

The Role of Culture in the Marketing Accountability Journey

by Laura Patterson and Frank Robinson

Marketing remains the only organization within an enterprise that more often than not relies on subjective criteria to determine organization success. Other organizations have processes and metrics in place that tell them when business objectives have been met - Sales, for instance, knows to the penny whether they made their year-end quotas; Engineering understands precisely whether a manufacturing release was completed on schedule and to specifications; and IT can report their work order closure rate at any time. Marketing, even well-intentioned marketing, usually lacks similar yardsticks to those used in these organizations. Studies by Booz Allen and by Chief Executive Magazine found that a majority of CEOs say the greatest need within marketing is more analytics. The demand for more accountability for the money marketing is investing on behalf of the organization takes more than just analytics; it takes a culture of accountability.

What do we mean by a "culture of accountability?" To answer this question we must define culture and accountability. The definition in the Webster dictionary for corporate culture is "the set of shared attitudes, values, goals, and practices that characterizes a company or corporation." Kotter and Heskett of the Harvard Business School defines corporate culture as, "an interdependent set of values and ways of behaving that are common to a community and tend to perpetuate themselves." Put another way, culture comprises a set of shared values, beliefs and behavioral norms that guide conduct or predict outcome. Culture is an important element for any organization. It serves to convey a sense of identity and established social stability within an organization. Given culture's essential role in governing conduct, culture is certainly the vehicle by which we can bring accountability into marketing.

While Webster defines accountability as "an obligation or willingness to accept responsibility or to account for one's actions," the definition provided in 2004 by Connors and Smith, "a personal choice to demonstrate ownership for achieving desired results" provides a more useful definition in terms of accountability in relationship to business. As marketers, we are certainly accountable for the actions we take on behalf of the business. We must now make a personal choice to account for the results we achieve from those actions. Through our personal choice and ownership, we contribute to creating a culture of accountability for the marketing function and the organization.

Using these two definitions we can create a definition for a culture of accountability - a shared set of behavioral norms grounded in the values and beliefs that individuals and therefore the group we belong to are responsible for their actions as well as the results they achieve.

To create this culture, we must understand the linkages between culture, leadership, and performance. In their book *Organizational Culture, Distribution and Amount of Control and Perception of Quality* (1995), Klein, Masi and Weidner discussed the impact of culture on performance. They found that cultures that encourage teamwork, employee development and empowerment achieve higher quality outcomes, that is, higher quality results. Culture is clearly a key ingredient to performance. The ultimate objective for creating a culture is to enable an organization to achieve superior, long-term performance. Yet, when it comes to marketing, we're missing the mark on measuring performance. Various studies, including our own study conducted in 2006 and one by the CMO Council in 2004, found that over 80% of executives and marketing professionals are dissatisfied with their ability to demonstrate the

value of marketing. But if we change will it matter? Companies with a culture of accountability have a formal and comprehensive marketing performance management system. And research has found that companies with such a system outperform companies without one. These companies have 29% better sales growth, 32% higher market share & 37% greater profitability.

Clearly we need to create a culture of accountability for marketing. Based upon VisionEdge Marketing's work with industry-leading customers, a culture of accountability for marketing consists of three core attributes.

- The first attribute is shared knowledge. Everyone in the marketing organization needs to have clear visibility into the organization's purpose, the performance targets, timelines, measurement and consequences.
- Second, there needs to be tight and solid alignment between marketing objectives and business outcomes. Every marketing objective should link directly to a business outcome.
- And third, there must be unwavering belief in the inextricable link between performance and accountability. The people within marketing must believe in the essential value of measuring, evaluating, and improving their work based upon objective criteria.

How does a marketing organization know they have a culture of accountability? An organization with a culture of accountability can pass the following four-part litmus test.

1. Marketing defines specific goals with measurable criteria to achieve clear results that will impact the business.
2. Each person in marketing assumes accountability for the ultimate business outcome, not just his or her individual tasks.
3. There is a focus on achieving results beyond the boundaries of each individual's job.
4. Each person within the marketing organization knows how their job advances the corporate and marketing goals. He or she understands he or she cannot be task-centric (e.g. updating the website, creating and implementing a campaign, revising the pricing model, etc) and instead, strive to be outcome-centric.

Organizations that pass this test have aligned and integrated themselves into the organization and recognize they must move beyond being the functional silo that exists in so many marketing organizations today. Does your organization pass the test? Here are four steps to help you on your journey toward developing a culture of accountability for marketing: defining and creating the culture, auditing the existing state, implementing, measuring and revising new cultural norms and accountability, and reward.

First, defining and creating a culture of accountability takes three things: leadership, time and compensatory alignment. Leaders, those in the C-Suite, drive culture and cultural change. The marketing leadership is responsible for creating or changing the culture. Leadership enables the transformation. Leaders do this by endorsing, exhibiting, and promoting behaviors that

model the desired culture. Changing a culture takes time because it essentially involves developing and implementing new business processes. Anyone who has been involved with creating, executing and integrating a new business process knows that this change occurs over months, maybe even years. And lastly, people perform to how they are compensated. Compensation reinforces the culture. Organizations with cultures of accountability closely align their compensation structures with performance.

Second, conduct an audit. The existing state needs to be audited to determine what must change and where gaps exist. In addition to providing valuable insight into culture, audits help an organization determine the skill levels, effectiveness and efficiency of the marketing function. You can conduct your own audit or you can use an objective third party with expertise in Marketing Performance Management. Regardless, securing a sense of where you are is an important step in determining where you need to go.

Third, implement, measure and revise new cultural norms and accountability. The latest metrics survey by VisionEdge Marketing found that while the top three issues marketers are expected to address are:

- a) identifying new markets
- b) increasing share in existing markets, and
- c) increasing share of business with existing customers.

Each of these is directly linked to the organization's market share and customer lifetime value. However, many of the survey respondents indicated they do not have processes in place to track the metrics used to quantify their impact in these three areas. Developing these processes enables a culture of accountability as well as demonstrates the existence of such a culture.

The planning process provides an ideal opportunity to make progress on this step. Every marketing organization produces or should produce a plan. The planning process provides the means to include performance metrics and integrate accountability. These performance metrics need to focus on the long-term success of the organization, not just this quarter's or this year's activities. Too often the marketing plans are a list of activities rather than a strategy for how marketing is going to move the needle and account for the money invested, resources used, and decisions made. At a minimum, marketing objectives, strategies and metrics in the plan need to directly relate to three key business outcomes: growing market share, improving customer lifetime value and increasing the organization's long-term value. Susan Annunzio, author of *"Contagious Success: Spreading High Performance"* reminds us that "the biggest impediment to high performance is short-term focus."

And finally, reward. Adherence to these processes and participation in a culture of accountability must be rewarded. As such, compensation should align with the new cultural norms.

Creating a culture of accountability is a journey. It is a vital journey because marketing accountability cannot exist without a supporting culture, and a marketing organization that is not proactively accountable cannot possibly demonstrate its contribution to the enterprise. The journey begins by taking accountability seriously. Changing culture is a long and disciplined journey of small incremental steps. It is a journey of realigning new processes that facilitate accountability and instituting reward systems that support and celebrate individuals who model the way. To complete the journey, you will need to redefine the rules of the game for your organization. New formal rules and processes around the value of accountability will need to be created and rewarded.

It is a journey of opportunity. An opportunity for those of us in marketing to take our rightful place at the leadership table by accounting for the investments we make on the organization's behalf.

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