



Gaining Insight into Marketing Results: The Value of a Marketing Dashboard By Laura Patterson

If you are like many CEOs, CFOs, and other members of the leadership team, you ask the various departments in your organization to report periodically on their performance. Most often, this report is a progress or status report on current projects, such as updates to the website, an upcoming event, the status of new collateral or a direct marketing campaign. While status reports have value, they do not address the questions the C-Suite is most concerned about, namely what is working, what course adjustments if any are required, and whether the investments the company funnels into marketing are properly allocated.

With the start of a new year, the time is right to ask marketing to develop of more valuable and insightful report. A report that benefits both marketing and the C-Suite. An at-a-glance report that quantifies the overall impact marketing is having on the business and how well initiatives are increasing customer acquisition, retention and share of wallet. This report is known in the industry as a dashboard.

A dashboard is an important component of performance management. Visualization of how well an organization is achieving key outcomes and objectives and optimizing performance creates an agile business to stay ahead in the market and react timely to market influences. In addition, truly accountable marketing organizations demonstrate alignment between marketing expenditures and anticipated results. They are willing to monitor and report on their progress so that at the end of the day, it is possible to know what is and isn't working. Marketing dashboards are senior management's tool to ensure marketing initiatives are on track and facilitate strategic decisions and recommend course adjustments, such as whether the marketing organization is on track for driving demand of products according to forecasts through higher quality leads to sales, improved customer retention, or increased market footprint.

Time and investment creating a dashboard is worth the effort to know how well marketing is impacting your business and the financial value of the organization. The marketing dashboard's

purpose is to capture the most critical diagnostic and predictive metrics and visually, at-a-glance, represents patterns of performance. To create the dashboard, your organization will need to be able to capture information from a number of different information systems in order to consolidate data from campaigns, responses, customer interactions, and new business. Before creating the dashboard, the marketing organization should identify all the data they will need and then inventory where this data is located, how often it is updated, how disparate sources connect to each other, and whether they have access. It may be necessary for the leadership team to facilitate marketing's access to data or to approve investments that will help capture missing data.

Once you and the marketing team decide a dashboard is an essential tool for improving marketing effectiveness, the next logical question is how to start. These five steps will help you and your marketing team get started.

Step 1 - Align Marketing to Business Outcomes:

Map the relationship between marketing programs and business outcomes. This step will serve three important functions. First, it will help the organization clarify the role of marketing. Is marketing's role to build brand preference, generate qualified opportunities, retain customers, drive product adoption, and/or enhance the customer experience? Second, it will identify where marketing is and isn't aligned with the organization. Are all marketing programs and activities connected to objectives and business outcomes or are some orphaned which means they will either need to be revamped or eliminated. And third, it will help identify key metrics. Once you define the role of marketing you will know what to measure. This first step serves as a valuable dialogue between you and marketing team and to clarify priorities.

Step 2 - Choose Your Metrics:

Select the metrics you and the marketing team will use to measure marketing's impact, efficiency and value. Again this is an opportunity for dialogue with your marketing organization. In this step, you and team establish the metrics that define what you expect from marketing and how you will measure their success and contribution. For many organizations, these metrics relate to how well marketing is affecting market share growth, customer value, and customer equity. Typically an organization will have metrics from the following categories: customers (acquisition, retention, value), product (adoption, innovation, price and/or margin), competitive positioning (market share, brand preference), and financial (budget, payback). It will be

important to have quantifiable business outcomes and measurable marketing objectives to facilitate as a result of this step.

Step 3 - Document the Data Chain:

Create the data chain between the marketing activities, programs, objectives and business results. The data chain helps visualize the link between marketing activities (such as email campaign with a call to action) marketing objectives (some number of qualified leads) and business results (such as new opportunities added to the pipeline quarterly) and any assumptions that your organization makes between these.

Step 4 - Acquire the Data:

Identify the data sources and secure the data. Measurement requires data, which means you need to know what data you have and what data is missing. This step helps ascertain whether you have any data gaps that may impede marketing's ability to do measurement. If gaps are identified you and the team should discuss whether to use proxies, change what's being measured, or whether to make some kind of investment to secure the data.

Step 5 - Validate and Review:

Develop an alpha dashboard to validate the data and process. This step is critical for validating the data chains and determining whether the dashboard captures the performance information you want. This step will also help define what you may want in a dashboard tool, and will help with defining and establishing the measurement and reporting process and systems. Once the alpha is created you can decide what changes if any are needed to the dashboard, measurement and reporting processes.

Developing a marketing dashboard takes some effort but the work associated with these five steps will pay back many times over by finally knowing how marketing is contributing to the organization and being able to make decisions about what is and isn't working and where to invest your marketing resources.

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