



Your Business Goals: Beacon or Fog Bank?

Managing marketing's performance and demonstrating the function's contribution to the company begins with aligning marketing with the business goals. How many times have you heard someone express their company's goals as "Our goal this year is to get closer to our customers." Or "Next year's top priority is to launch our next generation product." Or perhaps, "The most important business goal for marketing next year is to generate more leads."

If these statements reflect anything like the goals for your company and you're in the marketing organization, we urge you to stop and not take one more step until you have more specific direction. Why? These goals and goals like them are so vague and ambiguous it will be difficult for marketing to demonstrate success. These types of goals set many marketers up to fail. A good goal provides enough information and specificity that marketing knows what it must do to help the organization achieve the outcome. And as a result marketing can manage and improve its performance and show how its efforts are moving the needle.

Let's use the examples to illustrate what we mean by unclear and vague, and how this situation can be improved.

"Get closer to our customers." The first thing we need to understand is why. Is this a defensive or offensive goal? That is, is the goal because your customers are at risk, perhaps vulnerable to competitive poaching due to a satisfaction issue or service quality? Or is it because you're taking a proactive approach and your company and your company is focusing on growing the lifetime value of its customers? Also, which customers do you want to get closer to? All of them or some particular set? The answers to these questions are critical to establishing the marketing metrics, objectives, strategies and tactics.

Imagine if the goal was restated as follows: "Our goal this year is to increase the top X% customers lifetime value by ensuring 100% retention and increasing the average number of products bought and used by this group from A to B. This goal statement is well-defined and your marketing team now stands a better chance of success by developing metrics and objectives to impact lifetime value, tenure, and share of wallet.

The same process of discovery and clarification applies to the following example, "Launch our next generation product." Again, it is important to know if this is a defensive or offensive move. Are you coming in behind the competition and playing catch up, or are you leading the way? The answer to this question will most likely impact your pricing and channel strategy. Is the go-to-market strategy for this product designed to tackle a new customer or market segment or your existing customers? When is the optimum time to launch this product? For example, is it tied to a segment that relies on holiday sales?



Specificity is required to really understand this goal. And it is marketing's responsibility to secure this information, perhaps even generate it. Imagine how the metrics, objectives, strategies, and tactics would be different if this goal was written in two different ways:

1. "Next year's top priority is to expand our market position in a new market segment for the company by launching our next generation product by March 31 and securing 3 deals from 3 new OEM customers in the consumer electronics market segment."
2. Next year's top priority is to launch our next generation product to maintain our foothold with our existing customers and ensure that least X% of our existing customers' trial the product by September 30th.

The goals are different and as a result the metrics and objectives and thereby the strategies and tactics will be different. In the first option, the key metrics will be around market share, rate of growth, new product acceptance, and new customer acquisition. In the second option, the primary metrics will be share of wallet, lifetime value, and new product acceptance. There are other options as well. Be specific and realistic about the situation and the marketing team will know exactly what it has to do.

Marketers are often tasked with generating more leads. And at the same time are often told the leads generated are worthless. So is the goal really "more leads" or something about the quality of the leads? The reason for this possible scenario once again is often a result of ambiguity. Is it clear in your company what behavior is associated with a lead? Is a lead someone who simply meets some generic criteria or is a lead defined by a specific set of behaviors? For example, at your firm is someone who comes to your website and registers a lead or a contact? Or is someone who takes a sales call a lead?

When the goal is to generate more leads, it needs to be clear exactly what your company is really looking for; a contact numbers game or people displaying specific behaviors that indicate a relatively high degree of purchase intent. By now we suspect you have the idea. So how might you rewrite this example of "generate more leads" into something more specific and measurable?

The goals we used in this article are examples of fairly common goals and have provided us with a way to remind all of us in marketing that we can only move the needle if we know what needle we need to move. With well-defined business outcomes we can establish meaningful strategic metrics and specific and measurable objectives. These are the key elements for managing and improving marketing performance. Once these are in place, the organization can deploy systems for monitoring and measuring and develop dashboards for communicating results.