By Laura Patterson, President,

A number of recent studies, including a study from Fournaise’s, as well as our 2011 MPM Study suggest that many CEO’s view marketers as lacking in business credibility. Why? Because marketers often fail to demonstrate how marketing activities contribute to the business. How do you know if your CEO thinks you could be doing a better job of moving the needle for the business? These phrases often reflect a C-Suite that may want to see something more from its marketing organization. 1. Marketing needs to be more accountable. 2. Marketing needs to produce better qualified opportunities for the sales organization. 3. Marketing needs to provide the right data, analytics and insights to help the organization be more effective and efficient at customer acquisition and retention. As a marketer you’re probably saying, “We are accountable, we track and report on numerous metrics, such as response rates, webinar participants, site visitors, etc. Unfortunately these type of metrics, known as output-metrics don’t really answer the C-Suite’s question, “So What?” This very question suggests that marketers need to do something differently. Research from VisionEdge Marketing, the CMO Council, and others have found that marketers who improve alignment and accountability between marketing activities and business outcomes have better credibility with the leadership team. These marketers develop outcome-based metrics. **Outcome-based metrics:**

- Prove that marketing is helping the organization acquire more customers faster and cost-effectively.
- Reveal how marketing is helping the company keep valuable customers and reducing defections.
- Show how marketing is helping grow business with existing customers and increasing the rate of adoption of more products from these customers.

For many marketers this is easier said than done, because so many marketers are stymied by a lack of processes, skills, and tools. Without these, many marketing teams end up racing breathlessly from tactic to tactic, without any resources to help set performance targets and/or assess what efforts are actually producing business results. What must change? Marketing needs the infrastructure in place to enable the team to run itself like a business.

Marketing, just like other aspects of the business, needs the operational support and the infrastructure
that provides the necessary data, analytics, systems and processes. The increased need for this type of infrastructure has actually catalyzed the formation of a new discipline: Marketing Operations.

Marketing Operations refers to the management of processes, technology, and metrics to help run the Marketing organization as a fully accountable business.

Our research shows that many organizations leverage some aspects of marketing operations. For example, almost every marketing organization has someone responsible for budget, data, and research that are common functions within marketing operations.

But of the 70% or so of companies that have a person or a team responsible for marketing operations, two patterns stand out:

- Less than a quarter of these include marketing measurement or systems, both key to accountability, within the marketing operations.
- And even fewer address training and improving the analytics skills of marketing staff, which impede marketing’s ability to generate better qualified leads and improve efficiency and effectiveness. These patterns have remained stable for several years, with budget, market research and data analysis and collection taking precedent over performance measurement and management capabilities.

Best-in-Class marketing organizations take a different approach when it comes to marketing operations and performance management investments. They leverage at least three things:

1. **Automation**: Automation includes the systems, tools and processes that help marketing get on the same page with the business. Automation enables marketing to effectively streamline and/or scale marketing workflow, score leads across the buying process, nurture opportunities, segment customers, grow customer share of wallet, and/or help sales convert new customers into the pipeline.

2. **Analytical Skills and The Data**: Before you can improve the analytics, measurement, and performance management skills of your marketing organization you need to know where they are today and what gaps to close. Many organizations audit their sales organization or conduct some type of competitive benchmarking for their service and product groups. Yet when was the last time you did this for your marketing organization?

Most marketing organizations have seen their professional development and training budgets decimated over the past few years, so they are relying on free programs, such as webinars, to hone skills. These can be valuable but typically focus on the many tactics that marketing already executes and therefore may not be addressing your specific team’s skill needs and gaps. Without the data and analytical skills, marketing cannot establish performance targets, develop models for forecasting, evaluate strategies and programs, etc.
3. Accountability: One thing that distinguishes best-in-class marketers from the rest of the pack is their focus on performance management. Accountability is fundamental to performance management. Metrics and performance reporting are basic building blocks for accountability. These marketers establish, monitor and report on a range of metrics, especially outcome-based metrics.

Without the infrastructure, marketing processes and assets tend to focus more on reacting to information from the past — however recent — than on driving assets toward future excellence.

To truly make a difference to the business, marketing needs to be able to leveraging data, quantify marketing, and develop processes to better understand where money is being spent, for what purpose, and how marketing activities are affecting the business.

These are fundamental components for embracing and practicing performance management. When marketing organizations employ performance management they have what they need to ensure that the marketing organization is aligned to the organization’s outcomes, to measure progress of their activities towards those goals, to improve performance, and to communicate their impact to the business.

Basically, they no longer have reasons to avoid being accountable. Given stiff competition over limited resources, marketing operations and performance management play a vital role in enabling the marketing organization to deliver on account - ability, accelerate customer acquisition, and improve customer value.

We have yet to meet a CEO who doesn’t want to see improvement in the organization’s market position and top-line growth. If this sounds similar to what the expectations of your CEO, then it’s time to adopt some new approaches and make the necessary investments.

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