Marketing Operations 2.0:
Realizing the Vision of the Social Web
From the Inside Out

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Introduction

The new marketing paradigm, once referred to as Web 2.0 and now commonly known as Social Media, Inbound Marketing, the Social Web or Marketing 2.0*, has captured our imaginations, changing forever how buyers and sellers meet and engage with one another.

LinkedIn. Facebook. Twitter. You Tube. Focus. Quora. Amazon. eBay.

The dividing line between our work world and our personal lives has blurred. The Social Web has evolved into a marketing channel we can't ignore. From expert advice and thought leadership to group management and social commerce, marketing has changed forever.

Go-to-Meeting. Box.Net, SlideShare. Wordpress. Huddle. Google Docs. Google Knol. Webex Meet. FreeConference.com, Salesforce.com.

Powerful collaboration and communication platforms are now available to the masses, often for free, at worst at a subscription less than $100 per month. The playing field has leveled – new market entrants and small companies have fewer barriers to entry from a marketing standpoint. They can compete effectively with the big boys.

Spawning from these new online communities and collaboration platforms, new visions of stakeholder engagement, collaboration and commerce have emerged: Inbound Marketing, The Social Web, Sales 2.0, Customer 2.0.

If every company is on more equal footing now, independent of spending power, how can your organization stand out from the crowd?

Those organizations that will rise above the fray have fully embraced these new models of engagement. These companies have realized that they are much more likely to achieve their potential by investing in a driving force from within the organization – one that delivers the same type of systems approach and collaborative framework internally that the Social Web provides externally.

- The term "the Social Web" will be used as a synonym for the terms Web 2.0, Social Media and The Social Web throughout this e-book.

Marketing Operations 2.0 (MO 2.0) is that MObilizing force.

The emerging discipline of Marketing Operations 2.0 is integral to helping enterprises manage this transition from the old to the new. As focus intensifies on organizational transparency and accountability, a key role of MO 2.0 is to help enterprises stay in integrity by ensuring that their deeds match their promises.

Where once marketing was valued for its creativity and ability to put a compelling spin on company activities, MO 2.0 integrates operational muscle, measurement rigor and holistic, cross-functional alignment behind the marketing strategy and associated tactics.

Marketing Operations is a must have for any organization that is truly serious about being more than a commodity, that is motivated to rise above the commotion to stand out as a leader in its market space, that with success and growth has reached a level of complexity that it can't afford to waste its marketing investment by trying to outspend or outshout the competition. An organization that needs to mobilize itself from the inside out to deliver truly compelling value to its key stakeholders, whether they are:

- Customers who entrust their livelihoods in your enterprise's ability to help them turn business challenges into successful outcomes
- Prospects wanting to learn about and potentially buy your products and services
- Investors seeking to build financial equity and strong return from their investments
- Employees looking for career growth and job satisfaction, or
- Some other constituent that impacts or is impacted by the decisions and actions of your organization

Analysis

MO 2.0: Realizing the Vision of The Social Web from the Inside Out

Sure it's a compelling vision, but The Social Web – can only fully realize its vast potential if it is supported by a driving force from within the organization . . .

. . . one that delivers the same type of systems approach and collaborative framework that Web 2.0 provides externally.

Marketing Operations 2.0 is that driving force.

The Internet is a great equalizer in leveling the playing field for buyers and sellers.

Today, customers have more power than ever and, together with investors, are holding enterprises to new levels of accountability to deliver on the representations they make to the market and the public.

As a result, transparency and trust are intricately intertwined now more than ever. The Social Web amplifies and reinforces this shift from selling to naive prospects to building trusted relationships with savvy customers.

While products were once key business differentiators, a slippage in brand loyalty indicates that few companies today can build a sustainable business strategy on technology differentiation alone.

The experience a customer has while interacting with a company through each phase of the business relationship is now paramount.

Managing customer experience, especially on the Internet, is a tenuous endeavor. The Social Web may create some uplift in two-way communication, but it also contributes to increased liability exposure.

Anyone - even a company's own disgruntled employees – can use blogs, wikis, forums and other vehicles to circulate information on the Web that can substantially help or hinder an enterprise's credibility.

This is why the emerging discipline of Marketing Operations is so important in helping enterprises manage this transition. MO 2.0 helps enterprises stay in integrity by ensuring that their deeds match their promises. It puts operational muscle and holistic, cross-functional alignment behind the strategy.

Here's another way to look at MO 2.0. Whereas the Social Web provides the state-of-the-art external transportation system (think Information Super Highway 2.0), MO 2.0 provides the internal transportation system and supporting infrastructure. This includes:

- The entire vehicle – including the engine and other subsystems
- The highways, roadways and bridges
- The traffic controls and signals
- The roadmaps and navigation resources
- The rules of the road
- Driver's education and training
- Mechanics equipped with testing, calibration and alignment tools to optimize the vehicle's performance

Not surprisingly, savvy executives are embracing MO 2.0 because they see how it can help them (the navigators) and their program managers (the drivers) to plot the optimal course to reach their destinations in the new world of the Social Web.

The evolving discipline of MO 2.0 also addresses the customer relationship continuum end-to-end:

- From first touch through outbound marketing to
- Nurturing prospects through the buying cycle
- From building customer affinity through voice of the customer and loyalty programs
- To leveraging that commitment to engage the most passionate customers in the innovation, sales and marketing process

Defining Marketing Operations 2.0

As a relatively new discipline, it's important to have a common understanding of what we mean in describing Marketing Operations. I define MO 2.0 as follows:

- A comprehensive, end-to-end operational discipline that
- Leverages processes, technology, guidance and metrics to
- Run the Marketing function as a

    - Profit/value center,
    - Growth driver,
    - Change catalyst, and
    - Fully-accountable business.

MO 2.0 reinforces Marketing strategy and execution with a *scalable and sustainable enabling infrastructure.*

In addition, MO 2.0 seeks to nurture a *collaborative, well-aligned ecosystem,* both within and outside the Marketing department, to drive *achievement of enterprise strategic objectives*.

Note that the bold, italicized phrases are intended to describe the key characteristics of Marketing Operations 2.0.

What's possible if your organization takes a more serious and disciplined approach to Marketing Operations?

You'll establish a strategic foundation for Marketing excellence (effectiveness, transformation, pick your adjective). Your Marketing Operations will evolve from an Operational Discipline addressing primarily Efficiency and Accountability (critical but fundamental) to also a:

- Best practice enabler driving Consistency and Sustainability (of messages, programs, brands, resources, investment, etc.)
- Holistic framework that catalyzes alignment within Marketing and cross-functionally and integration of disparate systems, cultures, expertise, etc.)

Later we'll explore a Best Practice Framework for MO 2.0 (below) that brings the successful application of this definition to life.
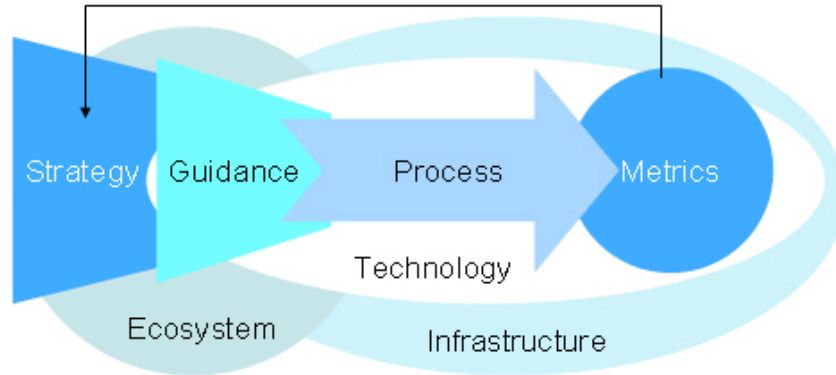
The Impact of Marketing Operations 2.0 in Organizations

Though still in its relative infancy, MO 2.0 has made its mark on the corporate world. For example, MO 2.0 is spawning:

- A new breed of professionals whose sole purpose is to improve efficiency and effectiveness of their enterprises' marketing departments
- The injection of left-brain thinking into the typically right-brained-heavy Marketing function
- A budding marriage between Marketing and IT, as well as other interdependent stakeholders
- A predisposition toward deploying Marketing automation solutions to address such challenges as optimizing scarce resources, capturing ROI insight and sharing knowledge

Organizations that embrace MO 2.0 are being viewed throughout the enterprise as profit (not cost) centers and fully accountable businesses.

Marketing executives with the foresight to build a Marketing Operations function in their organizations are blessed with an operational partner, similar to the COO/CEO relationship. MO 2.0 leaders are increasingly being viewed as the CMO's Chief of Staff.

MO 2.0 provides directors and managers with an invaluable resource to help them get the most out of their Marketing programs, make course corrections and learn from their experience.

Even the most inexperienced professionals gain by being part of a learning-oriented environment where they develop fundamental skills to operate effectively, stay accountable, and benefit from Marketing Operations-driven improvement programs, such as new competency development.

MO 2.0 is all about a new MO for Marketing. In fact, it's fair to say that the abbreviation for Marketing Operations (MO) is an apt descriptor of its potential impact in organizations. MO 2.0 is poised to literally change the modus operandi (MO) of Marketing.

And a new MO for Marketing in organizations is great news for marketers. Marketing professionals won't be such an easy target come budget cut time. The average CMO tenure won't continue to drop to embarrassing levels (less than 23 months at last count). Employees won't be so motivated to jump ship, taking their valuable, but siloed, institutional knowledge with them.

The Forces Behind the Emergence of Marketing Operations 2.0

In addition to the pervasiveness of The Social Web in our world today, many forces have led to the growth of the MO profession. In her article, "Beyond the 4Ps: The 5Ts of Marketing Operations", [Adrian Carol Ott](#) describes the unparalleled challenges and opportunities CMOs of global companies face, all of which can be viewed as Marketing Operations challenges. These include:

- **Marketing Accountability**: It is no secret that CEOs are demanding greater ROI on their marketing investments. Consequently many CMOs are driving initiatives to make the marketing function more accountable and measurable.

- **Globalization**: Serving global markets necessitates that marketing coordinate campaigns across continents to leverage cost and synchronize messaging, however campaigns must also meet local needs and norms.

- **Complex Consumer Expectations:** Consumers have become increasingly vigilant about SPAM, junk mail and privacy concerns. Regulatory compliance with each country and state is a mandate.

- **Mergers and Acquisition (M&A) Integration:** Frequent M&A places constant demands to rapidly integrate messaging, web, and collateral of newly acquired companies into the corporate brand. Inadequate marketing budgets frequently associated with acquisitions place additional stress on existing budget priorities.

- **New Marketing Technology:** The advent of new Internet technology has enabled unprecedented interactive dialogs with customers. This presents a huge opportunity for forward-thinking companies to target and reach customers in personalized ways. However, new technologies must be implemented and integrated across the world with regional marketing teams that execute campaigns locally.

- **Stakeholder Agreement**: Coordination with regional marketing groups, product business units and sales constitutes a major task. Processes are needed to prioritize and support new product introductions and demand generation within marketing budget constraints. Terms, such as "What constitutes a qualified lead?" need to be standardized worldwide. Otherwise, roll-up, visibility, and accountability via actionable CMO and campaign dashboards become nearly impossible.

In his most recent book, ["The Profit Maximization Paradox: Cracking the Marketing/Sales Alignment Code,"](#) Glen Petersen describes in detail the macro changes that have dramatically altered the relationship between buyer and seller and thus reinforce the need for MO:

- Customers now initiate the exchange process, establish the rules of engagement, define the information they need, the channels used, and offerings they are interested in
- Power has shifted from the manufacturer to the retailer to the consumer.
- Brands are looking more alike, encouraging a decrease in loyalty
- Innovation will require changing the firm's business model, implying adopting new networks for working with other companies and close coordination across functions within the firm
- Marketing can no longer depend on mass advertising and must effectively manage the new sources of influence in the market
- Likewise, competitive pressures will increase product and service delivery across increasingly narrow market segments
- Firms must learn to deal with ever changing distribution channels and marketers must learn to communicate clear messages in an environment that has excessive background noise
- New approaches to forecasting and market research are required to deal with this fast paced environment

MO 2.0: Absolution from "The Seven Deadly Marketing Sins"

Busy marketing groups can be so focused on tactics and fire fighting that they jeopardize their marketing investment. The tendency to overreact to events, tackle symptoms rather than underlying fundamental problems and jump at the opportunity to please the boss can prove fatal. Crippled marketing efforts can leave promising companies in the dust, or at least handicapped at the starting gate.

While MO 2.0 is uniquely suited to tackle marketing's most challenging problems in Fortune 500 companies, one doesn't have to be a GE, Cisco or Bank of America to benefit. Here are the seven deadliest marketing sins that plague companies of all sizes and how MO 2.0 addresses them:

Sin #1: Ill-defined metrics for success

Today's marketing departments must justify their existence. The need to measure results is inevitable. However, the instincts and skills that make a corporate marketing professional great—a bias toward action, verbal and written acuity and a talent for relationship-building—often don't translate into an ability or willingness to scientifically and objectively evaluate success.

Broken systems and the unwillingness of the organization to pay for marketing measurement also conspire against the effort to define meaningful success metrics.

Solution: MO 2.0 ensures that the right processes are in place to establish meaningful metrics at the front-end of marketing process, enabling success measurement processes at key intervals and as each program concludes.

Sin #2: Slammed resources

The prevailing attitude of "doing more with less" can leave key people discouraged and overwhelmed, near burnout – and, eventually, circulating their resumes. The consequences for organizations are costly mistakes, high turnover, collapsed programs when key people leave, and missed opportunities to leverage important, but ownerless, programs.

Solution: MO 2.0 addresses resource limitations by ensuring workload is effectively allocated, roles are clearly defined, interdependencies are understood, team members feel satisfied with their jobs, and valued-added programs and associated resources—whether through additional headcount or outsourcing—can be justified to executive management.

Sin #3: Leaky institutional memory

Successful marketing programs depend on accurate information, a historical view into past successes and failures, and the ability to recognize patterns that link seemingly unrelated data points.

Unfortunately, in many marketing organizations with poor knowledge management systems and processes, this crucial knowledge is scattered all over the company. It's in the heads of individual workers, on shelves, on people's hard drives and in long-forgotten filing systems.

Often, when people leave, a big piece of organizational knowledge goes with them. Information loss is a huge productivity killer for marketing teams. Trying to regain this lost insight wastes previous marketing investments.

Solution: MO 2.0 – through technologies such as DAM (Digital Asset Management), Brand Asset Management (BAM), Marketing portals and a variety of other solutions – facilitates knowledge sharing, creates an enduring repository of information, perpetuates best practices, and encourages decision-making based on fact, rather than hunches or gut feelings.

Sin #4: Constipated innovation and creativity

Innovation is the lifeblood of an organization.

Yet too often Marketing has relegated this critical responsibility to an engineering or R & D group, who tend to be very good at building products and solutions that are fun and cool to them, but may not be what the market really demands.

Marketing needs to be intimately engaged to ensure that the voice of the customer (current and future) is heard and acted upon.

Further, breakthrough innovation comes from non-linear thinking, an approach that is more likely to be emphasized by creative (marketing) than scientific (engineering) thinkers. The best innovation processes balance the linear with the non-linear.

Marketing is also counted on for its creativity in bringing well-differentiated products and solutions to market in compelling ways.

However, the best creative solutions come from the collaboration of many brains.

A consequence of the age of the "individual-contributor/director" is constipated creativity. When the entire creative burden falls mostly on one corporate marketer, the ability to think out of the box can be severely impacted.

Creative synergy results from many minds thinking as one.

Solution: MO 2.0 encourages a balanced linear and non-linear innovation processes and enables the creative process to benefit from the synergy of team.

Sin #5: Poorly-aligned team, cross-functional and supplier relationships

Team collaboration is a real challenge in dynamic – and even stagnant, mature – organizations typically modeled on competition, power and control structures.

Over-reliance on legacy systems and tools also perpetuates this problem. At Marketing Operations conference not that long ago, one company MO director proudly shared how it was using Excel spreadsheets to capture knowledge that required more than 100 columns in width.

This may be an effective tracking process for an Excel guru, but it is certainly not scalable and does not support team decision-making processes.

Problematic supplier relationships are also an indicator of trouble. Most successful companies can point to numerous strong, long-term marketing supplier relationships they consider to be integral to their success.

Likewise, a pattern of failed supplier relationships is often an indicator of marketing department failure, rather than poor vendor performance. Unfortunately, companies that have had consistently bad relationships with outside vendors and suppliers often react by bringing everything in house.

While this strategy may provides the illusion of control, it allows marketing managers to deflect the blame for failures, rather than teaching them how to manage their outsourcing program by taking responsibility for the results. In addition, this "band-aid" strategy won't scale with the organization as it grows.

Solution: MO 2.0 helps set realistic expectations and mutual accountability between suppliers and the organization, increasing the effectiveness of outsource partners by empowering them to act as an extension of the internal team.

Sin #6: Tough-to-justify decision-making

Budgets are never set in stone. Often, it's a "use it or lose it" situation. For some managers, it's "misuse it and lose it anyway."

Unfortunately, many corporate marketing departments end up leaving program budget on the table or allocating it to the wrong initiatives. This "Catch 22-marketing budget dilemma" occurs because . . .

- It's very time consuming to manage the budget effectively, especially in companies with broken financial systems
- Each marketing spend-decision creates more work for the one-person or small-team marketing department in terms of project management, measurement, supplier management, etc.
- Doubt persists about the ability to successfully justify the expenditure to management
- Focus is instinctively on high-visibility marketing activities and C-level executive requests over good fiscal management
- Most marketing types are inclined toward creativity rather than finance

Poor budgeting processes and kludged financial/marketing systems also contribute to perpetuating this sin.

Solution: MO 2.0 facilitates implementing the system-support infrastructure and financial-management discipline needed to protect valuable marketing budgets.

Sin #7: Disappointing marketing portfolio impact

Many companies align their fate with the success of too few marketing programs – whether it's lead generation, public relations, trade shows or advertising.

Over-reliance on any one particular program can derail a company, especially if a key program unexpectedly loses momentum.

In the meantime, programs that could have had strong leverage never get a chance to prove their mettle and are forever relegated to the "B" list. Classic examples include customer references, lead nurturing, social media, analyst research/consulting subscription ROI management and, not surprisingly, Marketing Operations.

In addition, poor intelligence about program ROI also creates a challenge in sustaining the right marketing mix.

Solution: MO 2.0 puts the means in place to launch potentially high-value marketing programs that would otherwise never get out of the starting gate.

MO 2.0 in Action: How MO 2.0 Changes Marketing's MO

MO 2.0 can help transform the Marketing function from a service organization (think marcom shop or tactical vehicle) to a vital strategic partner to the CEO and the rest of the executive team.

In this next section, I'll discuss how MO adds operational discipline and, as a result, strategic value in the following areas:

- Convert Insight into Value
- Accelerate the Sales Process
- Scale the Marketing Organization for Growth
- Deliver the Enterprise Strategic Agenda
- Maximize Customer Profitability
- Demonstrate Measurable Return on Marketing

Convert Insight Into Value

Many companies are guilty of under-investing in their marketing intelligence.

Even those organizations that invest heavily may lack confidence in the integrity of the data or data source.

Knowledge gaps are prevalent, as insight tends to stay in the field.

Disagreement over how to interpret a "fact" is the norm.

Often, because executives don't hold one another accountable to explain the assumptions underlying their thinking processes, the modus operandi is "gut feel" and seat-of-the pants decision-making.

Power and authority tends to rule the day, not necessarily the best business case.

MO uses tools such as gap analysis, win-loss analysis, SWOT analysis, competitive and industry benchmarking, surveys and customer advisory boards to:

- Document key lessons,
- Anticipate market/customer shifts,
- Benchmark against best practices,
- Better understand where customers are in the buying cycle, and
- Create innovative, customer-driven products and services.

We need to be more than a data aggregator. We need to be a key center of business intelligence for our enterprises – an integral resource to empower them to make the best decisions possible, to become learning organizations.

Following are some examples of how MO 2.0 can help marketing organizations convert insight into value:

Learn from Wins & Losses – It's tough enough for individuals to learn from experience. The challenge grow exponentially when enterprise teams – some cooperative, some adversarial – are forced to make mutual sense of successes and failures, and use this insight to make future decisions.

A valuable tool in MO 2.0 is win-loss analysis, a forensic method that aims to confirm (or debunk) current marketing and sales assumptions.

Some of the areas win-loss analysis addresses include identifying and tracking subtle changes in customer buying behavior, anticipating market and economic shifts, evaluating relative performance of sales team members, documenting selling behaviors and learning from top performers.

Anticipate Market/Customer Shifts – Enterprises that keep close to the pulse of their customers and prospects have an obvious competitive advantage.

Win-loss analysis, described above, is an excellent early warning indicator of product obsolescence, market maturity and economic shifts.

However, without insight from ongoing voice-of-the-customer programs, such as customer advisory boards, win-loss analysis is a hammer without a nail.

Customer advisory boards are a powerful MO 2.0 vehicle in which a group of senior-level executives from strategic customers are hand-picked to participate (over a 12-18 month timeframe) with the company's executive team to provide honest and direct insight and feedback on industry trends, business drivers, customer issues and market opportunities.

Benchmark Against Industry Norms – According to the EMM Group, Marketing is believed to be the least-benchmarked of all corporate functions.

This lack of benchmarking affects Marketing's status and influence in the enterprise. Benchmarking enables better ability to measure the building and sustaining of market-based assets, such as brands, channel relationships and customer bases. It reduces competitive vulnerability by benchmarking against current best practices. It also builds and protects shareholder value.

By taking on the benchmarking responsibility, MO 2.0 performs a critical gap analysis discipline, which leads to a roadmap for improvement and a solid business case to undertake necessary change initiatives.

Delivering the Enterprise Strategic Agenda

Marketing has a significant opportunity to play a more influential role at the enterprise strategy table. In order to do so, we need to align our priorities with the enterprise strategic agenda.

Through methodologies such as messaging alignment, building shared purpose and vision, and marketing governance aimed at helping the organization "live the brand," we can play a vital role in linking strategy to execution.

Perhaps most importantly, through education and socialization to achieve buy-in for new Marketing initiatives, we can catalyze change both in- and outside Marketing to overcome employee ambivalence, confusion, resistance and passive-aggressive behavior that can be unintentionally or consciously transferred to customers, partners, press, analysts and other target audiences.

In short, MO can raise the stature of Marketing from a perceived cost center and a resource drain to a valued strategic partner.

Following are some examples of how MO 2.0 can have impact in delivering the enterprise strategic agenda:

Drive Innovation and Messaging Alignment – Many companies suffer because their sales teams cannot articulate product and service value propositions efficiently and "with one clear voice." Often C-Level executives have conflicting perspectives on positioning strategy and the sales model.

Through MO 2.0, Marketing can take the lead in planning business strategies, formulating action plans, and facilitating collaboration to create value and a unified messaging platform for communicating that value.

Develop Visioning as a Tool for Results – Many companies fail to advance their objectives because key fundamentals, such as mission, vision and values, are either poorly defined or articulated, or a CEO or other authority figure imposes them on the team without the opportunity for real buy-in.

MO 2.0 can help build a shared purpose and vision by ensuring there is input from and ownership by the key players who are instrumental in making a vision a reality.

Bring Discipline to Marketing Governance – Mindshare through public relations, marketing communications, social media and other vehicles is an attractive asset that builds reputation, goodwill, buying power, brand equity and market leadership.

For example, Hewlett-Packard has estimated that approximately 40 percent of its value is a result of its brand – more than any other factor, even financials.

Yet many companies either neglect developing mindshare or communicate an image that doesn't resonate when one experiences the company firsthand.

MO 2.0 can enable PR and marcom to not just be buzz generators but actual reflectors of what the company authentically represents, which is critical in this age of corporate transparency. Companies that walk the talk can sustain their mindshare assets over time.

Win Buy-In for a New MO Initiative – As we touched on before, Marketing Operations is a relatively new discipline. It's generally not well-understood by most marketers, let alone colleagues in other departments.   Different companies define it differently.

Bringing MO 2.0 to your organization is literally a change in modus operandi, so deploying it requires education and socialization in order to gain widespread understanding and acceptance. Stakeholders need to understand why it's important, what to expect, what's in it for them, and how they will need to support it to make it successful.

Maximize Customer Profitability

A statistical analysis of Customer Satisfaction data encompassing the findings of over 20,000 customer surveys conducted in 40 countries conducted by InfoQuest found that.

- A totally satisfied customer contributes 2.6 times more revenue to a company as a somewhat satisfied customer.
- A totally satisfied customer contributes 17 times more revenue as a somewhat dissatisfied customer.
- A totally dissatisfied customer decreases revenue at a rate equal to 1.8 times what a totally satisfied customer contributes to a business.

However, keeping customers satisfied is tougher than ever.

Thanks to the level playing field the new Internet provides, customers are becoming more sophisticated than ever.

As a result, it's continually more expensive to entice new customers in the midst of exponential fragmentation of advertising technologies and venues.

Companies that can retain high-value customers have great advantages in cost reduction, market share, price premium and profitability compared to those companies that focus on customer acquisition alone.

Some of the approaches used in MO to optimize customer profitability include:

- Customer Lifetime Value and Customer Franchise Value calculation;
- Capturing Voice of the Customer through advisory boards, user groups, blogs, surveys, complaints and other forums;
- Mobilizing customer-facing resources to meet customer expectations; and
- Refocusing resources to win back at-risk customers.

A key part of our value proposition is linked to how well we contribute towards helping our enterprises to retain its best customers and give them the best customer experience possible.

Following are some examples of how MO 2.0 can have impact in delivering the maximizing customer profitability:

Calculate Customer Lifetime Value: Companies that leverage MO 2.0 are recognizing that you can calculate your customers' lifetime value by identifying your costs to acquire and service different customers, and the cost of your lost customers. 80% of your profits are likely generated by about 20% of your customers, so winning and keeping the best ones is critical to your enterprise's success.

CLV strategies also include business processes to transition more customers to the high-value category and to keep costs and efforts of customer-facing employees in line with the true value of medium-value and low-value customers.

Leverage Customer Decision Drivers: Once you know the value levels of your customer base, you can assess your current methods of capturing a properly weighted Voice of the Customer, or VOC.

Options that can be employed to capture VOC include customer advisory boards, user groups, blogs, surveys, complaints, and other forums that provide your company with a thorough understanding of customers' pain, wherever it may be.

The goal is to obtain a representative 360-degree perspective of customer experience.

Mobilize Resources to Meet Customer Expectations: A thorough understanding of your customers can be proliferated across the entire value-chain within your company, from the processes leading to your customer-facing employees, to the processes that lead to those, and so forth.

As each group within the company becomes aware of their impact on the customer experience, their business processes can be strategically managed to consistently meet expectations and delight customers.

Best practices include analyzing handoffs throughout a company's business processes to identify streamlining opportunities, and tracking in-process warning signals.

It also pays to measure and reward productive behaviors to motivate employees and to establish metrics and management dashboards that predict future customer perceptions and business results.

Create Advocates and Win Back At-Risk Customers: A wide variety of programs can be developed that engage and reward customers, ranging from those who are delighted with their customer experiences to those who are at risk of defecting.

These include appreciation events, reference programs, gifts and rewards, privileges, and customized offerings, among many other strategies.

MO 2.0 builds customer intimacy that's necessary to improve the profitability of both existing and new customers.

Accelerate the Buying Process

Marketing is typically vested with generating sales leads, but often is seen as guilty of providing Sales with unqualified leads. The result, according to Sirius Decisions, is that only 20% of the "leads" from lead generation programs are followed-up by Sales, 70% of which are disqualified. Shockingly, 80% of those "disqualified" leads buy anyway, within 24 months – from the company, or worse, a competitor. This waste is, of course, why lead nurturing technology has grown so much in importance of late.

A key role of MO is to ensure that the campaigns and sales tools Marketing develops are geared toward enabling Sales to help its customers to buy.

We must actively work to align the prospecting, selling and buying processes. We need to take ownership of lead nurturing – proactively identifying and addressing the "low touch" prospects that are not ready to buy today and need to be nurtured through the buying cycle.

Tools such as lead scoring methodologies and automated permission-based lead nurturing systems and processes enable Sales to focus on "high-touch," ready-to-buy qualified leads.

We can also apply this same nurturing strategy to the customer reference challenge. We can build a pipeline of qualified customer references that support both Sales and Marketing requirements and ensure that our customer reference assets are a renewable resource.

By providing this type of value, MO can help the Marketing-Sales brotherhood become a true partnership, rather than an antagonistic relationship.

Following are some examples of how MO 2.0 can have impact in accelerating the sales and buying process.

Customer References – Customer references can be treated just like sales prospects. A pipeline of evangelists can be mined, qualified and matched to appropriate sales and marketing opportunities.

A customer reference system established at ShoreTel in 2004 has evolved from a vehicle for Marketing to feed itself to an invaluable resource for Sales as it enters new markets. In addition, a dozen or so customer advocates who were once overtaxed with reference-related requests now share the load with more than 1000 qualified customer references.

Sales & Marketing Alignment – The brotherhood of Sales and Marketing is often contentious. Finger-pointing at one other is all too common. These two functions are interdependent and must work together to achieve organizational goals.

Through a MO 2.0 approach, Marketing can drive this reconciliation by viewing Sales as a partner and engaging with its "other half" in a true marriage.

Cross-Functional Alignment – High-level organizational initiatives require the input and effort of interdependent functions (such as marketing, sales and product development).

A 2004 study by [Hewitt Associates](#) found that the marketing department is involved in nearly two-thirds of all interdepartmental conflicts within Fortune 500 companies.

This is not surprising when one thinks about the cultural and structural friction points between marketing and sales, marketing and operations, marketing and finance etc.

Further, it must be remembered that in the past, marketing set the strategy and the other functions set their course accordingly. A cavalier attitude can blow up a lot of bridges that marketing needs to rebuild.

Through MO 2.0, Marketing can lead these cross-functional processes to reach a common understanding of goals, agree on roles, generate rules of engagement to ensure efficient, effective operation, and measure and reward desirable collaborative behaviors.

Scale the Marketing Function for Growth

As companies grow, they tend to become increasingly complex, and, correspondingly, inefficient.

This tends to lead to poor resource utilization, siloed thinking, duplication of efforts, ineffective knowledge transfer and a variety of other ills.

MO must tackle this challenge by conducting regular 'health checks" to determine investment leverage areas, uncover inefficiencies and define a prescriptive or "shared vision" (depending on the need) roadmap for change.

It is incumbent on us to take responsibility to manage what seems like "unmanageable complexity," using all the tools at our disposal as appropriate:

- Charter definition,
- Roles and responsibilities clarification
- Rules of engagement,
- Process mapping and design,
- Business cases,
- Best practices documentation,
- Knowledge management,
- Centers of excellence and, of course,
- Marketing automation.

I've listed marketing automation last on purpose.

Most companies lead their Marketing Operations efforts with marketing automation (CRM, campaign management, Marketing Resource Management, dashboards).

The tough lesson learned is that technology is a means, not an end in itself, and that the most successful marketing automation deployments are holistic in nature.

They are specified and built from a comprehensive understanding of the enterprise's knowledge, its cross-functional processes, its culture and its business objectives.

It's our job to ensure that marketing automation investments are embraced and utilized – through executive-level sponsorship, education, socialization and enlisting stakeholder champions and data stewards.

Following are some examples of how MO 2.0 can have impact in scaling the marketing function for growth:

Conduct Marketing Optimization Reviews – Before engaging in new strategic marketing initiative, it is wise to conduct an assessment of the Marketing organization to determine investment leverage areas, uncover inefficiencies and define a prescriptive roadmap for change with tangible deliverables.

The MO function is responsible for this Marketing health check, engaging an independent marketing auditor to conduct the assessment to ensure objectivity.

Once an overall assessment of the Marketing organization has been made and shared with key stakeholders, specific MO initiatives can be launched to lay the groundwork for future success.

The key is to fund early initiatives that can both generate a quick win and provide a lever to kick the MO 2.0 program into high gear.

Deploy Marketing Automation Technology – Technology is a vehicle to execute quicker and a place to present information back for analysis.

Technology alone is certainly not a panacea for all marketing problems.

It can be the fuel to help marketing make decisions. But it cannot replace people or analysis.

"People possess the world knowledge necessary to interpret deep customer insight, develop strategies, manage exceptions and make decisions," said Beth Weesner, founder of [Marketing Transformation Services](#).

Assume Performance Leadership – Once the fundamentals are in place, an organization can successfully tackle more complex yet highly critical MO initiatives, such as mapping key marketing processes, codifying best practices and defining key selection criteria for investments in Marketing Automation.

Many pioneers in deploying Marketing Operations Management and Marketing Resource Management solutions learned the hard way that they needed to understand and document their marketing processes and achieve understanding and buy-in from stakeholders before they could profitably move forward with these technology initiatives.

Catalyze Change in the Marketing Department –People are often lost in the shuffle when new Marketing initiatives are rolled out, thus the role of MO 2.0 as a catalyst and support system to help people embrace change is vital.

Employee ambivalence, confusion, resistance and passive-aggressive behavior are unintentionally or consciously transferred to customers, partners, press, analysts and other target audiences. Thus, training, socialization and winning buy-in are integral to generating committed action.

My company believes so much in education and training – especially in a young discipline like Marketing Operations – that we have put it at the center of how we engage with our customers and prospects.

Check out our [online, on-demand course on Marketing Operations as an example.](#)

Creating effective change is probably one of the most difficult challenges in management.

Glen Petersen shares a story about a manufacturing company that was in deep trouble and discovered that many of the difficulties were self-inflicted. After months of hard work and analysis, the functions inside this firm agreed on a new way to run the business. As a kick-off the leader of the change initiative gathered all of the managers and had them write the new behaviors that were required to achieve success on one piece of paper and the disruptive and counter productive behaviors on a second piece of paper. Having completed this action, all of the managers committed to the new set; afterwards, the managers ceremonially burned the list with the negative behaviors. Marketing input and leadership are desperately needed within most firms but they must burn the tower and the drawbridge if they wish to wear a mantle of leadership.

Demonstrate Measurable Return on Marketing

Most executives view the ability to demonstrate Marketing's value, the return on Marketing, as the Holy Grail for MO.

Over the past decade in particular, company executives have demanded, with growing intensity, clarity in the return on investment related to marketing expenditure.

In many companies, this has put Marketing in a defensive position to:

- Prove its value to the organization,
- Quantitatively select marketing projects with the highest expected return, and
- Justify the necessity of funding its marketing strategies and staffing levels through compelling business cases – often with a short-term orientation.

Issues complicating this challenge are the perception of marketing as a cost center, poor visibility of quantitative marketing results, difficulty in defining meaningful marketing metrics, and a lack of infrastructure for tracking investments as well as their financial returns.

Separate research studies conducted The CMO Council, VisionEdge Marketing and Marketing Operations Partners indicate that marketers view measuring marketing ROI and demonstrating results as their top MO challenge.

While progress has been made in the past several years, the VisionEdge Marketing 2008 Marketing Performance Management and Measurement (MPM) study identified several disconnects that are impeding success:

Disconnect #1: Marketing plans are still not aligned with business goals. While Marketing expectations are finally becoming aligned with business goals, Marketing plans are not. Whereas marketers indicate they understand what is expected of them, they are not quite putting those expectations into practice. This is one of the sources of the gap between expectations and action that continues to impede marketers' ability to demonstrate their value to business.

Disconnect #2: Metrics don't match expectations. Marketing understands that it is expected to track and measure indicators tied to increased profitability, yet the metrics being used by Marketing do not reflect this expectation. Related to, but separate from, the misalignment of Marketing plans and business goals, this is the second source of the gap between expectations and results.

Disconnect #3: Intentions and Investments are out of sync. Respondents list as their greatest challenges to improving Marketing performance a lack of internal processes or coordination to do so (33%) and a lack of data or tools to acquire the necessary data (29%). Even though respondents realize they need to make these changes, they are not making the investment necessary in order to do so: Only a third (36%) have budget set aside to train their personnel in how to track and improve marketing performance.

Disconnect #4: Best Practices still elude most marketers. An overwhelming majority (85%) asserts that it is important to stay abreast of MPM best practices, yet most do not do any best practice benchmarking. Too many (39%) fail to audit and benchmark their metrics regularly and fewer than half plan (44%) plan to do so this year.

When I wrote this primer, VisionEdge had published updated to this study twice 2008, but survey results aren't dramatically different.

MO 2.0 is vested with overcoming these challenges through strategies such as:

- Metrics definition;
- Linking CEO-level goals and to activity-level goals via a cascading methodology;
- Identifying and tracking leading and lagging indicators through dashboards and balanced scorecards;
- Tracking and managing individual and team performance; and
- Fine-tuning forecasting with predictive modeling.

By putting operational focus on the measurement process, MO enables Marketing to be more accountable and in better control of its charter, its resources – and ultimately – its destiny.

Following are some examples of how MO 2.0 can have impact in demonstrating measurable return on marketing:

Leveraging Metrics and Key Performance Indicators As A Blueprint to Drive Measurement – Which metrics are really meaningful? How does you know you're on the path to achieving them?

Different groups will care about different metrics.

The CEO cares about high-level, bottom-line metrics like as Customer Lifetime Value, Lead Conversion and Net Return on Marketing Investment.

The CMO is interested in operational metrics as well as evidence that external marketing efforts are pushing the needle.

Program managers need to track activity-based and outcome-based metrics.

Individuals and teams may want – or be required - to track their performance.

MO 2.0 enables accountability by borrowing from quality techniques such as Hoshin planning, which transform and link CEO-level goals to activity-level goals via a cascading methodology throughout the organization.

Identify Leading/Lagging Indicators via Dashboards – Dashboards and balanced scorecards are tools that enable companies to track metrics.

While top-level metrics such as market share, customer satisfaction, and profits are important, they tend to be lagging indicators because they measure what customers have already experienced and acted upon.

To be proactive, managers need to identify leading indicators to measure the progress of business processes that clearly relate to the lagging indicators.

Leading indicators are often predictive because they measure the progress of process results that customers will soon experience and act upon.

As the old saying goes, what gets measured gets done.

Dashboards or balanced scorecards that contain both leading and lagging indicators provide a systems perspective, enabling management to avoid metrics that suboptimize the organization's goals, and to keep a pulse on marketing ROI.

Track and Manage Individual and Team Performance – Another common wisdom among managers is "what gets rewarded gets done".

MO 2.0 borrows from organization development, quality, knowledge management and other disciplines for performance management solutions.

These methods enable marketers to manage efficiency, track real-time progress, proliferate best practices, encourage collaboration and personal accountability, and reward productive behaviors.

Fine-tune Forecasting with Predictive Modeling – In order to potentially realize the vision of closed-loop marketing, organizations need to tightly link their forecasting, sales and analytics processes.

Predictive analytics is a discipline increasingly being leveraged in marketing planning processes to build scenarios of future results based on best assumptions.

MO 2.0 enables the accountability that's necessary to put Marketing in a proactive mode for demonstrating the ROI necessary for the success of all.

Note: My grateful acknowledgement to my colleague, Lynn Hunsaker, who contributed much content to this section and the section on maximizing customer profitability. She also was the project lead for our Journey to Marketing Operations Benchmarking Study, which is referenced often in this paper.

The Current State of Marketing Operations in the Enterprise

Marketing Operations is still finding its way into the enterprise, but it has certainly made has made significant strides in the past three years. Consider:

- In Silicon Valley, less than two dozen companies had formalized MO functions in place in 2005; that number today is likely in the hundreds
- Even smaller upstarts, such as Big Band Networks, CyperSource, Iron Key and InsideView, have recognized the value of MO by investing in dedicated staff.
- At least a half-dozen MO-related special interest groups have arrived on social media sites such as LinkedIn, Facebook, Plaxo and Yahoo Groups
- Conferences, such as ad:tech, eMetrics Marketing Optimization Summit and Predictive Analytics World, have added MO to their agendas
- [The Marketing Operations Cross-Company Alliance (MOCCA)](#) has grown to more than 500 members and [the Marketing Operations Future Forum,](#) which was just formed in April 2009, is approaching 600 members
- MO-related job openings are regularly listed and companies are having difficulty finding the right talent
- The first courses on the discipline of Marketing Operations were offered through the University of California system and in Asia (Hong Kong) in 2008
- The [UCSC Extension](#) MO course became available online in January 2010
- In March 2011, Marketing Operations Partners launched the first online, on-demand course on the subject, [“Marketing Operations 2.0: From 2011 Tactical Discipline to 20/20 Strategic Vision”](#)

Understanding The Dimensions of MO 2.0: The 5Ts Model

Adrian Ott (mentioned earlier in this paper) has developed a conceptual model of Marketing Operations based on her company's work with clients and independent research. She calls this model the 5Ts, building upon the well-known 5Ps (Product, Price, Place, Promotion, Positioning) and 3Cs (Customers, Competitors, Corporation) concepts:

- **T** otal Strategy
- **T** echniques & Processes
- **T** racking & Predictive Modeling
- **T** echnology
- **T** alent

According to Ott, approaching MO across these dimensions, CMOs have an integrated approach to enable marketing worldwide. Following is her description of the 5Ts in more detail:

Total Strategy: This area involves strategy development in the product portfolio. It is not uncommon for large companies to have seventy-five or more products in their portfolios some have hundreds. Managing investments and priorities across the portfolio is paramount.

- What constitutes effective strategy development for each product?
- What are the key elements needed in each plan to win in the marketplace and to roll this out worldwide?
- Where do we "double-down" our investment? How do we gain market-share with our resources? Where do we reduce investment?
- Does the organization reflect how our business should optimally interact with customers? Are there new ways we can improve our dialog and reach?
- Chief of staff for the CMO: Based on our work with clients and research, the head of marketing operations in a number of companies takes on this role – driving the organizational agenda, identifying "white spaces", and ensuring measurement results are discussed at review meetings.

Techniques & Processes: How should information flow most effectively across the marketing organization worldwide? How do we make decisions? What are our governance processes? What is our roadmap for marketing processes next year? In 3 years?

- Fiscal planning processes and reviews.
- How should budgets be allocated?
- How should we optimally interact with our customers? What are the touch points?
- How should information flow within marketing and with other stakeholders such as sales and business units?
- Standards and criteria for evaluating new initiatives and campaigns.
- What are product launch categories (e.g. Criteria for "A", "B", or "C" launches)
- Can we apply six-sigma to our processes?

Tracking and Predictive Modeling: How do we make marketing more accountable? How do we measure campaigns and ensure better predictability of outcomes?

- How are we doing today? Metrics and dashboards
- Forecasting – What are leading indicators of the future? How can we better target and predict? e.g. data mining customer databases.

Technology: How do we implement technology across the globe to enable effective customer dialog, demand generation and measurement? What are the business requirements for IT? How does technology support the marketing and sales process roadmap for the next 3 years?   How do we integrate with sales technology?

- Internet/Web/e-commerce
- Consolidating/Rationalizing Customer Databases
- Online Customer Forums
- Marketing Resource Management Software
- Analytics/Decision making software
- Marketing Research Databases etc.

Talent: How do we ensure our marketing personnel are trained and able to work with new marketing technologies and processes? How can we enable them to make the right decisions based on analytics and campaign scorecards?

- What are the roles and responsibilities of each talent community?
- How do these communities interact? Where are the hand-offs?
- Training strategy with a marketing skills curriculum across the marketing function
- Ensuring balancing between the art and science of marketing

Understanding Marketing Operations 2.0 Process:
The Marketing Operations Partners' Best Practice Framework

A framework helps provide focus and is instrumental to socialize new concepts, such as MO 2.0. Marketing Operations Partners' Best Practice Framework provides a clear vision of Marketing Operations value and broader vision of MO scope.

This closed-loop framework highlights key elements that executives must take into account to optimize effectiveness of the MO function.

At its foundation, ***the Marketing Operations Partners' Best Practice Framework*** consists of an ***Ecosystem*** and an ***Infrastructure***. T

Strategy is at the core of MO 2.0 effectiveness. In turn, Marketing ***Strategy*** leads to Management ***Guidance***, which drives Marketing ***Processes***, which are evaluated via ***Metrics*** that provide feedback, looping back to ***Strategy***.

Finally, all of this can benefit from support by 21st century ***Technology***.

The Marketing Operations Partners' Best Practice Framework shows how successful Marketing Operations processes, driven by strategy and guidance, is assessed via metrics, supported by technology, and nurtured through continuous interaction within a healthy ecosystem and enabling infrastructure.

The foundation of the model comprises the **Marketing Ecosystem** and **Infrastructure:**

- **Ecosystem** is the environment within which the MO function operates, particularly the cross-functional interactions necessary for Marketing success.

- **Infrastructure** is the combination of process, technology, and metrics, which provides the means to improve the efficiency and effectiveness of the Marketing function, optimize Marketing, and achieve Marketing excellence.

- **Technology** includes the individual, departmental, enterprise, and inter-organizational tools that support the MO 2.0 components.
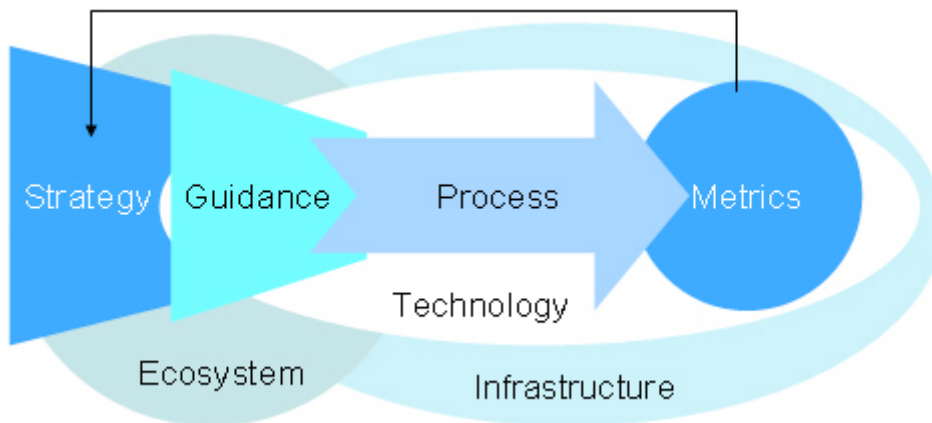
Within the **Ecosystem**, **Strategy** and **Guidance** provide direction for MO 2.0 Processes and Metrics.

- **Strategy** refers to the planning processes.

- **Guidance** comprises the underlying direction, knowledge, norms, policies, procedures, systems and structures that feed the development of process and metrics.

Led by **Strategy** and **Guidance**, **Process** and **Metrics** are the most visible aspects of the MO 2.0 framework.

- **Process** is an organized series of transactions that convert inputs to outputs (or results). In its recent book[1] on Enterprise Marketing Management, the EMM Group describes process as "a defense against chaos."

- **Metrics** are standards of measurement against a specified level of performance. In her recent book on measurement[2], Patterson describes metrics as "performance parameters."

- The feedback loop from **Metrics** to **Strategy** enables continual improvement and ensures new insights are leveraged.

Assessing Marketing Operations 2.0 Readiness

The Seven Deadly Sins section provided a glimpse into the motivation of increasingly more companies deciding to address their biggest marketing challenges by employing an integrated, end-to-end MO methodology

But how do you know if your organization is ready for MO 2.0? What does that organization look like? What are its primary pain points? What is its vision for the future? What pressures are driving it to consider undergoing substantial change?

MO Readiness: A Checklist for Your Company

To see if your company is a good candidate for MO 2.0, check all the characteristics listed below that apply.

- My company invests a significant amount in Marketing resources (headcount and/or budget)
- My company's marketplace is dynamic and highly competitive.
- My company's marketing has evolved into a complex and multi-dimensional function.
- A diverse mix of programs and resources are funded to reach a breadth of audiences (segments, sales channels, internal and external stakeholders, etc.).
- My company faces government and regulatory compliance pressures.
- My company's marketing processes have evolved to the point that they are no longer well coordinated or even well understood.
- My company values best practices but lacks process, technology and metrics to achieve them.

- My company is pressuring marketing to assume a more strategic role.
- Within my company, many believe that marketing must deliver greater value for the company's investment.

If you checked half or more of the above statements, your company is a great candidate to benefit by leveraging the power of MO 2.0.

MO 2.0 Readiness: Where Do You Feel the Pain?

If your company is feeling some pain, you're probably acutely aware of it. Arriving at an accurate diagnosis, however, requires a careful examination.

Before reviewing the checklist below to identify localized pain points, first consider the general health of your marketing effort.

- Does marketing currently receive wide recognition for its strategic leadership and bottom-line contribution?
- Is marketing in complete alignment with your company's strategic goals and other key functions?
- Can marketing clearly measure its success and demonstrate ROI to your executive team?

MO 2.0 is specifically designed to address these corporate pain points:

- Marketing focused on firefighting and tactics rather than on strategy.
- Marketing experiencing difficulty measuring ROI and demonstrating value, causing it often to be on the defensive, needing to justify its role and contribution to C-level executives and investors.
- Marketing success tied to other groups that have different or even conflicting goals.
- A corporate environment that fails to support collaboration and consequently loses opportunities for synergy.
- Employee defections that jeopardize continuity, place at risk institutional knowledge and expertise, and contribute to high customer churn.
- Marketing processes that too often constrain internal efficiencies and effectiveness instead of enabling them.
- Poor coordination of shared processes across functions.
- Difficulty assimilating and integrating programs, systems and resources obtained from corporate mergers or acquisitions, leading to leading to duplication, momentum loss, lack of focus and resistance to change

If you resonate with two or more of the above statements, your organization may be in enough pain to be ready to embrace MO 2.0.

MO 2.0 Readiness: – What's Your Vision of Marketing's Contribution?

In the new world of The Social Web and the Social Web, marketing must operate as a very creative, fast-paced, results-driven function that stays close to the customer and its other stakeholders.

- It is not only aligned with the enterprise's strategic agenda but also helps define it.

- It leads the customer experience and innovation processes.

- It is well integrated with other corporate functions and takes full advantage of the power and discipline of a strategically designed MO 2.0 infrastructure.

The MO 2.0 infrastructure layers into the marketing function the processes, technology, guidance and metrics required by an efficient operation that delivers outstanding value on a consistent basis.

Such an MO 2.0 infrastructure enables informed decision-making, accountability, sustainability, visibility, teamwork, strategic thinking, and repeatable best practices execution.

A marketing organization is ready to think seriously about embracing MO 2.0 when it feels internal and external pressures to make systemic changes because it has not been delivering on its vision and has consistently failed to achieve its operational goals.

- The CEO considers the CMO/Marketing VP to be a valued strategic partner.
- Marketing is fully aligned with other company functions and stakeholders.
- Marketing efforts accelerate new product adoption, strengthen customer relationships, and increase market penetration rate.
- Marketing leverages metrics and dashboards to measure and track results, and continually improve them.
- Dashboards rapidly and accurately inform decision makers.
- Metrics are aligned with corporate goals and increasingly drive marketing expenditures.
- The marketing team is energized and highly effective.
- Employee and customer loyalty are consistently high.
- High return on marketing investment is clearly recognized companywide.

Unless you've checked at least half of the above statements, there is a large gap between your vision and your current reality. Your company is ripe—or more than ripe—for MO 2.0.

Characteristic	Organizational Pain	Desired Vision
Substantial marketing investment (resources, programs, budget)	Unmanageable complexity, difficulty demonstrating ROI, Marketing on defensive	Marketing optimizes resources to deliver substantial ROI - Leverages processes, technology and best practices to spur productivity, knowledge sharing - Utilizes dashboards and metrics to make informed spend decisions - Is recognized by C-team for its accountability and ROI contribution
Dynamic, competitive market	No or disappointing growth, super-growth, high customer churn, high employee turnover	Marketing aligns with other functions to take responsibility for: - Nurturing sales funnel - Revenue targets - Innovation process - New market penetration - Customer experience
Under media or regulatory scrutiny for: - Shareholder confidence - Supplier to government - High-profile industry	Compliance pressure, impact of change on SOX compliance, media magnifying glass	Marketing partners with Quality, Finance, IR to meet compliance requirements - Maps key processes - Documents best practices - Applies LEAN, Six Sigma, and other methodologies - Demonstrates ROI through KPIs, dashboards, etc.

M&A integration challenges
  - Actual or Pending
	Duplicated efforts, loss of continuity, "everything needs attention" syndrome, difficulty getting buy-in for change initiatives	Marketing leads M&A and other change initiatives
		  - Communications leadership
		  - "Walking the talk"

More tactical than strategic	Firefighting, CYA behavior	Marketing is valued strategic partner to CEO and C-team

Assessing MO Readiness © Marketing Operations Partners 2007

It's really about complexity. The more your Marketing organization has – products, programs, channels, segments, resources, geos, business units, stakeholder demands, management expectations – the more a serious investment in Marketing Operations is needed to help manage the chaos.

MO 2.0 Readiness: Making the Assessment

Once you've determined you may need to invest in a dedicated MO function, I'd suggest talking to other companies that have taken the plunge.

You can find these individuals by joining organizations, such as the Marketing Operations Cross-Company Alliance and the Marketing Operations Future Forum (www.mofutureforum.com).

Some research and consulting companies, such as Aberdeen Group, Gartner Group, International Data Corporation and Sirius Decisions have helpful benchmarking data and reports on Marketing Operations, and a natural motivation to bring clients together to help one another.

There are also a few assessment tools available to help companies determine where to start. My company has developed a high-level 20-question assessment I'd be glad to freely share. We also have a more comprehensive assessment tool built around the Marketing Operations Best Practice model we developed in 2007 as part of our "Journey to Marketing Operations Maturity" benchmarking study. The study itself is also an excellent resource.

If you've completed the above checklists, you probably have a good idea whether learning more about MO 2.0 would be worthwhile.

But it's also true that it can be tough for marketing insiders to have a clear and objective view of their own operation. That's where professional can help to assess your organization's readiness to move forward with a new MO 2.0.

I'd strongly advise that serious companies have an independent assessment conducted by an experienced professional or consulting firm.

Getting help can be the difference between a success – a well-thought out investment in Marketing Operations with clearly defined goals and roadmap to achieve them – and failure – a suboptimal "me too" approach that ends up perpetuating the silos, CMO and employee turnover, and poor resource optimization that MO is supposed to solve.

Developing Marketing Operations Maturity in the Enterprise

MO is still undervalued in many organizations. A lot of companies try to tackle MO by throwing a body or bodies at the problem, resulting in a focus on the symptoms, not the fundamental dysfunction.

The inherent struggle is balancing the need to get quick results and manage the company's tolerance for change (and willingness to invest) without compromising the long-term vision.

Many companies take an activity-focused approach to MO – develop a dashboard, create a template, deploy a technology tool.

While all of these activities are valuable when applied correctly, they tend to trick executives into believing they are working to a strategic roadmap when they actually are perpetuating the siloed thinking and behaviors organizations are trying to overcome in the first place.

You can't tackle MO 2.0 challenges with an MO 1.0 approach.

One of the first criteria for greater MO maturity is the establishment of a formal MO function with dedicated staff.

The companies considered "nascent" in their MO maturity had no such function and made statements such as "operations is everyone's job" or "I have the MO responsibility by default."

This lack of focus and commitment undoubtedly leads to lack of executive support and unrealized investment.

Another key factor for escalating MO maturity is a willingness to invest in the people and budget resources necessary to build an effective MO function. This includes the recognition that:

1. MO is not a one-person job; the bodies of knowledge from which MO borrows are extensive and require a wide range of skills and subject matter expertise to deliver effective, sustainable, and integrated results.
2. MO is a very complex topic, integrating what is already a broad and rapidly-expanding body of knowledge with insight from a variety of other fields, including, but not limited to:

   - Change management
   - Quality
   - Manufacturing
   - Organizational reengineering
   - IT
   - Supply chain management
   - Statistical analysis
   - Financial management
   - Customer relationship management
   - Enterprise resource management
   - Training
   - Knowledge management
   - Corporate governance
   - Sales pipeline management

3. An "open system" approach that leverages both internal staff and external consulting resources is advisable to ensure manageability, control, objectivity, and overall health.
4. An investment in MO 2.0 is a meaningful ROI indicator only after a significant period of time. (This is similar to the view of venture capitalist investments, which may require a three- to seven-year payback period).

Keys To Marketing Operations Success

In research conducted for our 2007 "Journey to Marketing Operations Maturity Benchmarking Study," Marketing Operations Partners uncovered the following keys to MO success:

Winning Executive Buy-In and Cultural Support is Crucial – The MO function can only thrive when it secures the support of key stakeholders and generally operates within a supportive culture.

MO is most effective when it is tightly integrated with Sales Operations, and is highly regarded within the enterprise for its value and contribution.

Ideally, an organization's CMO or top ranking marketing executive looks to MO to deliver key strategic and tactical initiatives, which are considered an essential part of the C-level team's agenda and endorsed and supported from the top of the organization to the grassroots.

Best practice companies recognize that the MO function needs to be viewed as a valuable strategic asset at the company level. It needs to share company-wide visibility with other core functions and be an integral part of quarterly reviews and dashboards that are managed by the CMO and rolled up to an enterprise level.

With full executive buy-in and support, the MO function should be sitting at the table with other functional executives, proactively participating as new directions are being debated, new product ideas are being developed, and strategically important projects are being funded.

In the words of one survey respondent, "Business units appreciate MO's proactive stance and contributions…. and milestones are both celebrated and widely promoted as points of success."

Clarity and Consistency Fuel MO Excellence – A clear shared vision, a common lexicon and consistency in execution separate MO leaders from the rest of the field.

Best practice companies work collaboratively and interdependently, employing consistent business practices with common performance measures, reporting methods and metrics.

The best performing companies have an enterprise-wide dashboard at a corporate level, with each functional area setting goals and measuring performance for their key deliverables.

Marketing and Sales functions are aligned around revenue growth targets, and one set of metrics integrates and aligns all functions with high-level goals.

Success is driven by clear process definition and processes to ensure that metrics are consistent, meaningful, and credible.

Process Refinement and Automation Bring Bottom Line Benefits – As "best practice" companies refine their Marketing Operations, they see increasing numbers of opportunities for cost savings and efficiency gains.

They can identify and eliminate sources of waste resulting from poor planning, redundancies, and expedited execution.

They can break the inertia around bottlenecked programs and get sponsorship to move strategically important efforts forward.

In their own words, survey participants report that:

- "Things are smoother because we're all on the same page,"
- "We've implemented an annual operating plan and strategy with bottoms-up and tops-down forecasting, creating common repeatable processes and templates,"
- "We're becoming more effective and efficient, and have a good process for stopping what does not add value."

Process automation also plays a key role in streamlining marketing operations in many organizations:

- "We are fairly aggressive compared to our competitors in our integrated marketing approach regarding Web, print, and face-to-face customer contact."
- "With Salesforce.com, we can show Sales exactly which campaign generated the lead, what was sent, etc."
- "We have been putting in backend infrastructure, for example, a lead management module on top of PeopleSoft CRM that collects and tags 80%-90% of leads generated."

With MO process refinement and automation, Marketing Operations' contribution will be positioned to grow steadily over time.

Marketing Operations Partners believes that MO is generally defined too narrowly and that a too-limited scope inhibits both the power and productivity that a company could otherwise realize.

When too narrowly defined, the overall Marketing function is short-changed relative to the potential value-add of its MO practices.

Marketing Operations Partners sees a fully mature MO function as much more broadly defined, as shown in the Marketing Operations Partners' Best Practice Framework.

Within this framework, organizations move from the "Fundamental" level of MO functionality, through an "Expanded" level, and finally to a "Sophisticated" level of MO maturity (which is the manifestation of an MO 2.0 strategy).
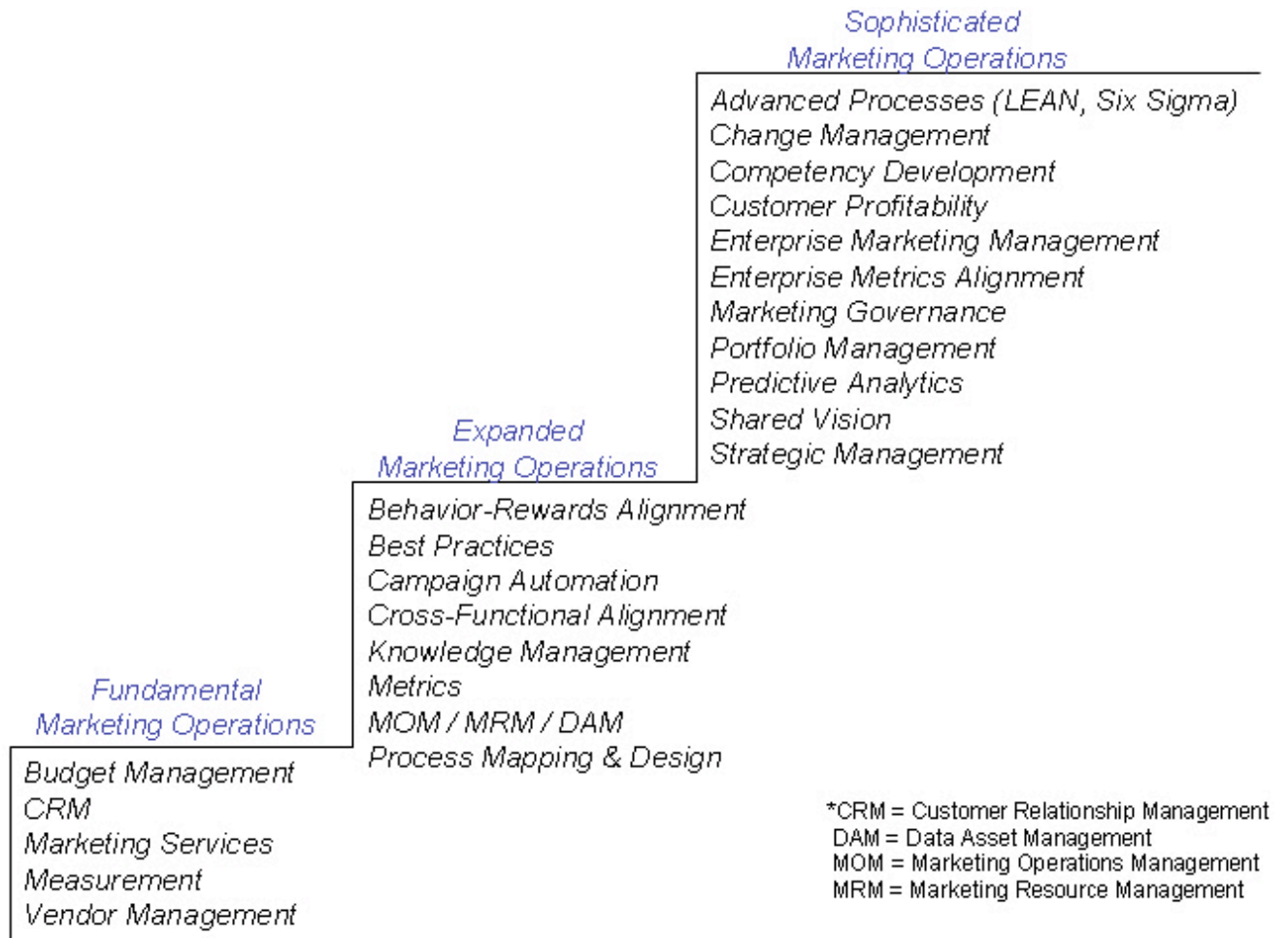
The process by which an organization reaches this sophisticated level is referred to as the "Journey to MO Maturity."

A New Vision of Marketing Enabled by MO 2.0

Companies that embrace a MO 2.0 approach are poised to transform marketing. Imagine a company where:

- Marketing acts as fully accountable strategic partner to the CEO, CSO, and other C-level executives
    - Contributes to formulating and achieving enterprise strategic and change initiatives
    - Defines meaningful metrics proactively and demonstrates ROI contribution to organization success
    - Governs the company brand
- Marketing drives innovation, new market penetration, and customer profitability
    - Aligns closely with R&D, Sales, and other functional areas
    - Collects competitive and business intelligence to enable better decision making
    - Builds customer franchise value and manages customer experience
- Marketing owns sales leads process
    - Nurtures prospects through the sales funnel
    - Removes barriers that block end-to-end pipeline visibility
    - Delivers tools to help Sales close business
- Marketing, once operationalized, leads the ramp of organizational growth
    - Provides agility and effective response to market opportunity
    - Leverages best practices, processes, and technology to scale the Marketing organization
    - Synchronizes effort and ensures cross-functional knowledge-sharing

Achieving this vision is possible. The challenge for companies that are serious about their MO functions is to avoid the preceding traps by building the necessary critical mass and support to deliver an effective MO 2.0 mix.

Sophisticated
Marketing Operations

Advanced Processes (LEAN, Six Sigma)
Change Management
Competency Development
Customer Profitability
Enterprise Marketing Management
Enterprise Metrics Alignment
Marketing Governance
Portfolio Management
Predictive Analytics
Shared Vision
Strategic Management

Expanded
Marketing Operations

Behavior-Rewards Alignment
Best Practices
Campaign Automation
Cross-Functional Alignment
Knowledge Management
Metrics
MOM / MRM / DAM
Process Mapping & Design

Fundamental
Marketing Operations

Budget Management
CRM
Marketing Services
Measurement
Vendor Management

*CRM = Customer Relationship Management
DAM = Data Asset Management
MOM = Marketing Operations Management
MRM = Marketing Resource Management

Why You Must Embrace Marketing Operations 2.0

In a nutshell, Marketing Operations 2.0:

- Brings a long overdue operational focus to Marketing
- Employs the application of proven and time tested business processes and best practices in the Marketing organization
- Establishes a discipline to increase efficiency and drive consistent results
- Creates a solid foundation for Marketing excellence
- Enables agile, effective, strategic, integrated and accountable marketing in the new The Social Web world

Since it is still in its relative infancy, Marketing Operations is often viewed in a limited way – as a service organization or an efficiency vehicle or "the process police."

This narrow view of Marketing Operations reinforces and perpetuates the status quo of Marketing. What we need is a new modus operandi for Marketing, and a holistic, strategic approach to Marketing Operations can be the vehicle to change that MO.

It's hard work and we'll be challenged to unlearn some of our old ways of thinking, but a new MO for Marketing in organizations holds great promise for executives and marketers alike.

If you're a marketing professional:

- You'll be in a stronger, less vulnerable position when budgets are scrutinized
- You'll be part of a learning-oriented environment where you'll develop the fundamental skills and enabling infrastructure to operate effectively, stay accountable, and benefit from Marketing Operations-driven improvement programs, such as new competency development
- You'll be happier, better utilized for your unique talents and more motivated to stay with your organization

If you're a CMO, you'll be blessed with:

- An injection of left-brain thinking into the typically right-brained Marketing function
- The means to shift your enterprise's priorities from short-term fixes to long-term strategic initiatives, increasing your likely tenure.

- An operational partner – a Chief of Staff – that is solely focused on optimizing your scarce resources, making course corrections, measuring results, and winning enterprise-wide support

If you're a CEO:

- Your cross-functional teams – Marketing, Sales, IT, etc. – will work in greater collaboration and alignment, mobilizing your resources
- Your employee turnover and, consequently, your customer churn, will decrease
- Your Marketing function will contribute more substantially toward your top- and bottom-line growth, achieving your enterprise strategic agenda and helping you win in the market

Resistance is futile. It's in your best interests to fully embrace a holistic, strategic view of Marketing Operations today. No matter what role you play in your organization, MO 2.0 is the best means to navigate toward your personal, team and enterprise goals in the new world of the Social Web.

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About the Author: Gary Katz is president and CEO of [Marketing Operations Partners, Inc.](#) A visionary and thought leader in the emerging Marketing Operations field, he is a veteran with more than twenty years of marketing and change management experience in the technology industry in corporate, agency and entrepreneurial positions, where he directed corporate marketing, communications, public relations, lead generation and qualification, investor relations, and employee communications programs. Previously, Gary served as director of communications for [ShoreTel](#), director of corporate marketing for [Aplix Corporation](#) and senior manager of corporate communications for Insignia Solutions. He also worked as internal communications consultant with Siemens ICN and Voice of the Customer/Voice of the Employee facilitator with Sun University in the mid-to-late 1990s. Before that, he worked as a director, account supervisor, or preferred subcontractor for more than a dozen leading public relations and marketing consulting firms. Marketing Operations Partners represents Gary's fourth business start-up. He also founded CommPros Group, Inc. in 2005; Katz Business Communications in 1990; and Public Relations Solutions, Inc. in 1985. Gary holds a master's degree in organization development from [the University of San Francisco](#) and a bachelor's degree in public relations from [San Jose State University](#).

Gary is past president of the Silicon Valley Chapter, Public Relations Society of America (PRSA), an Accredited Member of PRSA and a certified strategic planning process facilitator by the Institute of Cultural Affairs. Gary served for three years as a member of the Business Marketing Association Thought Leadership Committee and three years as a track chair for the Marketing Operations Management Symposium. He is an in-demand speaker and moderator on Marketing Operations and Marketing ROI-related topics, and has published many articles on Marketing Operations and related topics in Chief Marketer, MarketingProfs, Perform: The Marketing 2.0 Standard, CustomerThink, Automate, The Journal of Digital Asset Management, and other publications. Gary has been the primary voice of Marketing Operations Partners' Marketing Operations at Work blog since 2006 and he was a primary author of Marketing Operations Partners' 2007 63-page benchmarking study report, "Journey to Marketing Operations Maturity." Gary taught the first university-level class on Marketing Operations in 2008 at UC Extension. In 2009, Gary formed the Marketing Operations Future Forum, which is dedicated to co-creating the future of the Marketing Operations discipline. Led by Gary's leadership, Marketing Operations Partners introduced the first online, on-demand course on Marketing Operations in 2011. Marketing Operations 2.0: From 2011 Tactical Discipline to 20/20 Strategic Vision is available at www.marketingoperations2.info.

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