

# MARKETING AUTOMATION AND CULTURAL TRANSFORMATION: What you don't know can hurt you

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*“MRM is here to stay.”*

*IDC, 2004*

## 1.0 EXECUTIVE SUMMARY

MRM is a real time adaptive infrastructure based on people, processes and technologies that allows organizations to internalize and immediately act upon customer and market intelligence to capture a competitive advantage. MRM uses marketing automation tools to increase the accuracy and discipline of marketing processes. From planning, execution, and digital asset management, to fulfillment, measurement and reporting, improved marketing processes and tools enable more effective execution across all elements of the marketing mix.

With MRM all marketers within an organization work from a common “marketing desktop”, with shared data and applications. MRM provides a central repository for people to share their ideas, identify customer insights and collaborate throughout the organization.

Cultural transformation needs to be considered early and throughout all stages of an MRM initiative. Executive sponsorship combined with a strong champion community adds credibility and momentum to initial adoption efforts. In order for the effort to gain credibility within the organization there needs to be a balance between positive motivation (“the carrot”) and enforcement (“the stick”). Once a common language is adopted across the organization, planning and reporting accuracy is greatly increased. The end result is that all marketing decisions can and must be driven from MRM data at all organizational levels. This concept must be continually reinforced to ensure a successful MRM implementation.

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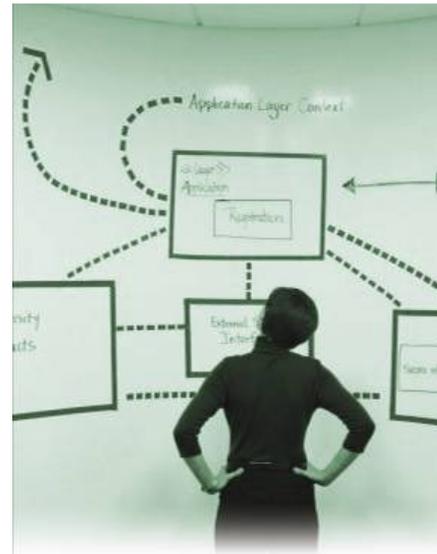
## 2.0 ISSUE DEFINITION

There are six major areas to consider when approaching MRM: Strategy Development, Project Definition, Functional Requirements, Process Optimization, Vendor Assessment, and Cultural Transformation. Each of these elements needs to be addressed during the strategy, planning and implementation phases of the project.

However, this isn't a linear process. Like many evolving business strategies, the early phases of an MRM project are iterative. Many of these elements can, and should, be addressed in parallel. More often than not, companies revisit assumptions and/or decisions based on new information uncovered in other areas of the project.

One thing has proven true; at the foundation of a successful MRM implementation is cultural transformation. In many cases, however, the effect of cultural transformation is an afterthought. In the case of an MRM project, if the issue of cultural transformation is addressed early and often, then the likelihood of success is far greater.

Cultural transformation will be the catalyst to drive the organization towards a more effective marketing model. An outcome of cultural transformation is often, but not always, an organizational realignment. Effective cultural transformation efforts consistently look at the impact on People at all levels of the organization: executives, manager, individuals, as well as the extended marketing team, partners, agencies, field marketing, sales, etc.



## 3.0 THE MTS APPROACH

### 3.1 Support at All Levels

Executive sponsorship is critical, and it isn't just the person you happen to work for. It is well worth the time and effort to network through the ranks of senior managers to identify the "right" executive sponsors. Many times a sponsor is selected because

they are the senior manager responsible for the team doing the implementation. However, they may not be the right person. In fact, it is more common to have multiple sponsors representing a variety of constituents. Also, knowing how fast some teams change, it is always good to have more than one senior executive supporting the effort.

It is important to identify sponsors who are respected by senior management as well as the teams and individuals who will be affected by the transformation. Typically, these are the executives people gravitate towards when things get tough. Enlist their support by asking their opinions, get their advice, use them as a sounding board before making important recommendations. Before they know it, they will be a sponsor regardless of whether they were formally asked. This type of “viral marketing” is contagious. The positive perceptions it creates will flow informally through the organization, creating an environment that is positively inclined towards change.

Combined with strong executive sponsorship, a strong champion community adds credibility and gives momentum to initial adoption efforts. These champions are typically subject matter experts or super-users who are primarily responsible for the adoption and growth of an MRM system within an organization. The formal governance model, discussed in Section 3.3, provides the rules by which these champions actually manage and govern.

These key stakeholders are the secret to positive momentum, adoption and continued expansion of MRM within the organization. Without them, there is no real organizational commitment to a strategy or plan. They are the drivers of viral marketing within your organization; they will publicly support the initiative, talk about the benefits of the system and the exciting things they are able to do now that they couldn't do before. These informal discussions, in the hallways and cafeterias, are the starting point for positive and successful adoption.



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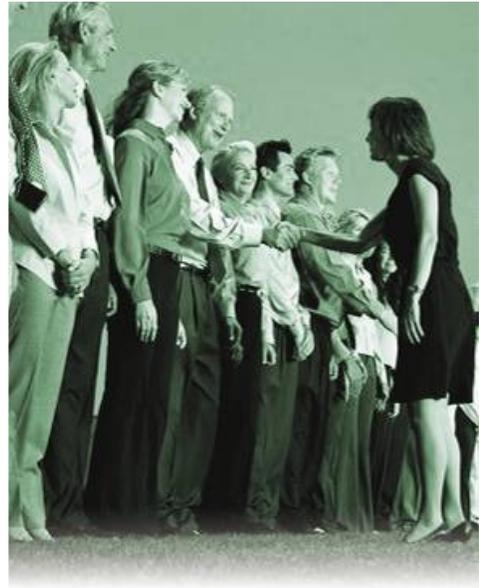
## 3.2 Motivation and Force

Balance is critical as in all aspects of business. In this case there needs to be a balance between positive motivation (“the carrot”) and enforcement (“the stick”). It is helpful to think of it in terms of immediate recognition, short and long-term incentives, and sustaining measurement.

Immediate recognition of individuals and teams who contribute above and beyond sends a message. It is more effective to tell people what you want than what you don't want. It gives them clear direction on how to be successful recognizing this success provides motivation to others. It also creates an interactive and collaborative environment which is more open to change.

Short and long-term incentives help drive desired behaviors over time. Performance goals, combined with clear expectations, empower teams and individuals to succeed. They are in charge of their success and will be rewarded by a job well-done.

Also critical is ongoing measurement and enforcement of the transformation plan. Motivation is the primary change agent. However, the old adage "what gets measured, gets done" is true. Measuring performance against objectives provides positive direction and motivation; it clearly communicates to the organization that they will be held accountable for moving the process of transformation forward. Employee performance evaluations, metrics, dashboards, quarterly review meetings, are all tools that can help enforce transformation.



As marketers, we know the rule "Communicate, Communicate, Communicate". It is as true with MRM as with anything else. Throughout the transformation process, it is critical to provide the right people with the right information at the right time. An investment in internal communications will help influence perception, clarify misconceptions and establish a sense of trust in the "MRM Team". Identify the key constituencies and tailor the communications to them. For example, the IT team doesn't necessarily need to know about training for the operations team, and vice versa. People will pay attention to the communications if they are clear, concise and tailored to their interests.

### 3.3 Governance Model

The idea of managing cultural transformation may not be intuitive to everyone. However, identifying the model that will be used to make decisions, prioritize, and allocate resources is critical. A well-defined governance model gives the organization a clear picture of who is in charge, how the process will work, who to go to for help.

This model should reflect the relevant constituencies in the process. For example, Marketing, Operations and IT. While not all organizations have a Marketing Operations function, they are becoming more common. Whatever it is called, this function usually manage the day-to-day execution of marketing programs and are the primary users of an MRM system.

The balance between Marketing, Operations and IT helps to clarify which teams are responsible for which issues. If there is a technology issue, then IT would take the lead. However if there is a business strategy question, then it would be up to Marketing to decide. When there are questions about how a system will actually be used in real-life, then it is a task for Operations. Documenting roles and responsibilities between groups and functions upfront will help the organization internalize and operationalize the governance model.

Within the governance model it is helpful to assign roles based on an individual's specific job function, organization and/or level of management. There are typically five categories within a governance model.

- Senior Sponsor: This level of management serves as the "voice" of the project, often sending organizational communications, and facilitation escalations when necessary. Although not involved in daily details, sponsors are usually part of a project steering committee.
- Decision-Maker: Managers with responsibility for an element of the project (IT, Marketing or Operations). This individual would be responsible for evaluating input from Influencers and Recipients and determining the impact of the decision on the organization.
- Influencer: Individuals with a vested interest in the direction of the project, but not in the direct "chain of command". For example, a Finance Manager might have influence over how data is shared between financial systems and an MRM system. HR may have input relative to other organizational changes and can provide visibility to other organizational or structural issues.
- Input: This member of the team is a subject matter expertise in a specific areas (for example, IT Architecture.) They receive communications as an "FYI" in order to ensure effective integration occurs. When necessary they will provide input on behalf of their area of expertise.

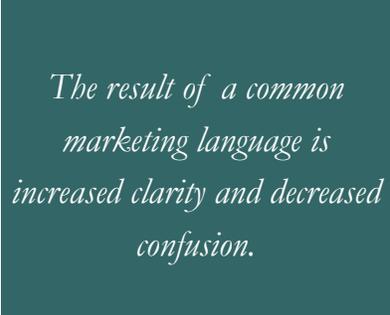
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- Recipient: Individuals who will be impacted by decisions that are made. Typically, these individuals want to influence the decision, but are not in an organizational position that requires it. This can lead to frustration, unless clear roles & responsibilities are defined and communicated.

### 3.4 Common Language

Miscommunication is one of the most common issues experienced during cultural transformation. Different groups often think they are communicating and agreeing on specific topics because they have used the same words. In fact, they are often using the same words to mean very different things. This is true between different functions like Marketing and IT or Operations. It is also true for groups within the same function like Advertising and Field Marketing – both are a part of Marketing, but each may have very different definitions when it comes to planning and execution.

The creation of a common language ensures that all groups work from the same definitions. The result is increased clarity and decreased confusion. The common language is based on the words that exist today. It is not going to help efforts to start from scratch and try and re-define what a “marketing program” is within an organization. However, it is critical to identify the key words, clarify where there are disconnects and agree to a common definition.



*The result of a common marketing language is increased clarity and decreased confusion.*

Take the word “campaign” for example. This word means something different to everyone in marketing. An ad executive runs “campaigns”. The direct marketing department does “campaign management.” To truly compare “apples to apples” in your data analysis and reporting requires an understanding of what “campaign” means. If you can get the organization to agree on a common definition and usage of key terms then all is well. If not, then it is often best to eliminate them from your dictionary.

### 3.5 Consistent Usage

The quality of data in your MRM system is directly related to the consistent usage of the data. Executives, managers and teams like to see information in different formats (dashboards, system generated reports, screen shots, 3rd party reporting tools or exports to Excel or PowerPoint). As long as the underlying data comes from the MRM system, the

format is not a major concern. There are definitely benefits to common reporting formats, but in the early stages of adoption and cultural transformation, the source of the data is the primary focus.

Decision making must be driven from MRM data regardless of the level of the decision. If an organization is not willing to use the data to make decisions, it sends a very clear, and negative, message to the teams responsible for collecting and maintaining the data.

This type of a message will hinder progress and undoubtedly result in questionable data. If people know that management isn't using the data, then they are far more likely to forget to enter data and/or keep it updated. Ultimately, consistent usage of MRM data can be the difference between success and failure.



## 4.0 BENEFITS

### 4.1 Executives

Marketing executives are expected to deliver more than ever before. Most CEO's expect marketing to deliver to both the top and bottom lines – usually in terms of market share, revenue and effectiveness. If a marketing executive is a public supporter of cultural transformation, their organization can make the changes necessary to deliver against these increasing expectations.

An executive sponsor who is seen as authentic, pragmatic and understanding of the impact on the rest of the organization, is immediately seen as credible and believable. These traits position them well for future transformation activities. They are also ahead of the pack in terms of positive adoption and successful implementation of MRM.

### 4.2 Managers

Managers are often stuck in the middle. They try to balance the needs of their executives with the needs of their teams. By providing a credible executive sponsor and establishing an active champion community, managers are able to drive transformation from the top-

down *and* the bottom-up. This allows them to use their “middle-man” position to their advantage.

Managers are also the leaders of the actual implementation. They rely heavily on the champions, but at the end of the day it is their responsibility to ensure a successful project. Consequently they are the ones who most directly benefit from the immediate results of cultural transformation – a common language, a clear governance model, consistent usage of MRM data. These things help to foster favorable perception of MRM within the organization and make the task of achieving adoption much easier.

### 4.3 Individuals

At the end of the day, marketing practitioners are the ones actually using the solution and living with the expectations of the new culture. People act based on self-interest. The right balance of motivation and enforcement helps individuals see the benefits (“what’s in it for me.”) When they understand the benefits, they are much more likely to follow along, and perhaps even leading the way to cultural transformation.

Cultural transformation and MRM enable more efficient and effective marketing. This makes it easier for people to do their jobs. People are happy when they can do a good job.

## 5.0 OPERATIONAL CONSIDERATIONS

The first thing most people think about is organization structure. It is important to understand, internalize and communicate that structure follows strategy. If the objectives are clear, an organization can be designed to deliver to those objectives. Whenever a new organization structure is put in place, clear definition of roles and responsibilities establish the tone of the team. This is especially true when the new organization is taking shape within an environment of cultural transformation.

The flow of information within the new organization can also be problematic. If not clearly thought through and documented, as teams migrate from old to new processes, there can be a disruption in the flow of information within teams and between teams. It helps to understand the dependencies and proactively work on the most critical.

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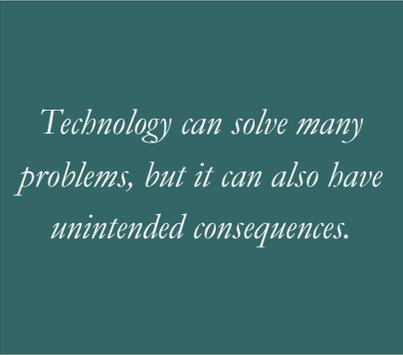
A clear strategy to manage cultural transformation in an organization is critical as we discussed. However, the ultimate goal is to operationally execute within the new culture. The transition from “Strategy” to “Operations” is often tricky. For example, a strategy may look good on paper, but when the teams begin implementing, things don’t go as planned for a variety of factors – infrastructure, processes, resources, skill sets, budget, etc. An evaluation of “trade-offs” need to be made. Not all processes should be changed just because they can be.

These operational considerations need to be part of the strategy development discussions. Acknowledge potential issues up front and develop contingencies plans and, if necessary, implement them. This will ensure that you do not lose momentum when “Plan A” doesn’t seem to be working. No problem, just switch to “Plan B”.

## 6.0 TECHNICAL CONSIDERATIONS

Technology can solve many problems, but it can also have unintended consequences. For example, asking teams to move from known processes and systems to the unknown can create anxiety for individuals and teams. This can be managed through proactive communication, an active champion community and training.

Also consider the way the technology is rolled-out to the organization. If teams are kept up-to-date with the new processes and technology, they may not feel like it is a “big” change. For example, small changes can be made to existing processes prior to the technology ever rolling out. Templates can be developed that will ultimately live in MRM. This type of phased roll-out can identify and address potential issues prior to production. These issues can then be addressed while the organization is getting used to a new input method, a new common language and associated new processes.



*Technology can solve many problems, but it can also have unintended consequences.*

Rather than being perceived as a “big change”, implementation of an MRM system may be seen as the culmination of plans that have been discussed with the team for a while. Whether the technology is rolled-out all at once or is implemented in phases, the most important element for cultural transformation is to ensure the teams and individuals know what to expect.

## 7.0 RESOURCES

For more information on MRM please visit the MTS Resource Center online at:

[www.marketingtransformation.net](http://www.marketingtransformation.net)

If you'd like a free 30 minute consultation with an MTS professional, please email

[info@marketingtransformation.net](mailto:info@marketingtransformation.net).

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