



HIGH-DEFINITION NEWS

Measurement Must Drive Your Marketing Program

By Clark Crowdus

Less than 23 months.

That's how long Chief Marketing Officers at the world's top 100 companies remain in their jobs on average according to a recent survey by the executive search firm Spencer Stuart.

Corporate governance reform has pitted directors and corporate officers against each other more than ever before, and while that may explain some of the wreckage out there, the real cause of the high crash rate is more rigorous accountability.

If you're a new CMO—or working for one or aspiring to become one—think of each month as a lap on a racetrack with the CMO as the driver negotiating the accountability fast lane at high speed. You know survival depends upon the machine you've built, and upon having a first-rate heads-up display that lets you see three to nine months ahead, because you'll be there soon and you clearly don't have much time to make adjustments.

In addition to the talent you bring to the top marketing job, the team you assemble, and the rapport you have with the CEO, what will ultimately keep you in the driver's seat long-term is the degree to which you are systematic and relentless in the measurement and reporting of your initiatives and programs.

It follows that the systems you *initially* devise for measuring and reporting your marketing team's effectiveness are your roll bar and harness in this race. As you take the wheel, check your instruments and add or remove them based on need, all with an eye to surviving those crucial first 24 laps.

One of the most important aspects of any race is your start and the positioning you achieve as you come off the line. Here are a few tips on how to put yourself in good position to measure your way to a long career:

Establish realistic first-year objectives — Select the top three or four initiatives you are confident you can influence quickly, and then work them vigorously. Digest the strategic plan and link your first-year objectives to the highest priority strategic imperatives.

Conduct a measurement performance audit — Audit the previous administration's model with an eye to establishing a formal, comprehensive measurement program to achieve superior financial returns and create higher

CEO confidence in the marketing function. That said, don't assume everything that went on before wasn't working. Evaluate the previous administration's measurements; inquire with management to get perceptions of effectiveness and keep what continues to work.

Begin with fewer measurements — No more than 20-25 initial measurements based on your industry. Some of the basic measurements might include brand awareness and health, customer/constituent satisfaction, revenue bookings, average deal size, sales cycle, new market/product entry, new product trial and repeat measures, important deals, market share, conversion rates, and key sales pipeline dimensions. Tracking of competitive performance on these measures provides useful benchmarks.

Start creating a measurement culture for the marketing team — Make your team understand it is Priority One to measure results and that both initiative impact *and measurement* will be rewarded.

Communicate measurement continuously and in real time — Technology that can support this need is out there, and will be crucial to your program. Work with strategic planning and research, then with IT to create or purchase a set of tools that will orient you to measurement and that will communicate measurement in real time to you and top executives. Think streaming marketing ticker tape for the CEO and management team.

Measure all critical elements of marketing, but focus on metrics that link to core strategic objectives — Set up measurements that demonstrate how you are delivering revenue performance cost-effectively. This means you will show how you can deliver a full pipeline of quality, cost-effective sales opportunities. You must understand your customers so intimately that you can deliver products they truly need and will eagerly adopt. You will know if your customers are satisfied. You will get them involved in product development and have true relationships with them that begin to resemble partnerships. You will build a brand that customers prefer; work to create internal respect; and then drive the company's long-term vision.

Keep your narrative as simple as possible — Communicate in the shortest, simplest terms you can. Do not develop reporting for number crunchers. Use the business lexicon as your guide.

Your program will grow over time, and if you remain in the race beyond the crucial 22.9-month average, you will have a shot at finishing the race.

CMO's, start your engines!

RESOURCES:

The following resources are recommended by High-Definition Consulting Group:

Association: The CMO Council — The CMO Council is an exclusive and

influential peer-networking group of authority leaders in technology marketing.
<http://www.cmocouncil.org>

Executive Search Firm: Spencer Stuart — a leading privately held, global executive search firm. <http://www.spencerstuart.com>

Association: The Association of National Advertisers — Trade association dedicated to marketing and brand building. <http://www.ana.net>

Business Directory: The Global Internet Business Directory — Search engine for business products and services. <http://www.globalnetbiz.net>

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