

MARKETING SUPPORT POLICY

INTRODUCTION

The Dunedin City Council Economic Encouragers Policy includes the ability to directly financially support initiatives in key sectors of the Dunedin economy that generate new business development or expand exiting business. This includes contributions to businesses that are undertaking specific, targeted opportunities to expand their market on an international, national or local basis in order to grow their business. The mechanisms for this would include:

- support to marketing initiatives for Dunedin
- support for general promotion of Dunedin including specific tourism or other job creation opportunities
- association with other Dunedin initiatives or high profile occasions, such as sports teams playing nationally or internationally
- Dunedin exhibitions or trade shows.

FRAMEWORK

The criteria developed is related to the framework already in place in the current, approved, Dunedin City Council Economic Development Strategy. The relevant sections of the strategy in relation to the support of business are:

Mission:

To assist in the development, support and promotion of business-related activities that offer the potential for sustainable employment and economic growth for Dunedin.

Goals:

1. To attract prospective business for set up in, or relocation to Dunedin through local, national or foreign direct investment.
 2. To retain existing local business and jobs.
 3. To facilitate growth in the City's key sectors.
 4. To identify and encourage business opportunities capable of contributing to the economic wealth of Dunedin.
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The key sectors as outlined in the Dunedin City Council's Strategic Plan and the Economic Development Strategy are:

- Primary production and processing (forestry, pastoral, horticulture, marine);
- Tourism (leisure, education, conferences, events, cultural);
- Education (tertiary, bridging and language courses);
- Services (information technology, printing, ship services, administrative service, regional retailing services); and
- Manufacturing.

CRITERIA

The following criteria should be met for an application to be considered for Dunedin City Council support.

1. The business must be in a key sector as identified by the Dunedin City Council (see above).
2. The promotion must meet at least one of the goals of the Economic Development Strategy (see above).
3. It must be industry-based promotion, not mass market based, ie target to specific industries within key sectors.
4. The activity must expand the international, national or local market, with preference for an activity that expands the international or national market.
5. The business must be undertaking specific, targeted opportunities to expand their international, national or local market in order to grow their business.
6. The Dunedin City Council may provide up to 50% of the funding for a proposal. The applicant will provide the balance. The amount granted will be at the discretion of the Dunedin City Council and in line with the criteria outlined in this document.
7. A business plan must be provided. An understanding that the Dunedin City Council Economic Development staff have an ongoing relationship with the business and a follow-up role must be acknowledged.

8. In respect to the project that funding is requested, details must be provided of:
 - Target audience
 - Description of promotion eg location, types of media to be used, etc
 - Methods of monitoring and evaluating the activity
 - Total budget for the activity and funding requested from the Dunedin City Council
 - The budget may include the following:
 - Market research
 - Trade NZ assistance
 - Travel, accommodation, food and entertainment
 - Trade fair/exhibit cost (space rental and fittings)
 - Related advertising and promotion.
9. A follow-up report must be provided within three months of the project being undertaken, outlining the activity undertaken and the results to date.
10. The benefit to the City of Dunedin in terms of profile gained must be clearly demonstrated eg media coverage, attraction of new business, additional jobs etc. The ability to create additional jobs in Dunedin is encouraged.
11. The Dunedin City Council's contribution will not offset any costs incurred before the proposal is approved.
12. The funding will not cover the cost of existing staff whose time is devoted to the project, or operational overheads.
13. The Dunedin City Council will not provide venture capital requirements.

Applications will be processed on an “as received” basis. The applications will be considered in the non-public section of the Dunedin City Council Economic Development Committee. Meetings of this committee are held every six weeks. When the resolutions of the committee are ratified at a full Dunedin City Council meeting the final decision will be in the public section. This does not include the commercially sensitive material supplied in the application which will remain confidential at all times.

APPLICATION FORM**Office use Only**

Application Number: _____

Date Received: _____

Name of Company: _____

Contact Details: _____

Street Address: _____

Postal Address: _____

Contact Person: _____

Phone Number: _____

Fax Number: _____

E-mail address: _____

Website: _____

Please return completed application form, Executive Summary and Business Plan to:

Business Development Officer
Economic Development Unit
Dunedin City Council
PO Box 5045
DUNEDIN
Phone: 03 477 4000
Fax: 03 474 3451
E-mail: dunedin.business@dcc.govt.nz
Website: <http://www.CityofDunedin.com>

Please describe the details of the proposed marketing initiative using the attached format.

1. APPLICATION EXECUTIVE SUMMARY

Presents a brief overview of the proposed Plan (one page maximum).

- Target audience
- Description of promotion eg location, types of media to be used, etc
- Timing
- Methods of monitoring and evaluation the activity
- Total Budget for the activity and funding requested from Council.

2. OBJECTIVES

Define financial and marketing goals of this initiative in terms of sales volume, market share, and job creation. (Organise according to short term and long term).

- A. Financial Objectives
- B. Marketing Objectives
- C. Job Creation Objectives

3. MARKETING STRATEGY AND ACTION PROGRAMMES

Present the marketing strategies and action programmes that will be used to achieve objectives. Include:

- Identification of the Target Market(s)
 - Identify characteristics of your customers
 - Tell how you arrived at your results
 - Back up information with demographics, questionnaires, surveys
 - Project size of your market
- Segmentation and Positioning
 - Evaluate indirect and direct competition
 - Show how you can compete
 - Evaluate competition in terms of location, market and business history
- Product Strategy
 - Answer key questions regarding product design and packaging
 - Include graphics and proprietary rights information
 - Service/Customer Service strategy
- Price Strategy
 - Result of market research and costing your product or service
 - Tell how you arrived at your pricing structure. Back it up with materials from your research (ie Cost analysis, questionnaires, competition analysis, etc).
- Distribution / Referral Strategy
 - How products and services will be made available to the customer
 - Back up decisions with statistical reports, rate sheets, etc

- Promotion Strategy
 - Sales/Direct Marketing Strategy
 - Promotional Strategy
 - Research and Development
 - Internet Marketing Strategy
 - Advertising Strategy
 - Publicity/Public Relations Strategy
 - Marketing Research Strategy

4. SUMMARY OF MARKETING STRATEGIES AND ACTION PROGRAMMES

What will be done and when (time lines and reasoning), who will do it, and how much will it cost.

5. PROJECT PROFIT AND LOSS STATEMENT

Forecast expected financial outcomes.

6. CONTROLS

Indicates how the plan will be measured and monitored.

A Controls and Contingency Plans

B Estimated Budgets. Provide an indication of the funding requested from Council.

7. APPENDIX

Reference pages, extra information, etc.

BUSINESS PLAN OUTLINE

As outlined in the “Marketing Support” criteria, a full business plan must be provided in addition to the marketing plan relating to the proposed marketing initiative. The following business plan template (or an equivalent) may be used to present this information.

I COVER SHEET

- Name, address and phone number of the company
- Name, title, address, phone number of owners/corporate officers
- Month and year your plan was prepared
- Name or preparer
- Copy number of the plan

II STATEMENT OF PURPOSE (*Mission Statement/Executive Summary*)

- Your Company (who, what, where, when)
- What your objectives are
- Why you will be successful.

III TABLE OF CONTENTS

IV PART I: THE ORGANISATIONAL PLAN

a) Description of the Business

Give a broad overview of the nature of your business. Using the key work approach, tell when and why the company was formed, describe the nature and uniqueness of the services and/or products provided, and review the general development of the company. Project a sense of where you see your company going in the next few years. (This statement should not exceed one page).

b) Products or Services

- **If you are the manufacturer and/or wholesale distributor of a product:** Describe your products. Tell briefly about your manufacturing process. Include information on suppliers and availability of materials.
- **If you are a retailer:** Describe the products you sell. Include information about your sources (and alternative sources) of inventory.
- **If you provide a service:** Describe your services. List future products or services you plan to provide.

c) Legal Structure

- Tell what legal structure you have chosen
- Briefly state reason for choice
- List owners or corporate officers together with short bios

d) Location

- Describe your projected or current location
- Project costs associated with the location
- Include legal agreements, utilities forecasts, etc in supporting documents

e) Management

- List the people who are (or will be) running the business
- Describe their responsibilities and abilities
- Project their salaries
- (Include resumés in support documents)

f) Personnel

- Who will be doing the work?
- What are the necessary qualifications?
- How many hours will they work and at what wage?

g) Accounting

- What system will you set up for the maintaining of financial records?
- Who will be responsible for tax accounting?
- What plan do you have for periodic financial analysis?
- Project costs associated with accounting services

h) Insurance

- What kinds of insurance will you carry? (Property and Liability, Life and Health)
- What will it cost and who will you use for a carrier?

i) Security

- Address security in terms of inventory control and theft of information
- Project related costs

V PART II: THE MARKETING PLAN

a) Target Market

- Identify characteristics of your customers

- Tell how you arrived at your results
- Back up information with demographics, questionnaires, surveys
- Project size of your market

b) Competition

- Evaluate indirect and direct competition
- Show how you can compete
- Evaluate competition in terms of location, market, business history

c) Methods of Distribution

- Tell about the manner in which products and services will be made available to the customer
- Back up decisions with statistical reports, rate sheets, etc

d) Promotion

- How will you get the message to your customers? Your goal is to create a positive image. Include rate sheets, promotional material, and time-lines for your advertising campaign.
- Explain why you have chosen those avenues, how your message will reach your target market, how much your campaign will cost, and when you will begin.
- Cover promotion under the following headings and add other headings for additional methods of promotion:
 - **Paid Advertising:** Ads, Listings, Tradeshow;
 - **Publicity:** Media features, Reviews
 - **Direct Mail:** (Consider cost vs return)
 - **Community Involvement:** (Targeted “volunteerism”)
 - **Other:** Specific to Industry

e) Pricing

- Result of market research and costings your product or service
- Tell how you arrived at your pricing structure. Back it up with materials from your research (ie Cost analysis, questionnaires, competition analysis, etc)

f) Product Design

- Answer key questions regarding product design and packaging
- Include graphics and proprietary rights information

g) Timing of Market Entry

- Tell when you plan to enter the market
- Give information on how you arrived at your decision

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- h) Location
 - i) Industry Trends
 - Give current trends
 - Project how the market may change
 - State plans for keeping up with future trends

VI PART III: FINANCIAL DOCUMENTS

a) Summary of Financial Needs

This is an outline giving the following information:

- **Why** you are applying for financing
- **How much** capital you need

b) Loan Fund Dispersal Statement

- **Tell how** you intend to disperse the loan funds
- **Back up** your statement with supporting data

c) Pro Forma Cash Flow Statement (Budget)

This document **projects** what your Business Plan means in terms of dollars. It shows cash inflow and outflow over a period of time and is used for internal planning. It is of prime interest to the lender and shows how you intend to repay your loan.

Cash flow statements show both **how much** and **when** cash must flow in and out of your business.

d) Three Year Income Projection

A Pro Forma Income Statement showing your projections for your company for the next three years. Use the revenue and expense totals from the Pro Forma Cash Flow Statement for the first year's figures and project for the next two years according to expected economic and industry trends.

e) Break-even Analysis

The break-even point is the point at which a company's expenses exactly match the sales or service volume. It can be expressed in:

- i. Total dollars or revenue exactly offset by total expenses, or
- ii. Total units of production (cost of which exactly equals the income derived by their sales).

This analysis can be done either mathematically or graphically. Revenue and expense figures are drawn from the three-year income projection.

f) Balance Sheet

Shows the condition of the business as of a fixed date. It is a picture of your firm's financial condition at a particular moment and will show you whether your financial position is strong or weak. It is usually done at the close of an accounting period. Contains:

- i. Assets;
- ii. Liabilities, and
- iii. Net Worth

You may also be required to supply your lender with a Projected Balance Sheet if you are a new business.

g) Profit & Loss Statement (Income Statement)

Shows your business financial activity over a period of time (monthly, annually). It is a moving picture showing what has happened in your business and is an excellent tool for assessing your business. Your ledger is closed and balanced and the revenue and expense totals transferred to this statement.

h) Financial Statement Analysis

In this section you will use your income statement and balance sheets to develop a study of relationships and comparisons of:

- i. Items in a single year's financial statement;
- ii. comparative financial statements for a period of time; or
- iii. your statements with those of other businesses.

Measures are expressed as ratios or percentages that can be used to compare your business with industry standards.

i) Business Financial History

Summary of financial information about company from its start to the present. The Business Financial History and Loan Application are frequently one and the same.

VII PART IV: SUPPORTING DOCUMENTS

This section of your plan will contain all of the records that back up the statements and decisions made in the three main parts of your business plan. The most common supporting documents are:

a) Personal Resumés

Include resumés for owners and management. A resumé should be a one-page document. Include: work history, educational background, professional affiliations and honours, and a focus on special skills relating to the company position.

b) Owner's Financial Statements

A statement of personal assets and liabilities. For a new business owner, this will be part of your financial section.

c) Credit Reports

Business and personal from suppliers or wholesalers, credit bureaus, and banks.

d) Copies of Leases, Mortgages, Purchase Agreements, etc

All agreements currently in force between your company and a leasing agency, mortgage company or other agency.

e) Letters of Reference

Letters recommending you as being a reputable and reliable business person worthy of being considered a good risk (both business and personal references).

f) Contracts

Include all business contracts, both completed and currently in force.

g) Other Legal Documents

All legal papers pertaining to your legal structure, proprietary rights, insurance, etc. Limited partnership agreements, shipping contracts, etc.

h) Miscellaneous Documents

All other documents which have been referred to, but not included in the main body of the plan (for example, location plans, demographics, competition analysis, advertising rate sheets, cost analysis, etc).

As there is so much information to consider and many decisions to be made putting your plan together, we recommend that you get critical feedback on the plan before you present it to the intended recipients, eg bank, financier, partner etc. If the plan is written for yourself, this is all the more reason to get independent and objective feedback, as you have no fall-back if errors are made.

REPORTING BACK TO THE ECONOMIC DEVELOPMENT COMMITTEE

The reporting back procedure is a crucial part of the marketing support programme. Please present a report within three months of the marketing initiative outlining the results using the following format:

EXECUTIVE SUMMARY (ONE PAGE MAXIMUM)

- Overview of main points used below.

TARGET AUDIENCE

- Response received and leads generated, outcomes and next steps of action.

PROMOTION

- Confirmation of promotion methods used and final timing.

BUDGETARY

- Actual vs budgeted expenditure

EVALUATION OF THE ACTIVITY

- Measured against the financial, marketing and job creation objectives and any other relevant findings.

APPENDICES

- Reference pages, extra information, websites, business cards, copies of media placements and coverage, copies of receipts etc.

THIS REPORT SHOULD BE RETURNED TO THE FOLLOWING ADDRESS:

Business Development Officer
Economic Development Unit
Dunedin City Council
PO Box 5045
DUNEDIN
Phone: 477 4000
Fax: 474 3451
email: dunedin.business@dcc.govt.nz
<http://www.CityofDunedin.com>