectively.

SITUATION ANALYSIS

Understanding our customers

A mini survey was conducted with live customers (rather than lapsed or lost) over 6 weeks. Every time an event occurred; a call out, request for help, sales meeting, review meeting, a telephone call was made by the Admin team (as they're slightly distanced from the customers). They asked the customers "What do you like about TechChester" and "What do you dislike about TechChester".

What customers like

- The techy team, especially Fred and Luke.
- Our technology; remote access is very popular.
- Our expertise, that's what they're seeking.

What customers dislike

- Being told they'll get a call back in 5 minutes and it's 20
- One person in the sales team is too pushy and this was commented on by 8 different customers, some asked that this person should not visit them
- The proposals are too long, several (9) customers said they'd like a visual summary rather than a long report where the price is buried at the end.

Marketing audit: where are we now?

Demonstrating how to define your market, calculate the market value and build your Value Proposition.

Market size

Keynote's Computer Services Market Report 2020 comments that:

- In 2019 the UK computer services market was worth an estimated £25.8bn
- 3% increase on the £25bn in 2018
- The market could see growth of up to 11% in 2020 and eventually be worth over £36bn.

According to the government department, UKTI

- The UK Cloud Computing annual market value is predicted to grow from £2.4bn to £6.1bn by 2020.
- 18% of UK SME business use cloud solutions but a further 30% plan implementations within the next year.

Our research shows that the market size is around 120,000 manufacturers in the UK and 80,000 of these employ between 50 to 150 staff.

Application software is valued at £4.5 billion (Keynote, 2020) and it is believed that the market size for TechChester's software is £60 million.

This is based on these assumptions:

- 60,000 of manufacturers needing to become more cost effective.
- Only 10% of this group go ahead.
- The average software sale is £20,000. In time we may need to review this and it may need to come down as competitors enter the market.

TechChester's sales come from IT support contracts, infrastructure projects and software sales and licensing.

80% of their clients buy IT support contracts. The lowest value is £3,000 and the greatest is £75,000. The average contract is £12,000. Total sales revenue (turnover) from IT support contracts were £4.2 million. IT support contracts are resource hungry needing qualified and personable technicians to monitor, manage and resolve issues within agreed time frames.

15% of the clients have had an infrastructure project as they've moved buildings, extended or other changes have resulted in new office computer systems being installed. These tend to be one offs and after this it's usually into support and maintenance. Total sales revenue from infrastructure projects was £0.5 million. This is a less profitable area of the business as TechChester need to contract-out the cabling and as PCs prices are relatively low, the margins are small. This is not an area of the business that the company wants to develop; it contributes to turnover, but not to profitability.

5% of clients (15) bought the software. This is a small number and one client paid for the original development. This is where the company believes we have the greatest opportunity. Total sales revenue from software was £300,000.

OBJECTIVES

Vision

In the next 3 years, the company wants to grow to £10 million and to be known as the number one manufacturing application software company.

STRATEGY

Focusing on infrastructure projects and software sales and licensing, TechChester will position itself as a **enabling tech company** that identifies and installs the optimum tech solution and trains the internal staff and ensures smooth transition. Targeting: Primary target for growth is Manufacturing SMEs with 100+ staff, while retaining all existing customers from all other sectors.

TACTICS AND ACTIONS

Tactics and Action – Our marketing action plan

The action we need to take to achieve our objectives and strategies, is shown here. This will be our working document. At the monthly management meetings, we can update the status to see where we are and ensure we are not falling behind.

NB The details of the Tactics and the Actions sections of this plan are confidential and not included in this sample outline plan.

CONTROL

Control - Monitor, manage and improve

To manage the process, monitor action and measure results, we will hold a monthly management meeting, 1pm to 2pm, third Thursday of the month, in the boardroom, sandwiches will be organised. At the meeting, we will

- Measure results against targets.
- Look at what's working – and what's not.
- The software / sales team will come to these meetings.
- We do not want loads of paperwork prepared in advance, so the action plan will be shared on Google Drive and each person is responsible for updating their actions and printing out their own copy to bring to the meeting.
- If you cannot attend the meeting, you must prepare a quick summary, recorded on web cam and we shall play at the meeting.

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