

CFAM6.1.3

Develop and maintain a portfolio of products/services



Overview

This is about developing and maintaining a portfolio of products/services, with regard to both shorter and longer term planning. It includes forecasting their demand and evaluating their potential through cost/benefit analyses to ensure that an organisation's marketing efforts are focused effectively. It also includes evaluating the most effective return on investment across a range of products/services.

This unit is recommended for marketers with responsibility for managing a portfolio of products/services. Such marketers might be employed directly by the organisation, or work for an agency/consultancy.

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Performance criteria

- You must be able to:*
- P1 analyse the sales growth rate of all products/services within the portfolio and identify their relative sales trends and returns on investment made
 - P2 assess the market share of products/services within the portfolio and identify associated trends
 - P3 forecast likely future sales growth, returns on investment and market share for all products/services within the portfolio, and determine how these might be affected by different, and realistic, development strategies
 - P4 assess which of the products/services best fit with the organisation's overall marketing strategy, its business strengths and opportunities
 - P5 assess the options for investing in particular products/services towards building market share, holding share, harvesting, or divesting of products/services
 - P6 present reasoned recommendations regarding the future strategies for developing different products/services within the portfolio, demonstrating how your recommendations will impact upon sales, returns on investment and cash flow
 - P7 agree preferred options, including budget and actions, for developing and maintaining the portfolio
 - P8 make sure that relevant marketing team members understand and are committed to achieving agreed strategies
 - P9 implement agreed options correctly

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Knowledge and understanding

You need to know and understand:

General knowledge and understanding

- K1 the importance of portfolio planning to the success of marketing and the business overall
- K2 tools and techniques for classifying the different levels of performance of particular products/services within a portfolio
- K3 the factors to be considered when assessing the performance of products/services
- K4 different strategies for developing particular products/services, including developing market share, holding share, harvesting and divesting, and the circumstances where these may be preferred
- K5 techniques for forecasting sales growth, returns on investment and market share

You need to know and understand:

Industry/sector specific knowledge and understanding

- K6 market developments in the organisation's sector

You need to know and understand:

Context specific knowledge and understanding

- K7 the market in which the organisation works
- K8 key business strengths and weaknesses of the organisation relevant to the products/services being considered
- K9 key opportunities and threats facing the organisation, relevant to the products/services being considered
- K10 the organisation's overall marketing strategy and objectives
- K11 the needs and expectations of the organisation's actual and potential customers, relevant to the products/services being considered
- K12 colleagues and other key stakeholders, and their needs and expectations

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Additional Information

Behaviours

1. You anticipate likely future scenarios based upon a realistic analysis of trends and developments
2. You identify the strengths, weaknesses, opportunities and threats facing products/ services within the portfolio
3. You articulate the assumptions made, and risks involved, in developing your analysis
4. You produce and develop a variety of options before taking a decision
5. You present information clearly, concisely and accurately, avoiding the use of jargon, presenting difficult ideas in ways that promote understanding

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