



How to Create an Actionable Marketing Dashboard (and Why You Need One)

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Leadership's expectations of and pressure on Marketing continue to increase. When we ask CEOs, "Would you like to know Marketing's impact on your business?" every one of them answers with a resounding and unequivocal "yes!"

"Huge leaps in technology, together with the instant gratification of real-time campaign [measurement](#) in [Internet marketing](#), have converged to bring the issue of marketing accountability to the front page of the business section," Joan Ritter recently wrote in *The Technology Executive*.

So, if you haven't gotten on the marketing-accountability bandwagon (measurement, effectiveness, analytics, etc.), now is probably the time to do so.

The [American Marketing Association](#) defines accountability as "the responsibility for the systematic management of marketing resources and processes to achieve measurable gains in return on marketing investment and increased marketing efficiency, while maintaining quality and increasing the value of the corporation."

To be truly accountable, marketing professionals need to periodically report on their performance and contribution. You are probably thinking, "We *are* reporting. We provide project status updates and use the reports generated by our marketing automation platform (MAP) and our customer relationship management (CRM) and sales force automation (SFA) platforms."

That's a great start, but here's the bad news. The status report of projects— such as website updates, upcoming events, new collateral or direct marketing campaigns, reports on website visitors, open and click rates, follower (Twitter) and fan (Facebook) counts, and reports on the number of marketing qualified leads—are no longer enough.

Those reports do not address the questions the C-suite is most concerned with: What is working, what course adjustments (if any) are required, and are the investments the company funnels into Marketing properly allocated?

Marketers need to develop a more valuable and insightful report that benefits both Marketing and the C-suite—one that can be used to optimize performance and make decisions. That kind of

report needs to provide an at-a-glance view that quantifies the overall impact Marketing makes on the business *and* how well marketing initiatives are increasing customer acquisition, retention, and share of wallet.

That report is known in the industry as a dashboard.

A dashboard is an important component of performance management. In addition to fostering better strategic and resource-allocation decisions, a good dashboard demonstrates alignment between marketing expenditures and anticipated results. A good dashboard enables the marketing organization to determine whether it is on track for driving demand of products according to forecasts via higher-quality leads to Sales, improved customer retention, or increased market footprint.

A dashboard is a decision support tool that facilitates strategic decisions and course adjustment.

Once you've decided that a dashboard is an essential tool for improving marketing effectiveness, the next logical step is determining how to start. The following five steps will help you and your team get started.

1. Align marketing to business outcomes

Though this step may seem obvious, it's often our first misstep. If you don't know what business needle needs to be on the dashboard, everything else becomes moot.

The business needles, or outcomes, are more than just a revenue number to chase. You need to understand that the desired outcomes you should be chasing have to do with which customers (new or current) you are targeting, how many of them you need to convert, and what products/services you want them to purchase.

You can then develop measurable marketing objectives and define the strategies, programs, and tactics to support those numbers/objectives.

Use a mapping process or some other approach that will clarify the relationship between marketing programs and business outcomes.

2. Choose your metrics

Select the metrics that you and the marketing team will use to measure Marketing's impact, efficiency, and value. For many organizations, those metrics relate to how well Marketing is affecting market-share growth, customer value, and customer equity.

Typically, an organization will have metrics from the following categories: customers (acquisition, retention, value), products (adoption, innovation, price, and margin), competitive positioning (market share, brand preference), and financial (budget, payback).

You should have quantifiable business outcomes and measurable marketing objectives to facilitate as a result of this step.

3. Document the data chains

Create the data chains between the marketing activities, programs, objectives, and business results. Data chains help visualize the link between marketing activities (e.g., email campaigns with a call to action), marketing objectives (e.g., a certain number of qualified leads), and business results (e.g., new opportunities added to the pipeline quarterly)—and any assumptions that your organization makes about those three factors.

4. Acquire the data

Measurement requires data, which means you need to know what data you have and what data is missing.

5. Validate and review

Work out any process, data, and measurement "bugs" before you purchase a dashboard software product.

Develop an alpha dashboard to validate the data and process. That step is critical for validating the data chains and determining whether the dashboard captures the performance information you want. Once the alpha is created, decide what changes (if any) are needed to the dashboard, measurement, and reporting processes, and create a beta version.

Eventually, you will be able to produce a pilot, after which you can take your dashboard into production. That is when you should explore how to automate the reporting.

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Creating a viable marketing dashboard takes time and investment, but it is worth the effort. A well-constructed marketing dashboard captures the most critical diagnostic and predictive metrics, and presents patterns of performance visually, at a glance.

A marketing dashboard will enable you to diagnose the health and value of marketing and facilitate strategic decisions and course adjustments.

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