



## **Four Processes to Fine Tune your Marketing Organization's Performance**

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If your focus is marketing, you're probably expected to communicate to others the impact of your marketing programs on the business. Now more than ever skills in marketing metrics, measurement tools and analytics are essential to your survival.

- Are you finding yourself trying to answer these questions?
- Are we effectively communicating the value and impact of your marketing efforts?
- Can we measure the impact our strategy is having on the organization?
- 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?

Many marketers are finding themselves in a position of defending their marketing budget and struggling to get the resources they need to be successful. If you're finding yourself in this situation and trying to answer these questions, 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.

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.

When implementing marketing performance management and measurement, what processes will your marketing organization need?

Process	Why It Is Important	Marketing 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.	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.
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. Over time, 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.
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.	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.

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.
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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.