



Power Tools-Pitfall or Potential for Precision

By Laura Patterson, President

Two of the most valuable purposes of a marketing dashboard are to help the leadership team understand how Marketing is moving the needle in terms of top line revenue, market share, customer value, category ownership, etc., and to provide strategic guidance. However, one of more perplexing findings from the recently completed marketing performance research conducted jointly by Forrester, ITSMA and VisionEdge Marketing is that while marketers have access to more data, leverage more analytics, and invest in more tools and systems than ever before, marketers continue to struggle to prove marketing's contribution to the business. While the majority of the marketers in the study indicated they regularly produce and share a dashboard. The same survey, with results from the 400+ marketing and business leaders shows that just 9% of CEOs and 6% of CFOs use marketing data to help make strategic decisions.

So where's the disconnect? It appears that most marketers participating in the study use their marketing automation (MAP) or sales automation (CRM) systems to create their dashboards. While helpful, dashboards typically generated by these systems report on marketing activity and associated costs – email activity, website activity, social media activity, lead activity- rather than reporting on metrics executives can use to set direction. It's not that these reports and dashboards are bad; they are valuable when used to support tactical decisions, but if you want your CEO, CFO and other members of the C-Suite to use your dashboard, it must clearly connect marketing investments and initiatives to business outcomes and results.

Perhaps this tale of two marketers helps illustrate the difference. Both marketers in this story work for mid-market privately held technology companies and have 15 years of experience. To add a little color, one marketer works in an enterprise software company and the other in a wireless firm. Both are responsible for assessing the needs of their target market, defining products and services to meet these needs, and then bringing these products and services to market. Both marketers use marketing automation and CRM systems extensively to connect with, and engage customers and prospects. Both produce a dashboard. The dashboard of one marketer is focused on web analytics, search engine performance, social media activity, number of new contacts, and marketing spend. The other marketer's dashboard reports on marketing contribution to new customer conversations and consideration category ownership, product adoption rates, and marketing generated opportunity win rates.

As you think about each marketer and their dashboard, which one are you most like? Can you discern the difference? Do you think one leadership team clearly sees which marketing efforts are making a direct contribution to the company? If your dashboard doesn't help your management team see how the outputs produced by marketing are impacting the business outcomes, you are missing the mark.

As marketers we need to be extremely thoughtful about the metrics we choose. Metrics are indicators of our effectiveness and efficiency. They enable us to ascertain which efforts have the greatest impact and serve as a means for demonstrating accountability while providing a quality control process. And as we all know, marketing must generate value for the organization. Therefore the metrics we choose must communicate how we contribute to this end goal and this may have implications to whether your dashboard is produced by your MAP or CRM system or in some other way. Why not use your MAP or CRM?

MAP and CRM systems are ideal for tracking activity and output but may not serve you well if you are reporting on more strategic outcome-based measures and/or measures beyond the pipeline. I want to be sure we're all clear that there is a difference between outcome-based metrics and tracking our outputs and activity in the marketing plan and reporting on the status of

these. We are not establishing and tracking metrics when we report on the progress of activities and tactics in the marketing plan. This is merely a progress report. Activity tracking, while quantifiable, is different from metrics. The number of articles we secure or the number of leads we generate, are only meaningful if we can show the relationship between these and business results. When our marketing plans use “generate 500 leads” we’ve fooled ourselves into believing we have a metric. We don’t have a metric. Only when you have quantifiable outcomes and measurable objectives can you establish the metrics. Only then can you frame up an outcome-based dashboard.

In summary, while our marketing automation and CRM systems offer us the ability to push a button and generate a pretty report, that doesn’t mean we’ve produced an actionable dashboard that allows us to improve and prove the value of marketing. To be on the right track, start by making sure the marketing initiatives and investments are clearly aligned to business outcomes and that you have the correct metrics in place. Otherwise, investing in better marketing tools is akin to buying a power saw when you haven’t yet mastered a hand saw. You may end up being able to do more damage – faster. When you master the process, you can properly use the tools and improve your performance.

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