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1.0 Executive Summary

PRfect Greens is a Eugene, Ore. based public relations firm that specializes in environmental PR. PRfect Greens' areas of specialty are crisis management, image creation and management of publicity events. All of these activities ensure the proper management of sensitive environmental concerns by companies who are not typically seen as environmentally friendly.

Typical clients will include mining companies, natural gas extraction companies, and lumber companies. These clients seek a professional firm to assist in their perceived public environmental image. PRfect Greens will rapidly gain market share through the use of specialized, innovative, customer attention.

By leveraging its competitive advantages, PRfect Greens will quickly grow its customer base. Having a very specialized skill set with a rich experience in environmental PR work will provide PRfect Greens with valuable insight that other PR firms are unable to offer. Additionally, PRfect Greens prides themselves on offering unmatched flexibility which will allow PRfect Greens to seamlessly meet any need a client may have.

PRfect Greens is a partnership of two industry professionals with years of experience and insight. PRfect Greens will leverage their skills, experience, and innovative approach to reach profitability by month 10, generating revenues of \$245,000 by year three.

2.0 Situation Analysis

PRfect Greens is beginning their first year of operation. A strategic and focused marketing plan is required to bring the business to profitability. The basic market need is a public relations firm that specializes in environmental PR, specifically crisis management, image creation, and PR event management. While there are many PR firms in the area, none are able to truly cater to the market-specific needs of a company in an industry that has significant environmental consequences.

2.1 Market Summary

PRfect Greens possesses good information regarding the Eugene PR market and the various companies that are in need of specialized environmental PR services. This information will be leveraged to allow PRfect Greens to better understand their customer, their specific needs, and the best methods of communication that PRfect Greens should use.

Target Markets

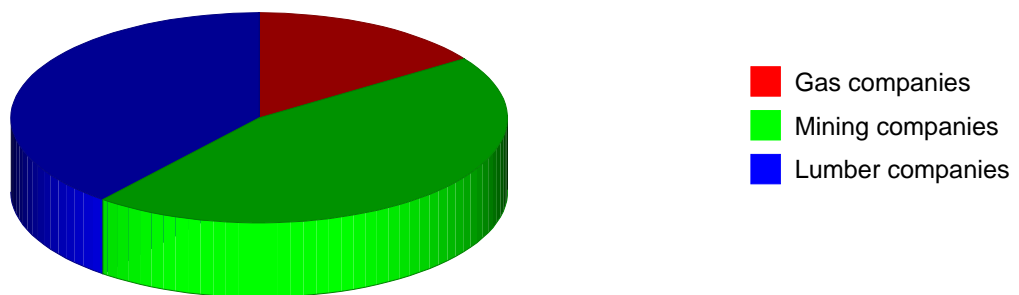


Table 2.1: Target Market Forecast

Target Market Forecast							
Potential Customers	Growth	2001	2002	2003	2004	2005	CAGR
Gas companies	8%	15	16	17	18	19	6.09%
Mining companies	9%	44	48	52	57	62	8.95%
Lumber companies	7%	38	41	44	47	50	7.10%
Total	7.80%	97	105	113	122	131	7.80%

2.1.1 Market Demographics

The profile for PRfect Greens' customer consists of the following geographic, demographic, and behavior factors:

Geographics

- The geographic target is a 20 mile radius around Eugene.
- The total targeted population of companies is 397.

Demographics

- Participate in an industry that involves interactions with the environment, generally these companies will participate in the following industries: gas, mining, and lumber.
- Yearly revenues are multi-million dollar amounts.
- Have participated in their respective industry for more than 10 years.

Behavior Factors

- Have an impact on the environment that is generally viewed as negative.
- Are often interacting with the local community in regards to their work within the environment.

2.1.2 Market Needs

PRfect Greens is providing its customers with a selection of different environmental-specific PR activities. While there are many PR firms, none have the experience and concentration that PRfect Greens offers to its clients. PRfect Greens seeks to fulfill the following benefits that are important to its customers:

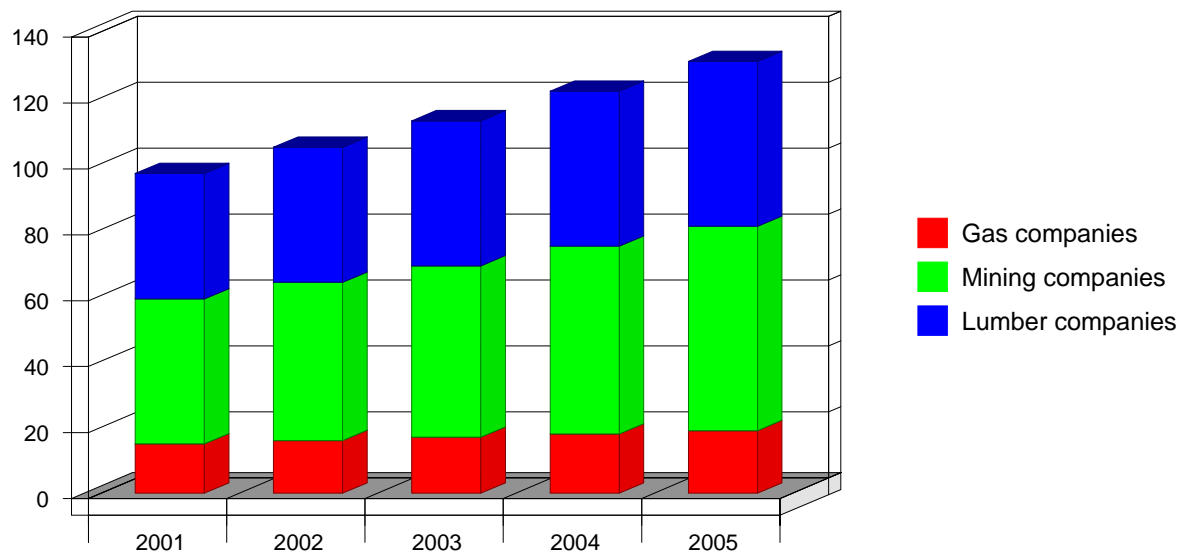
- **Selection:** A reasonable range of environmental-specific PR services.
- **Professionalism:** The firm has two decades of specialized experience.
- **Accessibility:** PRfect Greens will serve clients at whatever location is best, this is often the area of conflict.
- **Customer Service:** The clients will be impressed with the level of attention that they receive.
- **Competitive Pricing:** PRfect Greens' pricing scheme will be created to be competitive within the local PR industry.

2.1.3 Market Trends

The market trend for the PR industry is consolidation and full-service offerings. The PR industry has not been immune to pressure to consolidate to improve business efficiencies. This has taken the form of larger, national PR firms buying up local firms and increasing the presence of the larger firms.

In addition to this trend, firms are also under pressure to offer a wider range of services. The reasoning behind this trend is that the firms will be able to capture more business if they offer a one-stop-shopping solution of many PR services. This last trend certainly improves convenience, but it is questionable, possibly doubtful, that service is improved. Because of these current trends, PRfect Greens has decided to start their own firm that concentrates on their core competencies, addresses market needs, and ignores the trends that some of the industry is following.

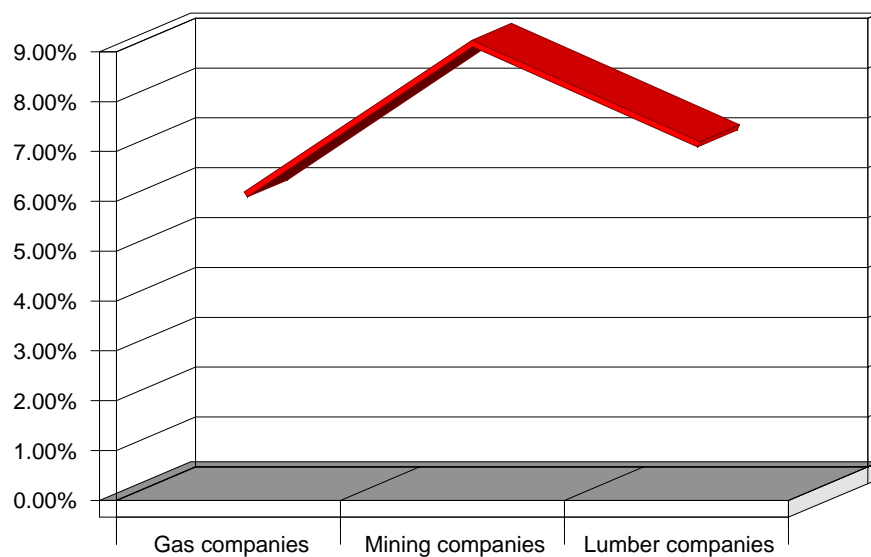
Market Forecast



2.1.4 Market Growth

In 1999, the national PR market reached \$2 billion dollars. The industry is expected to grow at a reasonable 6% for the next several years. Some growth will undoubtedly be fueled by the recent Internet burst and more stable company's wishes to appear more desirable in terms of investors. Additionally, with the recent inauguration of the Republican President, there are many public interest organizations that are increasing their scrutiny over companies that work with the environment. The reasoning (which seems fair) is that the Republican President is much cozier with big business at the expense of the environment. This should only help to support PRfect Greens' activities.

Target Market Growth



2.2 SWOT Analysis

The following SWOT analysis captures the key strength and weaknesses within the company, and describes the opportunities and threats facing PRfect Greens.

2.2.1 Strengths

- An impressive resume of experience.
- Strong professional and personal relationships within the industry.
- A solid service offering that is currently unmatched in the area in terms of expertise.
- The desire to develop a customer-centric business.

2.2.2 Weaknesses

- The lack of brand equity as a result of the newness of the organization.
- If business really takes off, the possible inability to meet demand due to having only two principals that have the wealth of experience that is in demand.
- A limited marketing budget in terms of money and time to generate awareness for PRfect Greens.

2.2.3 Opportunities

- The ability to increase marketing efficiencies over time as the company becomes better known.
- The ability to build a strong client base due to PRfect Greens' concentration on a market niche.
- The ability to decrease variable costs as the project base grows.

2.2.4 Threats

- Competition from already established firms.
- A slump in the economy which might give off the erroneous perception that companies should discontinue their PR efforts to conserve money.
- A lack of any large environmental disasters at the hands of the target companies.

2.3 Competition

- **General communications firms.** These firms practice a wide range of communication services from press releases, to promotional materials, to corporate imaging. Some of the general communication firms are large and have dedicated departments for different types of communications, others have generalists that do everything.
- **Small, local PR firms.** These companies are small, typically one principal, and their clients are from the surrounding area.
- **Large national firms.** These firms are quite large and they serve national clients. The clients are usually very large companies and these national firms travel to where ever they need to support the account.

2.4 Services

PRfect Greens offers a wide range of environmental PR services. These services will typically be used by gas companies, mining companies, and lumber companies who are looking to improve their environmental image or manage a crisis. Specifically, the main services offered are:

- **Crisis management:** This is a reactionary/proactive service that helps the customer manage a crisis or situation that if left unattended could create significant amounts of bad press and tarnish the public image of companies that already have sensitive environmental images by virtue of the fact that they operate in sensitive environmental areas.
- **Image creation:** This service designs and implements a certain public image, typically an image that is pro-environment for a company that is in an anti-environment industry.
- **Management of publicity events:** These services develop and manage client-sponsored publicity events which are designed to strengthen the clients perceived environmental commitment.

2.5 Keys to Success

The keys to success are:

- Attention to detail.
- Thinking out of the box.
- Professionalism.
- Results.

2.6 Critical Issues

PRfect Greens is still in the speculative stages as an environmental PR service provider. Its critical issues are to continue to take a modest fiscal approach; expand the projects undertaken at a reasonable rate, not for the sole purpose of generating revenues, but because they are able to serve the new projects with as much attention as if they had only one project.

3.0 Marketing Strategy

PRfect Greens will use a combination of targeted advertising and networking to generate visibility and communicate PRfect Greens' message that they are the premier environmental PR firm in the area that possesses the ability to offer unprecedented specialized services and flexibility to help the customer manage their public image and deal with any unfortunate crisis.

The advertising will be done in specific industry journals. These will be chosen because the journal readership is a very specific, demographic that PRfect Greens is trying to reach.

The networking activities will be quite effective in leveraging the already existing relationships that the principals at PRfect Greens have established through years working in the different industries.

3.1 Mission

PRfect Greens' mission is to provide the customer the highest quality of environmental PR consultancy. We exist to attract and maintain customers. When we adhere to this maxim, everything else will fall into place. Our services will exceed the expectations of our customers.

3.2 Marketing Objectives

- Maintain positive, steady growth each month.
- Increase visibility of PRfect Greens within the industries of the targeted companies.
- Experience at least 30% of new clients attracted to PRfect Greens from referrals.

3.3 Financial Objectives

- A double digit growth rate for the next three years.
- Increase the profit margin by 1.5% per quarter.
- Reach profitability by year one.

3.4 Target Markets

The selected customer segments will be targeted in a specific advertising and networking campaign.

- **Advertising:** This campaign will target each of the prospective customers. The advertisements will generally be placed within the appropriate industry trade journal. The advertisements will be used to communicate the message that PRfect Greens is a specialized environmental PR firm that can work hand and hand with the company, providing them with both proactive as well as reactive PR services. The advertisements will detail the different services PRfect Greens provides as well as the rich experience the founders have in this niche.
- **Networking:** Since both of the founders have a long history in this market space, they have a long list of contacts that they have developed over the years. PRfect Greens will leverage these contacts to raise visibility regarding PRfect Greens and establish relationships with these companies so PRfect Greens can begin to serve them. Because this market niche is fairly small and specific, people in the space tend to know each other and a lot of business is transacted among acquaintances. This nature of the industry will make networking activities all the more effective.

3.5 Positioning

PRfect Greens will position itself as the premier environmental PR firm in the Willamette Valley. Gas, mining, and lumber companies will appreciate the experience and insight that PRfect Greens brings to the table.

PRfect Greens will leverage their competitive edges to achieve the proper positioning. The competitive advantages that PRfect Greens enjoy are:

- **Specialized skill set:** While this will be detailed further in the management section, this competitive edge allows PRfect Greens to provide unusually keen insight into the customer's industry and how that applies to public relations.
- **Flexibility:** As a small firm, PRfect Greens is able to meet the customer's special needs by offering a very flexible service. This flexibility allows PRfect Greens to work hand in hand with the company and the community to support their customer. While many competitors will have an initial interview with the customer on their site, most of the work is completed on the PR firm's terms, typically at the home office. PRfect Greens' flexibility allows them to work with the client in any capacity required to serve the customer in the most effective way. Often this means working closely with the customer and the various hierarchical levels within the company. This will sometimes mean extended time spent at the company's work site, a service that PRfect Greens is more than happy to offer.

3.6 Strategy Pyramids

The single objective for PRfect Greens is to be known as the premier environmental PR firm, commanding a majority of the market share within four years. The marketing strategy will seek to first create customer awareness regarding the new firm, develop a customer base, and work toward building customer loyalty and referrals.

The message that PRfect Greens seeks to communicate is that PRfect Greens offers the most professional and experienced environmental PR services in the region. This message will be communicated through a variety of methods. The first method is various advertising. The advertisements will be launched within the respective industry trade journals.

The message will also be communicated through a strategic networking campaign that leverages all of the professional and personal relationships that the two principals have formed over their combined two decades of professional experience.

The last method of communication is through the use of their website. The marketing of the website will incorporate the following actions:

- Search engine submission. For all of the prospective customers that are unaware of PRfect Greens and are using the Internet to research the possible service solutions to their problem, PRfect Greens will professionally submit their site individually to all of the popular search engines so that PRfect Greens' site appears at the top of the search list.
- Advertising of the site through the various written materials that PRfect Greens will disseminate to prospective customers.

3.7 Marketing Mix

PRfect Greens' marketing mix is comprised of the following approaches to pricing, advertising and promotion, and customer service.

- **Pricing:** The pricing scheme will generally be based on a per project estimate that takes into account the number of hours required to complete the project as well as the resources that will need to be expended for completion. The hourly rate ranges from \$50-\$100.
- **Distribution:** The service will be distributed wherever it is needed. Often this will occur at the client's site.
- **Advertising and promotion:** The most successful promotional activities will be targeted advertising and strategic networking.
- **Customer service:** Obsessive customer service is the mantra. The customer will be satisfied, regardless of the short-term cost. This business model recognizes the idea that customer satisfaction will ensure long-term profits.

3.8 Marketing Research

During the initial phases of the marketing plan development, several focus groups were held to gain insight into targeted customer groups and their decision-making process and important variables for that process.

Another source of marketing research is a marketing research project completed by University of Oregon business graduate students. The five students spent a semester devising and completing marketing research for class credit. PRfect Greens worked with the students throughout the semester, ensuring that the final research would be valuable to the firm. The combination of class credit as well as practical experience in their desired field created an incentive system that ensured a quality project.

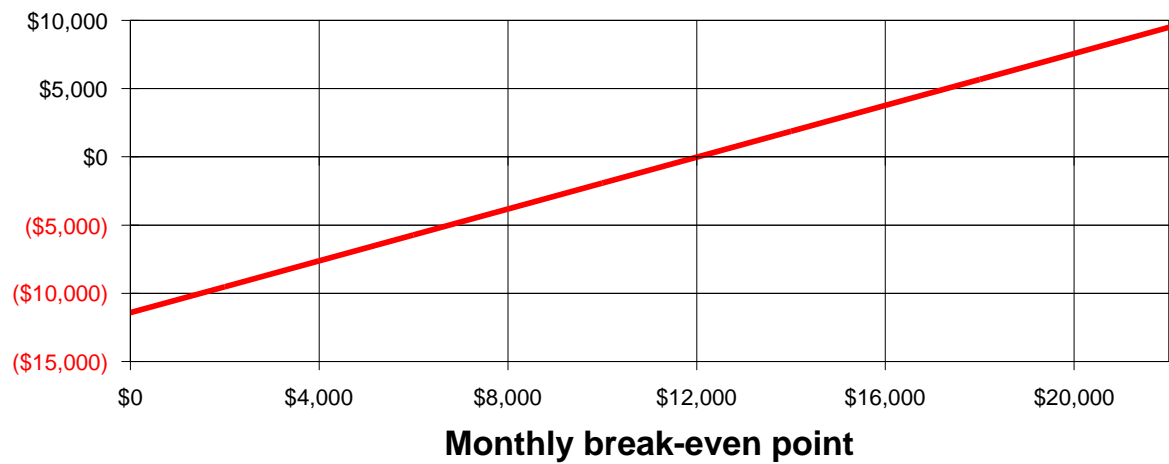
4.0 Financials

This section will offer a financial overview of PRfect Greens as it relates to the marketing activities. PRfect Greens will address break-even analysis, sales forecasts, expenses forecasts, and how those activities link to the marketing strategy.

4.1 Break-even Analysis

The break-even analysis indicates that \$12,016 is needed in monthly revenue to reach the break-even point.

Break-even Analysis



Break-even point = where line intersects with 0

Table 4.1: Break-even Analysis

Break-even Analysis:	
Monthly Units Break-even	24
Monthly Sales Break-even	\$12,016
Assumptions:	
Average Per-Unit Revenue	\$500.00
Average Per-Unit Variable Cost	\$25.00
Estimated Monthly Fixed Cost	\$11,415

4.2 Sales Forecast

The first month of operation will not have any sales activity. The office will be set up and the marketing campaign will be devised. The second month will see a small amount of activity, primarily small projects of limited duration. By month three and four, visibility of PRfect Greens will have begun to take root and there will be an increasing number of inquiries that will be turned into projects. Sales will steadily increase from month four on with profitability being reached by month 10 and sales reaching \$220,000 by the end of year two.

Monthly Sales Forecast

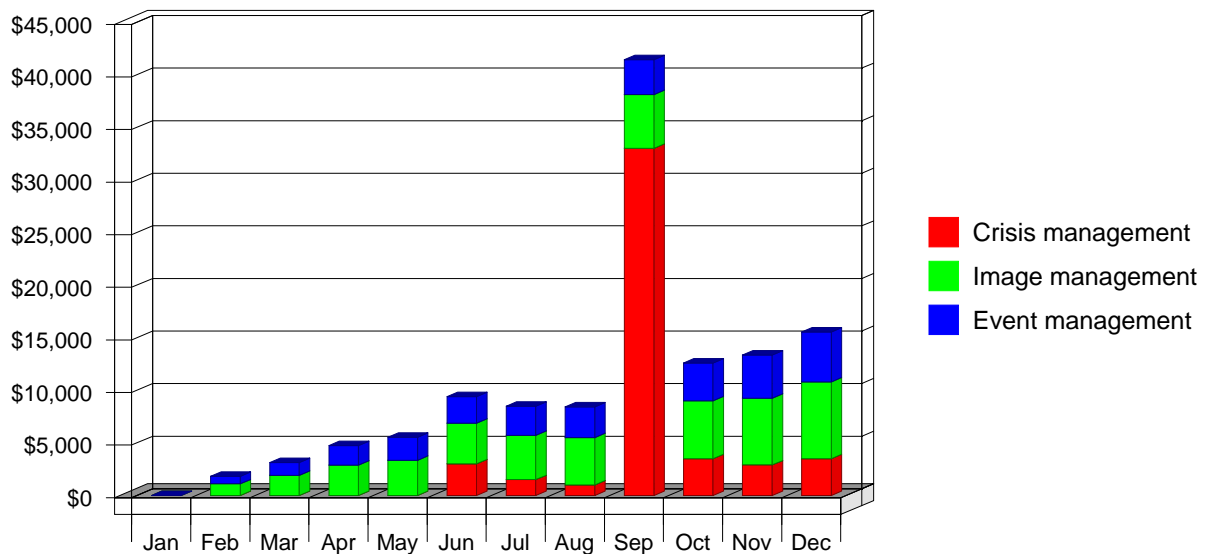


Table 4.2: Sales Forecast

Sales Forecast			
Sales	2001	2002	2003
Crisis management	\$48,403	\$48,000	\$55,000
Image management	\$46,069	\$104,556	\$115,676
Event management	\$29,945	\$67,961	\$75,189
Total Sales	\$124,417	\$220,517	\$245,865
Direct Cost of Sales	2001	2002	2003
Crisis management	\$2,420	\$2,400	\$2,750
Image management	\$2,303	\$5,228	\$5,784
Event management	\$1,497	\$3,398	\$3,759
Subtotal Cost of Sales	\$6,221	\$11,026	\$12,293

4.3 Expense Forecast

Marketing expenses will be budgeted so they are somewhat uniform throughout the year. The first few months will see an increase in spending to raise visibility for the newborn organization. Expenses will ramp up again in Sept.

Monthly Expense Budget

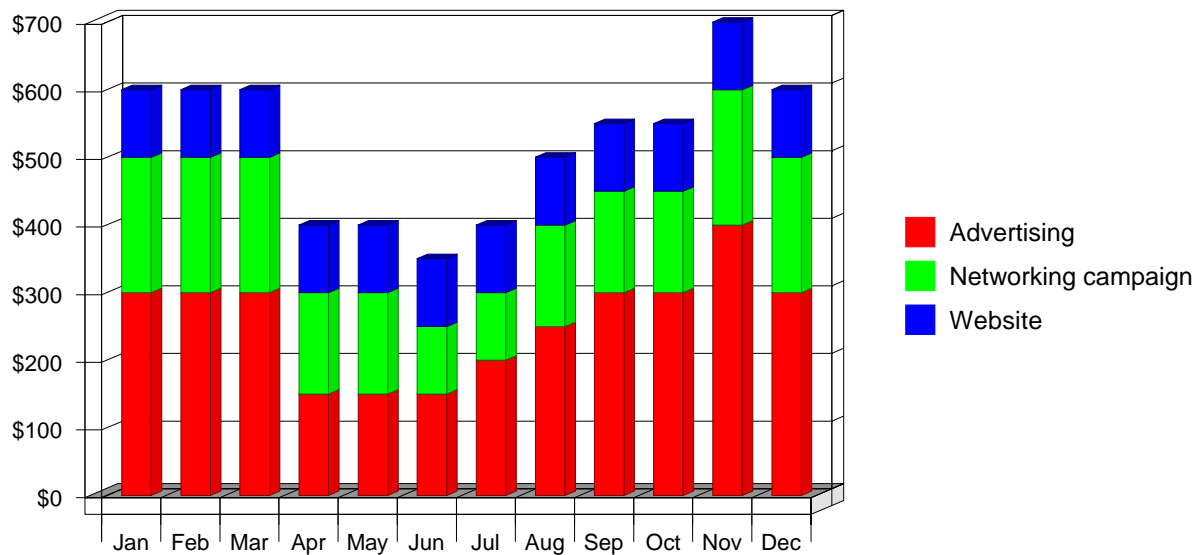


Table 4.3: Marketing Expense Budget

Marketing Expense Budget	2001	2002	2003
Advertising	\$3,100	\$3,500	\$4,000
Networking campaign	\$1,950	\$2,500	\$3,000
Website	\$1,200	\$1,200	\$1,200
<hr/>			
Total Sales and Marketing Expenses	\$6,250	\$7,200	\$8,200
Percent of Sales	5.02%	3.27%	3.34%
Contribution Margin	\$111,946	\$202,291	\$225,372
Contribution Margin / Sales	89.98%	91.73%	91.66%

5.0 Controls

The purpose of PRfect Greens' marketing plan is to serve as a guide for the organization. The following areas will be monitored to gauge performance.

- Revenue: monthly and annual.
- The number of new clients.
- Repeat business.
- The number of stories placed in newspapers, magazines, TV and radio spots.
- The number of national articles written about client companies.

5.1 Implementation

The following milestones identify the key marketing programs. It is important to accomplish each one on time and on budget.

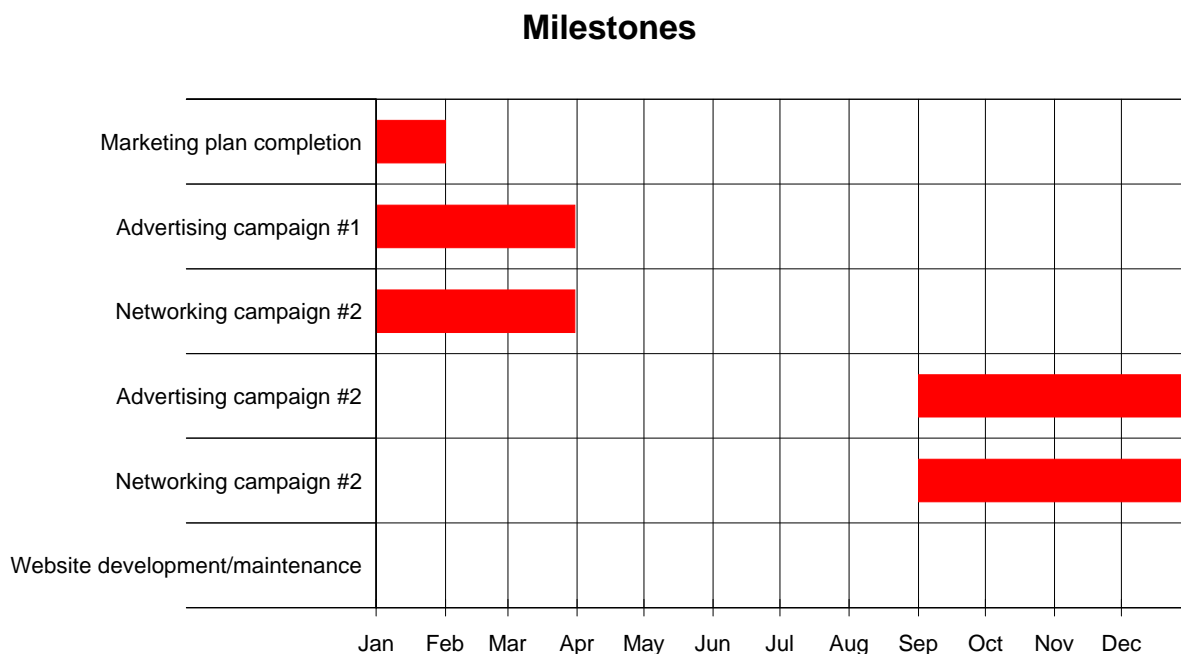


Table 5.1: Milestones

Milestones	Plan					
Milestone	Start Date	End Date	Budget	Manager	Department	
Marketing plan completion	1/1/01	2/1/01		Arbor/ Birk		
Advertising campaign #1	1/1/01	3/31/01	\$900	Arbor		
Networking campaign #2	1/1/01	3/31/01	\$600	Arbor/ Birk		
Advertising campaign #2	9/1/01	12/31/01	\$1,300	Birk		
Networking campaign #2	9/1/01	12/31/01	\$700	Arbor/ Birk		
Website development/maintenance	1/1/01	ongoing	\$1,200	outsourced		
Totals			\$4,700			

5.2 Marketing Organization

The two principals will be equally responsible for the marketing activities.

5.3 Contingency Planning

Difficulties and risks:

- Problems generating visibility.
- An inability to generate enough demand.
- Overly aggressive and debilitating actions by competitors.

Worst case risks may include:

- Determining that the business cannot support itself on an ongoing basis.
- Having to liquidate equipment to cover liabilities.

Appendix: PRfect Greens

Table 4.2 Sales Forecast

Sales Forecast	Plan											
Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Crisis management	\$0	\$0	\$0	\$0	\$0	\$3,000	\$1,500	\$1,000	\$33,003	\$3,500	\$2,900	\$3,500
Image management	\$0	\$1,100	\$1,898	\$2,878	\$3,345	\$3,878	\$4,223	\$4,501	\$5,112	\$5,500	\$6,334	\$7,300
Event management	\$0	\$715	\$1,234	\$1,871	\$2,174	\$2,521	\$2,745	\$2,926	\$3,323	\$3,575	\$4,117	\$4,745
Total Sales	\$0	\$1,815	\$3,132	\$4,749	\$5,519	\$9,399	\$8,468	\$8,427	\$41,438	\$12,575	\$13,351	\$15,545
Direct Cost of Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Crisis management	\$0	\$0	\$0	\$0	\$0	\$150	\$75	\$50	\$1,650	\$175	\$145	\$175
Image management	\$0	\$55	\$95	\$144	\$167	\$194	\$211	\$225	\$256	\$275	\$317	\$365
Event management	\$0	\$36	\$62	\$94	\$109	\$126	\$137	\$146	\$166	\$179	\$206	\$237
Subtotal Cost of Sales	\$0	\$91	\$157	\$237	\$276	\$470	\$423	\$421	\$2,072	\$629	\$668	\$777

Appendix: PRfect Greens

Table 4.3 Marketing Expense Budget

Marketing Expense Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Advertising	\$300	\$300	\$300	\$150	\$150	\$150	\$200	\$250	\$300	\$300	\$400	\$300
Networking campaign	\$200	\$200	\$200	\$150	\$150	\$100	\$100	\$150	\$150	\$150	\$200	\$200
Website	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
<hr/>												
Total Sales and Marketing Expenses	\$600	\$600	\$600	\$400	\$400	\$350	\$400	\$500	\$550	\$550	\$700	\$600
Percent of Sales	0.00%	33.06%	19.16%	8.42%	7.25%	3.72%	4.72%	5.93%	1.33%	4.37%	5.24%	3.86%
Contribution Margin	(\$600)	\$1,124	\$2,375	\$4,111	\$4,843	\$8,579	\$7,645	\$7,505	\$38,816	\$11,396	\$11,984	\$14,168
Contribution Margin / Sales	0.00%	61.94%	75.84%	86.58%	87.75%	91.28%	90.28%	89.07%	93.67%	90.63%	89.76%	91.14%