

# ***Marketing Performance Management*** *using the Marketing Performance Dashboard*



The  
**Marketing  
Process**  
COMPANY

# Marketing Performance Management



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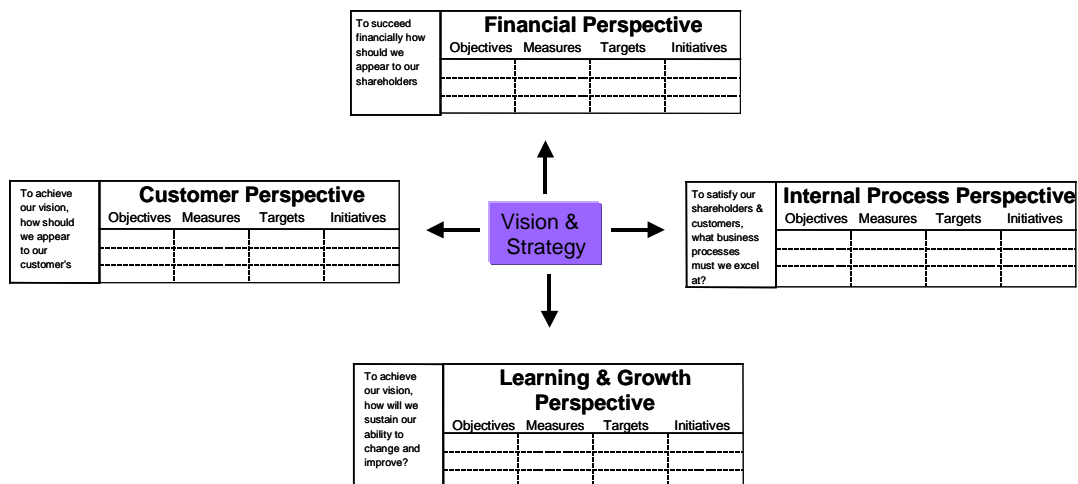
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# 1. Background to Marketing Performance Management

Measuring and improving marketing performance is an integral part of implementing the Balanced Scorecard. Since its introduction in 1996 by Kaplan and Norton the Balanced Scorecard has been widely adopted by many companies worldwide. The Balanced Scorecard is used as a tool for effective management of corporate performance and strategy, enabling focus on the vital few drivers for strategic success.

The Balanced Scorecard by Kaplan and Norton (1996)



The Balanced Scorecard allows an overall view of performance, combining traditional financial measures with metrics for customer perspectives, internal business processes and organizational learning and growth into a framework to guide all stakeholders within an organization towards realising the strategic aims of profitability and growth.

## 1.1. Issues for Marketing Managers

Marketing managers are under continual pressure to justify their budgets, quantify their results, demonstrate a return on investment and prove their contribution towards the achievement of corporate strategy. Use of suitable measures can help ease the pressure, but many organisations face familiar issues when defining balanced scorecard metrics, particularly for the marketing function. These issues include:-

- What to measure, i.e. can marketing be measured?
- Too many measures can impede progress
- Inappropriate metrics may encourage non-productive activities
- Metrics may be ambiguous and open to interpretation
- Consensus targets can be set too low and are inconsistent with strategy
- There is a dislocation between metrics and those individuals able to influence what is measured
- There is a further dislocation between corporate strategy and those individuals
- In large organizations, defining and accumulating sufficient data can take a long time, possibly many months.

## 1.2. Benefits of Measuring Marketing Performance

Successful implementation of the marketing balanced scorecard has many benefits: -

- Enables alignment of all marketing activities with overall corporate strategy
- All stakeholders in the marketing function are able to see how their activities impact directly on the achievement of corporate strategic targets
- Marketing activities can be shown to be positive contributors to the bottom line
- Marketing accountability is improved and transparent
- Overall marketing performance is enhanced.

## 1.3. The Offer

The Marketing Process Company offers expert support in marketing performance management, configured in a range of options tailored to client requirements.

### 1.3.1 The FastTrack Program

We will provide two days on-site consultancy to develop the necessary processes and measures to construct your Marketing Performance Dashboard, using Ergometrics software, to help measure, communicate and improve marketing performance. We will also produce a final report, detailing outcomes and issues arising from the consultancy and recommendations for further action.

### 1.3.2 Custom Programs

For those organisations facing more complex issues in measuring marketing performance The Marketing Process Company offers custom programs, each tailored to individual client needs. Typically these programs comprise a range of training & development workshops, consultancy support and the Ergometrics software. These programs aim to build on the feedback from the Marketing Performance Dashboard to inform strategic decision-making, and aid the iterative development of new market metrics.

## 1.4. A Selection of our Clients

The Marketing Process Company has conducted strategic marketing planning projects in approximately 40 countries around the world. A selection of our clients is shown below:

Financial	Manufacturing	Energy	IT & Telcomms
American Express	Alpha Laval	BNFL	BT
Barclays	BMW	BP	BT Cellnet
Halifax	BOC	British Gas	Cable & Wireless
J P Morgan Chase	Caradon	Calor Gas	IBM
Norwich Union	GKN Westland	Castrol	Mitel
Post Office	Johnson Wax	Mobil	Nortel
Schroder & Co	Kemira	Texaco	Oracle
Zurich	Pilkington	Yorkshire Electricity	Philips Medical Systems
	Scania		Telstra (Aus)
	Zeneca		Telkom (SA)
			Xerox

## 2. Measuring Marketing Performance

The successful introduction and implementation of a system for Measuring Marketing Performance within an organisation is dependent on management commitment and high quality process consultancy and training, as well as the use of state-of-the-art software tools. This ensures that key members of staff are familiar with, and trained in, all the measurement processes and integrated techniques.

### 2.1. The FastTrack Program

The FastTrack Program comprises two days on-site consultancy, delivery of the Marketing Performance Dashboard software and final report.

The consultancy typically covers the following areas

- Assessment of current market metrics used, and their relevance to corporate strategy
- Initial development of new metrics
- Implementation of the Marketing Performance Dashboard (MPD) using the Ergometrics software
- 'First cut' analysis of the Marketing Performance Dashboard (MPD) output
- Report detailing findings and recommendations for further action.

### 2.2. Measuring Marketing Performance Custom Program (typical project plan)

**Phase 1** covers the definition and initial implementation of the project.

- Assess current metrics; in a workshop format the organisation's current market metrics are examined and assessed for their relevance to the organisation's strategic aims as a whole. Informational gaps and data gathering protocols are also examined at this stage
- Define new metrics; a new set of metrics are developed, agreed and validated against the organisation's strategic goals. Appropriate data gathering systems are designed and put in place
- Communicate new metrics, action new metrics; the new metrics are communicated to marketing function stakeholders and data gathering can begin
- Enter data into MPD software, assess MPD output; data is entered into the software and initial outputs are distributed and assessed in light of stakeholder feedback and strategic goals.

**Phase 2** covers periodic evaluation and iterative development of market metrics used.

- The software outputs are regularly communicated to stakeholders and assessed against strategic goals
- The system is refined over a number of iterations. New metrics may be introduced and existing ones modified in the light of strategic developments and target achievement
- New stretch targets for the various market metrics under assessment can be introduced at any stage.

## 2.3. The Marketing Performance Dashboard

The Marketing Performance Dashboard (MPD) is a fully customisable software tool that clearly displays an organisation's market metrics in an easily recognisable and accessible visual format.



The aggregations of the various market metrics are displayed as dials or gauges in a dashboard. Current positions and targets over a range of time periods can be easily read from the gauge pointers. Colour coding indicates present performance levels and trends.

All stakeholders in the marketing function can see how their actions contribute to the achievement of corporate strategic goals, through a series of drill down levels of gauges that display the organization's agreed market metrics. Individual gauge details and appropriate actions can be displayed.

Gauge Details for: Sales \$ '000s	
Value	3560
Units	\$ (.000)
Performance Owner	Default Integrity Owner
Integrity Owner	Default Integrity Owner
Trend	Improving
Status	Excellent
Action	Confirm and reward

All visual outputs, such as gauges and charts, are available for export to other documents or presentations. Data can also be presented in printed reports.

The parameters regarding time periods, metrics, action sets, targets, the dashboard and gauges themselves are all fully customisable.

The software that runs the dashboard is a patented product of Ergometrics.

### 3. Deliverables of the Marketing Performance Management offer

The implementation of Marketing Performance Management consists of a consultancy and training program, workshops and software. The deliverables are split into the offers shown below and can be implemented independently.

#### 3.1. Marketing Performance Management - FastTrack Program

The components available for Marketing Performance Management FastTrack Program are shown below:-

	<b>Component</b>
<b>1</b>	2 days on-site market metrics consultancy.
<b>2</b>	A copy of the Marketing Performance Dashboard using Ergometrics software.
<b>3</b>	A report detailing results and areas requiring further action.

#### 3.2. Marketing Performance Management - Custom Program

The suggested components available for Marketing Performance Management Custom Program are shown below:-

	<b>Component</b>
<b>1</b>	Market Metrics Workshop to introduce concepts for 8-10 staff.
<b>2</b>	Market Metrics Workshop to define new metrics.
<b>3</b>	Workshop for data collection and input into MPD software – 2 days.
<b>4</b>	Workshop to review results and recommend refinements.
<b>5</b>	Workshop to review strategic implications.
<b>6</b>	A copy of the Marketing Performance Dashboard using Ergometrics software.

## **4. Costs - Marketing Performance Management**

### **4.1. FastTrack program**

The costs for the Marketing Performance Management components itemised in section 3.1 are (GBP) £7,500 excluding VAT (where applicable) and expenses.

### **4.2. Custom program**

The costs for the Marketing Performance Management components itemised in section 3.2 are contingent on individual client requirements.