



## **Marketing Audits Lead to Improved Marketing Performance**

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The CEO of your organization probably conducts a number of organizational audits each year. But when was the last time you conducted an audit of your marketing organization? A Marketing audit is to the marketing function what a financial audit is to the accounting department. While a financial audit typically examines accounting procedures and an organization's financial records to make sure they are accurate, a marketing audit is more about analyzing and evaluating the effectiveness of the marketing department in terms of alignment, skills, processes, systems, and return on investment.

The purpose of the Marketing audit is to determine where the marketing function is excelling and where there might be opportunities for improvement. After conducting an audit, you will have a better understanding of your marketing organization's capabilities, contributions and overall health and strength. To achieve higher performance levels, increase effectiveness and improve return on investment, your organization may need to add new require training programs and new systems, re-define or reengineer processes, or change the talent mix. As opportunities for improvement are identified and a course of action is decided, the resources needed to affect the improvement can be appropriately resourced. Therefore the annual budgeting and planning cycle offers an appropriate time to conduct a marketing audit

### **What the Audit Process Should Entail**

Should you decide to conduct a Marketing audit, you want the assessment process to consist of interviews with key executive staff, marketing personnel and other members of the organization that interface with the marketing personnel and who rely on the marketing team for support. The audit process should also review various business and marketing documents, such as the business

plan, marketing plan, job descriptions, and the systems, data, and processes used by marketing personnel. All of this information should be used to develop a picture of how well the marketing department is performing in a number of key areas such as strategic and tactical planning, program development and implementation, budgeting and resource allocation, market, customer and competitive analysis, measurement and reporting.

### **Six Functional Areas to Examine When Conducting the Marketing Audit**

A comprehensive audit and assessment process should at least examine the following six areas to determine how well a marketing organization is performing:

- Organizational Alignment- which explores how well the marketing organization is aligned with the institution's initiatives.
- Marketing Skills and Proficiency - related to the following: market, customer and competitive analysis, planning, program development, execution and reporting.
- Performance Management- which include: data, analytics, creating measurable marketing objectives, establishing program performance targets, and reporting on performance and results.
- Infrastructure – which include: data, systems, and tools.
- Resources - which include: people/access to talent, budget.
- Processes – which include: operational Processes, Skills Assessment and development Processes, Data Management Processes, Measurement and Reporting Processes, etc.

### **Five Dimensions to Explore When Designing the Marketing Audit**

As you prepare to conduct an audit, frame your process so that you can learn at least these five things:

- The marketing skills, competencies, knowledge, attitudes, and satisfaction of and with the marketing personnel
- The extent to which the marketing organization is aligned with the rest of the business
- The extent to which the marketing plan and planning process supports the organization's initiatives and which aspects of the plan were achieved and which aspects failed to meet the performance objectives;

- The extent to which the marketing programs were successfully executed and communicated internally
- The performance of the marketing programs and the personnel.

### **Three Steps for Conducting an Audit**

The audit and assessment process generally includes at least these three steps:

1. A review of key business documents such as:
  - Business plan
  - Marketing plan
  - Marketing budget
  - Organizational chart
  - Functional job descriptions
  - Training plans
  - Marketing status reports, a dashboard if one exists, etc.
2. Interviews with executives, marketing and sales personnel, and other members within the organization that interface with marketing and or depend on marketing for support. Therefore participants in the interviews may include the members of the leadership team, product management, customer service, operations, sales personnel, and finance.

A key part of the interview process should include learning what has and hasn't worked in terms of planning and program execution, what is and isn't going well in terms of marketing performance and collaboration and what would indicate improvements in performance, alignment, collaboration, and capabilities.

3. An onsite-review of marketing processes, data sources and data, systems and tools.

You should expect a written report that details the findings of the audit for all the areas being examined to help you understand how well your marketing personnel and initiatives are working and to identify your most urgent marketing challenges. The report should include what the organization is doing well, where the organization needs to

improve as well as a list of recommendations on how to increase Marketing's overall performance. The more quantitative and evidentiary the report the better.

### **Who Should Conduct the Audit**

Conducting a Marketing audit takes a certain degree of expertise. Just as financial audits are typically conducted by an objective third party or committee who at least knows what they are looking at and for, the same holds true for a marketing audit.

### **Conclusion**

Organization's already make major investments in their marketing department in terms of program budgets, talent, and resources to deliver value to organization. The Marketing audit is an extension of that investment to ensure the marketing function has all the systems, processes, tools, skills and support required to effectively deliver that value. In that regard, the Marketing audit is perhaps the most important investment a company will make in their Marketing organization.

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