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1.0 Executive Summary

Mixed Greens Salad Gardens (MG) is a local producer of salad field greens. MG serves both the consumer market, as well as local restaurants. MG will succeed in developing a profitable business through the use of their two competitive advantages, quality and flexibility. MG's pursuit of ultimate quality coupled with the flexibility of a small, local grower will allow it to exploit the opportunity in the current market. Right now in Eugene, Ore., demand outstrips supply when it comes to quality field greens. The local farmers cannot produce enough product to satiate local demand. Every week they sell out of their greens, wishing that they had more to sell.

Heidi Ponik, the founder and owner of Mixed Greens Salad Gardens sees this market opportunity and is prepared to seize it. Heidi's relentless pursuit of quality, combined with her extensive background in horticulture and sheer passion will propel the business into profitability.

2.0 Situation Analysis

Mixed Greens Salad Gardens is a start-up business. The greens have been well received, and marketing is now critical to its continued success and future profitability. MG offers a wide range of high-quality spring field salad greens. MG grows a wide variety of field greens including red leaf, arugula, radichio, mustard greens, endive, and chicory.

The basic market need is high-quality salad field greens with flexibility in production for both the consumer and commercial market.

2.1 Market Summary

Mixed Greens Salad Gardens possesses good information about the market and knows a great deal about the common attributes of our most prized and loyal customers. Mixed Greens Salad Gardens will leverage this information to better understand who is served, their specific needs, and how Mixed Greens Salad Gardens can better communicate with them.

Target Markets

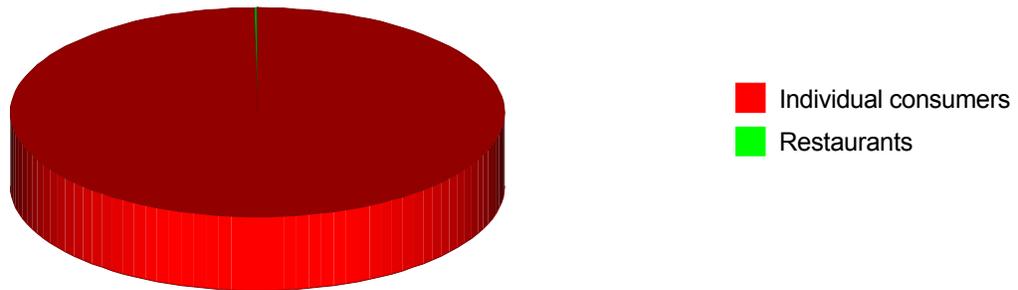


Table 2.1: Target Market Forecast

Target Market Forecast							
Potential Customers	Growth	2001	2002	2003	2004	2005	CAGR
Individual consumers	12%	12,000	13,440	15,053	16,859	18,882	12.00%
Restaurants	8%	28	30	32	35	38	7.93%
Total	11.99%	12,028	13,470	15,085	16,894	18,920	11.99%

2.1.1 Market Demographics

The profile for MG's customer consists of the following geographic, demographic, and behavior factors. Please note that Mixed Greens Salad Gardens has two target segment customers, individual consumers and restaurants.

Individuals:

Geographics

- The immediate target is the city of Eugene with a population of 130,000.
- A 20 mile geographic area is in need of the products.
- The total targeted population is 12,028.

Demographics

- Singles and families.
- Ages 25-50, this segment makes up 53% of the Eugene market according to the Chamber of Commerce.
- Have attended college or graduate school.
- Have a household income of more than \$45,000.
- Tend to patronize higher-quality restaurants.
- Are cognizant about their health.

Behavior Factors

- Are willing to pay a premium for higher quality, tastier greens.
- There is value attributed to the more attractive presentation of a salad mix.

Restaurants (and their customers):

Geographics

- Eugene is the targeted population.
- A 45 mile geographic area.

Demographics

- Male and female.
- Single and families.
- Household income over \$60,000.
- Tend to eat out at least once a week.
- Tend to patronize higher-quality restaurants.

Behavior factors

- Are health conscious.
- Enjoy a high-quality meal without the mess of making it themselves.

2.1.2 Market Needs

Mixed Greens Salad Gardens provides individuals and restaurants with high-quality mixed salad greens. MG seeks to fulfill the following benefits that are important to their customers.

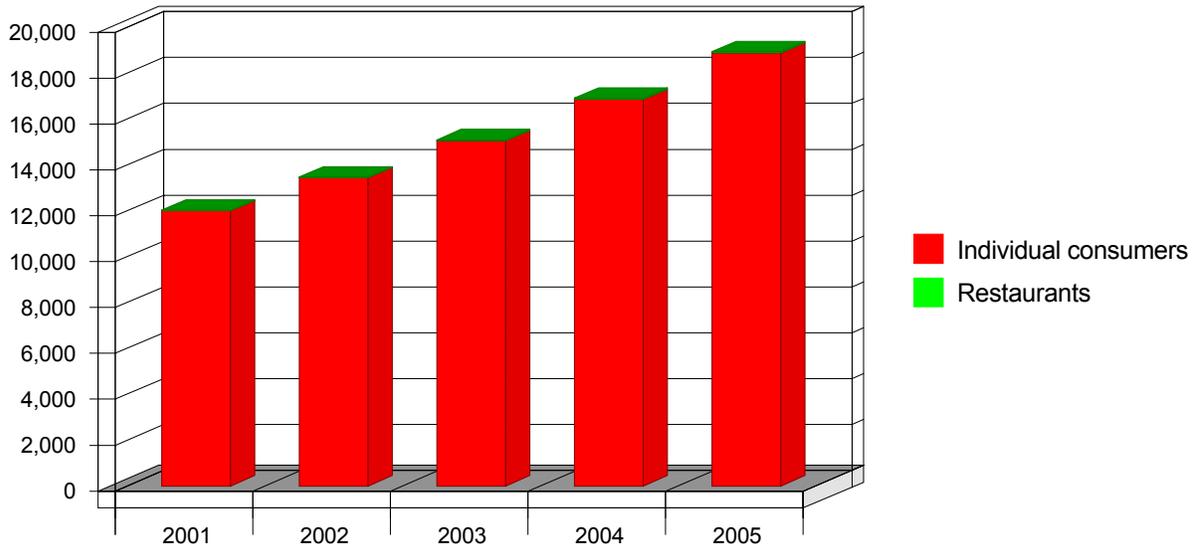
- **Selection:** A wide choice of different greens with the flexibility to change crops mid-season.
- **Accessibility:** MG has a booth at the Farmer's Market held twice per week in Downtown Eugene, and also delivers once to twice a week to Eugene restaurants.
- **Customer service:** The patron will be impressed with the level of attention that they receive.
- **Competitive pricing:** All products will be priced competitive to true substitutes.

2.1.3 Market Trends

The market for mixed greens has exploded within the last five years. Explanations for this trend are:

- **Market supply:** The increase of supply has reinforced the demand. Within the last few years many farms that were producing general vegetables have moved to production of salad greens because of the increased margins and market demand.
- **Presentation/appearance:** Presentation as an element of the culinary experience has taken on more value as chefs have become more creative over the last several years.
- **Health consciousness:** Americans have become more health conscious and mixed greens have supported this goal as salad greens are inherently healthy and a salad mix is far tastier than the old standby of Romaine or Iceberg.

Market Forecast

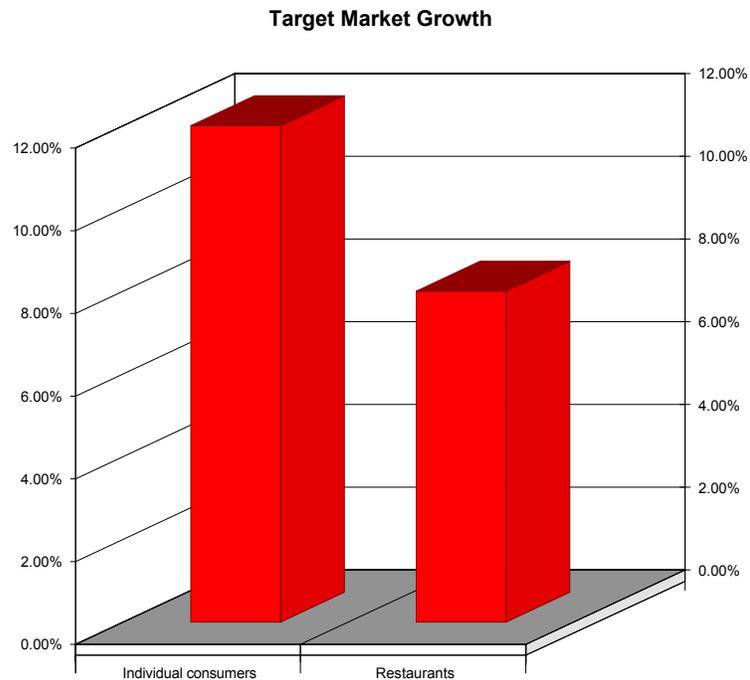


2.1.4 Market Growth

In 2000, the national market for mixed greens reached \$87 million in sales. This specific type of produce is forecast to grow at 8%, far greater than the rest of the agricultural industry.

Americans are learning to appreciate the more sophisticated taste of this health food. Therefore taste and health consciousness is what is driving this demand. This demand can be seen by the increase of salad offerings by finer restaurants.

Lastly, presentation is becoming a variable in gauging the quality of a meal, and a mix for salad greens is very aesthetically pleasing.



2.2 SWOT Analysis

The following SWOT analysis captures key strengths and weaknesses within the company and describe the threats facing Mixed Greens Salad Gardens.

2.2.1 Strengths

- Flexibility in meeting restaurant's needs.
- High-quality product offerings that exceed competitors offerings of price, quality, and service.
- Higher than industry margins due to production efficiencies.

2.2.2 Weaknesses

- Mixed Greens Salad Gardens lacks brand equity.
- A limited marketing budget to develop brand awareness.
- The decreased degree of flexibility when near full production.

2.2.3 Opportunities

- Growing market with a significant percentage of the target market still not aware that Mixed Greens Salad Gardens exists.
- The ability to develop long-term commercial contracts which should lower costs associated with production.

2.2.4 Threats

- An out of state, already established competitor that has decided to make customer service and flexibility their selling point.
- A health scare that questions the safety of mixed greens.
- Poor weather which will lower field yields.

2.3 Competition

There are three types of competitors that MG faces:

1. **Supermarkets:** These stores sell a salad greens mix to consumers. The advantage of the supermarket is convenience. There are many supermarkets around the city and they are open many hours during the day. Their disadvantage is price and quality. The quality is sub par to the offerings of MG and other similar local farmers. The cost is higher, usually 15% more.
2. **Similar local farmers:** These are very similar operations to MG, sometimes larger or smaller. There appears to be room in the market for multiple farmers as most of the farmers sell out their products each day at the farmers market.
3. **Large distributors:** An example of this would be Food Service of America (FSA) which buys a wide variety of products and quality of produce from farmers and distributes them to restaurants. The produce is not usually local and is a few days older from the field compared with the local farmers. The price is comparable and the quality can be comparable, but not necessarily. The disadvantage of a food distributor is the lack of flexibility relative to a local grower when serving local customers.

Table 2.3: Growth and Share Analysis

Growth and Share			
Competitor	Price	Growth Rate	Market Share
Competitor	\$0	0%	0%
Competitor	\$0	0%	0%
Competitor	\$0	0%	0%
Competitor	\$0	0%	0%
Competitor	\$0	0%	0%
Other	\$0	0%	0%
Average	\$0.00	0.00%	0.00%
Total	\$0.00	0.00%	0.00%

2.4 Product Offering

MG will sell a spring mix of salad field greens. These greens will include, but are not limited to: red leaf, arugula, radichio, mustard greens, endive, and chicory. These greens are grown for use in salad mixtures, purchased by the end consumer as well as by restaurants who then serve it to their patrons. While the greens are washed at the farm they are not certified washed and the patrons are told to wash them an additional time.

2.5 Keys to Success

Exceed the customer's expectations. Additionally, MG will:

- Generate repeat business.
- Increase the transactions amount per customer.
- Increase the number of restaurant accounts.

2.6 Critical Issues

Mixed Greens Salad Gardens is still in the speculative stage as a green grower. Its critical issues are to continue to take a modest fiscal approach; expand at a reasonable rate, not for the sake of expansion in itself, but because it is economically wise to; and continue to build brand awareness to lower future marketing costs.

3.0 Marketing Strategy

Mixed Greens Salad Gardens' marketing budget is limited so the strategy will be simple. Developing visibility and brand equity is key. To do so, Mixed Greens Salad Gardens will advertise in both the Register Guard as well as Eugene Weekly. Advertisements will be for MG individually, as well as some co-branded ads with the Farmer's Market.

In addition to the advertisements which will be used to drive consumer sales, MG will leverage a networking campaign among the local restauranteurs to drive commercial sales.

3.1 Mission

Mixed Greens Salad Gardens' mission is to provide the highest-quality salad greens. 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

1. Maintain positive, steady growth each month.
2. Experience an increase in new customers who are turned into long-term customers.
3. Generate brand equity at the Farmer's Market as well as within the commercial restaurant industry market.

3.3 Financial Objectives

1. Realize a 3% increase in gross profit margins through efficiency gains every year.
2. Reduce the transportation costs associated with product delivery by 10% by the end of the first year.

3.4 Target Markets

MG has two distinct customers:

1. **Individual consumers.** This group of people buy mesclun greens because they have a more sophisticated pallette. Average Americans have been raised on iceberg lettuce and this is their green of choice. These people are typically unsophisticated or unadventurous in terms of culinary habits. These are NOT the people MG serves. MG is going after people that appreciate healthier, tastier alternatives to the standby of iceberg lettuce. This group of consumers is more likely to make their own meals instead of going out, appreciate fine dining, and generally are from a higher socio/economic class. The individuals have access to Mixed Greens Salad Gardens' salad greens at a booth that they set up at the Farmer's Market.
2. **Restaurants.** Not all restaurants use mesclun mixes, generally it is a restaurant of fine dining that serves the finer greens. To be even more specific, it is typically an adventurous American, or nouveau cuisine restaurant as opposed to a French or German restaurant that appreciates the Mesclun mix. The restaurants are a year round customer which is helpful to balance the seasonal demand of the consumers. Another advantage of having restaurants as a customer is that even though they get a better price, MG has a long-term contract with them which helps in terms of stability.

MG's target market segment strategy is fairly easy.

Individuals

These customers will be buying MG products from the different farmer markets located in Eugene, Ore. The main one is "The Farmer's Market" held downtown twice a week in the Spring and the Summer. This market gets quite a bit of traffic because there is a nice selection of different farmers and products and it is in a central location. Additionally, there are several other smaller farmer markets that exist in outlying communities. By setting up a booth in these markets, there is already a steady flow of interested customers. There obviously is a fee to set up a stand, but what you get for the fee is all of your marketing taken care of and a line of customers. In addition to individuals frequenting the farmer's market, restaurants will go there as well. This occurs when a restaurant needs ingredients but did not have the time to order in advance.

Restaurants

MG will target these customers by introducing MG and their products to the restaurants through meetings with the buyers at each restaurant. There are about 25-30 different restaurants in Eugene that use field greens in their salad and MG intends to approach these to form a long-term relationship.

3.5 Positioning

Mixed Greens Salad Gardens will position itself as:

- Flexible.
- High-quality producer.
- Professional.
- Reliable.

3.6 Strategies

The single objective is to position Mixed Greens Salad Gardens as THE finest producer of salad greens in the Willamette River Valley, commanding a majority of the market share within five years. The marketing strategy will seek to first create customer awareness regarding services offered, develop the customer base, and work toward building customer loyalty.

Mixed Greens Salad Gardens seeks to communicate the message that they are the finest grower of high-end salad greens. This message will be communicated through a variety of methods. The first method will be advertisements. Some of the advertisements will be co-branding with the Farmer's Market. Other advertisements will be solely MG advertisements. The ads will be placed in both the local newspaper as well as the local art/entertainment paper.

The message will also be communicated to the different restaurants through networking with owners and managers. Not only is there an Eugene-based restaurant association which is a formal group of restauranteurs, but because Eugene is a fairly intimate community, MG will communicate their message through informal gatherings and networking with restaurant owners.

3.7 Marketing Mix

Mixed Greens Salad Gardens' marketing mix is comprised of the following approaches to price, distribution, advertising and promotion, and customer service.

- **Pricing:** MG's pricing scheme is a per pound charge for salad greens. Consumers may purchase any amount of greens, restaurants must purchase in three pound quantities.
- **Distribution:** Consumers are able to purchase the greens from MG's stand at the local Farmer's Market. Restaurants will have their produce delivered.
- **Advertising and promotion:** A mixture of advertisements and networking will be used to increase visibility for Mixed Greens Salad Gardens.
- **Customer service:** Obsessive customer service is the mantra. MG's philosophy is whatever needs to be done to make the customer happy must occur, even at the expense of short-term profits. In the long term, this investment will pay off with a fiercely loyal customer.

3.8 Marketing Research

During the initial phase of the marketing plan development, several focus groups were held to gain insight into prospective customers. These focus groups provided helpful insight into the decision making processes.

An additional source of dynamic market research is a feedback mechanism based on a suggestion card system. The suggestion card has several statements that customers are asked to rate in terms of a given scale. There are also several open ended questions that allow the customer to freely offer constructive criticism or praise. Mixed Greens Salad Gardens will work hard to implement reasonable suggestions in order to improve their service offerings, as well as show its commitment to the customer that their suggestions are valued.

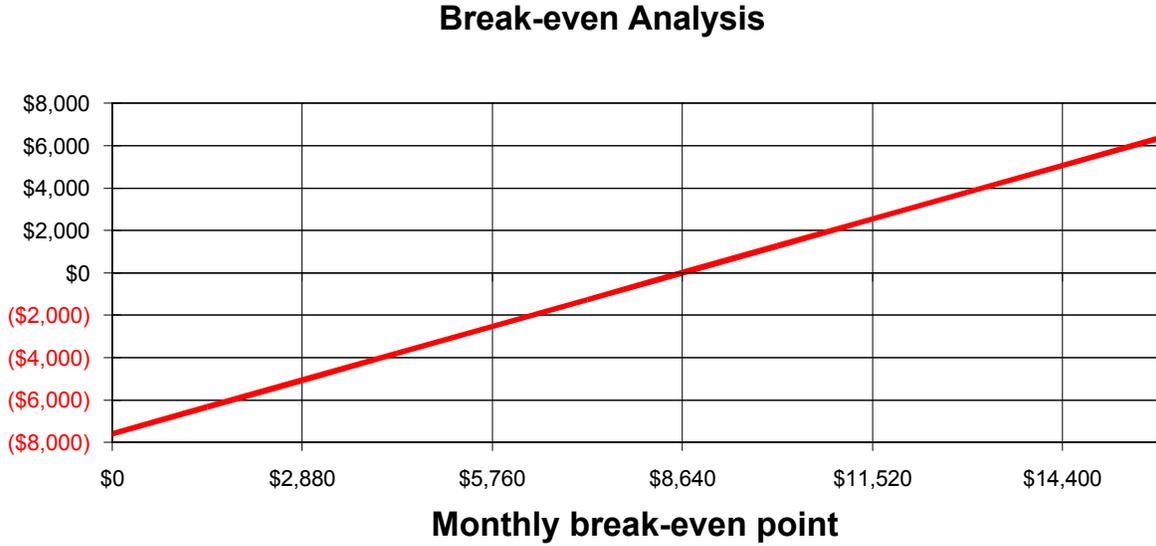
The last source of market research is competitive analysis. Mixed Greens Salad Gardens will send people to local competitors to gain information about their product offerings.

4.0 Financials

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

4.1 Break-even Analysis

The Break-even Analysis indicates \$8,636 will be need in monthly revenue to reach the break-even point.



Break-even point = where line intersects with 0

Table 4.1: Break-even Analysis

Break-even Analysis:	
Monthly Units Break-even	1,439
Monthly Sales Break-even	\$8,636
Assumptions:	
Average Per-Unit Revenue	\$6.00
Average Per-Unit Variable Cost	\$0.72
Estimated Monthly Fixed Cost	\$7,600

4.2 Sales Forecast

The first month will be used to set up the green house and get things underway. There will not be sales activity until month three when the first greens will be sprouting. From month three there will be a steady increase in production and sales. This will continue until month nine when the consumer sales will be significantly decreasing due to the closing of the farmer's markets. From month nine to 16 MG will have an increase in restaurant sales to offset the elimination of the consumer sales. By month 17, restaurant sales will decrease to accommodate the ramping up of consumer sales again.

Monthly Sales Forecast

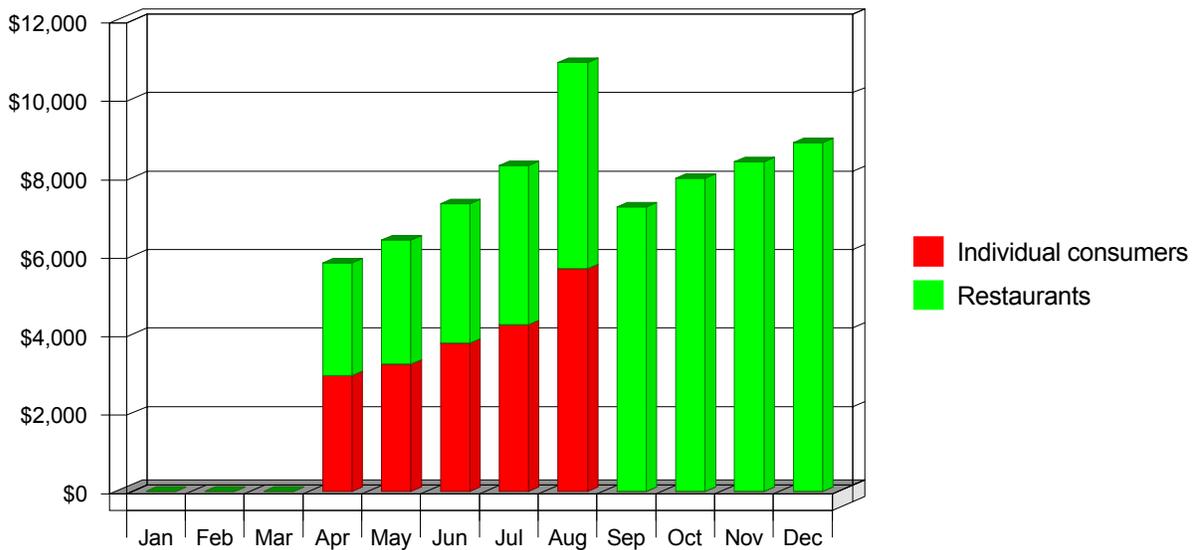


Table 4.2: Sales Forecast

Sales Forecast			
Sales	2001	2002	2003
Individual consumers	\$19,944	\$38,899	\$51,212
Restaurants	\$51,428	\$72,545	\$78,998
Total Sales	\$71,372	\$111,444	\$130,210
Direct Cost of Sales			
	2001	2002	2003
Individual consumers	\$2,393	\$4,668	\$6,145
Restaurants	\$6,171	\$8,705	\$9,480
Subtotal Cost of Sales	\$8,565	\$13,373	\$15,625

4.3 Expense Forecast

Marketing expenses are budgeted to see a spike in costs between months five through eight for consumer sales, and nine through 11 for restaurant sales.

Monthly Expense Budget

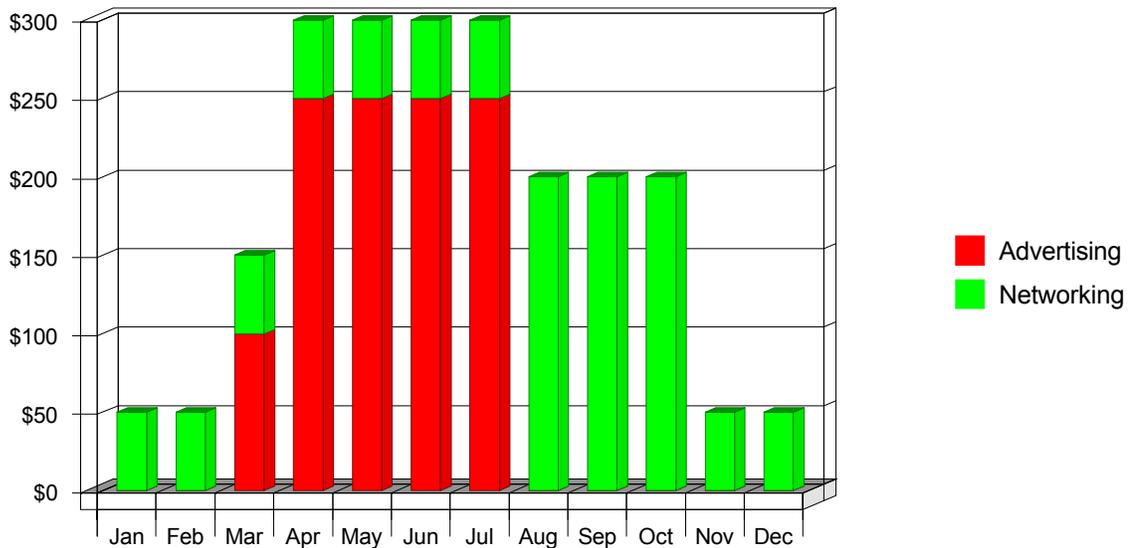


Table 4.3: Marketing Expense Budget

Marketing Expense Budget	2001	2002	2003
Advertising	\$1,100	\$1,100	\$1,000
Networking	\$1,050	\$1,050	\$1,000
Total Sales and Marketing Expenses	\$2,150	\$2,150	\$2,000
Percent of Sales	3.01%	1.93%	1.54%
Contribution Margin	\$60,657	\$95,921	\$112,585
Contribution Margin / Sales	84.99%	86.07%	86.46%

5.0 Controls

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

- Revenue: monthly and annual.
- Expenses: monthly and annual.
- Repeat business.
- Customer satisfaction.

5.1 Implementation

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

Milestones

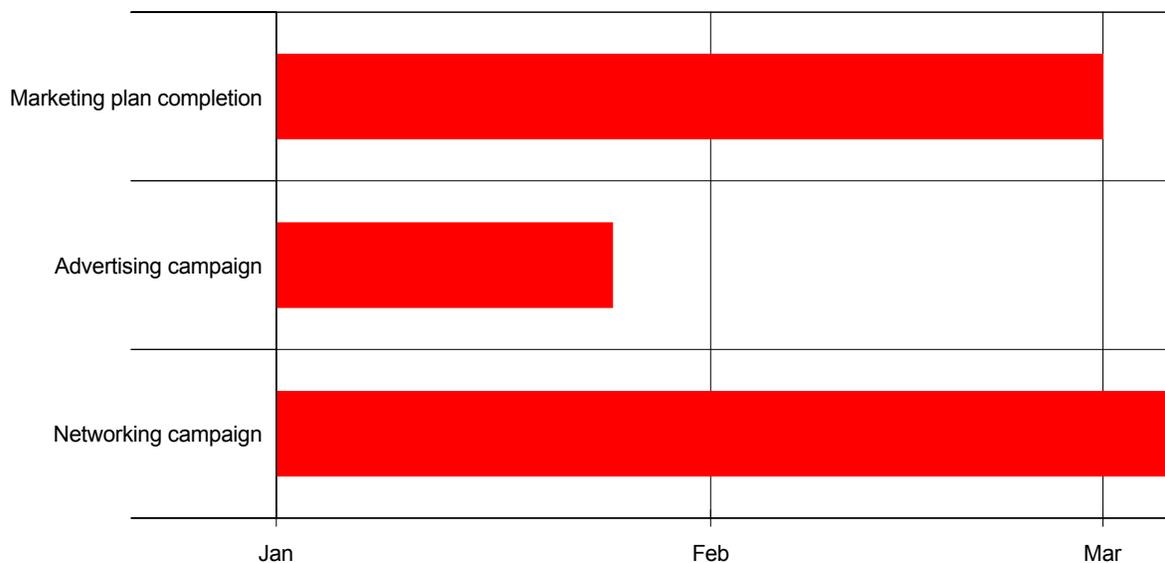


Table 5.1: Milestones

Milestones	Plan	Start Date	End Date	Budget	Manager	Department
Marketing plan completion		1/1/01	3/1/01		Heidi	Marketing
Advertising campaign		1/1/01	ongoing	\$3,200	Heidi	Marketing
Networking campaign		1/1/01	ongoing	\$3,100	Heidi	Marketing
Totals				\$6,300		

5.2 Marketing Organization

Heidi Ponc is responsible for all marketing activities.

5.3 Contingency Planning

Difficulties and risks:

- Problems generating visibility.
- An already established competitor that chooses to compete on quality and flexibility.
- Poor weather which could hamper crop yields.

Worst case risks may include:

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

Appendix: Mixed Greens Salad Gardens

Table 4.2 Sales Forecast

Sales Forecast	Plan											
Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Individual consumers	\$0	\$0	\$0	\$2,956	\$3,254	\$3,789	\$4,258	\$5,687	\$0	\$0	\$0	\$0
Restaurants	\$0	\$0	\$0	\$2,874	\$3,154	\$3,545	\$4,058	\$5,245	\$7,258	\$7,987	\$8,412	\$8,895
Total Sales	\$0	\$0	\$0	\$5,830	\$6,408	\$7,334	\$8,316	\$10,932	\$7,258	\$7,987	\$8,412	\$8,895
Direct Cost of Sales	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Individual consumers	\$0	\$0	\$0	\$355	\$390	\$455	\$511	\$682	\$0	\$0	\$0	\$0
Restaurants	\$0	\$0	\$0	\$345	\$378	\$425	\$487	\$629	\$871	\$958	\$1,009	\$1,067
Subtotal Cost of Sales	\$0	\$0	\$0	\$700	\$769	\$880	\$998	\$1,312	\$871	\$958	\$1,009	\$1,067

Appendix: Mixed Greens Salad Gardens

Table 4.3 Marketing Expense Budget

Marketing Expense Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Advertising	\$0	\$0	\$100	\$250	\$250	\$250	\$250	\$0	\$0	\$0	\$0	\$0
Networking	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$200	\$200	\$200	\$50	\$50
Total Sales and Marketing Expenses	\$50	\$50	\$150	\$300	\$300	\$300	\$300	\$200	\$200	\$200	\$50	\$50
Percent of Sales	0.00%	0.00%	0.00%	5.15%	4.68%	4.09%	3.61%	1.83%	2.76%	2.50%	0.59%	0.56%
Contribution Margin	(\$50)	(\$50)	(\$150)	\$4,830	\$5,339	\$6,154	\$7,018	\$9,420	\$6,187	\$6,829	\$7,353	\$7,778
Contribution Margin / Sales	0.00%	0.00%	0.00%	82.85%	83.32%	83.91%	84.39%	86.17%	85.24%	85.50%	87.41%	87.44%