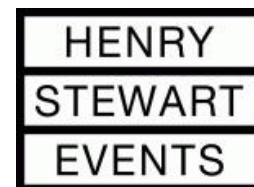


Michael Gerard
Director, CMO Advisory Practice

Marketing Operations: Maintaining the Momentum!

November 12, 2007

www.idc.com/cmo



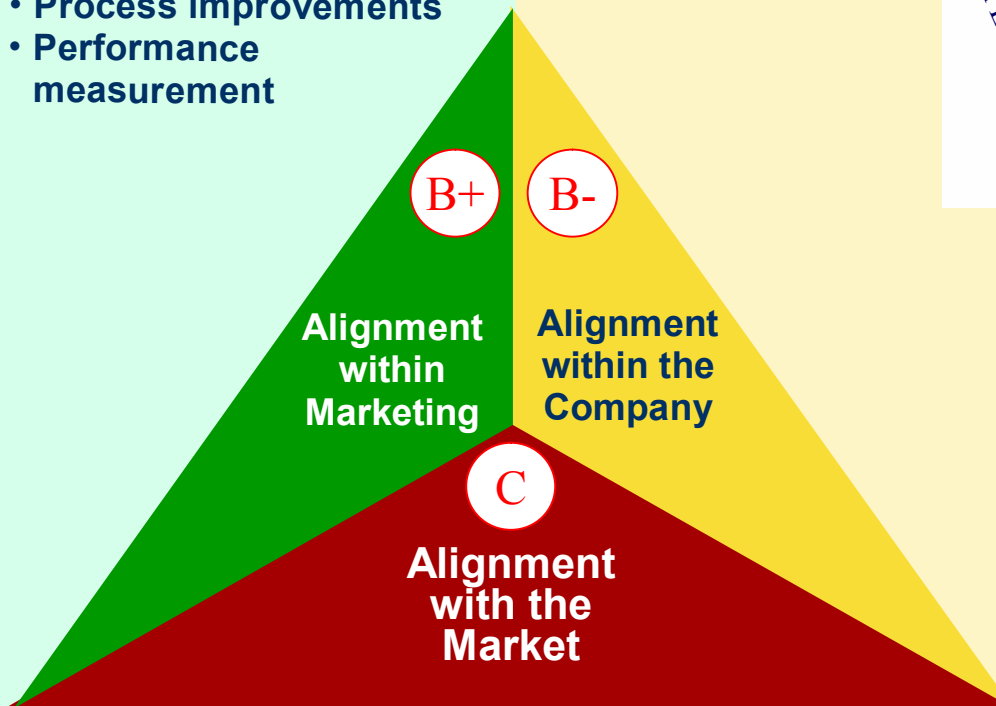
2008 CMO Report Card: Marketing Leaders will Strive for Better Alignment with the Market



- \$, staff audit and professional development
- **Marketing Operations**
- Process improvements
- Performance measurement

Mktg. ops. must continue driving process innovation and continuous improvement

- CEO/CFO
- Sales
- Product Mgmt.



- Think about “outside-in” vs. “inside-out” marketing
- Embrace interactive marketing
- Channel Marketing visibility
- End-to-End marketing



Agenda: IDC's 3rd Annual Marketing Operations Study

- Research Methodology
- Roles and Responsibilities
- MO Staffing Levels
- 2008 Key Success Factors

Marketing Operations Study: Research Methodology & Demographics

- Objective: Update IDC's 2006 MO study. . . and offer guidance for success in 2008!
- Methodology:
 - IDC CMO Advisory's 2007 Tech Marketing Benchmarks Study; and
 - Executive interviews with leading marketing operations managers at technology firms.
- Participant Demographics:
 - IDC CMO Advisory's 2007 Tech Marketing Benchmarks Study: >90 technology companies; hardware, software and services; <\$500M to >\$20 B revenue (5th annual study)
 - Executive interviews: Avaya, Cisco, Citrix, HP, IBM, Intel, Nortel, SAP, . . .

IDC's Marketing Benchmarking Methodology

- Adobe
- AMD
- Applied Micro Circuits
- Ariba
- Autodesk
- Avaya
- Avnet
- BEA Systems
- BearingPoint
- BMC Software
- CA
- Cadence Design
- Capgemini
- CGI Group
- Ciena
- Citrix Systems
- Cognizant
- Cognos
- CSC
- Compuware
- Corel
- Cray

% of Companies by Sector

Services

19%

EDS

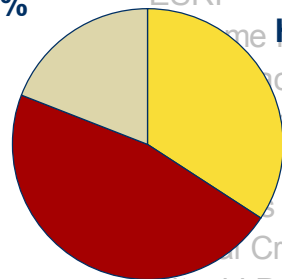
ESRI

Hardware

34%

Software

47%



% of Revenue from Direct Sales vs. Indirect Sales

Indirect Sales

39%

% of Companies by Revenue

Uce

15%

\$3-\$9.9B

17%

\$1-\$2.9B

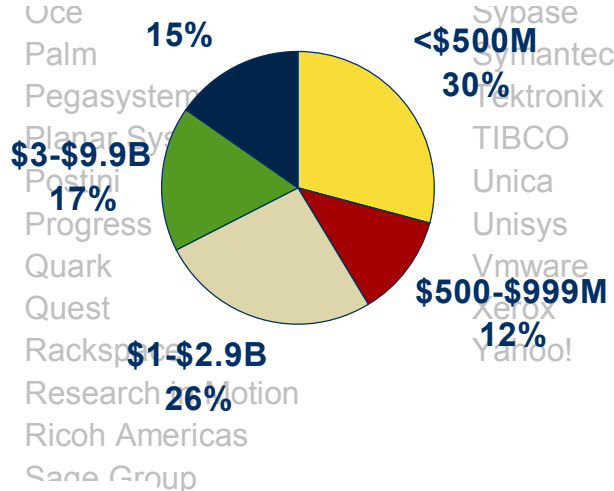
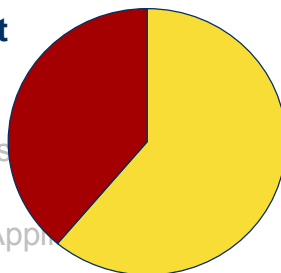
26%

<\$500M

30%

\$500-\$999M

12%



- Planar Systems
- Postini
- Progress
- Quark
- Quest
- Rackspace
- Research Motion
- Ricoh Americas
- Sage Group
- Siemens Communications
- SGL
- Solidworks
- SPSS
- Startek
- Stratus Commerce

How does IDC Define Marketing Operations Staff?

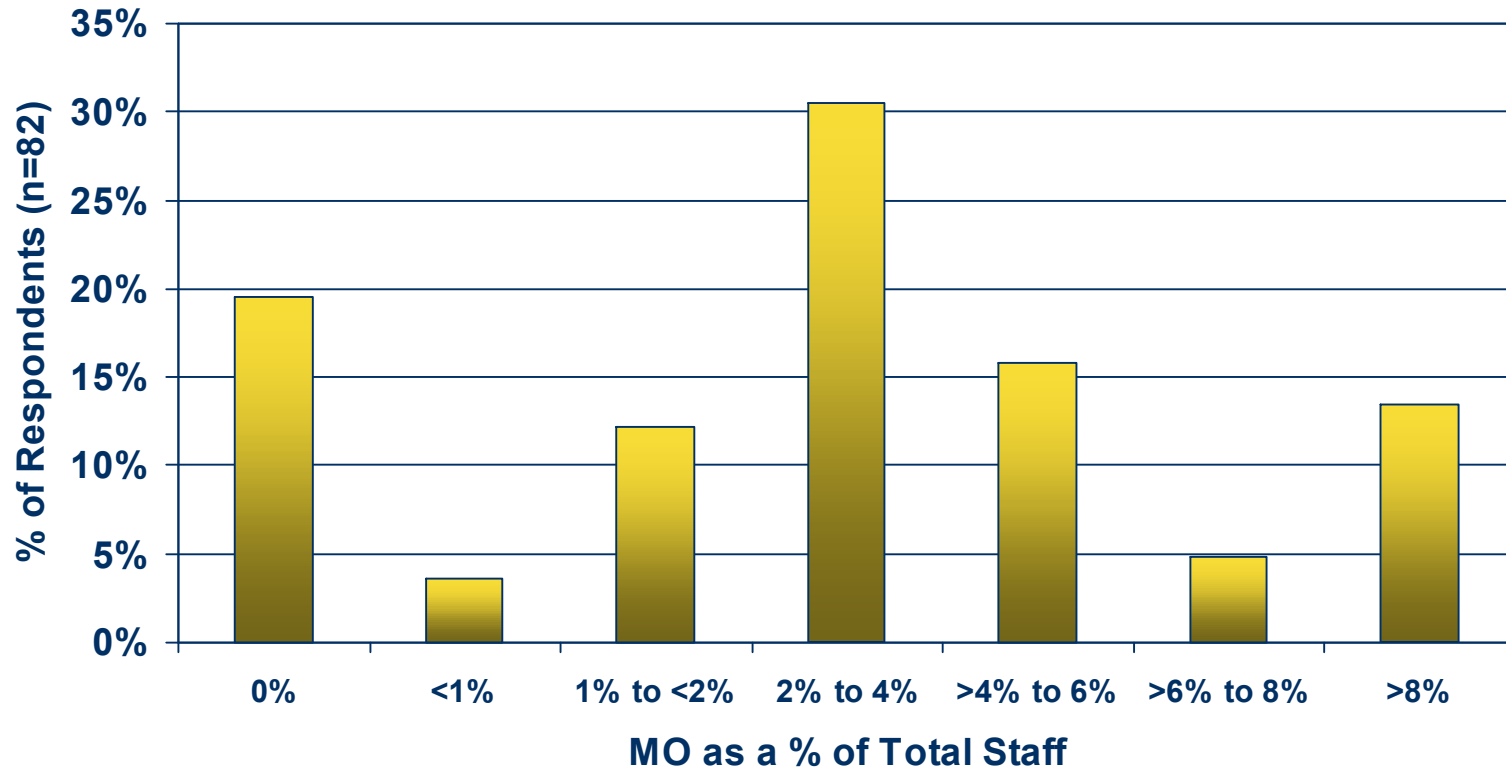
Marketing Operations

Internal staff responsible for developing and orchestrating the processes and systems required to enable efficient and effective marketing. More specifically, marketing operations staff members are responsible for developing and managing the processes to ensure smooth operation of strategic planning, financial management, marketing performance measurement (including dashboard development), marketing infrastructure and overall marketing excellence.

“Marketing Operations has two primary roles – supporting Marketing transactions and leading Marketing-wide transformation”

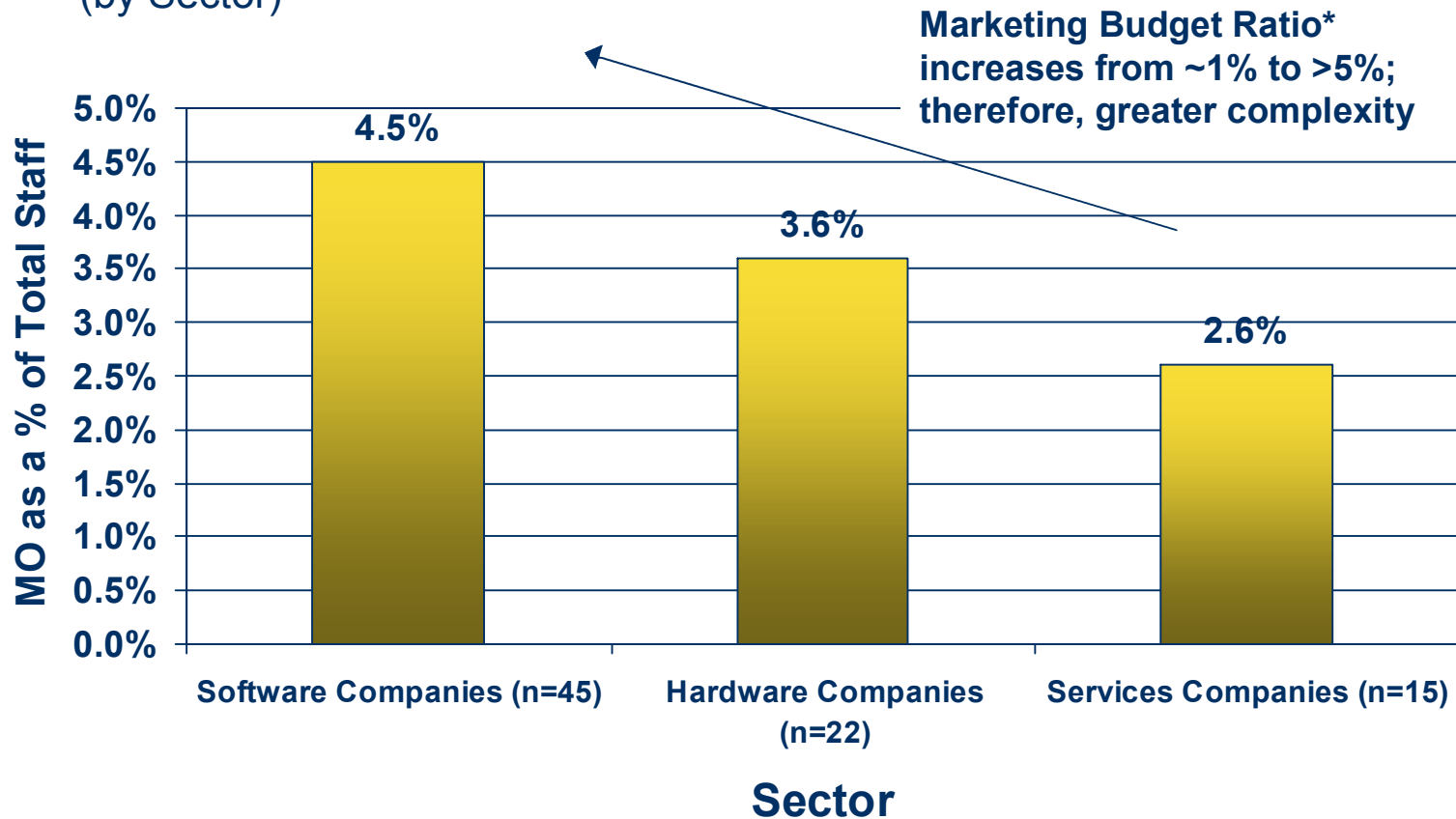
A Guideline for MO Staff Allocation should be 2-4% of Total Marketing Staff

Q. What percent of total marketing staff headcount is marketing operations?



A Guideline for MO Staff Allocation should be 2-4% of Total Marketing Staff

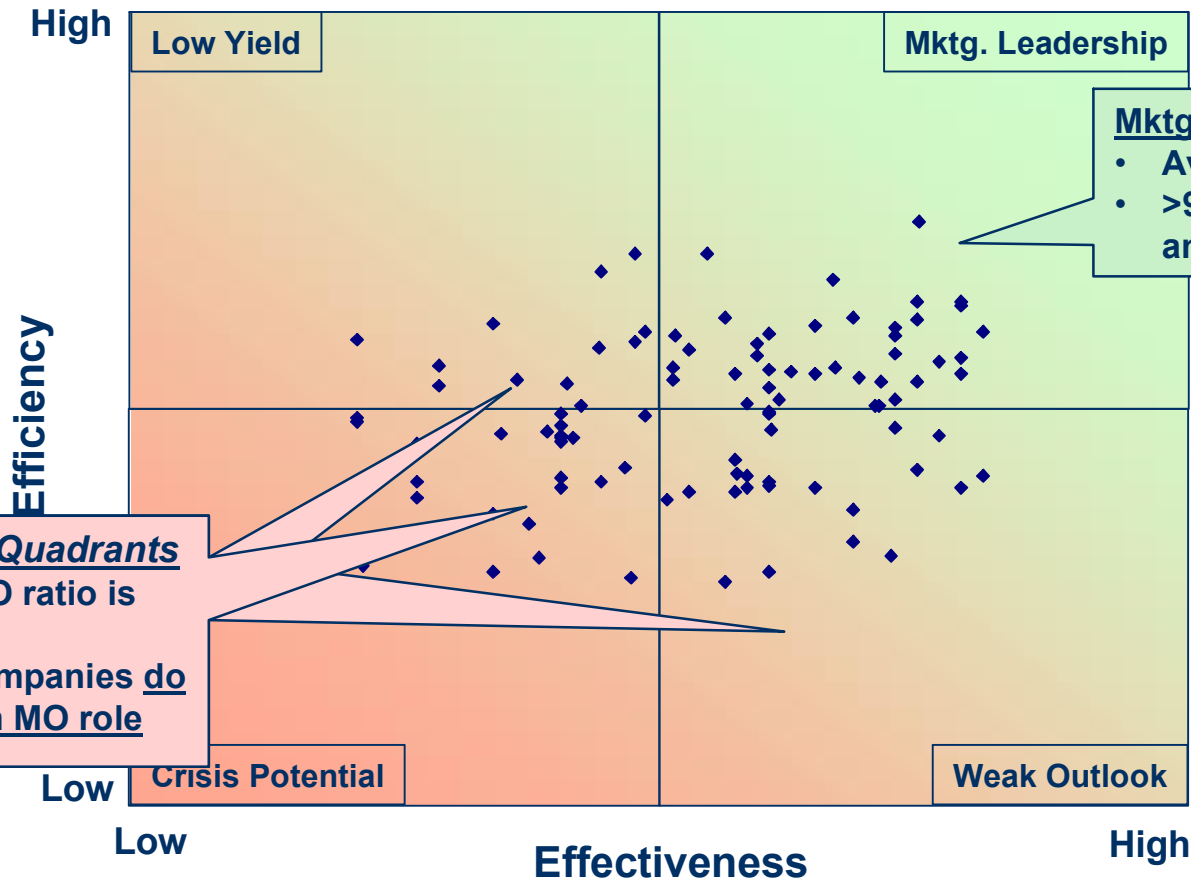
Q. What percent of total marketing staff headcount is marketing operations?
(by Sector)



* Marketing Budget Ratio (MBR) = marketing spend as a % of revenue (program and people)
Source: IDC CMO Advisory Practice, 2007 Tech Marketing Benchmarks Database.

IDC CMO Advisory Practice
2007 3rd Annual MO Study

IDC's 2007 Marketing Performance MatrixSM: Technology Companies



Mktg. Ldshp. Quadrant

- Average MO ratio is 4.9%*
- >90% of companies have an MO role

Other Three Quadrants

- Average MO ratio is 2.8%*
- ~26% of companies do not have an MO role

*Weighted average

Source: IDC CMO Advisory Practice, 2007. (hardware, software and services companies) and IDC's Marketing Performance Matrix 2007: Innovation in Tech Marketing Leadership, #206155

IDC CMO Advisory Practice
2007 3rd Annual MO Study

What keeps MO professionals “up at night”? (i.e., their key concerns)

- Process tools and IT infrastructure
 - “tools don’t work together as we’d like”
 - “how do we better partner with IT?”
 - “change management continues to be a challenge” . . . “how do we better influence behavior on a more continuous, longer term basis?”
- Common Definitions: “how do we develop common definitions across the organization”
- Marketing’s complexity:
 - “too many areas with multiple parties and hand-offs and not enough direct accountability”
 - “how do we keep marketing’s ‘eye on the ball’ regarding customer needs?”
- Accountability:
 - “cost pressures are not letting up”
 - “we must continue demonstrating our value”(MO and marketing)
- The next opportunity for improvement

AND. . . .

Marketing Operations: Maintaining the Momentum into 2008 and Beyond

“I am concerned that MO is losing strategic influence and position since I see my job being more of execution. . . .but there are a lot of opportunities remaining” [multi-billion dollar hardware company]

- Refine your team’s ability to:
 - focus on strategic insight, not tactical support
 - collaborate and communicate across the organization to enable and influence change and improve process adoption (marketing, sales, finance, IT)
 - prioritize what projects/activities will have the greatest ROI/impact
 - continuously improve existing efforts(e.g., MPM, strategic planning).
- Build processes into the fabric of your organization (e.g., knowledge database)
- Be realistic about your goals, and develop a short-term and long-term vision
- Collaborate with marketing leadership to identify other opportunities for improvement, and take a leadership role in these efforts (e.g., “right-sourcing”, longer term IT infrastructure, growth simulations, lead management, VOC)

What’s a Priority for your CMO should be a Priority for your Marketing Operations Team

IDC's CMO Advisory Practice

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