



**Bridging the Gap: Four Processes to Fine Tune
Your Marketing Organization's Performance**
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Are you being asked the following questions?

- How well are we marketing, communicating and motivating increasingly choosy customers to consider our company's products and services?
- What kind of return are we getting on our marketing efforts?
- Are our marketing and sales efforts optimally aligned?
- What do we know about our current customer base in terms of their tenure, loyalty, purchase frequency, buying criteria, and advocacy?
- What do we know about our prospective customers in terms of their buying preference and criteria, switchability, and pain points?

If you're finding yourself trying to answer these questions on a regular basis, the timing may be right for you to consider focusing on marketing performance management.

Performance management is about understanding where money is being spent, for what purpose, and how these activities are affecting the business. While many parts of an organization are already deploying performance management practices, marketing remains one of the final frontiers for performance management.

Marketing and Measurement

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 the 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, marketing investments will be focused on realizing meaningful business results.

As a marketing professional, you play a critical role in directing the way your marketing organization manages and measures its performance. It is up to you to insure that the marketing organization is meeting the expectations of the leadership team and that you understand what to measure 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.

Four Key Processes

For many marketing organizations implementing marketing performance management and measurement often requires different and possibly even new processes. What processes will your marketing organization need? There are a minimum of four:

Process No. 1: Align 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. Know the needles you must move. Marketing must be guided by the objectives of the organization's top executive. Be sure you clearly understand the specific business outcomes that marketing will be measured against.

Process No. 2: Collect and analyze relevant customer and market 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. Inventory all your data and identify the systems and tools that source this data. If it turns out the data is generated manually secure executive sponsorship to support new investments.

Process No. 3: Establish 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. Establish performance targets before any programs are approved and resourced. The goal is to measure how effectively and efficiently marketing programs impact customer consideration, preference, purchase intention, and loyalty.

Process No. 4: Monitor, report and communicate results 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. You can model the way and be a key player in creating this culture. By communicating the value of measurement and discussing the implications of embracing measurement (or not) you send the message that performance management is critical to your marketing organization's success.