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Global Distance Learning MBA/DBA

RUSHMORE UNIVERSITY MBA PROGRAM

Marketing plan for Finland

Rushmore University MBA program
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1.0 VISION

Rushmore University's mission is to maximise its Finnish customers' business career and enable better lifestyle by giving an opportunity to earn accredited MBA degree based on flexible distance learning studies

2.0 Objectives

1. To get 20 new Finnish students enrol in Rushmore University MBA program by the end of year 2001
2. Annually get 20 new Finnish students to join Rushmore MBA program. (Market share 16-20%, estimated)

3.0 SWOT analyse

<p>3.1 Strengths Accredited MBA MBA internationally acknowledged degree Extremely flexible Truly world-wide MBA program World-wide student network Low overhead costs MBA very respected degree in Finland Faculty real-world professionals Finland is most advanced in IT/Internet-technology High standard of living in Finland Incomes equally distributed in Finland Finnish people well educated Finns' positive attitude to further education</p>	<p>3.2 Weaknesses US MBA not registered degree in Finland Distance learning not so familiar in Finland Rushmore not well known in Finland Finnish Universities do not have tuition fees. "Vendors" legal responsibility in Finland (consumer protection) Many MBA lessons available at the present in Finland Finnish government subsidise some MBA programs</p>
<p>3.3 Opportunities To be among the first in the market Finnish companies expanding overseas Finland's economic growth Growth of wireless communication Growth of IT-technology</p>	<p>3.4 Threats To miss market opportunity Supply of qualified faculty Finnish Universities' spirit of opposition to distance learning Possible depression in future</p>

4.0 Target Market:

Rushmore MBA program's marketing in Finland focus on "Finnish Engineers (BSc Eng.)".

4.1 Market definition and segmentation

In Finland there are 46 000 registered engineers. A typical engineer is a male (91%), age 38, annual earnings 36 000 USD and working in private sector (84%) at middle management level.

Only 2% are entrepreneurs. Average working time is 43 hours per week.

"A typical WWW user is a male (65%), white (82%), well educated (65% at least have college education), average household income \$60 000, median age 38 and tend to be employed in the professional and computer-related occupations" (Reinholm. J. eCommerce, 1999)

4.2 Target market strategy

According to research made by Union of Finnish Engineers (Insinööriliitto), engineers who take part in further education have better success in their career.

Therefore Union of Finnish Engineers recommends further education to its members.

People with high level of initial education are the most active in adult education. They are more willing to study non-formally, using self-motivated learning methods (the Finnish Ministry of Education. 1995)

Market segment is large enough to be profitable, homogeneous and easy to reach.

Engineers are used to computers, and most of them have a computer and access to the Internet. (73% of Finnish people have access to the Internet).

4.3 Product decision

At the beginning, due the lack of resources and experience, only Rushmore MBA program will be marketed. Emphasis given to e-marketing, general marketing, general management, human resource management, accounting, financial management, strategic management and operations management courses.

Later (2002) MBA program piggy-backs doctoral programs

4.4 Needs and requirements

According to research "Participation in adult education and training in Finland 1995", 61 per cent of men and 65 per cent of woman said they would be interested in further education. The major motives for participation in further training and education are self-improvement and need to develop professional skills and competencies.

Main obstacles to taking part in voluntary education (that they pay for themselves) were financial constrains (43%) (mainly because full- or part-time studies are needed), location of training and transportation problems (37%), fatigue (36%), inconvenient working hours (32%).

59 per cent of the respondents said they are unable to participate in employer-sponsored education (during working hours) due to time pressure in the workplace. (Source: the Finnish Ministry of Education, 1995)

Rushmore MBA program overcomes those obstacles. It offers highly respected, reasonable priced extremely flexible distance learning MBA program. Students can participate in the program without restrictions of time or location.

4.5 Competitive forces

On the further education market our direct competitors are the other universities, colleges and institutes from abroad, (Athabasca University, Auburn University, Marylhurst University, Syracuse University, University of Colorado at Colorado Springs, Worcester Polytechnic Institute, Barrington University, Heriot-Watt University, Henley, Baker College, University of Phoenix etc.)

and the Finnish universities and polytechnics (Hanken, HKO, TKO, LTO, University of Oulu, University of Kuopio, University of Turku, University of Jyväskylä, Hameenlinna Polytechnic, Tampere Polytechnic), which offer part-time or distance learning MBA programs or similar further education.

Finnish universities, colleges and polytechnics have one special advantage; they do not have tuition fees. They operate with government's fund. But they are rigid, over-academic and require participating in classroom-based education. Rushmore's competitiveness leans on flexibility and superior faculty.

4.6 Promotions

Best way to reach our target, "a Finnish engineer", by add, is the Tekniikka ja Talous magazine. It is delivered to all members of Engineer's Union (85% of all engineers) and it is read by 60 000 decision-maker (readership 191 000). That medium is not saturated with further education ads.

Promotional seminars with aid and/or recommendations of personnel departments (or managers) of large companies (turnover over 2 billion FIM, ~340 million USD, totally 94 companies) are good marketing channel

Other good mediums for promotional seminars are Engineer Union's local department's monthly meetings (social clubs, 13 pcs).

Rushmore Finnish homepages are used to catch a "fortuitous Finnish internet-surfer".

4.7 Keys to success

Product positioning must be clear. We have to separate Rushmore MBA program from traditional full- or part-time MBA programs. Our customers are busy professionals and they know the value of time.

Our message must be clear. Rushmore University offers opportunity to self-improvement and professional development by accredited MBA program, which is free of constraints of time and location.

As the security of financial transactions and vendor's reliability are one of the biggest barriers to consumers to use eCommerce, consumers are more willing to make purchases over the internet in domestic markets. (Reinholm, J. eCommerce 1999). Therefore it can be seen that having own contact person in Finland is a clear benefit.

It is also important to strengthen Finnish customers in their faith to this truly international MBA program. It is important express Rushmore University has activities in every continental: Rushmore USA, Rushmore Japan, affiliate Colegio Argentino, students from Morocco, Egypt, New Zealand, Sweden, Finland...

4.8 Pricing

We are landing in the business of the rock-bottom prices. Finnish educational institutions are state-owned and state-subsidised. Students do not have to pay any tuition.

The price level must not exceed the prices of similar distance learning MBA programs offered by overseas universities.

5.0 Market plan strategy

Rushmore MBA program differentiate itself from rigid, over-academic, time consuming universities by offering extremely flexible MBA program to busy business people who like to develop own competencies and professional skills.

Those people can be reached by

1. Twice a year ad on Tekniikka ja Talous magazine. Training and education special issues on 13th of January and 7th of September. Size 80x100 mm (~3x4 inches) with two colours
2. Promotional seminars. Monthly.
3. The Internet, open all the time.

5.1 Emphasise flexibility

No need to rush into classroom, no need to watch timetables, Just a computer and the Internet connection. Studies can be done whenever it is convenient.

5.2 Emphasise accredited MBA

Rushmore MBA degree has same legal validity as any other full-time or part-time MBA programs offered by other universities in the USA. It is widely recognised by many worlds' largest companies.

5.3 Emphasise world-wide network

Rushmore MBA program's affiliate universities/colleges, faculty, students and alumni create world wide net. To be a member of this net can give real benefits in business career or pleasure in private life.

6.0 Critical points

1. Distance learning may not perceived to be on the same academic level as "conventional" MBA programs
2. Finnish universities may start "mud-slinging" against distance learning (or direct to the Rushmore MBA programs)
3. To get personnel departments (managers) to be persuaded and interested of Rushmore MBA program
4. Rushmore's capacity if marketing came off the better.

7.0 Expense budget

1. Ads on T&T magazine 4050 FIM per ad	8100 FIM
2. Promotional seminars once per month	
- travelling expenses 1000 FIM per seminar	
- auditorium rent (incl. audio-visual aids) 400 FIM per seminar	
- mailing costs 200 FIM/mailing + phone charges + misc.	<u>20800FIM</u>
Total	28 900 FIM/year (~4200 USD/year)

8.0 Sales forecast

Forecasted amount of new students at first fiscal year, 20, generates 83040 USD (20 X 4152 USD). I believe this is a conservative forecast.

I strongly believe that when knowledge of Rushmore programs spread out, this figure is more likely to be around 30 students per year (20-25 % market share of the present Finnish MBA markets).

8.1 Expenses-to-sales

The sales comission,7%, covers all expenses.

Overall, we plan to spend 5,1 % of sales on marketing expenses (first year). Marketing and sales costs are 210 USD per enrolment. I consider that this is a reasonable cost when taking present product to new market (market development).

9.0 Marketing organisation

Dr Michael Cox is responsible for general management. He is responsible for sales and marketing as the head of the Rushmore University.

Jukka Reinholm is responsible for marketing Rushmore programs in Finland including direct mailing, promotional seminars and advertising. Jukka is also support person for new students (senior student). Jukka is able to use monthly two days for Rushmore marketing

10.0 Time table

1. Pilot seminar with local union. January 2001. J. Reinholm
2. Monthly J.Reinholm. Clarify 10 names of personnel trainers or personnel managers by phone. Starting from 14th of January.
3. Telemarketing to Union of Finnish Engineers' local unions. Starting from 15th of January. J.Reinholm
4. Monthly direct mailing to 10 personnel managers. 1st of February, J.Reinholm
5. Telemarketing to addressees. Seven days after mailing. J.Reinholm
6. Monthly promotional seminars starting 14th of February J.Reinholm
7. Repeat step 2, 3, 4 and 5 until 10 promotional seminars "sold out". J Reinholm

11.0 Customer List

Phone/mailling list. Top 150 Finnish companies. Insurance companies, banks, wholesalers and other inappropriate companies excluded = ().

1Nokia* 2StoraEnso* 3Fortum* 4UPM-Kymmene* (5MeritaNordbanken*)(6 Kesko*)
 (7Metsäliitto*) (8Tamro*) 9Outokumpu* (10Varma-Sampo*) 11Metra* 12Rautaruukki*
 13Ahlström* 14Kemira* (15Ilmarinen*) (16SOK*) 17Partek 18Kone* 19Valmet* (20 Rauma*)
 (21Sampo*) (22Leonia*) 23Sonera* (24Pohjola*) 25ABB-Yhtiöt* 26Cultor* 27Finnair* (28Inex)
 29Valio* 30Huhtamäki* (31Stockmann*) 32YIT-Yhtymä* 33Asko 34Myllykoski* 35VR-
 Yhtymä* 36Wihuri* (37Tradeka*) (38Veikkaus) 39Suomen Posti* (40Eläke-Tapiola*) (41Orion*)
 (42Merita Henkivakuutus*) 43Raisio Yhtymä* 44Sandvik Tamrock 45Fazer* 46Helsingin
 Puhelin* 47Kværner Masa-Yards 48Amer* (49TukoSpar*) 50Lemminkäinen* 51Starckjohann*
 52Skanska* (53Onvest*) (54Eläke-Fennia*) 55Teboil 56Instrumentarium* (57Suomen Spar*)
 (58Osuuspankkikeskus*) 59KCI Konecranes* (60Veho*) (61Pohjoismaiden Investointipankki)
 (62Finnlines*) (63Rautakirja*) 64Neptun Maritime* 65Pohjolan Voima* 66Fiskars* (67Fujitsu
 Computers) (68Alko*) 69Atria* (70Panasonic) 71Hartwall* (72ICL Data*) (73Shell*) 74HK
 Ruokatalo* (75Alma Media) (76Tieto*) 77Raha-automaattiyhdistys (78Volvo Auto*) (79BTL
 East*) 80Borealis Polymers 81Toyota Motor* (82 Vahinko-Tapiola*)
 (83Addtek International*) (84HOK*) 85NCC Puolimatka* (86Viking Line*) 87Elcoteq Network*
 88Hewlett-Packard 89Sanoma* 90Tellabs* 91Rettig* (92Verdandi*) 93Yleisradio 94Hackman*
 95Vapo* (96Scan-Auto) (97Opel) (98Elanto*) 99 Santasalo-JOT* 100Lassila & Tikanoja*
 (101IBM) 102Helvar Merca Group* (103Henki-Tapiola*) (104Thominvest*) (105Yrittäjän
 Fennia*) 106NK Cables 107KWH-Yhtymä* (108KPO*) (109Arctos Capital*) 110Salomaa*
 111Veljekset Laakkonen* 112Sinebrychoff* 113Teollisuuden Voima* 114Novo Group* 115Aro-
 Yhtymä* (116Jaakko Pöyry*) 117Kuusakoski* 118Electrolux* 119OMG Kokkola Chemicals*
 120Nokian Renkaat* 121Suomen Petrooli 122Esso 123Polar Kiinteistöt* (124Transfennica*)
 (125Suomi*) (126Ford) (127Compaq Computer) 128Siemens* (129Veikko Laine*) (130Keskimaa
 OK*) 131Fingrid-yhtiöt* (132Forex) 133SRV Viitosen Holding* 134Aspo* 135Suomen Unilever
 136WSOY* 137 Kyrel EMS 138Isku* 139Saarioinen* 140Paulig* (141Kaleva) 142Helsinki
 Media* (143Arsenal*) 144Perlos* 145Foster Wheeler Energia* 146L M Ericsson 147Ingman
 Foods* 148Lohja Rudus* 149Hartman*150Aker Rauma Offshore*