

# METRICS FACILITATE ANNUAL PLANNING & BUDGETING PROCESS

## THE SITUATION

Founded in 1994, VCON develops and manufactures collaborative communication solutions that include videoconferencing and audio conferencing products. VCON's entire portfolio is integrated together with a suite of management systems and development tools, providing a unique and fully integrated conferencing experience for the user. The company relies on an indirect channel to sell their solutions worldwide. For the past decade, VCON has consistently been the first to market with innovative products and technologies, both in the conferencing market and in the solutions needed to manage and deploy conferencing systems.

As the company continues to advance its position in the rich media category, it has leveraged VisionEdge Marketing's strategic expertise. As part of their planning and budgeting process, the marketing organization wanted to expand its marketing budget and realized this would require taking a more metrics-related approach as a means to demonstrate the marketing organization's contribution to the company.

## THE NEED

The marketing department had very few metrics they could turn to that aligned neatly with the overall business goals. While the company was tracking some activities particularly related to online efforts, these were not proving to be an adequate or accurate representation of the department's

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efforts nor provide the kind of metrics applicable across the various geographical regions. The organization was looking for a clear sense of how metrics could impact the company as a whole. “We are a global company and we needed to look at our

marketing metrics from a global perspective," said Laura Shay, Global Product Marketing Manager for VCON. "I'm a firm believer in the role context plays in any planning effort. With this in mind, it seemed we needed to get the horse in front of cart and establish key metrics to help guide our planning."

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While VCON had success at tracking results from a variety of marketing activities associated with web site visits, click-throughs, participants at a webinar, and so on, these didn't seem to be the right way to measure the marketing initiatives that were tied to the company's market share, partner development, and up-sell objectives. "We had a good idea of the adoption process for our technology and we were monitoring dozens of activities

and outcomes. What we didn't know was whether these were the right things to be monitoring and how to tie activity tracking to the success of our marketing objectives and strategies," added Laura. Basically the limited marketing resources were becoming overwhelmed with the number of things that were possible to track.

The company had a thorough idea of what it needed to do to achieve the business goals for the coming year. The marketing team had a clear understanding of what initiatives would be required. The challenge was getting the team out of the weeds of tracking various marcom activities and more focused on identifying metrics that would really indicate whether the marketing initiatives were moving the needle for the business.

## THE DECISION

Three key factors played a role in deciding to bring in an outside firm: the ability to tie marketing metrics to the goals of the company, a well-defined short process that would work within the timeframe, and metrics expertise. The company decided that in advance of their global planning session to bring in VisionEdge Marketing to help create a framework for the plan founded on a few manageable metrics. "We had worked with VisionEdge Marketing before," said Gordon Daugherty, Senior Vice President of Marketing for VCON. "They understand our business and our goals and have been involved with

strategic efforts in the past. More importantly they looked at metrics from a business as opposed to a communications perspective, which is a very good fit for us."

## THE PROCESS

Prior to the metrics development and framework session, VisionEdge Marketing examined the metrics currently being used by the company and the company's business objectives for the coming year. Based on this review, a number of questions emerged. As part of the preparation VisionEdge Marketing identified several key questions for VCON to address in advance of the meeting. Armed with this information, the ground work was laid for the pre-planning session. "This preparatory stage was very helpful," commented Laura. "It enabled us to start thinking about tying our marketing initiatives to very specific business outcomes such as market share, order value, and repeat business."

The business goals were used as a framework for the plan. By understanding the specific business outcomes, the session could focus on where marketing could make an impact and how to measure this impact. Within a half-day or so the marketing department was able to develop a manageable set of metrics. A key part of the process was to clarify what outcomes have real impact on the business.

## THE RESULTS

The process enabled the VCON team to achieve two important outcomes:

1. A set of key metrics that crossed markets and regions
2. A plan and budget the management team could evaluate based on business outcomes

"The process we went through with VisionEdge Marketing helped us to really hone in on business metrics and the indicators we could use in marketing to assess our progress. Plus, we were able to be more focused. When you're tracking dozens of activities, it's easy to end up chasing your tail. Now we have just a few key gauges we are monitoring," reflected Laura.

The metrics focused on two primary areas: The channel's role in VCON's success, and a goal of achieving 25% quarter-to-quarter growth from new products across all sales regions.

Three metrics were selected: revenue/partner, qualified leads/region, and new products sold vs. previous product sold. Key indicators were defined for each of these and appropriate objectives and strategies were then incorporated into the annual plan.

A side benefit was that the planning session was far more productive. "We didn't get bogged down in discussing the nuances of each region and why tracking certain activities would or

wouldn't work. We could keep our eye on the larger picture and each region could address its individual differences," added Laura.

Of course the best outcome was the team was able to deliver a plan and a budget request the management team could relate to. "We were more successful in securing faster approval and a better budget, because the plan very clearly connected the dots between marcom activities and business outcomes," said Laura.

## **ABOUT VISIONEDGE MARKETING**

VisionEdge Marketing ([www.visionedgemarketing.com](http://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.

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