



Connecting the Dots Toward Marketing Accountability

By Gary M. Katz and Glen S. Petersen

Chief Marketing Officers (CMOs) are under considerable pressure to systematize demand generation, justify spending, and provide leadership in innovation in a rapidly changing and complex world. These pressures increase tensions among functional peers and cascade to subordinates who must do more with less staff. Meanwhile, a lack of perceived action or results (value-add) are likely to shorten a CMO's tenure.

So what is the right strategy? Sales claims it doesn't receive enough qualified leads, while it is obvious that most leads from marketing programs are not followed up. CFOs constantly demand to see ROI for each marketing spend decision. Peers openly wonder why Marketing has a fat budget while they are forced to continually cut spending. Meanwhile, Marketing staff shows signs of fatigue from juggling too many balls while simultaneously worrying about developing skills in emerging areas such as Social Media.

So what are the options?

Typically, it boils down to either keeping up the pressure or seeking a technology remedy in the form of Marketing Automation (MA), which promises faster execution, the ability to track and measure ROI, better decision making, and improved insight/governance.

Both options represent risks. Working harder is noble but it's foolish to think doing the same old thing will yield different outcomes. The MA promise is tempting but what if the investment in the name of improvement only accentuates fundamental flaws in the Marketing organization? Many companies have made the investment with marginal results. Consider the effectiveness of MA when the following pre-conditions exist:

- A senior executive has not articulated a strategy to apply MA and outlined the consequences to the company of failure to successfully deploy and adopt it
- Marketing lacks defined processes, business rules, and common terminology
- Poor data quality (e.g. duplicate records, missing detail, wrong codes, etc.) translates to dashboards and reports that have minimal credibility
- Many disparate systems already exist that will need to be integrated with the new MA
- Marketing lacks the necessary skills to leverage the system
- Users lack technical skills and treat existing applications as *credenza ware* that collects dust

At first, the above conditions may appear to represent an impossible gap to close. However, the CMO needs to consider the situation from a different perspective. For example, how much of the current overload is due to ill-defined processes and suboptimal resource utilization? Can vendors be managed more effectively? How much of the CMO's time is spent being a referee? Having everyone's hair on fire may convey a sense of urgency but there is a cost associated with a lack of discipline and objective measures of performance. Many benefits can be derived in organizing for MA before it is deployed. The *Catch 22* is that the CMO does not have the bandwidth to manage such a transformation.



The solution to this conundrum is to create a dedicated Marketing Operations (MO) function, starting by hiring or promoting a qualified person to serve as Marketing Chief of Staff (COS). As Marketing scope increases and the function must scale, give them the resources (budget, headcount, enabling technology) to be successful. This role frees CMOs to manage the C-suite interface; meanwhile, the COS focuses on establishing infrastructure and an ecosystem conducive to MA and MO success, while ensuring that marketing investment is allocated to initiatives that best support the enterprise strategy. It is a potential win-win, but the CMO has to connect the dots.

The good news is that, after an initial investment, creating a Marketing Operations function can ultimately help Marketing evolve from a cost to a profit center.

- Consolidation of administrative and support roles within MO leads to well-defined process, business rules, and clarity that eliminates unproductive meetings and delays that lead to late nights and burnout
- Effective management of vendors ensures accountability and reduces costs, thereby making MO a self-funding initiative
- Centers of competency are created to avoid redundancies, minimize waste and accelerate shared learning
- Data quality and data integration issues are addressed by MO presenting a single interface to peer groups while advocating the corporate value of fixing these pervasive issues
- MO driving MA means better-informed vendor selection and proper funding to address training and support of technology applications (a common contributor to failed installations)
- Over time, MO manages the governance aspects of marketing including key interfaces with sales, finance, IT, customer experience, quality, purchasing and finance, thereby reducing the workload of the CMO while maximizing the collaboration of these key functions

As with any structural change, the CMO must establish a clear rationale for its direction, implementation, and criteria for success. The CMO must also lead the change and support individuals charged with making it happen. It's all about connecting the dots. The CMO will need to give MO sufficient attention in the short run but the benefits of a Marketing Operations function that enables scalability and sustainable strategic impact far outweighs this near term investment.

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