Marketers talk about the 4 P's: Product, Price, Promotion and Place.

The Research & Development department is focused on Product, so it is important that Marketing work with R&D to ensure all products, current and new, meet customer demands. A close relationship between the two departments is essential.

If Marketing decides a product should be discontinued, however, it needs to tell the Production department to selloff the production capacity – so communication with Product is important too.

The remaining P's - Price, Promotion and Place – are controlled by Marketing.

Each segment has an expected price range. A product will lose customers if it goes above or below the range.

Products priced above or below the range enter the Price Rough Cut.

Above the range…customers think the product is too expensive.

Below the range… customers become wary. They think something is wrong with the product.

In a Seller's Market, when there are not enough products to satisfy customer demand, customers will buy all available products, even if they are priced in the rough cut.

See "What Is a Seller's Market?" in the Online Guide's FAQ-Reports section for more information.

If you price your products 5 dollars above or below the range, no customers will be interested in buying. (Capstone).

Promo budgets let potential customers know about your products. Each product's budget determines its level of awareness. An awareness rating of 50% tells you half the potential customers know it exists.

If you don't spend anything on promotion, your product's awareness will drop to just two thirds of what it was the year before.

Depending on the amount, however, what you spend this year can replace lost awareness and build increasing awareness.

The third 'P', Place, is defined by your Sales budget. This budget pays for salespeople, customer support and distribution systems. Higher budgets make your products more "accessible."

If you zero the budgets for all products in the segment, your segment's accessibility will drop to two thirds of what it was the year before.

This year's budget can make up that lost third, and then some. If you have more than one product in the segment, each product's sales budget contributes to accessibility.

Accessibility is assigned to the segment, not the product. If your product moves from one segment to another, it leaves the old segment's accessibility behind and picks up the accessibility in the new segment.

You'll want to pay close attention to the Benchmark predictions as you adjust your R&D and Marketing entries…

If your decisions in R&D and Marketing lead to an improvement in how your customers perceive your product, the prediction will go up.

Be careful, though. The Benchmark assumes each competitor will offer one unremarkable product in every segment. It has no way of knowing what your competitors will actually offer so you need to do your own competitive analysis.

Because it this, it's important that you always enter your own forecasts. The Team Member Guide's Forecasting chapter and video will give you more information.
Accounts Receivable can be set by either Marketing or Finance.

The longer you give your customers to pay, the more likely they are to buy your products.

If Finance decides to be less generous with receivable terms, Marketing's forecasts might become less accurate. Marketing needs to work with Finance in order to agree on an A-R policy.

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Good Luck!