

***** - Overview of the Company

***** has prominent strengths in the sailing-for-recreation market place. The company has good growth potential, and should make a time and financial investment in this growth. Following this profile of ***** and each of its departments is a step-by-step plan for maximizing this growth.

***** CHARTER

The charter division of ***** is the **profit center** generating at least 75% of the company's revenue with 200-300 charters per year; an accurate reflection of the company's current mission and focus. Short-term growth objectives will not be likely to alter this balance; mid- and long-term growth plans may very well do so. A 10%/year increase in charters is a reasonable goal.

The existing **fleet**, although it has the average age of 1986, is in excellent condition, and the range of sizes, styles and performance characteristics covers most of the requisite bases. The principles in the company share the belief that the age of the boats may be negatively effecting the company's growth; this should not be a significant factor; further marketing development should grow the business and will likely necessitate a significant increase in new boats; meanwhile, there is plenty of potential for immediate growth with only a few new boats added to the fleet each year.

Quality of **customer service**, in conjunction with vessel care, selection and condition, is a primary force in *****'s success to date. The principles know their business and are committed to excellent service. Systems need to be put in to place to answer common customer service issues to improve time management. Short- and long-term, the principles need to be able to give their unique brand of customer service to individual clients and not be burdened by daily administration.

Charter **pricing**, currently in a range of \$1500-3500/week, is not an obstacle to the charter of a not-new fleet, and these rates are profitable for ***** with solid seasonal booking. Short-term these rates should not be altered; they should be adjusted commensurate with new-boat service long-term.

*****/ASA SAILING SCHOOL

The **ASA curriculum** used for instruction in the company's sailing school is deemed adequate by the principles. It appears that there are very few demands put on ***** by ASA, leaving ample opportunity to modify programs without switching core curriculum

and market the school as a ***** rather than ASA service; currently, ASA logo and recognition are overused in marketing efforts.

Instruction at the school is considered high quality by ***** principles. The school has a corps of seasoned teachers who are very familiar with the curriculum, boats and sailing grounds used.

The sailing school **pricing** does not appear to be a deterrent to students. Currently, the school is not a significant profit center itself, but it does help support the charter business. The school needs to generate more profit and charters. Local client instruction needs to be dramatically expanded.

TALL SHIP APPLEDORE

Appledore was deemed a resource drain on ***** and was sold. Based on its background, this does seem to have been the appropriate decision.

SAILING CLUB

***** is launching a sailing club to expand profits on a local basis. It will utilize two Colgate 26s in 1998. Initially, 24 memberships will book these two boats solid. The club and sailing school need to be effectively woven together and marketed locally. There may be an opportunity to expand the club to include some of the charter fleet over a broader demographic.

BROKERAGE

The brokerage has always been an element of *****, at times a much larger portion of business than it currently is. Although it has the potential under new management to be a significant profit center, it should be the last area for marketing resource investment as its fiscal contribution will begin lower and slower than the other divisions'.

OTHER

At this time, there are no formal plans to expand ***** with other services, but the principles are innovative and operate ever-watchful for opportunity. There has been discussion about an off-season seminar series, but these are a resource drain with limited return and should be undertaken only when solid growth has been established.

LOCATION

*****'s northern Michigan **cruising ground** has some astonishingly positive attributes. The shorelines are beautiful, sugar sand beaches abound, there are small harbors and full-service towns every 15-40 miles, and the cost of living is moderate for a tourism heavy area.

The **tourism industry** in northern Michigan is prominent and expanding, and there are endless opportunities for cross-sell and up-sell of recreation options. This should be a focus of the mid- and long-range marketing plan.

The **location shortcomings** are: it is a well kept secret outside of its bordering states, short season (no more than three months), cold water, cruising ground limited to how much can be effectively covered in two weeks. Mother nature's contributions cannot be overcome, but three primary tacks can be taken to compensate for all of the shortcomings: 1. off-season events need to be established to balance the years revenue earning flow, 2. cross-selling of other recreation options will expand interest and season, and 3. an extensive cruising guide incorporating discounts on what to see and do in cruising areas will effectively extend repeat business and broaden customer demographic.

Other observations are that: repeat customers are bored with sailing out Grand Traverse Bay to get to open water; flights to the area can be costly, and harbors fill up in height of season. These are areas to be addressed.

Currently, there are about 300 sailboats over 20' in Traverse City and 65,000 permanent residents in the **immediate area**. The local demographic has huge potential.

OPERATIONAL ISSUES AND COSTS

With the sale of *Appledore*, there will no longer be any significant areas of **financial drain** on the company.

*****'s bookkeeping and record keeping methods make it difficult to extract fiscal and statistical information for **program effectiveness tracking**. The administration system needs some field stripping and re-design.

Long-term, some attention needs to be given to **benefit and incentive program** development, but the profit centers need to be expanded and strengthened first.

During the season, there are not enough **qualified personnel** to put any energy into company growth programs. This must be addressed if growth plan is to work.

A definitive budgeting method is not in place. Company's generally have a difficult time maintaining investment in growth and marketing without a **budget**; such a budget should be developed before any marketing projects are begun.

SALES ISSUES

The ***** **sales force** is, by nature and size of the business, every single principle. The existing corps is enthusiastic and knowledgeable. Each individual has strengths and weaknesses which need to be utilized by allocating duties based on the individuals' inherent abilities.

Sales methodology is one of *****'s greatest weaknesses. The principles are selling the company based on knowledge of their business and enthusiasm for it (which is half the battle). It would be useful to implement some **sales training sessions** to empower each principle to maximize their closing abilities and pass on potential customers to another individual if this would help close a sale.

PROMOTIONAL MATERIALS

All promotional materials, including web site, advertising, brochures, letter, newsletter, show booth etc., need considerable streamlining, updating and redesign. Details in growth plan.

FLOW OF INFORMATION/INQUIRIES

This is another very weak area in *****'s processing of customers. An **if/then scenario** needs to be established for inquiries of all types on all fronts (in-person, phone, fax, mail, etc.). Currently, it appears that a significant number of opportunities to close a sale are being missed regularly.

***** responds by mail to about **1000 inquires** annually; 25-30% of those mailings result in customers. This margin should be immediately increased by at least 10%.

CUSTOMER DEMOGRAPHICS

The current **customer base** for ***** is southern Michigan, northern Ohio and Chicago. Most of the charterers are couples, 40% groups of couples, 20% couples alone; 20% are families, and 20% are friends. More than half of the charterers have some other access to sailing. There are no figures to show what the breakdown in levels of experience is, but all charters are required to have adequate experience or schooling. This demographic will likely remain much the same for percentages, but the geographic customer area needs to be expanded dramatically.

Repeat customers represent 45% of the charter business. Referrals seem to represent 20% more. The rest come from advertising in sailing magazines and boat shows, but exact **marketing effort tracking** has not been done. Tracking needs to be mapped and implemented consistently.

The following **marketing tools** are not in use: Expansive print advertising, direct mail, newspaper ads, cross-sell, up-sell, and special events.

FOLLOW-UP

Some customer surveys are done. Both practices need to be field stripped, re-vamped and implemented consistently. Furthermore, a system for rewarding customers needs to be put into place, along with incentives for repeat business. Presently, all customers are put on the newsletter mailing list. The newsletter needs to be redesigned.

THE MARKETING PLAN - From Start to Finish

COMPLETED – The New Look for *** Yacht Charters**

*Mission: Establishment of a set of graphic images for ***** which are contemporary, catchy, enticing, cohesive, flexible...*

- **Company Name** – the name of the company has been revised and its logo representation redesigned to emphasize the words “*****” (which is the romance in the theme – romance is what ***** sailing is all about). The font used (Ariel) is clean, bold, easy-to-read, and will be both easy and effective in conjunction with promotional design (the font is also a standard so any service providers will have easy access to it).
- **Logo** – The new ***** logo, a contemporized “B” from the old stationary/letterhead font, transitions from the previous logo to the new look. It demands another look, because it is bold, exciting and not static – it’s purpose isn’t to tell the ***** story, but to get attention so that the story can be told. It should *always* be used in conjunction with the words “*****”, *always* in the Ariel font. It must *never* be used without these two words; the combination of the words and stylized “B” *are* the logo.
- The “B” in the logo should always be in ***** Cherry. The hairline, when used with the logo is ***** Gold, and any wording below the line should be *****

Emerald. Emerald will replace the Reflex Blue as old materials are phased out. While they are still in use, ***** should retain the Reflex Blue, but it is a “low-budget”, overused and dated color and won’t effectively tell the new ***** story once all of the other elements are put in place. The new logo should always appear in the two- to three-color mix unless the entire publication is printed in Black; then all elements should be printed in black. The logo should never appear in any other single or mix of colors unless used as a design element in something where the true logo appears and overrides any “artistic” renderings of it.

- **Colors** – (see attached color chart) A complete breakdown of four colors has been given. The blue needs to be phased out as soon as possible and replaced with the emerald. The RGB and CMYK designations are ink mixes for graphic artists doing pre-press design work. The Pantone colors are the corresponding Pantone/PMS printers inks. The colors on coated and uncoated paper stocks are dramatically different, so the appropriate PMS numbers should be chosen based on paper stock of a print project. For screen resolution (i.e. on web pages), the CMYK colors are truest generally, as are the PMS coated if available in that medium.
- **Company Slogan** – (Replaces needing a quote to describe the experience.) The slogan has two parts. The primary message is: “Extraordinary Sailing – Lake Michigan Paradise”. This slogan has an illustrative attachment: “red cherries, black squirrels, emerald waters and gold beaches.” The slogan’s purpose is to give a mental graphic to the reader. This slogan serves to: 1. Make a definitive statement about what sets the ***** experience apart, and 2. To make people curious about the company and the locale. When both lines of the slogan are used together, the overall reaction will be: “I need to see what is extraordinary about this place, and... cherries?... black squirrels?... what are emerald waters?... and, I never knew Lake Michigan *had* beaches?...”

PHASE 1: SHORT-TERM – Fiscal Year 1998

Mission: Expansion and tracking of effective marketing at local level and in existing demographic - concentration on charters and sailing club, utilizing print advertising, web site, direct mail campaigns with new printed promotional material and re-vamped newsletter, and boat shows.

In order of priority based on making the most out of the tools that exist and are already at work for ***** first...

Web Site

The web site Still needs to be revised to balance information with company profit centers. It also needs to be re-done to incorporate the new look. It needs the following...The Home Page needs about three bold sentences describing the fact that ***** is in an extraordinary location, uniquely beautiful; and that the company is full service... it's got it all! A wrap-up couple of sentences expressing the message that ***** has it all -- one-stop sailing!

The hot buttons should take the "surfer" to: Charters, Sailing School, Sailing Club, Charter Ownership and Brokerage. Each hot button should have a three-sentence description of that division - focus this on what makes ***** service unique and attractive (location, cruising ground, full-service, etc.....)

Some changes have been made, but the web site is still very limited as a resource. It will be advertised in all of the print advertising, and it needs to be the comprehensive "brochure" on the company that can be obtained without making a call or waiting for a mailing. It must sell, sell, sell, because many web browsers make their decision from a web site without ever having contacted the company.

The **charter** page needs to better describe why the area is a cruising must, and this must be supported with really great photos that scream: Paradise!

This section also needs to tell more about the fleet; the line art/accommodations diagram for each boat should be grouped and made available by hitting a hot button based on the size of the group wanting to charter.

The map of the area should have hot buttons to rudimentary chars and a photo of each of the great sailing destinations. Then, list five extraordinary things to do or see at each site. At the end of this section, outline two or three different itineraries for one- and two-week trips.

The **school** section needs to take a very strong: "we are really great guys, super instructors and there is nothing to be afraid of - you'll have *fun*" approach. Augment this with a couple of graphics of happy kids and senior citizens, and young couples in love.

The **sailing club** has one over-riding marketing message: "you don't need to own your own boat yet! We have one here for you!" This section needs to explain the incredible opportunity of joining, and the cost savings! It should be graphically supported with pictures of couples picnicking on small boats at anchorage, and a lone soul doing a sunset sail with a big peaceful smile on his/her face. All rates and obligations should be included.

Charter ownership is such a great thing! People still don't get it! In this section, ***** needs to educate, educate, educate! This section needs to emphasize the maintenance and dockage availability; the boat will be better off in your hands! The big message? You can afford your own yacht! Here's how! Do it now! We'll keep her young for you!

Segue that into the **brokerage** section. This page will, of course have to be updated weekly (at least). It doesn't have to be super pretty, just line art of the boat if available and why it's a great deal.

The site needs to be **linked** to recreational opportunity sites. This is a big project, and shouldn't be tackled until everything that follows is in place.

Boat Show Display

A rough diagram of what you should be achieving with your display is enclosed. ***** will need two of everything because the company attends overlapping shows. The displays should be made to fit 10x10 booth spaces. It needs to be lightweight and portable (I have catalogs with affordable, portable and very good quality booth displays, and a close connection with a booth and booth graphics provider; we should tackle this one together, or I'll connect you with the company at your request).

Print Promotional Material

***** needs a **Brochure** which incorporates all of the promotional elements of the web site plan (preceding). It must make chartering, being a sailing student or club member, entering the charter ownership program, and/or buying a boat *easy!* It should sell, sell, sell the company while ensuring that the reader can do all of the necessary paperwork to do any of the above without calling to request more information.

It should have all of the design elements that make it impossible to put down. Great graphics (the logo). Truly enticing photographs. Order forms and request blanks for boat information and sample itineraries. All of it. Most of all, it needs to be something that will not be thrown out; it should have short anecdotes and factoids, fabulous photos, and the over-riding message: "*you* want to be with *****!"

It must be very well organized by division, not at all confusing, and the reader should never have to hunt for a phone number, address, web site address, etc.

It must be four color!

The ***** **Newsletter** needs to be redesigned to reflect the new look. This piece is your best tool for repeat customers and word-of-mouth referrals. It should come out twice a year and get people fired up about planning their next vacation even if they just came back.

It will announce every new development and offering from *****. It's job is to keep all customers and potential customers aware that ***** never stops. You'll never run out of things to do in sailing with ***** ... "you're relationship with ***** will fulfill your families sailing needs for a lifetime."

This newsletter can be printed in four color on white newspaper stock and double its size (11x17) for the same amount you pay for printing now, or less. A good commercial web press is all that's needed.

All of *****'s **Correspondence** needs to be rewritten to be short, sweet, to the point, and deal closing. The computer should be chock full of instant print letters and forms to respond to almost every customer inquiry or need. The basic documents already exist, but the need to be developed to solicit information as well as give it. This can be done by ***** if you put together a list of "if-then" specifications... i.e., if someone inquires about a charter, then we send them a welcome to ***** letter with boat specs appropriate to their needs and a sailing resume with questionnaire along with a charter reservation form requiring a deposit.

A list of key questions to be asked every time a customer calls and to be put in **Surveys** required for "application" to be processed needs to be put together. ***** needs to know a lot more about their customers in order to keep providing new and better services to keep them come back This will also be part of advertising impact tracking. Furthermore, a post-charter/class/etc. survey needs to be done; a \$25 refund on cost will ensure that these get filled out thoroughly.

Specifications, photos and fleet diagrams need to be made. Photographs should be taken and scanned in along with line art and "great features" of each boat. When someone is interested in a charter/boat-for-sail/class the should receive a page saying "this is your boat!" Once you get them "emotionally" attached to a certain vessel, you've won 80% of the battle.

Direct Mail

In addition to the newsletter, ***** customers should receive a **holiday/Christmas card** from ***** , as well as a pre-season **preferred-customer note** saying, "we are holding your boat and preferred vacation week for you

(the one they had before, or a step up), please confirm that you want it by __/__/__ so we can schedule other customers around you.”

In later stages of marketing, ***** needs to acquire **mailing lists** from other companies and send personal letter with brochure and new-customer discount coupon to these lists. Any list broker can help ***** acquire the right list(s).

Advertising

***** needs one initial, **universal ad** which can have text variations suitable to different publications and their demographics. The universal ad concept is one photo, in color whenever possible, that says: “isn’t this the most beautiful and romantic picture you’ve ever seen?” The attached lists of publications to advertise in are prioritized and broken down following these rationales:

Priority 1: Local publications geared towards the already booming tourist economy. These ads should basically say, “come sail with us for a day at our school or in the club, we’ll show you how to have your own boat next year.” (You must, must, must consistently advertise the sailing club as “never be bored on the weekend again, come down to the water and sail ‘your own’ boat whenever you want to.” If you advertise locally, every other week or so with the same ad, you will get results!

Priority 2: First Choice Magazines. These are the demographically suitable publications for you to advertise in lifestyle/weekender sections all winter and spring. This will bring in all of the people who look for a quick way to get out of the city and get away from it all! The message is simple: “why fly for the best vacation of your life? We’re right here.”

Priority 3: Marine Magazines. Again a very simple message... “You’ve chartered the islands, let us show you ours... Lake Michigan: sailboat chartering’s best kept secret. We guarantee it!” And you need a financial carrot here... half air-fare back if you hate it, or something like that... with no negative wording, of course.

Priority 4: City Magazines. The message? “When you are ready to leave your wonderful city for a totally new, unique and perfect vacation, you come see us.”

Priority 5: Regional Magazines. Same as above, only “when you leave your back door, come to ours.”

Priority 6: State Magazines. See 4 and 5.

Priority 7: Skiing Magazines. The best cross-sell, cross-over demographic for sailing is skiing. The message: “When the snow melts, we have the kind of excitement you’re accustomed to...”

Priority 8: Long Shot Magazines. These are the fitness, sporting life magazines. They often do special features on unusual and exquisite vacations. Follow their editorial calendars and try to be featured in these sections.

Finally, **cross-sell** and **co-op** any time you can. Build relationships with other sporting companies and share ad space with them in the types of publications they advertise in but you usually wouldn’t, i.e. bicycling, hiking, etc.

PHASE 2: MID -TERM – Fiscal Year 1999

Mission: Re-vamp all of the Short-Term marketing efforts based on the results received from them: evaluate success of first-year promotion and set new directions based on results and complete development of expanded promotional venues and materials. Then refine all of your internal systems as follows.

******* Divisions**

Give the school, club, charter ownership, and brokerage the same level of attention you have to charters. Pick and choose from the preceding year’s plan areas.

Cruising Guide

Create four-color, detailed cruising and recreation guide book for your charterers. Obtain advertising in it to offset costs.

Tracking

Outline a tracking system so that revenue can be directly attributed to marketing efforts; and make sure everyone follows it.

Follow-up

Establish special programs like a preferred charterer “award” and incentive program. Call you customers a few days after the charter to make sure they got home and have an opportunity to tell you anything they may have forgotten earlier. Send them a thank-you note. Etc., etc., etc.

Sales Training

Evaluate staff strengths and weaknesses, assign sales duties appropriately and find sales training literature and seminars for principals to study and attend.

In-Season Staffing

Evaluate and address staffing needs for accomplishing the plan and consistently carrying it out during peak of season. There is an investment in manpower that must be given to this plan, or it will be useless. Marketing is the first thing to be set aside when a staff is busy day-to-day; don't start any of this if you don't plan to be consistent and hire the essential staff to keep the marketing program in line during the busy season.

Flow of information/Inquiries

Put together an ongoing program of evaluating how quickly you are closing customers and how well you are keeping them. Strive for constant improvement.

Word of Mouth

Your repeat and referral customer are very important to you. Do everything you can think of to give them old-fashioned service and a sense of being part of the "***** Family."

Special events

Plan to take advantage of special programs at **Boat Shows** (i.e. seminars, opportunities to sponsor center displays, etc.).

Try to host a **regatta** of cruisers, or a charter **rendezvous** each year.

Plan and host a winter **seminar program** when good growth is established.

Get involved in local and national **charities** whenever you can; it's free publicity and has a lot of warm fuzzy mileage.

PHASE 3: LONG -TERM – Fiscal Year 2000...

Mission: Revisit everything you did in 1988 and 1989. Discard the bad. Improve the good. Introduce new!

Resource Considerations and Budgeting Menu

Here's about what you should spend on each section of the plan in Phase 1. The budget does not include ***** staff salaries and expenses.

<u>Project</u>	<u>Design/Creation</u>	<u>Printing</u>	<u>Mailing</u>	<u>Other Expenses</u>
Web Site	\$3000			
Show Display	\$500			\$3000 for two show sets w/ graphics
Brochure	\$1120	\$4000	#cust x \$2	\$1600 for photography
Newsletter-8 pgs.	\$1280 4 col/11x17	\$1400	\$.52/cust	\$400 for photography
Correspondence	\$20/hr. writing time		\$.32/cust	
Surveys	\$20/hr. writing time			
Fleet Diagrams	\$50/ea. First time around, updates done in-house			
Direct Mail Pieces	\$140/ea.	\$400	\$.32/cust	
Advertising	\$300/new ad, \$20/hr. updates & customization			Publication ad rates

The following are menu items for projects not included above

Design Work	\$140-\$180/8 1/2x11 page
Writing	\$20/hr
Consulting	\$25/hr

Also not included are expenses (I.e. travel, phone, mailing lists, FedEx, etc.). They should be established at the start of any project.

Final Word...

I want to be the one to do this development work. I have a vision for your company; I want very much to be able to bring it to fruition. I'd like to do the different projects on a project-by-project basis. Please consider it; you won't regret it.