



## **The Business of Marketing: Enabling Marketing to Drive Revenue Growth and Market Share**

By Laura Patterson

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. Do your thoughts echo some of the themes we've heard in recent conversations with CEOs?

- Marketing needs to be more accountable.
- Marketing needs to produce better qualified opportunities for the sales organization.
- Marketing needs to provide the right data, analytics and insights to help the organization be more effective and efficient at customer acquisition and retention.

These seem like reasonable expectations until you begin to peel the onion to reveal more of the truth: marketers are stymied by a lack of management support when it comes to making investments to add or improve processes, skills, and tools to actually meet these expectations.

In spite of this challenge, marketers are doing everything they can to keep up with the explosion of marketing channels. Without the infrastructure, many marketers struggle to execute on all the requested marketing activities on their plate. As a result, your marketing team ends 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.

Marketing can do it. You can help. As the CEO you play a key role in enabling marketing to run itself like a business. You rely on your operations people to make sure the business has the infrastructure it needs to provide them with the necessary data, systems and processes. For marketing to run like a business, it too needs data, analytic capabilities, 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 which 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:

1. Less than a quarter of these include marketing measurement or systems, both key to accountability, within the marketing operations.
2. 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. If you want your marketing organization to run more like a business then you need to support the infrastructure that enables it to do so. Whether you call it marketing operations or not, in addition to managing the budget and conducting or coordinating research, marketers need at least three things to run like a business:

**Automation:** Automation includes the systems, tools and processes that helps marketing get on the same page with the business. Without automation marketing cannot 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.

**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. We wouldn't be surprised to learn that you audit your sales organization or conduct some type of competitive benchmarking for your 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. These can be valuable but typically focus on the many tactics marketing 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.

**Accountability:** One of the things that distinguished 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.

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. For marketing to truly make a difference to the business it 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 accountability, accelerate customer acquisition, and improve customer value. We have yet to meet a CEO who doesn't want to see improvements in each of these. If you are similar to the many CEOs we work with and expect your marketing organization to help improve your market position and top-line growth, then it's time to support the necessary investments.

Disclaimer: Any VEM information or reference to VEM that is to be used in advertising, press releases or promotional materials requires prior written approval from VEM. For permission requests, contact VEM at 512-681-8800 or [info@visionedgemarketing.com](mailto:info@visionedgemarketing.com). Translation and/or localization of this document requires an additional license from VEM. For more information on VEM, visit [www.visionedgemarketing.com](http://www.visionedgemarketing.com).