

Customer Relationship Management
Creating Value From Lean Marketing
Operations: The Importance of
Change Management

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Customer Relationship Management Creating Value From Lean Marketing Operations: The Importance of Change Management

By Marianne Seiler

In companies of all types, effective marketing has become increasingly critical to business success. Yet a number of factors present significant challenges to marketers' ability to support the business in relevant and meaningful ways.

For instance, marketing investment decision making—i.e., determining the right investment mix across products, geographies, customer segments and marketing/media channels—has become much more complex in the past decade. Companies that can allocate the right resources to the right activity in real time have a distinct competitive advantage.

Furthermore, as product life cycles shrink in many industries, speed to market has become a key competitive differentiator. For marketing organizations, the ability to move rapidly from idea conception to in-field execution—and the ability to revise in-field campaigns to maximize effectiveness—are critical to achieving growth and value generation.

And, as many companies rely more heavily on new-product introductions to drive organic growth, marketers must be able to provide more—and more tailored—support to a constantly expanding product portfolio across

an increasing number of customer segments. In fact, recent Accenture research found that 80 percent of marketers believed their product portfolio had increased by 25 percent in the last five years.

In response to these challenges, a number of leading companies have overhauled their marketing operations to improve flexibility, speed and throughput. These companies have undertaken structured, systematic programs to build the operational marketing capabilities required to achieve growth targets and maximize marketing return on investment. The hallmarks of this new breed of marketing include standardized processes based on best practices and new supporting technologies that enhance marketers' control of and visibility into key marketing activities; improve the speed and consistency of marketing output; and enable marketers to take a more rigorous and analytical approach to allocating their marketing investments.

Key to the effectiveness of such initiatives is an emerging technology known as Marketing Resource Management (MRM) software. MRM is designed to help marketers manage planning, budgeting, financial management, vendor management, creative production, digital asset management and marketing performance management across their organization. It is part of a larger suite of tools called Enterprise Marketing Management, which is a category of software that helps marketing organizations manage their end-to-end process, from gathering and analyzing customer data across websites and other channels, to planning, budgeting and managing the creative production process, to executing customer communications, to measuring results and effectiveness.

Of course, this innovative approach to marketing is a dramatic departure from the status quo. The amount of process rigor involved to make marketing operations more efficient



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and effective requires people to substantially change how and what they do on a day-to-day basis. Furthermore, the new tools typically included in such an approach require new employee skills and mindsets if the approach is to succeed and have the desired impact on the marketing organization and the larger enterprise. Quite simply, if people are not willing to change their behavior, a lean approach to marketing will create little to no value. That's why an intensive change management effort is an absolutely critical component of any lean marketing initiative.

Change is change—right?

At this point, one may be tempted to think this is the same old "change management is critical" chestnut that accompanies a discussion of any type of large-scale business change initiative. And while to some extent that's true, in the case of marketing, there's an even greater need for top-notch change management to accompany a shift to lean marketing operations. Why?

For starters, terms such as "standard process" and "controls" are not endearing to most marketers, who are used to creativity, flexibility and a more indirect relationship between their work and how it specifically creates revenue and value for the company. Marketers generally sense that standardization and rigor stunt creativity and flexibility, so they resist moving to a lean process. (This, however, is more perception than reality. The most successful advertising and marketing agencies are highly creative yet are run with strict processes and accountability.)

There's also the issue of the magnitude of the change. In shifting to lean operations, marketers generally are moving from no standard process and no visibility into their work to full visibility and standardized approaches. This is a major shift for marketers, who have had very little to no process discipline or accountability—unlike other functional areas, which have run on standard processes for years or decades and, thus, experience far less "culture shock" when moving to a new process.

The same is true in terms of technology. Much of the change in improving any function's operations is associated with a new toolset. For finance, accounting, logistics or manufacturing employees, that means swapping their existing tool for a new one—still a change, but much less than what marketers experience, as most don't have an existing tool set from which they are migrating. As a result, asking marketers to open a desktop and work with an MRM tool for the first time can provoke significant fear and resistance—not unlike when salespeople began using sales force automation tools, which for the first time enabled all to see how good a salesperson was at generating and following up on leads.

Training does not equal change management

In approaching change management as part of a move to lean marketing operations, a company must avoid falling into a common trap: equating training with change management. To be sure, training on new processes and tools is critical to the success of the



initiative; however it's only one facet of a comprehensive change management program. By focusing only on the training element, companies risk having employees either never fully adopting a new process or technology or rejecting it outright.

A large European high-tech company illustrates the dangers of the "training equals change management" mindset. The organization faced a major challenge: because its global marketing campaigns were created and executed with no consistency of tools or methodologies from region to region, most campaigns typically took 12 months to develop for products that had a significantly shorter shelf life.

The company decided to—on its own—develop and implement an MRM system globally to support a standard process, automate workflow, encourage document sharing, provide checkpoints and notify appropriate parties when materials were ready and approved. When the system was ready

for release, the company's sole "change management" activity was a one-day training session with all stakeholders and agencies around the globe. Exacerbating the problem was that the training was strictly on the tool and how to use it. There was no mandate from management to use the tool, no business case for why marketers should work differently, and no follow up on whether and how people were using the tool. Not surprisingly, within 12 months the system was retired due to lack of adoption and use.

A comprehensive approach to change management

If change management is not just training, what is it? (Figure 2) In our experience helping a wide range of companies improve their marketing operations, a comprehensive approach to change management addresses four key dimensions:

- **Communication.** The more structured and complete this process, the greater the likelihood of success.

- **Business readiness.** This is a systematic approach to tracking and measuring the organization's ability to move into solution deployment.

- **Training.** As mentioned, this is the dimension most often included in change management programs but, ironically, it's also commonly the most poorly executed.

- **Organization adoption.** Employees can change and still not fully buy into a new way of working. A successful change program includes techniques for fostering adoption of the new approach across the organization.

To be truly effective, every change management program must address all four of these dimensions. However, the level of effort expended in each area varies according to the amount of change required. That's why a company should begin its change effort by answering a series of key questions that will help gauge the magnitude of the change. These questions, illustrated in



Figure 1. Key questions for gauging the extent of change management requires

Scope of change

1. How many stakeholders are involved?
2. How many marketing processes are involved?
3. How different will the new processes be?
4. How frequently will the stakeholders be using the new MRM solution? Daily, weekly, less frequently?
5. How tech savvy are the stakeholders?
6. Are legacy systems being replaced?
7. Will stakeholder skills development be required?
8. Will there be massive governance change or organizational structure change to support the new way of working?

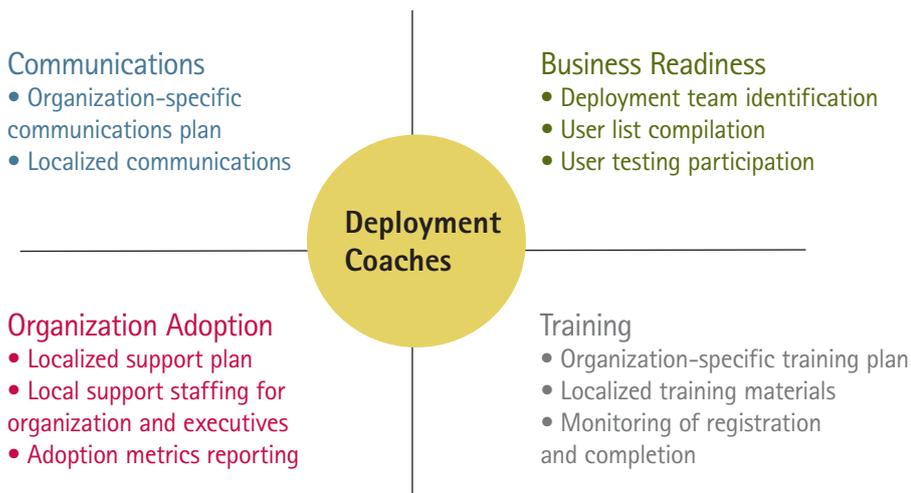
Culture and experience

1. How tolerant is the organization of people's failures while they are learning a new process or technology?
2. What is the stakeholder's track record with change?
3. How successful have previous change efforts been?
4. Has prior change been tied to technology implementation?
5. What were the critical success factors and biggest challenges of previous change efforts?

Stakeholder appetite

1. How motivated are stakeholders to try a new solution to relieve existing pain or gain new capabilities?
2. Do stakeholders perceive the new MRM solution will make their life easier or enrich their current job?
3. Are stakeholders concerned the new solution might eliminate marketing positions? Do they fear the system will cause their role to become obsolete?

Figure 2. Four elements of change management



The more comfortable and happy users are with existing processes and technologies, the less eager they are for change and, thus, the more change management will be necessary.

Figure 1, cover three broad categories. The first is scope of change. The broader and deeper the impact of the move to lean marketing operations, the greater the extent of change management required. The second is culture and experience. The more risk averse, “buy-in” and inexperienced with change initiatives the company is, the more change management will be needed. And the third is stakeholder appetite. The more comfortable and happy users are with existing processes and technologies, the less eager they are for change and, thus, the more change management will be necessary.

More often than not, an organization will represent a “mixed bag”—some employees eager for change and others that are more resistant.

Change management in action

We mentioned earlier that there are four key dimensions that a comprehensive change management program should address: communications, business

readiness, training and organization adoption (Figure 2). Now, we discuss in more detail how to implement change management across these dimensions as part of a major marketing transformation effort.

Communications

Successful change begins with the development of a comprehensive communications strategy that addresses four key sequential stages (Figure 3). The first set of communications should be geared toward explaining the reasons behind the change and motivating and preparing people for change. The next set involves two-way communications that help clarify the vision by enabling people to express resistance and question the effort. In the third set, the company’s communications are designed to inspire people to act—to get employees to relinquish their traditional ways of working in favor of the new processes and tools. Finally, the fourth set works to sustain the momentum built during implementation by reinforcing the changes, promoting the internalization

Figure 3. The extent of employee buy-in influences the content of communications



of a new culture and new behaviors, and setting forth the new metrics by which people’s work will be evaluated.

The level of stakeholder buy-in (understanding and commitment) will dictate messaging content and timing. Communications will be most effective when they anticipate and address the questions and concerns relevant to each particular point in acceptance.

Other key characteristics of an effective change communications program include the following:

- Start early and communicate often
- Use a mix of formal and informal communications
- Leverage existing communications vehicles, including meetings, newsletters, intranet sites, etc.
- Promote two-way dialogue and respond promptly to stakeholder feedback
- Tailor messages to each audience
- Ensure that communications balance messages of enterprise value with

messages that help stakeholders understand “what’s in it for me” (WIFM)

- Measure the impact of the communications efforts and refine/revise as needed

Business Readiness

Successful change is much more than simply having a production-technical environment and training materials ready.

Business readiness also considers such things as stakeholder understanding of and attitudes toward the change, developments in the business that may affect the company’s ability to absorb the change, and stakeholders’ ability to commit time and attention toward deployment of the new marketing operations—with the goal being to have the organization and the solution ready for deployment at the same time. To that end, successful business readiness programs are detailed, measurable and assess stakeholder progress at regular intervals to determine how the business is tracking toward its go-live date.

Here are some metrics commonly used to gauge progress:

Marketing resource efficiencies

- Planning and budgeting cycle time
- Campaign development cycle time
- Review and approvals cycle time
- Time spent managing vendors
- Event development and management cycle time
- Report development cycle time
- Asset location cycle time

Marketing budget efficiencies

- Agency/vendor fees as a percentage of total marketing budget
- Rush fees as a percentage of total marketing budget
- Revision fees as a percentage of total marketing budget
- Percentage of total marketing programs that are competitively bid
- Average cost per GRP
- Market research vendor fees as a percentage of total research budget
- Marketing assets reused as a percentage of total marketing assets

Successful training programs are based on an analysis of key user, application and development factors.



Marketing effectiveness

- Percentage of total leads that are converted to a sale (as brand equity increases, leads/sales ratio should increase)
- Brand positioning or equity measures (brand position/preference should increase as campaigns improve)
- Number of leads generated per campaign
- Percentage of total leads from a campaign that are qualified to move into sales pipeline
- Percentage of tools and templates replicated or reused

Leveraging these metrics, business readiness dashboards are used by managers to get a snapshot of their organization's status at given periods along the way (Figure 4).

Importantly, a company needs metrics for not only early-stage, mid-stage, and pre-deployment, but also for post-deployment. For example, by measuring such things as how many campaigns are

managed using the new MRM tool, how much of the marketing department's budget flows through the system, how many users are registered on the system, and how much time users spend on the system, a company can paint a more accurate picture of user adoption of the new tool and processes.

Training

As mentioned earlier, although training is one of the few aspects of change management that virtually all companies use, most organizations' training efforts are ineffective. Successful training programs are based on an analysis of key user, application and development factors. By plotting where the marketing operations initiative falls on each of these factors, an organization can better understand the necessary scope of its training program: how much training will be needed; what training modules will be required; what training delivery methods are best; how the company should sequence training if more than one session is required; what post-

deployment training may be required; and how the success of the company's training efforts will be measured, for example (Figure 5).

Marketing operations training is often complicated by the need to address both process and tool training. Therefore, successful marketing operations training blends both process and tool into a single training session, which helps ensure that the training provides the appropriate context for marketing stakeholders' day-to-day work.

Furthermore, robust training programs include post-deployment training. Post-support training should be structured to move from instructor-led sessions to more information sharing and one-on-one working sessions. Users should be encouraged and rewarded to share, support and train each other. No program created by the training team can have the same level of context and relevance as when one stakeholder trains their peers.

Figure 4. Business readiness reporting via dashboards

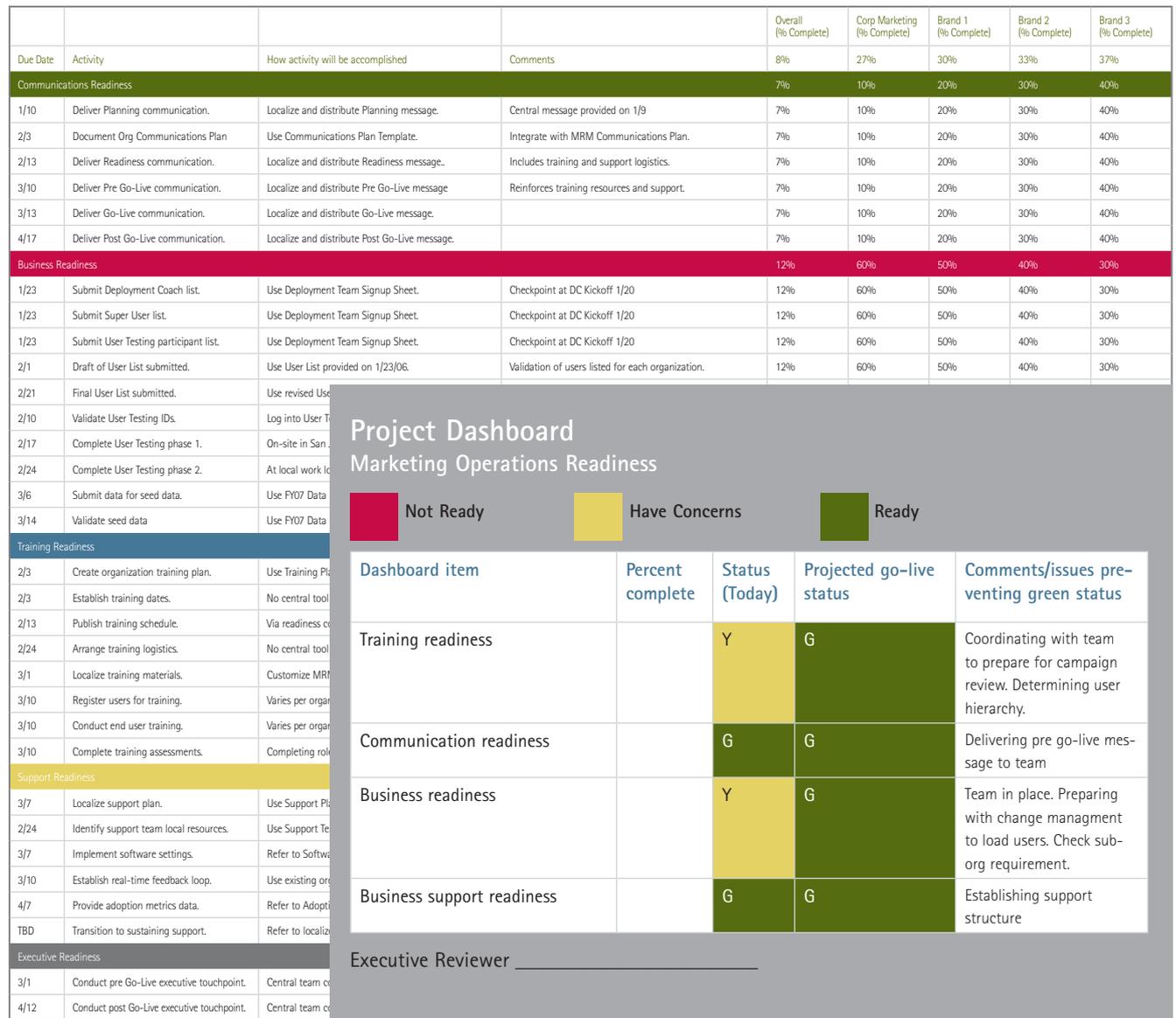


Figure 5. Factor analysis helps determine the scope of training

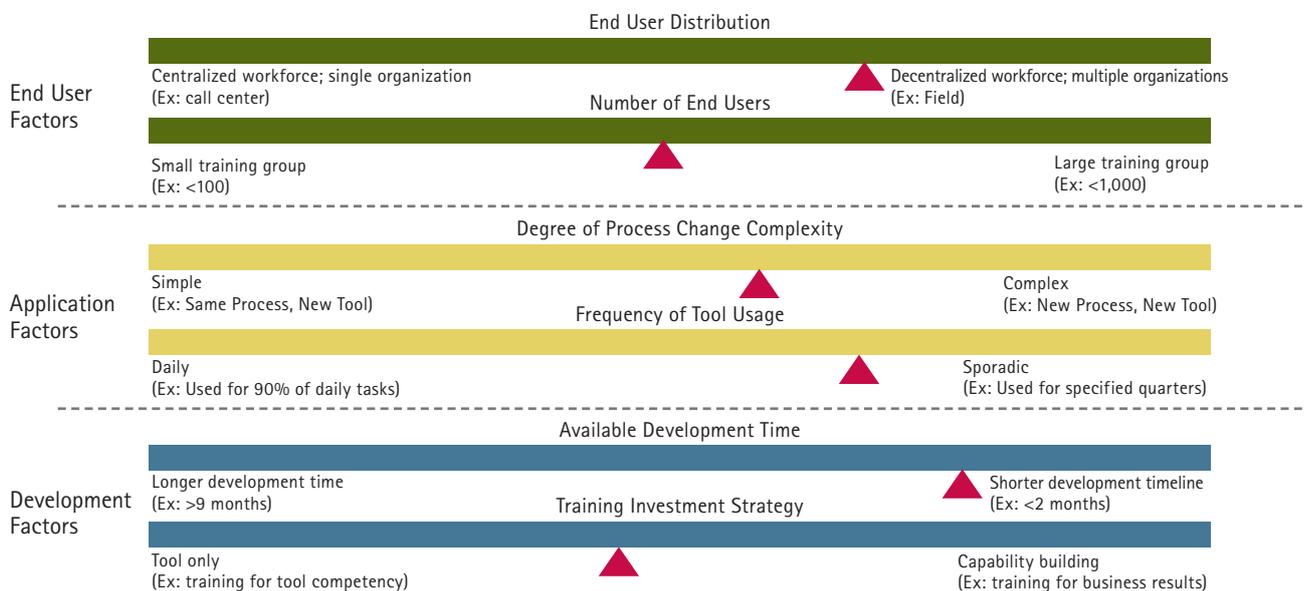


Figure 6. Comprehensive organization adoption program

Component/Deliverable	Description
Recognition and Rewards	<ul style="list-style-type: none"> • Determine appropriate recognition and reward categories • Establish guidelines
Implementation Success Metrics	<ul style="list-style-type: none"> • Define metrics • Establish targets • Create ongoing tracking and reporting procedures • Produce scorecards and executive reports
Help Desk and Support Structure	<ul style="list-style-type: none"> • Define support chain (1st, 2nd level) • Publish support procedures & contact information—both functional and technical • Identify and Train key support resources
Real-time Feedback Loop	<ul style="list-style-type: none"> • Establish feedback mechanisms • Determine procedures for approving real-time course adjustments • Gather and manage feedback • Execute real-time course adjustments, send necessary communications and update affected documentation

Organization Adoption

As mentioned, a new approach to marketing will not be successful unless it's fully embraced by the organization—i.e., it becomes the way of doing marketing in the company. To foster such an institutionalization, a company should create a comprehensive organization adoption program that includes four key elements (Figure 6):

Recognition and rewards

The use of incentive programs to foster adoption can be extremely effective, yet few companies build a rewards and recognition program into their change management effort. Incentive programs need not be lavish to generate results. They should include both recognition and rewards to acknowledge and reinforce desired behaviors. In particular, recognition programs with significant focus on peer-to-peer acknowledgement have proven to be more effective. See Figure 7 for some examples of recognition and rewards.

Implementation success metrics

Setting, tracking and sharing success/adoption metrics with stakeholders is critical. Stakeholders need to understand there is importance in and visibility into driving behavioral change and that behavioral change is tied to companywide value creation. Success metrics and anticipated benchmarks should be part of pre-deployment communication so there are no surprises after the new environment goes live. Furthermore, success metrics should be tailored based on where stakeholders are in the deployment process: early deployment metrics should focus on building new process and tool usage, while later metrics should be on driving efficiencies and, ultimately, creating value.

Help desk and support structure

Post-support mechanisms are also important tactics in an effective organization adoption program. In our experience, many companies launch their initiatives with very poor support; they are unprepared for questions that using

a tool such as MRM can generate. While they may have technical support in place for addressing technology-specific issues, they often don't have people available to answer questions about the business application of the tool. Such mechanisms should focus on helping stakeholders and users as they begin applying the new tool to perform their day-to-day jobs. Importantly, effective programs allow for both formal and organic development of support mechanisms. For example, formal mechanisms could include training materials and job aids or formally developed follow-on training workshops. Organic mechanisms could include a "tips submitted by users" or "hot topic" informal sessions to address issues or tips bubbling up from the user community.

Real-time feedback loop

Finally, successful organizations develop mechanisms to provide rapid feedback on how the deployment is progressing and the extent to which the organization is achieving the desired results.

Figure 7. Examples of recognitions and rewards in an organization adoption program

Reward	Description		Vehicle	Frequency	
Go-Live Celebration	<ul style="list-style-type: none"> • Celebration for those involved with teams responsible for launching MRM • Food, drinks, games provided • Desktop award given to each team member for their role in the successful go-live 		Face to Face	Once, following Go-Live	
Peer Nominations	<ul style="list-style-type: none"> • Users submit a nomination to the communication alias for someone they would like to recognize for an outstanding achievement or contribution • Guidelines are given to decide how to submit, evaluate, and reward the nominees • Nominee is rewarded with a gift (i.e., dinner or movie gift certificates, merchandise) • Determine whether peer nominations will be centrally managed and funded 	Recognition	Vehicle	Frequency	
		Executive Voicemails	<ul style="list-style-type: none"> • Voicemail from marketing executives within an organization • Congratulates the success of an organization, sub-organization, or individual for a specific success between milestones (i.e., getting data into MRM early, etc.) • Deployment partners/coaches input recognition 	Voicemail and/or email	Between milestones
Individual Awards	<ul style="list-style-type: none"> • Monetary award at the Individual level (more than \$25) to recognize outstanding achievements • Description of award process is in the Appendix • Awards are recommended for employees only if they have specifically gone above and beyond their role as outlined • Awards are at the discretion of marketing executives 	Milestone Master	<ul style="list-style-type: none"> • Short story outlining a team's success with MRM following a process milestone, including a picture and quotes • Post on MRM website and distribute with "Tip of the Week" • Deployment partners/coaches input success stories 	MRM website and e-mail	Around milestones
		Informal Recognition	<ul style="list-style-type: none"> • Guidelines that organizations can use to give individual recognition • Leverage existing standing meetings and resources • Guidelines include ideas for how and why to give informal recognition, such as contests within a sub-organization, verbal praise, visibility to peers 	Face to face	Adhoc

Conclusion

Until recently, marketing organizations—while certainly not leading a charmed life—have remained relatively free from the executive scrutiny under which other corporate functions fall. Marketers have largely been able to pursue their creative charges without the restrictions of standardized processes and demands to explicitly tie their actions to enterprise value.

That scenario is changing rapidly, as senior management increasingly expects marketing to be run as a business—just like any other function. In response, leading companies are beginning to adopt new marketing processes and tools that can help infuse their operations with greater consistency, rigor, speed, efficiency—and, most important, accountability. Yet the success of those initiatives rests with marketing leaders' ability to inspire

their teams to embrace new ways of working—something that is an especially difficult challenge for employees not used to rigor and control.

This is why marketing, arguably more than any other function, needs a comprehensive change management program as part of any shift to lean marketing operations. By effectively addressing the key communications, business readiness, training and organizational adoption issues inherent in change, marketing executives can help ensure that their initiatives have the desired impact on the larger enterprise's ability to differentiate itself from the competition and achieve its growth goals.

Case Study: Major Global High-Tech Company

A leading global high-tech company offers a good example of how a company can dramatically improve its marketing operations through a lean marketing initiative.

This company faced few competitors in its early years, but as it grew, so did the number of competitors eager to chip away at the company's lead. To maintain its position of high performance in a more complex and more competitive environment, the company realized it needed to pay much greater attention to its marketing efforts.

Through acquisitions, the company had grown quickly and, in the process, adopted a decentralized approach to marketing. Numerous independent marketing organizations, based on product lines or geographies, used different marketing processes, organizational structures and tools to drive myriad global campaigns, programs and activities aimed at touching millions of prospects, customers and business partners. Coordination was lacking between the corporate and field marketing organizations, as was an integrated approach to delivering tactical marketing solutions. Of greatest concern was the fact that there was a limited understanding of the nature and effectiveness of the hundreds of millions of dollars in marketing investments being made across the enterprise. A previously custom-built budgeting tool had become cumbersome to use, difficult to modify and simply had not kept pace with the company's growth.

To address these challenges, the company set out to optimize the performance, productivity and spend of its global marketing organization by integrating key aspects of marketing planning, budgeting and measurement processes. Of utmost importance

was gaining greater visibility into the company's marketing activities, understanding the marketing organization's return on investment, and implementing changes that would drive greater accountability and efficiency.

The company, working with Accenture, first developed a roadmap for optimizing marketing spend and resource productivity. The project team met with various stakeholder groups to understand their existing capabilities in different process areas and compared these assessment results with leading practices and marketing benchmarks. The resulting gap analysis helped form the architecture, platform vision and business case for a solution that would not only leverage the technical platform recently established for the outbound sales and marketing call center, but also integrate key aspects of the marketing planning, budgeting and measurement process. The company ultimately selected and implemented a leading MRM software suite, as well as an enhanced marketing planning methodology.

To ensure that the company's marketers would be able to use the new MRM system and processes to support their fiscal-year planning activities, it worked with Accenture to develop and launch a comprehensive change management initiative. Early in the project, this effort focused on gaining buy-in from the field marketing organizations. Other components of the change management effort included developing a deployment coach program with representation from all of the affected organizations, creating a training curriculum for hundreds of users, inviting business representatives to participate in user testing and readiness reviews, and designing a complete support plan to enable organization adoption.

With its new comprehensive solution in place, the company now has a marketing organization that is more efficient, more effective in its spending and more aligned with the company's strategic objectives. In addition to improving the company's marketing productivity by millions of dollars, the solution has greatly increased the visibility within and across various marketing programs. This greater visibility has enabled the company to:

- Understand where it is spending its marketing dollars—and the results of those investments
- Promote greater collaboration among marketing teams
- Provide actual spend information to users, which enables marketing organizations to track in real time how much money they have spent against a particular marketing program or activity
- Introduce a systematic feedback loop that allows marketers to easily modify their plans and activities
- Carry out long-term versus quarter-by-quarter planning
- Implement "top down" planning procedures, which enables better management of the overall marketing budget
- Introduce companywide consistency in definitions and processes, allowing different organizations to communicate using the same language.

In short, the new MRM solutions enable the company to achieve a greater alignment of dollars behind prioritized programs and the reallocation of marketing investments to higher-return choices.

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