MARKETING PLAN BY PATRICK OAKES PREPARED FOR

Patrick Oakes

**PRIORITY CONSULTING EXPERTS**

MKTG 3300, SPRING SEMESTER 2020 FOR DR. JACK A. LESSER 3/9/2020

**2. Company Description**

Priority Tax Experts Inc. was started by founder Patrick S. Oakes with 20 years of IRS experience to develop and market tax services to lower to middle income, mostly self-employed sole proprietor clients who have not filed recently, owe back taxes to the IRS and State, and need to become compliant so they can retain the assets they still own and start rebuilding their lives. Many of the customer base is either rural or suburban people between 45-75 and do not have IRS specialists in their areas or are too embarrassed to ask for help in person. They have marketed nationally to all fifty states, but have started to break away from the more affluent Urban and Suburban market places, as this market usually has access to specialty attorneys and accountants.

The Company slowly started to add more products to the higher end clients, such as bookkeeping services, incorporation, payroll, and audit representation. Also, they began to do more consultative work, such as business restructuring, valuation, and market evaluation for clients. They also are set implementing and consulting for new OpenERP software, Odoo, it is specifically targeted to smaller clients with CRM and ERP needs, but not enough gross revenues to justify investing in a more extensive, closed source, expensive software like Oracle, or Salesforce. The higher-end second part of the business, software, and business consulting, will be rolled out into a new company call Priority Consulting Experts — Inc. in 2021.

Priority Consulting Experts believes it positions itself in a market above mass tax preparation. Like H and R Block and has more product offerings than a CPA or a lawyer, but has lower-priced solutions than full consulting firms, that are priced way out of the $250,000 to $5,000,000 a year revenue companies.

**3. Strategic Focus and Plan**

This section covers three aspects of corporate strategy that influence the marketing plan: (1) the mission, (2) goals, and (3) core competency/competitive advantage.

**Mission**

The mission of Priority Consulting Experts is to roll out affordable accounting, software, and business consulting services to sole-proprietorships and small corporations. We want to become the premier provider of quality, affordable services to this vastly underserved and large business market. We would also like to create profit-sharing initiatives with employees like Employee Stock Ownership Plans (ESOPs) to ensure the attraction of top talent and a way to encourage long term thinking in a new and more mercurial marketplace.

**Goals**

For the coming five years, Priority Consulting Experts seeks to achieve the following goals:

Nonfinancial Goals

1. To retain all of my high-talent and character Tax Consultants from my existing Company, Priority Tax Experts inc, all enhance their roles to be full business consultants.
2. To begin to have more onsite consulting visits with customers to help them implement software and significant changes onsite.
3. To develop a holistic approach in the consulting of these businesses, including taxes, software, marketing, and overall business strategy unification.
4. To develop new internal products to integrate with our software partner Odoo, Inc.® for low-cost solutions to client problems.
5. Penetrate the US market for small businesses(fewer than 500 employees), which accounts for more than half the private GDP and approximately half the private sector employment.
6. To become the top provider of affordable, value-added consulting to small businesses in America.

Financial Goals

1. To have explosive growth from year one 2021, of approximately 3 Million, to 10 Million by 2022 and 100 Million a year by 2025.
2. Have a consistent return on investment of at least 25 percent.
3. To either acquire, merge, have a public stock offering, or sell by 2030.
4. Create an Employee Stock Ownership Plan (ESOP) for all employees that meet the criteria to become owners in this high talent, service-oriented business.

**Core Competency and Competitive Advantage**

In terms of core competency, Priority Consulting Experts will start with a staff of approximately 20 people( Form Priority Tax Experts) who understand the unique needs and temperaments of a small business owner. the median American small business owner is a bit over 50 years old. (The Surprising Demographics of Small Business Owners, n.d.) and the majority have less than 20 employees. Small businesses employ 58.9 million people, which makes up 47.5% of the country’s total employee workforce.(How many Small Businesses are in the U.S.n.d.)

In fact, regarding small business, the top job provider is those with fewer than ten employees, and those with ten or more but fewer than twenty employees comes in as the second, and those with twenty or more but fewer than one hundred employees comes in as the third (interpolation of data from the following references). The most recent data shows firms with fewer than twenty employees account for slightly more than 18% of the employment.(Small Business, n.d.). We understand that 18% financially as well as anyone in any industry anywhere.

To leverage these core competencies, we are going to work closely with new, affordable solutions for small businesses like OpenERP solutions, help them acquire new clients using the proper marketing strategy, some will require old-line advertising like direct mail and television, and some will benefit from social media and search strategies. Most of all, we will assist them in structuring themselves properly, so they do not run into tax problems, payroll issues, and employee controls.

**SWOT Analysis**

Figure 1 shows the internal and external factors affecting the market opportunities for Priority Consulting Experts.

|  |  |  |
| --- | --- | --- |
| **Internal Factors** | **Strengths** | **Weaknesses** |
| Management | Very experienced and hands-on management  With a focus on employee ownership. | A small circle of difference-makers and virtually no new talent is coming in. |
| Offerings | Low cost, high-quality software, and consulting services. | Many alternatives in software, and any CPA, Attorney, or Accountant can hold themselves out as a consultant. |
| Marketing | An existing methodology from the Tax business that acquires the right clients. | No real experience in marketing directly to software or business consulting client |
| Personnel | Excellent workforce, small, with minimal turnover, and we offer excellent pay. | Hard to replace critical employees, its an employees market for our business. |
| Services | Highest quality in the industry. | We pay a premium to achieve that, thus leaving the margins lacking. |
| R and D | Very creative have tried to diversify; after all these years, we are focusing on a much more profitable and targeted clientele. | Again lack of consulting experience and any marketing. |

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| **External Factors** | **Opportunities** | **Threats** |
| Consumer/Social | Small business owners, a growing Hispanic market, and an increasing need for inexpensive software. Much of our growth in tax has been in the Hispanic market. | The competitive market in software, and significant local competition for a lower sophistication in consulting services, but also lower prices and trust. |
| Competitive | Very talented staff and exceptional selling skills. | Again local threats and highly competitive, out of the box, software. |
| Technological | Breakthroughs in communication allow remote servicing of clients, which cuts travel expenses. | In-person consulting will always have the people edge. |
| Economic | A largely untapped market for consultancy in small business ownership. | It is challenging to service high volumes of businesses effectively in service, which is why most consultancies focus on large companies. |
| Legal/Regulatory | Business to a business servicing is usually not a threat from regulatory agencies. | With smaller businesses, it could cross into consumer protection, which can be difficult in particular states. |

**4.Situational Analysis**

Suppliers

Customers

Organization

Marketing Department

Other departments/Employees

E

**Social**

**-Still 50 and older, white males.**

**-Increasing Hispanic market**

**.-Smaller businesses have younger employees.**

**Regulatory**

**-Some states impose restrictions on outside contact to consumers.**

**-Software is from Europe, Trump could effect.**

**-Low threat overall**

**Competetitive**

**-Internet based D.I.Y solutions.**

**-Larger service competition because of loss of manufacturing.**

**-Local Competition**

**Technological**

**-Changing technology**

**-Small business needs to implement software**

**-Technology will help manage interaction with departments efficiently**

**Economic**

**-Lower priced software is available**

**-Consumer Income is flat**

**-Large amount of small businesses.**

All these trends represent an opportunity, in my opinion, except for Regulatory, which is not an opportunity in the business sector classically.

1. **Consumer Analysis**

**A**.

The clients we are most interested in are the small business clients as referenced up top; the median American small business owner is a bit over 50 years old. (The Surprising Demographics of Small Business Owners, n.d.) and the majority have less than 20 employees. fewer than twenty employees account for slightly more than 18% of the employment. (Small Business, n.d.). This client had never asked for outside help before, probably because the price of entry was too high. Mckinsey and Accenture consulting is primarily for Fortune 500 companies, so the cost of entry for quality of Independent consulting and software was prohibitive. Now with more inexpensive technologies such as Zoom for a presentation from a distance and software like Odoo, which is flexible and affordable, the playing field has been leveled somewhat.

The Hispanic market is also coming of age as more and more become second and third generation. They represent a vast pool of small businesses, and they are started to adopt newer technologies and business strategies to stay alive.

**B.**

Our product is different than anything that has come before because it is quality at a low cost for the small business owner. Just like economies of scale have always benefited the prominent manufacturers in the past, the cost of software and interaction with clients was prohibitive unless they could pay for room, board, and easily over six figures in software spending. Now technology has closed that gap and making products and services more accessible to the small business owner.

C.

Product and Promotion would be the essential elements for us in the marketing mix because the products would be new to most small business owners, and the promotion of these products would seem to be an untraveled territory for most of them. I think the culture is moving towards a technological, service-based awareness, whereas previously small business AKA mom and pops were insular and secretive about their processes.

# Bibliography

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**I. Global Customers and Markets**

The interesting facet of what we plan to do with our consulting company is that the product we intend to leverage, Odoo, is a flexible, inexpensive CRM that already has a large footprint in foreign countries and emerging markets.

So we are trying to take a product that services countries that cannot afford "first world" software such as Salesforce, Oracle, or custom made software and bringing that to the small business owner in the United States. Odoo software has a considerable presence in Europe, Eastern Europe, India, and Africa. This is open-source software, so in ways, the struggling economies of the world have brought economies of scale to the cash strapped small business owner in the United States.

Information is the new currency for the business owner, and this technology is finally able to level the playing field between monster corporations and relatively uninformed small business owners.

**II. Target Market Segmentation**

I was able to find an exhaustive list of segments I would like to approach from Claritas Prizm. These all may seem to be different from each other, but so are the businesses they run. Some run urban coffee shops and need inexpensive consulting, and others run blue-collar services like plumbing and construction; still, others are young entrepreneurs who need help with accounting and CRM consulting.

Segmentation list

***Networked Neighbors:***

They are characterized by married couples with children, living in the suburbs, having high technology usage, and graduate degrees. Their jobs consist of business executives, managers, and professionals.

***Movers & Shakers:***

Couples are typically between the ages of 45 and 64 living in the suburbs. They are highly educated and have a high percentage of executives and white-collar professionals.

***Young Digerati:***

This segment is choosing to start families in fashionable neighborhoods on the urban fringe. They are highly educated and very tech-savvy.

***Winner's Circle:***

They live in suburban neighbors and are made up of 35- to 54-year-old couples with large families. They enjoy traveling and new experiences.

***Big Fish, Small Pond:***

Older, emptying-nesting, college-educated, the members of this segment are often among the leading citizens of their small-town communities.

***Fast-Track Families:***

This segment leads busy, active lives, often centered around the schedules and interests of their children. Always on the go, they frequent restaurant diners and shop at wholesale clubs.

***Upward Bound:***

This segment is made up of families, with college degrees, and new homes. They are above average technology users who own multiple computers.

***New Homesteaders:***

Young families are seeking to escape the suburban sprawl finding refuge in a collection of small rustic townships. They have child-centered lifestyles and a mix of jobs in white and blue-collar industries.

***Urban Elders:***

A segment located in downtown neighborhoods and are more likely to be renters than other households in their age cohort. They enjoy the cultural options available to them in their communities.

***American Dreams:***

This segment lives in urban areas. They are heavy grocery and convenience store shoppers, opting to prepare meals at home more than their urban counterparts in other segments.

***Township Travelers:***

Homeowners exhibit a blend of behaviors representative of their small-town environment. They enjoy outdoor activities like fishing and off-road biking but also enjoy the creature comforts of reading.

***Pickup Patriarchs:***

They live in areas that are somewhat rural but have more of a local taste. They are frequent golfers, boaters, and heavy shoppers.

***Up-and-Comers:***

Found in suburban areas and second cities, these mobile adults, mostly age 25 to 44, are college graduates who are into athletic activities and the latest technology. Many are continuing their education in the hopes of owning a home and achieving greater success in later years.

***Home Sweet Home:***

Widely scattered across the nation's suburbs and second cities, these residents tend to be younger, and families live in mid-sized homes. They are mostly under 55, have gone to college, and hold professional and white-collar jobs.

***White Picket Fences:***

Residents are married with children - some parents just began starting a family while others approach the empty-nest stage as their children age. They enjoy reading and following sports.

***Pools & Patios:***

This segment is made up of middle-aged suburban families. These residents work as white-collar managers and professionals; they are above average technology users.

***Connected Bohemians:***

This mix of young singles, couples, and families ranging from students to professionals all have one thing in common, being tech-savvy. They are always early adopters of the latest and greatest thing.

***Second City Startups:***

These families have settled in neighborhoods within smaller cities and metro areas. This segment tends to be average in technology usage.

**Y*oung & Influential:***

This segment is made up of young singles and couples who are very preoccupied with balancing work and leisure pursuits. Many are influential in their communities, social networks, and are incredibly tech-savvy.

***Urban Achievers:***

Residents live in urban neighborhoods with established careers and college degrees. They are active participants in their communities and strong supporters of their local professional sports teams.

***Bright Lights, Li'l City:***

They are college-educated, younger couples who settled in the nation's satellite cities and suburbs. Despite living further out from the urban downtowns, they still like to go out on the town for frequent meals out.

***Aspiring A-Listers:***

Typically, urban renters, they are focused on their social lives and dine out often. Also, they have above-average technology usage.

***Multi-Culti Mosaic:***

This segment is made up of singles and families living in urban neighborhoods.

***City Roots:***

Found in urban neighborhoods, this segment typically living in old homes they've owned for years. These residents are hard-working and enjoy traveling.

***Urban Modern Mix:***

These singles live near the city center and are considered average in technology usage. They also enjoy frequently online shopping.

***Striving Selfies:***

These younger singles and couples typically rent apartments and homes. They are among the most tech-savvy segments with some college credits under their belt.

***Generation Web:***

Having grown up in the age of the internet, these younger families are above average in technology usage. They are more often renters, living in suburban neighborhoods and second cities.

***Metro Grads:***

Middle-aged singles and couples still establishing themselves in their careers and their lives. They are settled in suburban areas and second cities but are often out and about.

***Multi-Culti Families:***

Middle-aged, urban households with moderate means. They enjoy a wide variety of media and are average in their overall use of technology.

***New Melting Pot:***

Residents are populated by a blend of families and singles in the nation's second cities. They are mainly high school graduates that rent and work in a mix of service jobs.

***Small-Town Collegiates:***

Mainly younger families and singles who are just starting. They are often students - full or part-time - focused on building a better life for themselves and their growing families.

***Second City Generations:***

Often multi-generational households with middle-aged parents or grandparents and new babies and young children all under one roof. They are entertained by a wide variety of media channels and programs.

***Low-Rise Living:***

Mostly middle-aged, singles and single parents. They rank above average in their use of technology - perhaps influenced by their urban, fast-paced environment.

***New Beginnings:***

Filled with younger, mostly single adults and couples just starting on their career paths in service jobs. They are a magnet for adults in transition; some are getting over a recent divorce or transferring to a new company.

***Bedrock America:***

This segment is made up of families in small, isolated towns located throughout the nation's heartland. They have modest educations, sprawling families, and service jobs.

The approximate size nationwide of all SME (the global term for Small to Medium-sized Enterprises) is 30.2 Million total businesses, of those probably 5 million are available to afford inexpensive software and consulting services.

 Primary product lines will be "need" based consulting to start with like a CRM, Accounting and bookkeeping, and merchant services. With small stores, also, some inventory software, and with small factories merchandising consulting and software. Restaurants will need unique consulting for food vendors and buying support consulting, sort of like a buying center consulting service. As the business grows, it will require "want" and "growth" based services. Marketing comes to mind, along with HR help and employee health coverage and insurance coverage.

 Product prices will begin with "out of the box" solutions based in the cloud and will be very cost-conscious maybe starting at $300 a month with an onboarding fee of $500. For mid-size businesses, onboarding will be $1000 to $2500 and $1000 a month. With full implementation services for complete business integration and larger projects, the fees will range from $30,000 on up to $150,000 in total.

 Rough demand for beginning cloud-based will be 5 to 10 clients a month in the beginning at $10000 onboarding and ongoing fees of $30000 a month. I expect 3 to 5 large projects a year at a total of $250,000. So total revenue could be between $500,000 to $1,000,000 gross receipts a year for first year to the second year.