KEY TERMS

**Cross-functional strategic plan:** Clearly the greatest advantage of strategic planning with a cross-functional team is the ability of team members to consider a situation from a number of viewpoints.

**Distinctive competencies:** Distinctive competencies are things that an organization does well—so well in fact that they give it an advantage over similar organizations.

**Diversification:** This strategy can lead the organization into entirely new and even unrelated businesses. It involves seeking new products (often through acquisitions) for customers not currently being served.

**Market development strategies**: Pursuing growth through market development, an organization would seek to find new customers for its present products.

**Market penetration strategies:** These strategies focus primarily on increasing the sale of present products to present customers.

**Marketing**: The process of planning and executing conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals.

**Marketing information systems:** Throughout the marketing management process, current, reliable, and valid information is needed to make effective marketing decisions. Providing this information is the task of the marketing information system and marketing research.

**Marketing management:** Marketing management can be defined as “the process of planning and executing the conception, pricing, promotion, and distribution of goods, services, and ideas to create exchanges with target groups that satisfy customer and organizational objectives.”

**Marketing mix:** The marketing mix is the set of controllable variables that must be managed to satisfy the target market and achieve organizational objectives.

**Marketing plan:** It is a formal statement of decisions that have been made on marketing activities; it is a blueprint of the objectives, strategies, and tasks to be performed.

**Marketing planning:** This process can be viewed in terms of three interrelated tasks: (1) establishing marketing objectives, (2) selecting the target market, and (3) developing the marketing mix.

**Mission statement:** The mission statement, or purpose, of an organization is the description of its reason for existence.

**Organizational objectives:** Organizational objectives are the end points of an organization’s mission and are what it seeks through the ongoing, long-run operations of the organization.

**Organizational portfolio plan:** The final phase of the strategic planning process is the formulation of the organizational portfolio plan.

**Organizational strategies:** When an organization has formulated its mission and developed its objectives, it knows where it wants to go. The next managerial task is to develop a “grand design” to get there. This grand design constitutes the organizational strategies.

**Product development strategies:** With this particular strategy, the new products developed would be directed primarily to present customers.

**Situation analysis:** The situation analysis can be divided into six major areas of concern: (1) the cooperative environment; (2) the competitive environment; (3) the economic environment; (4) the social environment; (5) the political environment; and (6) the legal environment.

**Strategic plan:** A larger plan or blueprint for the entire organization.

**Strategic Planning:** Strategic planning includes all the activities that lead to the development of a clear organizational mission, organizational objectives, and appropriate strategies to achieve the objectives for the entire organization.

**The marketing concept:** The marketing concept means that an organization should seek to make a profit by serving the needs of customer groups.