



Four Processes to Supercharge your Marketing Organization's Performance

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Ask yourself this:

- Is your business finding the cost of marketing, communicating and dealing with increasingly choosy customers escalating in recent years?
- Are you finding managing customers across multiple channels more challenging?
- Are you experiencing faster commoditization of your products and services and intensified competition?
- Are you demanding greater accountability from marketing and asking your marketing leadership to more clearly demonstrate the impact and value of marketing programs?

If you answered yes to any of these four questions, the timing may be right for you to consider focusing on performance management, particularly for your marketing organization.

Performance management is about understanding where money is being spent, for what purpose, and how these activities are affecting the business. I suspect many parts of the your organization are already deploying performance management practices. However, for many companies, one of the last frontiers for performance management is marketing.

Many marketing organizations struggle with measuring marketing effectiveness and improving marketing accountability. Assessing a marketing program's impact based on customer and market data, and analytics as opposed to intuition and experience requires a new processes. Marketing performance management is about developing these new processes, processes that align marketing within your organization to achieve your business objectives. These processes should be designed to maximize both effectiveness and efficiency and can be implemented by any size enterprise. By establishing and leveraging these processes, your marketing investments will be focused on realizing meaningful business results.

As the chief executive officer for your company, you play a critical role in directing the way your marketing organization manages and measures its performance. It is up to you to set the expectations that the marketing organization will be required to perform, communicate and report against. A focus on marketing performance and the rigorous assessment and measurement of marketing investments improves your company's ability to achieve its business results. This is accomplished by clearly identifying the linkages between investments and outcomes which then enables the marketing organization to maximize returns and generate better results for less and fulfill its charter: acquiring, keeping and growing the value of customers to generate profitable revenue.

For many marketing organizations implementing marketing performance management and measurement will require different and possibly even new processes. What processes will your marketing organization need? There are a minimum of four which are outlined in the following table:

Process	Why It Is Important	CEO To Do
A process for aligning marketing with the business initiatives and insuring linkage between marketing programs and business results	Many marketing leaders operate in the absence of clear links between marketing performance metrics and the outcomes expected.	Marketing must be guided by the objectives of the organization's top executive. As the chief executive officer, establish the business outcomes that marketing will be measured against, define specific outcomes you expect your marketing leadership to align around and impact.
A process for collecting and analyzing relevant customer and market data. Marketing performance measurement depends on the organizations ability to gather the relevant data	Relevant data is the foundation for measurement. While measured data about specific campaigns, channels, events and activities are interesting, marketing needs data and metrics that will guide marketing investments and link particular elements of the communication mix with the customers we intend to acquire and grow. Overtime with marketing analytics it will be possible to link the results of marketing programs to customer consideration, preference, loyalty, share of wallet and the financial results these outcomes produce.	Gathering relevant data is a daunting task and may require your organization to invest in new tools and systems. Ask your team to create a data inventory and to identify the systems and tools that source this data. If it turns out the data is generated manually it will take your leadership to encourage and approve these investments.
A process for establishing performance targets and measures needed to create a measurement framework that links marketing initiatives to business outcomes	Measurement is what makes improvement possible. Measurement must be seen as central to the development and management of a performance-driven marketing organization.	Insist your marketing organization establish and focus on performance targets and measures related to how effectively and efficiently they impact customer consideration, preference, purchase intention, and

		loyalty.
A process for monitoring, reporting and communicating results and using these results to make fact-based decisions	Marketing organizations must be mandated to monitor performance. Accountability by its very nature implies measurement and reporting.	Hold regularly scheduled meetings to review marketing performance and whether marketing is achieving the impact on specific business outcomes.

So where do you start? The first step is to conduct an audit or assessment of the current state of your marketing and marketing measurement. Marketing performance improvement begins with assessing the marketing organization's current proficiency on these processes. A baseline needs to be set before performance can be improved. A successful performance-driven marketing organization is reinforced by a culture that links rewards, compensation and promotion to measurable results. As the chief executive officer you model the way and own creating this culture. By communicating the value of measurement and discussing the implications of embracing measurement (or not) you send the message whether performance management is critical to your company's success. Of course, this also means that you will need to provide the budget and resources needed to train and develop the skills necessary for your marketing organization to make this transformation.