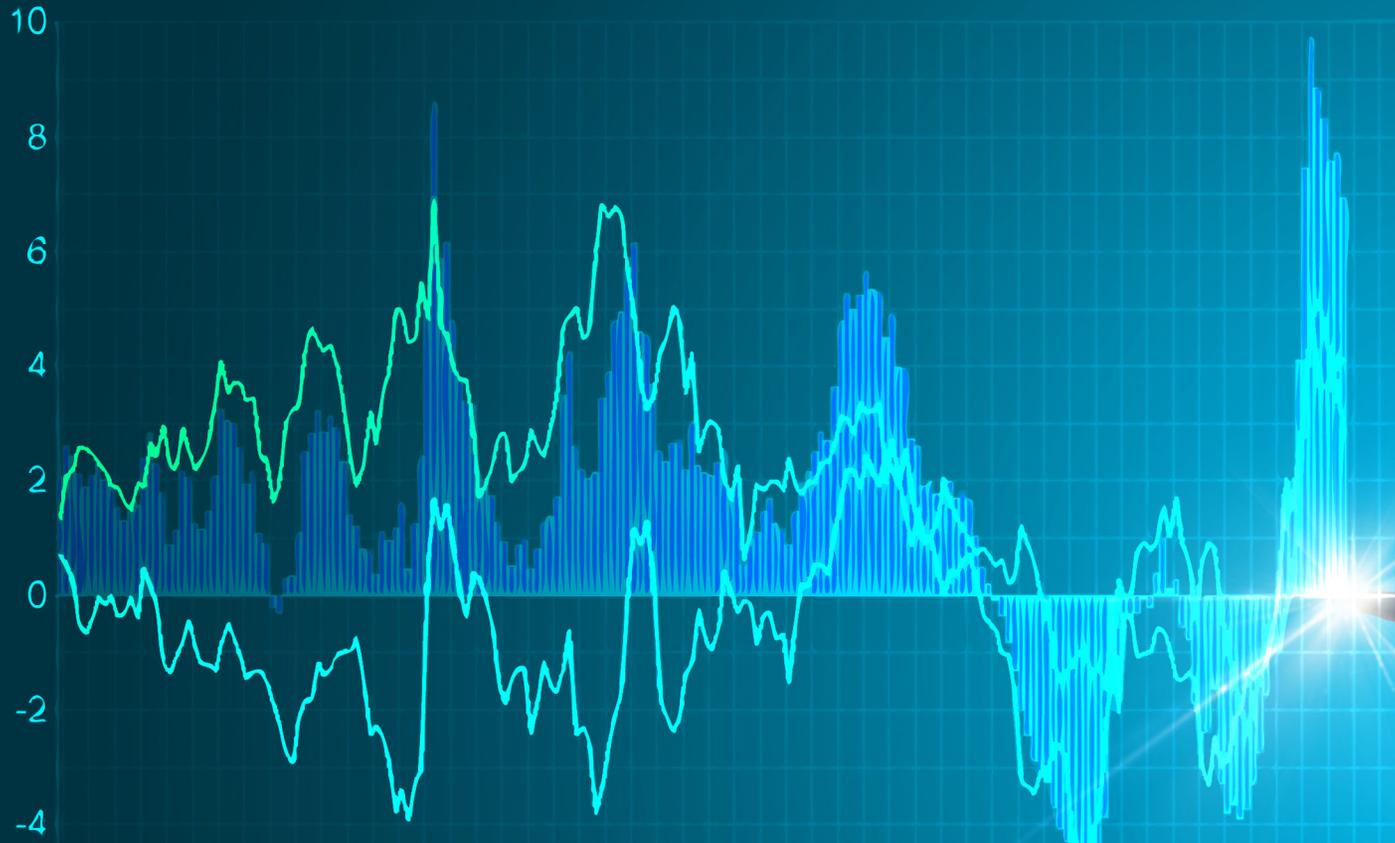


IBM Marketing Cloud



# 4 Stages to Better Marketing Performance

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Today’s marketers are more innovative, skilled and strategic than ever. But for some of us, no matter how well we think we perform, the best marketers will always appear to be one step ahead — more strategic, more agile and delivering better results and impact.

## How do the best marketers become the best?

Today’s elite marketers both *do* marketing and *run* marketing. They are highly analytical — planning, measuring and proactively managing their marketing investments to ensure they are hitting their revenue target year on year. They are focused on their performance. And they have complete control and visibility over their marketing spend. Knowing where their marketing dollars have the greatest impact, they can adjust and reallocate as needed to ensure they are on track for success.

Becoming an elite marketer requires real work behind the scenes so you can dominate in the playing field. It may sound like a big task, but no matter what stage you’re at you can steadily up your game by following the “4 Stages to Better Marketing Performance.”

## 4 Stages to Better Marketing Performance

At Stage 0, your marketing leadership has no control over results. There are minimal processes, data cannot be organized, and marketing is siloed from the rest of the organization. It’s time to make a change and progress through the “4 Stages to Better Marketing Performance.”

- **STAGE #1: Transitional**
  - Embrace the cloud
  - Standardize how you plan your marketing investments across the organization
- **STAGE #2: Progressive**
  - Win support from the C-Suite
  - Set the goals from the top, build the plan that delivers
  - Keep teams and business units aligned and on track
  - Stay agile – be prepared for unexpected changes
- **STAGE #3: Proactive**
  - Execute effective marketing campaigns that are driving revenue
  - Make decisions driven by data
  - Know what success looks like
- **STAGE #4: Optimized**
  - Build an official marketing system of record that connects you to the enterprise
  - Turn your marketing plan into a powerful strategic advantage
  - Gain insights and intelligence that secure your seat at the executive table



## STAGE ONE: TRANSITIONAL

A lack of departmental processes, unwieldy data and organizational silos can plague the most well-meaning of marketing departments. Start the road to better performance by standardizing how you plan your marketing spend.

### Say Goodbye to Spreadsheets

Did you know that 80 percent of spreadsheets contain errors? Simply put, budget spreadsheets can be a nightmare. Worse still, they involve time-consuming manual processes and make team collaboration virtually impossible.

How much time does your team invest in the following administrative budgeting tasks?

- Designing templates to suit all levels of the organization
- Building scenarios to suit unpredictable budget allocations
- Compiling independent plans into one master plan
- Updating budgets with forecasts and actuals
- Pulling data and results from multiple marketing sources
- Conducting analysis

Taking your budget out of Excel and into a cloud solution means you can save 20 percent to 40 percent of your time, enable team collaboration, customize permission controls, handle multiple currencies and produce flexible reports to track your marketing performance.



VIDEO

“Running Marketing Versus Doing Marketing”

### Move to an Internal System of Record for Marketing

Investing in an internal system of record is a formalized approach for driving efficiency and accountability. Finance has ERP, sales has CRM, and now it's marketing's turn. Cloud-based spreadsheets may be a good short-term solution, but investing in a sophisticated internal system of record for marketing can transform your department into a revenue driver.

Driving change internally in an organization can be challenging. You'll likely get buy-in if you position a new marketing system of record as a “better way to run marketing” rather than a direct replacement for spreadsheet budgeting and planning systems.

Follow these tips to help you implement change:

- Explain that a marketing internal system of record runs marketing and doesn't replace marketing automation tools that do marketing
- Be up front that driving efficiency and visibility first requires standardization
- Reassure that a system of record is configurable to meet unique budgeting, planning and performance needs
- Drive a culture of accountability that promotes team efficiency and revenue growth



## STAGE TWO: PROGRESSIVE

With a marketing system of record serving as a solid foundation, you're well-positioned to transition to smarter budgeting and planning, but you'll have to work strategically. Here's how.

### Win C-Suite Support

Executive buy-in to your marketing budget and plan is one of the most important factors in your marketing success. The C-suite sets the corporate objectives and controls the budget allocations. Without leadership support, your marketing team will be disconnected from the corporate vision, unfocussed in your marketing efforts and likely fall short on revenue targets.

The CMO's task is to engage the rest of the C-suite early in the planning process. Review the corporate objectives and communicate how marketing will contribute to the top line. Earn their support early and you'll benefit from it throughout the year.

Embrace these key tactics to help win C-Suite support:

- Collaborate with the chief revenue officer on setting targets
- Work with the chief financial officer on process and accountability
- Help the chief executive officer articulate and evangelize corporate objectives, and demonstrate how marketing will align (see p. 5)

### Create a Budget Structure

A clear and consistent budget structure improves your team's budgeting workflow, saving time and effort for your budget holders and providing real-time visibility into marketing investments.

Advantages of this approach include:

- Corporate visibility into marketing budgeting from a macro and micro level
- A simplified and standard template for global marketing teams
- A workflow structure that makes sense for your business
- A scalable budget that can easily evolve as your business grows

If you're in a position to choose how you'd like to structure your budget, it's wise to mirror the structure of your marketing organization. Common approaches include structuring by region (keeps currency issues to a minimum), product line or company division (a choice of many B2C companies), or function (e.g., events, demand generation or public relations).

### Align to Corporate Objectives

Syncing your marketing objectives to the corporate vision not only helps you demonstrate how you're contributing to the business, it also increases your chances of receiving a larger budget. Field marketers can then focus on initiatives that will have the right kind of impact, and CMOs can show how their plan is in line with the big picture.

Here are five key steps to strategic alignment to keep in mind:

- Understand the high-level vision of your organization
- Define the marketing objectives that will help drive toward that vision
- Get buy-in from the C-level stakeholders
- Map every marketing activity to the objectives
- Hold your team accountable to those objectives

The last step is critical. It's one thing to communicate what the objectives are, and an entirely different thing to make sure the marketing team is paying attention.

### Plan According to Scenarios

Scenario planning is critical to help you remain flexible depending on your budget allocation, and it doesn't require a lot of resources or expertise. Rather, it's an incremental addition to what you're already doing in building out a basic functional plan that meets budget allocations. All you need to understand are the numbers.

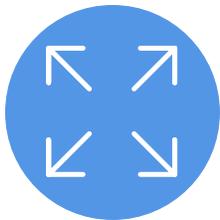
Create scenarios for 10 percent, 15 percent and 20 percent more budget. Also, be prepared for a budget decrease – know what initiatives make the cut and which ones don't. Alternate plans are all about helping you be prepared so you can “hit the ground running” if your budget changes either way.

Your scenarios should answer the following questions:

- What activities will I implement if I get more budget mid-year?
- What will I cut if my budget decreases mid-year?
- Will I have the time and resources to spend the money?

Ultimately, scenario planning gives the CMO, the marketing team and stakeholders confidence that your marketing team can handle budget increases or decreases seamlessly.





# STAGE THREE: PROACTIVE

In this stage, you'll be moving further toward becoming a results-driven organization that ties all actions back to specific objectives. You'll also begin shifting to future-thinking insights and actions, using technology and data to further inform decisions. Let's look at a few key tips for doing so.

## Focus on Revenue Impact

Driving revenue is typically the most important goal behind every marketing plan. Accountability doesn't stop at the CMO office; each marketer must demonstrate his or her contribution to the top line.

Analyzing the revenue impact of your marketing plan can be a complicated process — especially when you take into consideration time of measurement, multiple touch points with the customer, number of influencers on the buying process, and external climate factors beyond your control.

The following six stages will help you curate a marketing plan that achieves your revenue goal.

1. Identify your sales cycle stages
2. Assign conversion rates between stages
3. Set default deal sizes or deal size by activity
4. Assign a goal to each tactic or collection of tactics
5. Review your estimate revenue impact
6. Adjust your goals or activities to meet your target revenue

Field marketers need to focus on implementing results-orientated initiatives that generate quality leads that ultimately have an impact on revenue. Elite marketers assess each opportunity with a "revenue lens" and are focused on making every dollar count.

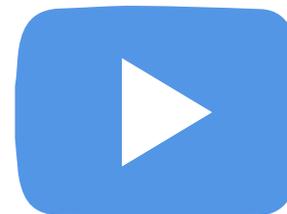
## Get Real-Time Visibility into the "I" in ROI

When we speak about marketing performance, we're often talking about taking a deep dive into the "I" in ROI. It's about analyzing the financial investments put into your marketing programs and measuring the impact they have on corporate objectives. It sounds simple enough, but it's no small task.

Top marketers succeed in making the right decisions by relying on timely and intelligent insights, a.k.a. marketing performance management. Here are some quick tips on where to get started, broken down by role:

- **CMO:** have a clear understanding what revenue marketing is responsible for driving
- **Marketing Operations:** gather funnel metrics data (funnel stages, velocities and average deal sizes), set funnel metrics assumptions and get buy-in on them
- **Field Marketers:** Set realistic output targets as part of your planning process

Improving your marketing performance begins with total visibility into your investments.



VIDEO

**"Understanding Tactical and Strategic ROI"**

## Set Benchmarks and Measure Your Success

Elite marketers use benchmarking to guide their marketing plans and assess whether they are in line with similar organizations. Do they have enough budget? Is it allocated to the right tactics? Where are their peers and competitors focusing their marketing spend?

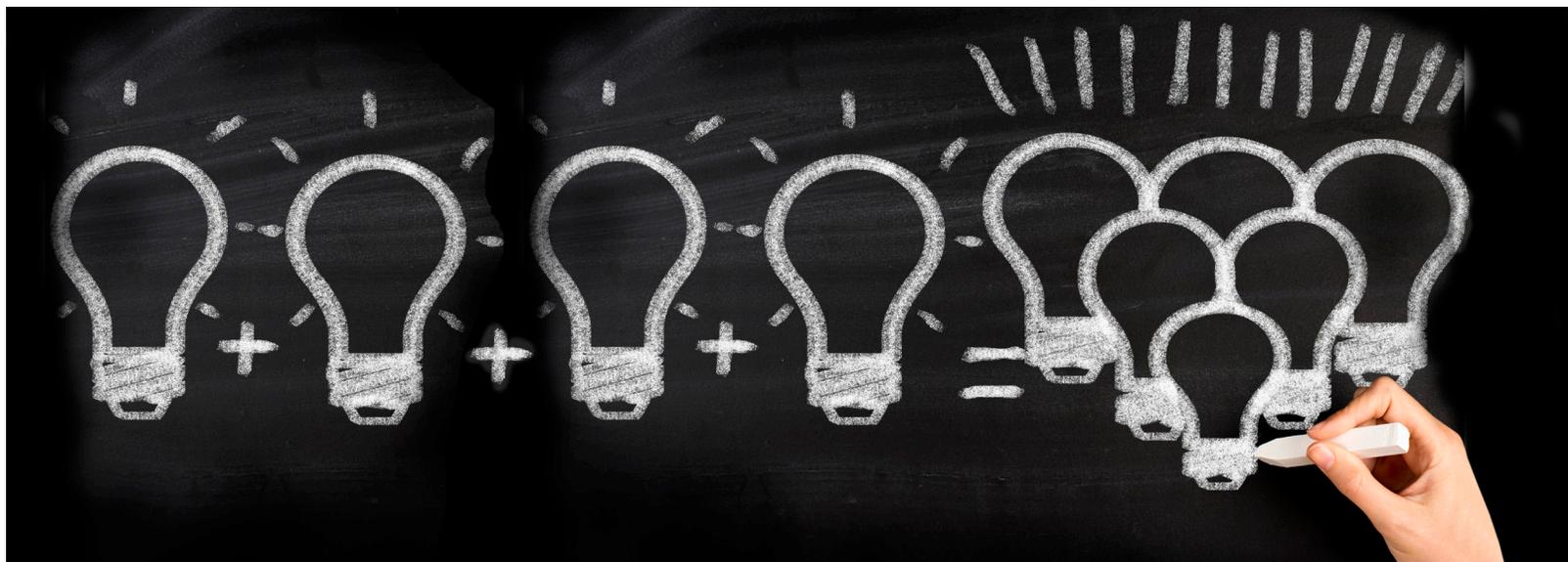
Benchmarking is a sophisticated practice that deserves a more in-depth discussion. However, at this level, the first step toward benchmarking is determining the most relevant benchmarks to use and to gather data to support your comparison study.

Benchmarking commonly focuses around marketing spend, head count, and key marketing conversion rate and deal velocity data, but it's important to choose the right metrics for your company.

Consider the following benchmarks;

- Marketing Operations Ratios
- Program Dollar Allocation
- Staffing Distribution
- Centralization Ratios
- Funnel Conversion Rates
- Funnel Velocity Rates
- Marketing Influenced and Sourced Pipeline Percentages

Benchmarking can be a large undertaking, so it's important that you set off on the right foot. Be clear on your objectives for benchmarking and get buy-in from leadership for the entire process, including actionable plans following the study to drive forward your marketing performance.





## STAGE FOUR: OPTIMIZED

Moving to the “optimized” stage will help make marketing one of the most respected departments in your company. At this stage, technology, data and processes are working in harmony to provide intelligent insights and prescriptive analytics to guide you on the best marketing actions to take.

### Engage with other core business and marketing systems

With business data housed in so many disparate systems, marketing teams often struggle to link actual spend with results. Connecting your marketing data to business and marketing resource systems provides complete transparency on results and efficiency on reporting.

Here are a few ideas to help you drive better technology and process integration and take your marketing performance to an elite level:

- Connect to your CRM system for leads and pipeline intelligence

- Connect to your ERP system for investment actuals to get total visibility into your organization’s marketing performance
- Tag your budget line items with campaigns from your digital marketing platform to calculate cost-per-campaign and keep a watch on plan-vs-actual spend
- Feed budget data into a buyer journey tool, such as IBM Journey Designer, to visualize budgeting and planning data in the context of the customer journey

Progressing through the four stages to better marketing performance is a great way to turning your marketing plan into a real revenue driver. When you’re running marketing in tandem with doing marketing, you have complete control over making your marketing investments power your marketing performance.

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### Additional Resources

To make real impact on your organization’s marketing performance, you need to know where you’re starting from. As you begin progressing through the stages outlined in this white paper, we recommend you assess how mature your organization’s approach is to marketing performance. Complete the “[Marketing Performance Maturity Assessment](#)” and receive a personalized report.

For more details on each of the four stages in the path to better marketing performance, read “[The Essential Framework for Optimizing Marketing Performance](#).”

# IBM Marketing Cloud



### About IBM Marketing Cloud

IBM Marketing Cloud powers the delivery of exceptional experiences for customers across the buyer journey by leveraging key data, providing analytical insights and automating relevant cross-channel interactions. IBM Marketing Solutions, IBM Marketing Cloud makes it design meaningful customer experiences across applications, devices and time, accelerating today's results and tomorrow's ambitions. Budget and Expense Planning powered by Allocadia is part of the IBM Marketing Cloud.

### About Allocadia

Allocadia radically transforms how marketers do business. As leaders in Marketing Performance Management (MPM), Allocadia gives CMOs unprecedented visibility into their investments and returns to help them make strategic decisions and turn their marketing organizations into revenue drivers. Allocadia gives modern marketers a new way to plan, manage and analyze marketing performance without painful spreadsheets. And because it is connected to existing marketing, CRM, and finance systems, Allocadia delivers a single system of record for marketing teams.



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