

MAKING MARKETING RELEVANT TO THE C-SUITE

THE SITUATION

In 1938, metallurgist Phillip M. McKenna, who revolutionized the machining of steel by creating a tungsten-titanium carbide for cutting tools, formed McKenna Metals Company. Later renamed Kennametal®, the corporation is a world leader in the metalworking and wear solutions industry, serving customers in 60 countries. The Kennametal team employed VEM's expertise and patent-pending Accelance® software to create an actionable marketing blueprint that provided clear alignment between Marketing and the business, defined customer-centric outcome-based metrics, and a roadmap for further operational development.

THE NEED

The Kennametal marketing team, which encompasses Strategy, Marketing, and Customer Service, regularly collected and reported 56 prescribed measures by subfunction, a rather extensive number of metrics. When presented to the C-Suite each month, it was clear that the marketing team was busy; what wasn't clear was whether Marketing was working on the right things. Often, the conversations in these meetings would

shift to the money being spent rather than the value created. Jay explained, "It wasn't so much an issue of data and measurement, as much as the need to provide metrics that showed how marketing was making a business contribution, having an impact, and helping foster more strategic decisions."

To bring the growth strategy to life, marketing needed to be perceived as more than an exceptional service provider, it needed to have a compelling mission

“ It wasn't so much an issue of data and measurement, as much as the need to provide metrics that showed how marketing was making a business contribution, having an impact, and helping foster more strategic decisions. ”

and vision, with data to back it up. "This meant that we needed to be able to quantifiably communicate Marketing's value to secure buy-in from the CFO for additional investments required in people, processes, and technology. In our evaluation, we decided there were three

key components we wanted to address sooner than later.”

1. **Metrics:** We realized that Kennametal's Marketing, while effective on some fronts, was essentially a diverse organization with functional components that had distinctly different objectives, processes, and performance metrics. Many of the marketing metrics were primarily activity or output oriented—for example, how many events or campaigns were produced. The CMO wanted to shift the focus to metrics and reports that were more “outcome” oriented.
2. **Customer-centricity:** It was also realized that Kennametal marketing tended to be internally focused with an emphasis on business operations and product management. We wanted the marketing organization to reflect a more strategic, customer-centric, data-driven culture, while being able to demonstrate its contribution to finding, attracting, winning, and retaining (FAWR) profitable customers and opportunities.
3. **Alignment:** Lastly, the CMO wanted to create stronger alignment between sales and marketing, and a clear understanding the role of each team in the FAWR process.

As Kennametal has a deep familiarity with Lean Six Sigma tools and methodologies, a robust current state and gap assessment was non-negotiable. In addition, Kennametal

employs a Marketing-led Enterprise strategic planning process. Any additional measurement, accountability, or planning needed to work within, and complement this business process.

“ We needed to be able to quantifiably communicate Marketing's value to secure buy-in from the CFO for additional investments. ”

THE DECISION

Jay realized this wasn't something he wanted to tackle with internal resources and experience alone, so he began investigating options. He established three criteria as he began to consider potential partners. He wanted a firm that had:

1. Expertise in marketing performance management—from processes to tools, from data and analytics to metrics, from planning to reporting
2. A proven Marketing planning and alignment process that Kennametal could use as the foundation
3. Deep experience helping develop marketing operations roadmaps

“We had the opportunity to listen to a VisionEdge Marketing (VEM) program at an ISBM conference, where Laura

Patterson, president of VEM, reviewed what best-in-class Marketing organizations are doing to improve Marketing's connection to the business," said Jay. "The VEM process and methodology was right on target with what we wanted, plus there was prior experience with the VEM Team. VEM specializes in performance management and has a process to support the journey we wanted to undertake. With their approach, we were confident we could assess and identify any gaps in metrics and alignment, make the marketing plan and execution more customer-centric, and certainly define the correlation between marketing investments and business results."

“Three tangible outputs we gained were; an actionable blueprint for the marketing plan, clear alignment to core business outcomes, and a roadmap for further operational development.”

THE PROCESS

Kennametal worked together with VisionEdge Marketing to leverage their patent-pending Accelance® process. In preparation for the work, Kennametal and the VEM team used a well-defined discovery process that included

conducting interviews with key stakeholders and reviewing marketing processes, systems, plans and reports. Armed with the current state and gap analysis, VEM engaged the broader Kennametal marketing team and other key stakeholders in a collaborative, well-defined process to establish lines-of-sight between marketing activities and investments with business outcomes and the associated metrics. This work, in combination with the comprehensive output report provided by VEM, provided the foundation the Kennametal team needed to create a robust Marketing Operations roadmap to accelerate their journey. "Three tangible outputs we gained were; an actionable blueprint for the marketing plan, clear alignment to core business outcomes, and a roadmap for further operational development," said Jay. "But other less tangible outputs related to people, process, technology and culture changes were equally, if not more, important." Today Kennametal marketing is perceived as an emerging center of excellence within the company. "This process served as the catalyst we needed to change the conversation with the C-Suite and secure the resources we needed," added John.

John and Jay shared how this work facilitated five significant transformations for the Kennametal marketing organization:

1. All the marketing functions are now aligned around five strategic business outcomes. "You think marketing is aligned until you go

1. through this process," admitted Jay. As this alignment to outcomes was spread to the standard planning process, the C-Suite can now see that marketing has influenced all Enterprise functions in directly connecting to the same outcomes. Kennametal has plans to revamp mapping of the entire customer lifecycle and Marketing is serving as a clear driver of growth with plans in place to achieve "benchmark-able" center of excellence status.
2. The metrics shifted from measuring activities and outputs alone to strategic measure matrices, including measuring the value generated. Now, all reports focus on how marketing is impacting defined business outcomes, including customer acquisition, retention, and growth, rather than functional activities and outputs. "The energy of the team is directed to the outcomes rather than individual activities," said John.
3. Improved allocation of resources. "Instead of conversations with the CFO about where the money was spent, we're engaging in investment conversations regarding what we are doing or can do to find, attract, win, and retain profitable customers and opportunities."
4. The marketing and sales teams are working from a common language (FAWR) and process roadmap. "The conversation with sales has changed to a more collaborative discussion on how to impact the

pipeline, instead of why marketing didn't produce more leads." said Steve Yoset, Director of Sales Operations. "Investment decisions are a team discussion now, versus isolated events"

5. The caliber of the marketing team improved. "We enhanced our marketing skills, and have moved from skills that emphasized data alone to skills that emphasize data and fact based insights." said Jay. "We are now designing a comprehensive Marketing Leadership Development program based on the future Marketing requirements we see within our roadmap."

“ The metrics shifted from measuring activities and outputs alone to strategic measure matrices, including measuring the value generated. ”

PARTING ADVICE

Many companies are tackling data, analytics, processes, and metrics to improve and prove the value of marketing. Jay and John offer three vital tips for any company making the journey:

- The "elephant" is huge—take it on one piece at a time and don't try to do it alone. It is easy to think you can do it

internally, but external experts help you think outside the box and can provide an objective view based on their experience with other companies and industries.

- Start with alignment—it is the foundation. One functional area believing it is doing the right thing is not nearly as powerful as a collaborative effort with all key stakeholders. The CMO, CFO and CIO all need to be aligned to get the needed prioritization of the CEO.
- Work on what's important. Investment potential is everywhere, but identifying the "key x's to the most crucial y's", and allowing for a test, prove, scale environment with accountability is paramount for success. It's easy to succumb to analysis paralysis, but designing a methodology allowing experiments to occur increases employee engagement, and enables you to discover winners much more quickly. That goes for people, process, and technology!

ABOUT VISIONEDGE MARKETING

VisionEdge Marketing (www.visionedgemarketing.com) is a data-driven metrics-based strategic and product marketing consulting firm recognized as a trusted authority in the area of marketing performance management.

The company excels at helping companies strengthen their competitive advantage, accelerate their ability to acquire, keep, and grow profitable customers, and measure Marketing's contribution to business goals. Founded in 1999, VisionEdge Marketing is located in Austin, Texas.

© 2021. VisionEdge Marketing, Inc. Accelance® and Outcome-Based Mapping are trademarks of VisionEdge Marketing. All rights reserved. VisionEdge Marketing holds the patent for Accelance® and the Outcome-Based Mapping process.

