



## **Four Processes to Supercharge your Marketing Organization's Performance**

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Is your business finding the cost of marketing, communicating and dealing with increasingly choosy customers has escalated 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 organization are already deploying performance management practices. However, for many companies, one of the last frontiers for performance management is marketing. Many marketing organizations are struggling with measuring marketing effectiveness and improving marketing accountability. Assessing 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. 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, you will be able to invest more in marketing efforts that achieve your business objectives.

As the chief executive officer for your company, you play a critical role in changing the way your marketing organization manages and measures its performance. A focus on marketing performance and the rigorous assessment and measurement of marketing investments impacts your company's ability to achieve its business results. The marketing organization's primary objective is to drive results by linking the strategy of your business to a customer-centric

plan of action. By clearly identifying the linkages between investments and outcomes, the marketing organization will be able to maximize returns and generate better results for less. As the chief executive officer it is up to you to set the expectations that the marketing organization will be required to perform, communicate and report against.

For many marketing organizations implementing marketing performance management and measurement will require different and possibly even new processes. As Six Sigma initiatives have so clearly demonstrated, process lays the foundation for continuous improvement. What processes will your marketing organization need? There are a minimum of four:

1. 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. The chief executive officer establishes the business outcomes that marketing will be measured against. Therefore it is critical that the as the enterprise's top leader you define specific outcomes you expect your marketing leadership to impact and align the marketing initiatives and activities around.
2. 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 necessary for measurement. Gathering relevant data is a daunting task and may require your organization to invest in new tools and systems. 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.
3. 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. Performance targets and measures of related to customer consideration, preference, purchase intention, and loyalty can be linked to customer profitability and lifetime value and ultimately drive new improvements and performance gains.
4. 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.

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.

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**Abstract:** As the chief executive officer for your company, you play a critical role in changing the way your marketing organization manages and measures its performance. A focus on marketing performance and the rigorous assessment and measurement of marketing investments impacts your company's ability to achieve its business results. For many marketing organizations implementing marketing performance management and measurement will require different and possibly even new processes. This article outlines four processes any organization can deploy to supercharge marketing performance.

