

Plynthe Insurance Marketing Plan

Kolem Plynthe with attention to individual problems as well as general results.

4. Individual problems probed further to understand how Plynthe Insurance failed (either in setting expectations or in delivery) and clients apologized to.

To further delight clients after signing on, the following steps will be taken:

1. Send a gift appropriate for their situation (if parent-to-be getting life insurance, send a gift certificate to baby store; if homeowner send a gift certificate to home store, etc.)
2. Ask clients periodically to suggest topics for upcoming seminars and thank the client whose topic is chosen with an additional gift.

11.0 Marketing Calendar

Kolem Plynthe will set aside one hour - 8 AM to 9 AM - every day for marketing work as a minimum. This work will change depending on the month's focus. More time will be needed during the first six months of operation due to all of the one-time activities that must be undertaken.

The weekly marketing meeting will be first thing in the day - at 7:30 or 8 AM before the business day begins. This will be a mandatory meeting for all staff. In the absence of staff, this will be a designated time for Kolem Plynthe to review the same materials and set goals for the next week.

11.1 Monthly

Monthly Marketing Themes

January: Industry developments - Seminar

February: Advertising Review

March: Spring Cleaning/Homeowner's Insurance focus - Seminar

April: Online Media Review

May: Making Sense of Life Insurance - Seminar

June: Testimonial/Case Study Development

July: Property coverage - Seminar

August: Informational Booklet Redevelopment

September: Insurance Can Be An Asset - Seminar

October: Service experience review

November: Giving Thanks - Annual thank you cards to clients, Preferred Client/Prospect Seminar

December: Annual metrics review & goal setting

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Table: Milestones

Milestones					
Advertising / PR	Start Date	End Date	Budget	Manager	Ongoing or One time
Create and Post Flyers	15-Feb	28-Feb	\$500	RS	Ongoing
Yellow Pages Listing	15-Feb	28-Feb	\$100	RS	One time (w/ renewals)
Inserted Row	9-Dec	9-Dec	\$0	RS	One time (w/ renewals)
First Advertising in Periodicals	15-Feb	15-Apr	\$500	RS	Ongoing
Total Advertising / PR Budget			\$1,100		
Educational Materials	Start Date	End Date	Budget	Manager	Ongoing or One time
Seminar Format development	15-Feb	28-Feb	\$0	RS	One time
Seminar location, invitations	16-Dec	15-Jan	\$1,000	RS	Every other month
Informational booklet draft	1-Mar	1-Apr	\$0	RS	One time
Booklet print first run	1-Apr	15-Apr	\$1,000	RS	Every 6 months
Newsletter template	15-Feb	28-Feb	\$200	RS	One time
First email newsletter (via Constant Contact)	1-Mar	16-Mar	\$20	RS	Every month
Total Educational Materials Budget			\$2,220		
Direct Marketing	Start Date	End Date	Budget	Manager	Ongoing or One time
Develop first suspect list for direct mail	15-Feb	28-Feb	\$500	RS	Once every 6 mos
First direct mail campaign (postcards)	16-Dec	15-Jan	\$500	RS	Every month
Total Direct Marketing Budget			\$1,000		
Web Development	Start Date	End Date	Budget	Manager	Ongoing or One time
Create Website	1-Jan	30-Jan	\$1,000	RS	One time (periodic updates)
Launch SEM Campaign	1-Feb	15-Feb	\$500	RS	One time (periodic updates)
Total Web Development Budget			\$1,500		
Customer Service	Start Date	End Date	Budget	Manager	Ongoing or One time
Choose thank you gifts	16-Dec	15-Jan	\$0	RS	One time (periodic updates)
Create satisfaction survey	16-Dec	15-Jan	\$200	RS	One time (periodic updates)
Total Customer Service Budget			\$200		
Totals			\$6,020		

12.0 Critical Numbers

The sales for the business will be tracked with a QuickBooks accounting system integrated with an ACT! CRM database which will track leads generated. Each associate must enter their own information into the system. Kolem Plynthe will review the numbers weekly, looking specifically at the Gap dashboard (presented in the appendix).

The sales forecast and marketing expense budget show the critical numbers for Plynthe Insurance to achieve over the next three years.

12.1 Sales Forecast

Property insurance and life insurance will be the main drivers of business. Customers who use other products will typically be customers who have first purchased property or life insurance. Cost of sales is low as the revenues earned come directly from the insurance providers generally as a commission on the policies sold and renewed. The commissions will range between 4% and 7% depending on the insurance provider, but estimates are an average of a 5% commission on policies sold, leading to the per unit commissions listed in the forecast.

Cost of sales consist of the fees involved with submitting and processing a client's paperwork

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and the costs of travel (gasoline/tolls) that can be directly attributed to sales calls at client homes and is estimated to start at 16% of sales in the first year and to drop to 15% in future years as travel costs can be saved due to the volume of sales calls being made as well as some clients who do not need sales visits due to renewals.

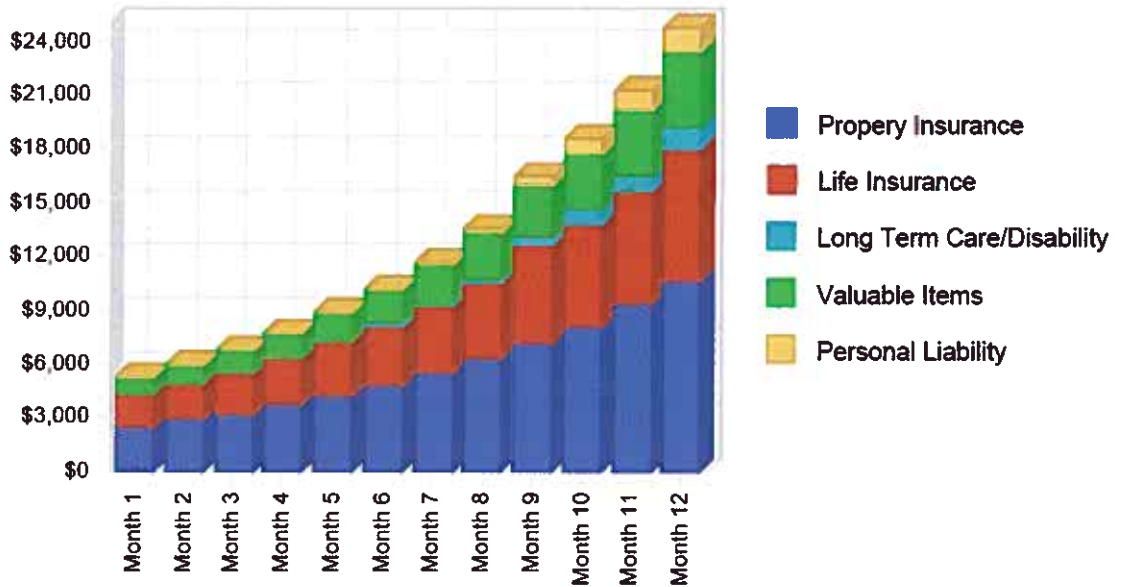
By building business through Kolem Plynthe's own sales and marketing work and then through an additional associate, the business is expected to significantly grow its revenue streams, especially in the target market of younger clients, in these first three years of operation.

Table: Sales Forecast

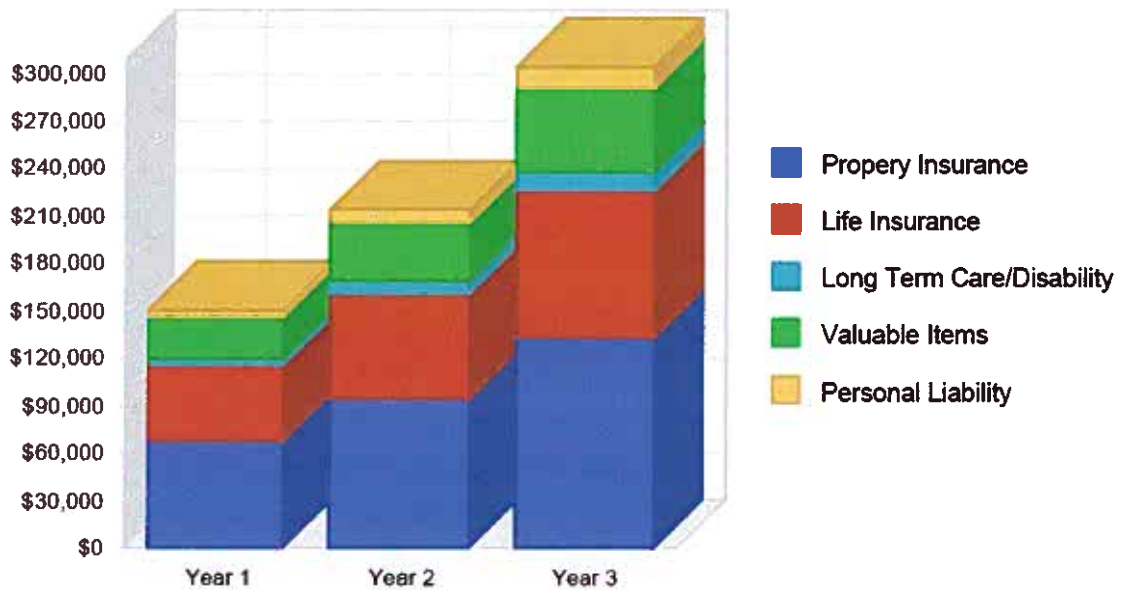
Sales Forecast			
	Year 1	Year 2	Year 3
Unit Sales			
Property Insurance	682	955	1,336
Life Insurance	318	445	624
Long Term Care/Disability	28	46	80
Valuable Items	363	509	712
Personal Liability	57	100	175
Total Unit Sales	1,446	2,055	2,927
Unit Prices			
	Year 1	Year 2	Year 3
Property Insurance	\$100.00	\$100.00	\$100.00
Life Insurance	\$150.00	\$150.00	\$150.00
Long Term Care/Disability	\$150.00	\$150.00	\$150.00
Valuable Items	\$75.00	\$75.00	\$75.00
Personal Liability	\$75.00	\$75.00	\$75.00
Sales			
Property Insurance	\$68,200	\$95,500	\$133,600
Life Insurance	\$47,700	\$66,750	\$93,600
Long Term Care/Disability	\$3,900	\$6,900	\$12,000
Valuable Items	\$27,225	\$38,175	\$53,400
Personal Liability	\$4,275	\$7,500	\$13,125
Total Sales	\$151,300	\$214,825	\$305,725
Direct Unit Costs			
	Year 1	Year 2	Year 3
Property Insurance	\$16.00	\$15.00	\$15.00
Life Insurance	\$24.00	\$22.50	\$22.50
Long Term Care/Disability	\$24.00	\$22.50	\$22.50
Valuable Items	\$12.00	\$11.25	\$11.25
Personal Liability	\$12.00	\$11.25	\$11.25
Direct Cost of Sales			
Property Insurance	\$10,912	\$14,325	\$20,040
Life Insurance	\$7,632	\$10,013	\$14,040
Long Term Care/Disability	\$624	\$1,035	\$1,800
Valuable Items	\$4,356	\$5,726	\$8,010
Personal Liability	\$684	\$1,125	\$1,969
Subtotal Direct Cost of Sales	\$24,208	\$32,224	\$45,859

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Sales Monthly



Sales by Year



12.2 Marketing Expense Budget

This budget reflects the regular ongoing costs of marketing, separate from one-time costs listed in the milestones of the marketing calendar.

Informational booklets will be reprinted twice a year. Seminars will run every other month.

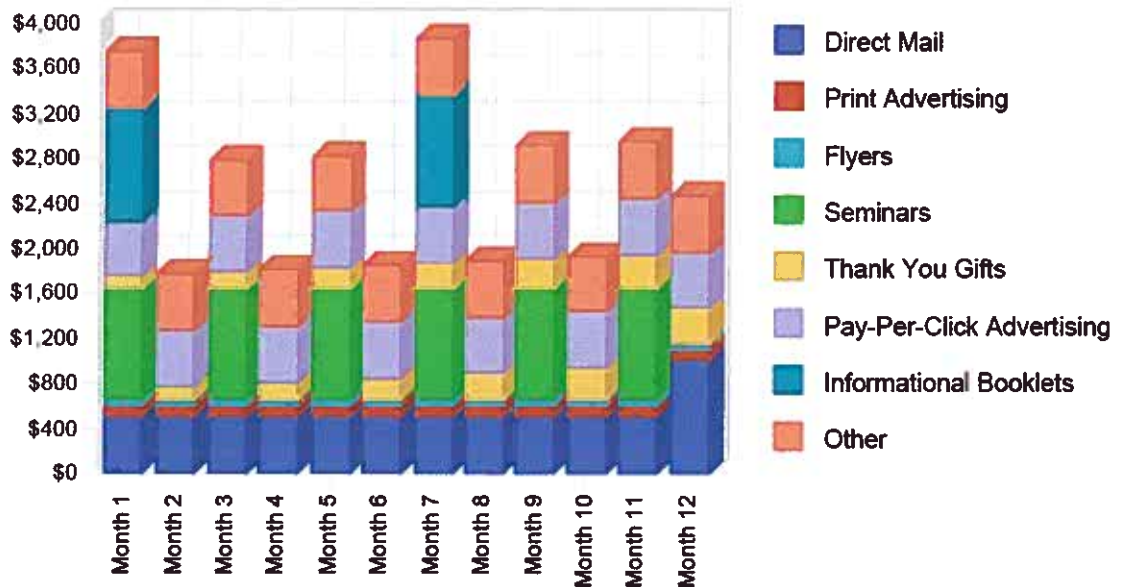
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Expenses will increase by 4% each year, except for thank you gifts which will rise more quickly with the number of current clients.

Table: Marketing Expense Budget

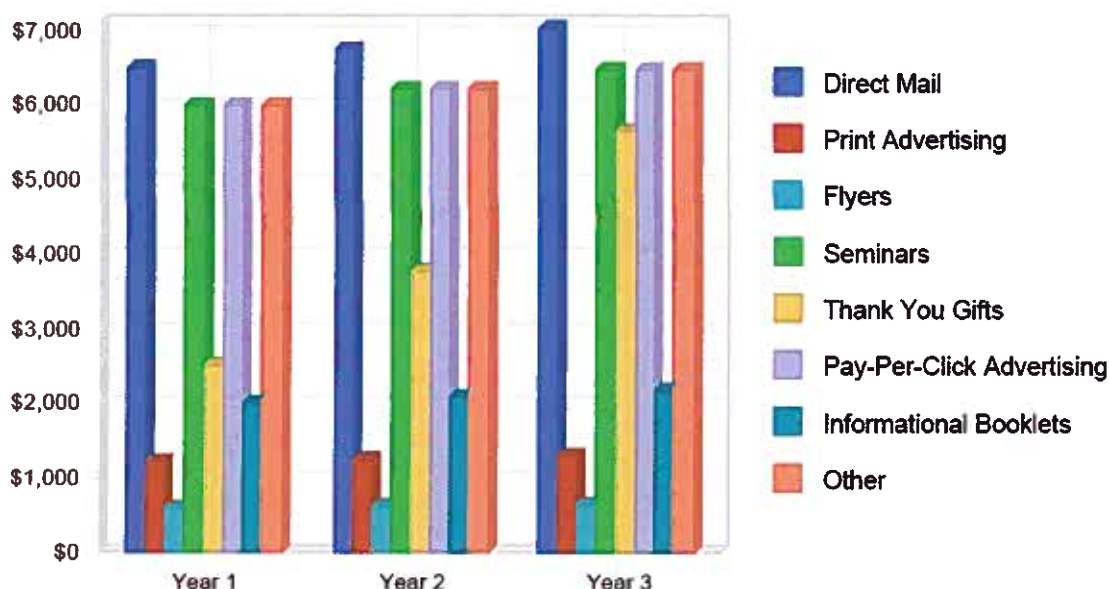
Marketing Expense Budget	Year 1	Year 2	Year 3
Direct Mail	\$6,500	\$6,760	\$7,030
Print Advertising	\$1,200	\$1,248	\$1,298
Flyers	\$600	\$624	\$649
Seminars	\$6,000	\$6,240	\$6,490
Thank You Gifts	\$2,520	\$3,780	\$5,670
Pay-Per-Click Advertising	\$6,000	\$6,240	\$6,490
Informational Booklets	\$2,000	\$2,080	\$2,163
Other	\$6,000	\$6,240	\$6,490
Total Sales and Marketing Expenses	\$30,820	\$33,212	\$36,279
Percent of Sales	20.37%	15.46%	11.87%

Monthly Expense Budget



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Annual Expense Budget



12.3 Key Marketing Metrics

Leads generated will include the referrals listed. Referrals and testimonials will increase sharply after the business gets off the ground, but will take time to develop at first.

On average, a customer will yield 1.5 transactions per year (a first purchase and one upgrade or additional policy for 50% of customers) When these transactions occur, they will yield commissions from the insurance providers averaging \$150 per transaction.

Table: Key Marketing Metrics

Key Marketing Metrics			
	Year 1	Year 2	Year 3
Revenue	\$151,300	\$214,825	\$305,725
Leads	3,232	1,589	2,270
Leads Converted	20.50%	22.00%	22.00%
Avg. Transactions/ Customer	1.50	1.50	1.50
Avg. \$/Customer	\$150	\$150	\$150
Referrals	463	695	1,042
PR Mentions	17	20	25
Testimonials	322	350	375
Other	0		0

13.0 Marketing Training Game

The staff for Plynthe Insurance is currently small (beginning with one individual), but marketing training will be important as it grows. Each associate will go through a training sequence of six two-hour sessions with Kolem Plynthe covering:

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1. Marketing purpose statement and positioning goal for the business and what that means operationally
2. Marketing kit
3. Ideal target client and how they can be reached (marketing activities), Lead generation system
4. Informational booklet, newsletters, blog, and seminars (and how the associates are expected to contribute to these materials and presentations going forward)
5. Referral system
6. Lead conversion system and role playing of client interaction

By spacing these sessions out over six days, new associates will have time to review materials, think of questions, etc., in the intervening days. Kolem Plynthe will ask existing associates to lead these sessions for new associates as they are brought on (with Kolem Plynthe supervising), creating an opportunity for existing associates to review.

Once a week there will be a one-hour marketing meeting broken out this way:

- 20 min review of ongoing marketing efforts, results and problems
- 20 min review of upcoming marketing efforts, status and next steps
- 20 min discussion of new ideas for marketing (lead generation, lead conversion, and service process)

If topics cannot be covered in this time additional meetings will be set to hear more thoughts outside of the regular meeting time.

Appendix

Table: Sales Forecast

Sales Forecast												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Unit Sales												
Property Insurance	25	29	32	37	42	48	55	63	71	81	93	106
Life Insurance	12	13	15	17	20	22	25	28	37	38	42	48
Long Term Care/Disability	0	0	0	0	0	1	1	2	3	5	6	8
Valuable Items	13	15	17	20	23	26	29	33	38	43	49	57
Personal Liability	0	0	0	0	0	0	2	4	7	11	15	18
Total Unit Sales	50	57	64	74	85	97	112	130	156	178	205	238
Unit Prices												
Property Insurance	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Life Insurance	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Long Term Care/Disability	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Valuable Items	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00
Personal Liability	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00
Sales												
Property Insurance	\$2,500	\$2,900	\$3,200	\$3,700	\$4,200	\$4,800	\$5,500	\$6,300	\$7,100	\$8,100	\$9,300	\$10,800
Life Insurance	\$1,800	\$1,950	\$2,250	\$2,550	\$3,000	\$3,300	\$3,750	\$4,200	\$5,550	\$5,700	\$6,300	\$7,350
Long Term Care/Disability	\$0	\$0	\$0	\$0	\$0	\$150	\$150	\$300	\$450	\$750	\$900	\$1,200
Valuable Items	\$975	\$1,125	\$1,275	\$1,500	\$1,725	\$1,950	\$2,175	\$2,475	\$2,850	\$3,225	\$3,675	\$4,275
Personal Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$150	\$300	\$525	\$825	\$1,125	\$1,350
Total Sales	\$5,275	\$5,975	\$6,725	\$7,750	\$8,925	\$10,200	\$11,725	\$13,575	\$16,475	\$18,600	\$21,300	\$24,775
Direct Unit Costs												
Property Insurance	16.00%	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00
Life Insurance	16.00%	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00
Long Term Care/Disability	16.00%	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00
Valuable Items	16.00%	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Personal Liability	16.00%	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Direct Cost of Sales												
Property Insurance	\$400	\$464	\$512	\$592	\$672	\$768	\$880	\$1,008	\$1,136	\$1,296	\$1,488	\$1,696
Life Insurance	\$288	\$312	\$360	\$408	\$480	\$528	\$600	\$672	\$888	\$912	\$1,008	\$1,176
Long Term Care/Disability	\$0	\$0	\$0	\$0	\$0	\$24	\$24	\$48	\$72	\$120	\$144	\$192
Valuable Items	\$156	\$180	\$204	\$240	\$276	\$312	\$348	\$396	\$456	\$516	\$588	\$684
Personal Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$24	\$48	\$84	\$132	\$180	\$216
Subtotal Direct Cost of Sales	\$844	\$956	\$1,076	\$1,240	\$1,428	\$1,632	\$1,876	\$2,172	\$2,636	\$2,976	\$3,408	\$3,964

Appendix

Table: Marketing Expense Budget

Marketing Expense Budget	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Direct Mail	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$1,000
Print Advertising	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Flyers	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Seminars	\$1,000	\$0	\$1,000	\$0	\$1,000	\$0	\$1,000	\$0	\$1,000	\$0	\$1,000	\$0
Thank You Gifts	\$100	\$120	\$140	\$160	\$180	\$200	\$220	\$240	\$260	\$280	\$300	\$320
Pay-Per-Click Advertising	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Informational Booklets	\$1,000	\$0	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0	\$0
Other	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Total Sales and Marketing Expenses	\$3,750	\$1,770	\$2,790	\$1,810	\$2,830	\$1,850	\$3,870	\$1,890	\$2,810	\$1,830	\$2,950	\$2,470
Percent of Sales	71.09%	29.62%	41.48%	23.35%	31.71%	18.14%	33.01%	13.92%	17.66%	10.38%	13.85%	9.97%

Appendix

Table: Key Marketing Metrics

Key Marketing Metrics												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Revenue	\$5,275	\$5,975	\$6,725	\$7,750	\$8,925	\$10,200	\$11,725	\$13,575	\$16,475	\$18,600	\$21,300	\$24,775
Leads	117	133	149	172	188	227	261	302	349	394	430	501
Leads Converted	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	21.00%	21.00%	22.00%	22.00%
Avg. Transactions/ Customer	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Avg. \$/Customer	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Referrals	0	25	28	30	33	37	40	44	49	54	59	65
PR Mentions	0	1	1	1	1	1	2	2	2	2	2	2
Testimonials	0	10	15	21	25	30	33	35	36	37	39	40
Other	0	0	0	0	0	0	0	0	0	0	0	0