



Bridging the Gap: Unlock the Power of Your Marketing Dashboard (Part 1)

Questions Every Dashboard Should Answer

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Dashboards seem to be all the rage these days. The pressure to demonstrate value, be more accountable and improve marketing ROI is driving their development—the 2008 VEM marketing performance survey, released earlier this year, reveals that the C-suite still feels marketing largely falls short in these area. And research from Aberdeen found that half of the 725 enterprises they recently surveyed about dashboards are currently launching a marketing dashboard or plan to do so.

Most marketing organizations today have something they call, and use as, a dashboard. Unfortunately, these often provide more of a visual progress or status report than dashboard metrics. (That is, they have found a visual way to report on whether a program is on track and on budget.) But, while this may be useful information at some level, it is not a marketing dashboard.

A marketing dashboard is typically a multi-layered graphical tool that brings critical information about the performance of the organization in order to facilitate faster and more accurate decision making, alert users to issues or problems, increase visibility into marketing efforts and improve effectiveness and efficiency. If your dashboard doesn't enable you to do these things, then it is time to re-engineer it. Think of your dashboard as consisting of all the necessary dials and gauges that tell you where you are, where you're going and at what speed—along with indicator lights that illuminates at the first sign of a problem.

A marketing dashboard should help you answer basic questions about the effectiveness and efficiency of your marketing. The questions can be financial, operational or comparative in nature. For example, here are some questions an organization may need its dashboard to help answer.

- How fast are we growing compared to the market and our major competitors?
- Are conversion rates along the pipeline improving on a month-to-month or quarter-to-quarter basis?
- How many qualified sales-ready leads are we producing for the ABC market or segment or region?

- Is our share of preference growing faster than our competition?
- Did we reach our annual average order value for XYZ market or segment or region?
- Did we achieve the rate of product adoption among customer set Z for product A?
- Is our rate of customer acquisition on track?
- Is the cost to acquire new customers within acceptable parameters?
- How are each of the marketing programs performing against their performance target within the cost and time parameters?

Think of your dashboard as a way to communicate the impact you are having on the business and your progress against your performance targets. In addition, you want your dashboard to alert you that something is amiss. For example the dashboard should alert you when:

- the qualified lead rate or pipeline contribution level is going below an acceptable level;
- the average order value is falling below normal;
- discounting is going above the acceptable level;
- customer churn is going above the acceptable level;
- products/customers are going below normal; and
- share of preference is declining below the target

Being able to make adjustments and decisions is dependent on having the right information and alerts. Without these two components it will be difficult to know what to do—for example, whether to increase spend on a particular program or kill it.

Five Steps to Take Before Creating Your Marketing Dashboard

There are some critical steps to take before you develop your dashboard. One of the most important first steps is to decide who is the target user. A dashboard aimed at the C-suite and one that is intended to be used by the managers of the various marketing functions is going to be very different. These dashboards will need to be related and one may actually be a subset of the other. We recommend you start by thinking about the C-suite as your user, then "peeling the onion" as you move further down the organizational structure.

To create a dashboard you will need to understand, clarify and define the role of marketing, so that what you report represents what marketing is and/or is expected to do. Once this is completed these steps will help you get started:

1. Identify Business Outcomes. Start by identifying the things that your company must achieve in order to be successful. These are the needles your organization must move.

2. Map the Role of Marketing. Identify the linkages between these outcomes and marketing performance.

3. Select the Metrics and KPIs. Determine what metrics best demonstrate how marketing is impacting the outcomes. Use the metrics and KPIs that illustrate how marketing is making a contribution and the return on this contribution for your dashboard.

4. Establish the context. Context defines the interrelated conditions in which something exists or occurs. Context help you know what data is "good" vs. what is "bad" data and will ensure you dashboard avoids end users from drawing false conclusions.

5. Create a Blue Print. It is important to consider how the design and placement of controls within a dashboard. The layout of the data should be in a logical and fluent order. The dashboard should also conform to the three- and 10-second rules; within three seconds, the user should have an idea as to the overall performance of the subject. And within 10 seconds, the user should have a general idea as to why this performance is being achieved.

By developing the metrics and communicating these in a dashboard, the learning organizations will have the data it needs to make fact-based decisions. It will also elevate the confidence of the CEO, CFO, and other members of the leadership team in the marketing organization.