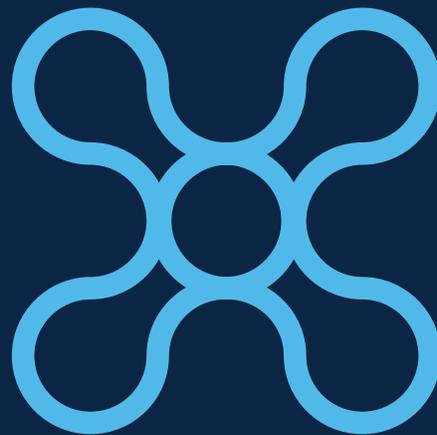


Marketing ROI: 5 for 5

5 Key Links for 5 Key Stakeholders.



If you have a stake in the success of your marketing team, you have a direct interest in Marketing's Return on Investment





Marketing ROI: 5 key Links for 5 key Stakeholders

If you have a stake in the success of your marketing team, you have a direct interest in Marketing’s Return on Investment (MROI). Far more than just a budgetary issue, an effective MROI program will generate business intelligence, develop customer lifetime value and support sustainable growth year over year. Simply put, every stakeholder can benefit but only if everyone plays on the same team.

This means you’ll need to develop a multi-disciplinary team to include Marketing, Sales, Customer Service, IT and Finance. In addition to the teams’ core skill sets, it’s also imperative to cultivate a mindset that continually learns from, and adapts to new business intelligence.

That’s because success with an MROI program is part process and part culture. Successful outcomes require decision making and responsibilities to cross over from one department to another. Therefore, it’s critical to think of the customer relationship as a shared responsibility. For instance, consider this matrix of responsibilities for each stakeholder.

	Business Intelligence	Customer Lifetime Value	Sustainable Growth
Marketing	Builds customer profiles - from first contact to qualified leads	Keeps communications relevant & timely with each lifecycle	Confirmation of MROI
Sales	Appends customer profile with personal inquiries	Anticipates customers needs & collaborates w/ mktg.	Confirmation of SROI
Customer Service	Appends customer profile with personal inquiries	Often, the primary interface w/ the customer	Confirmation of CSROI
Information Technologies	Customer data hygiene and security	Developing & evolving internet & mobile engagement channels	Confirmation of ITROI
Finance	Assists with reporting channels	Tracks CLV profitability, forecasts growth and reports on qtlly results	Measures EBITDA with better ability to forecast growth

Stakeholder Responsibility Matrix

This matrix also shows that measuring your marketing ROI will lay the groundwork for measuring the other department’s success as well.

So how does a CEO get these diverse departments to collaborate?

Let’s begin by addressing the **Five Key Links for these Five Key Stakeholders** in regards to an MROI initiative: *Intent, Collaboration, Accountability, Transparency and Authenticity.*



Intent

A declaration of intent marks the beginning of an MROI program. Define what you intend to measure and how will it support your business strategy in actionable ways. Ask your departmental stakeholders to clarify their unique business requirements for success as you outline short and long-term goals.

An important guiding principle is to “want not, waste not,” which is a twist on the old axiom, to caution one not to waste resources on the acquisition of data that isn’t actionable. Ask yourself if the data you seek will directly contribute to the acquisition and retention of a customer.

It’s important to acknowledge that the intent of an MROI program will need to adapt to your employee’s skill sets, tools and time [the time-phasing of the program]. *The stakeholders will need to understand* that not all data will be obtainable in the early stages of the program.

Use the outline below to begin a dialog with your stakeholders. Identify which data points correlate to the decisions each stakeholder needs to make. Then synchronize your staging (time-phasing) with the progressive development of the team’s ability to master the *Skills, Tools and Time necessary to generate sustainable results. Typically, most companies require two years to approach real-time data collection with event triggered actions.

Stage One Trackable Metrics	Stage Two Universal Metrics	Stage Three Financial Metrics	Stage Four Profitability Metrics
New leads or prospects	Brand perception	Incremental sales	Incremental revenue
Web traffic	Net-new demand gen	Sales conversion ratio	Incremental profit
Downloads	Purchase intention	Cost per lead	Net Present Value (NPV)
Engagement quantities	Recommendable	Cost per sale	Lifetime customer value
New names generated	Levels of awareness	Market share	
Profile completeness	Goodwill		
Response rates	Name Recognition		
Timeline: 30 days	Timeline: 9 months	Timeline: 1 year	Timeline: 2 years

Staged MROI Metrics and Timeline

Collaboration

Do your Marketing, Sales, Customer Service, IT and Finance departments collaborate authentically?

The truth is, for most companies, the answer is yes; but only to a degree.

Success with ROI programs won't come by varying degrees of teamwork; you'll need everyone to accept a share of the responsibility for the customer relationship. You can begin preparing a multi-departmental team with the proper mindset by setting expectations for collaboration. Connect their initiative with something bigger than individual departmental goals. Teach your team to solve problems, because in the first year there will be challenges across the dashboard as well as some difficulty putting into action your newly acquired business intelligence.

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Give your team flexibility as they balance hard analytics and creativity. Analytics will provide the necessary objectivity to adapt to new realities and creative thinking will help you escape the old patterns of problem-solving to address a new set of challenges. With the right mindset, collaboration between the distinct personalities of these departments becomes a force multiplier, not a forced marriage.

Accountability

Why do marketers cringe at the thought of an ROI program? Because they have to be accountable for efforts that fail to deliver results. In principle, half of all A/B test campaigns will fail; ambiguity isn't good for your marketing department.

Similarly, sales folks dread month-end when they aren't hitting their numbers and CRM tools reveal lack-luster efforts.

Customer Service takes the brunt of dissatisfied customers. They'll need to report good news as well as bad news. Guess which report gets noticed the most?

IT wonders why Marketing is always intruding on technology decisions however business intelligence is everyone's business.

Finance is typically left off the team. Don't let anyone just prefer it that way.

Accountability, too often, comes down to finger pointing when problems arise. However, an organization with a healthy culture will identify problems as opportunities to improve the customer experience.



Remember, accountability doesn't seek to fix the people; it seeks to fix the process.

Transparency

Let's be clear, lack of transparency is the biggest cultural obstacle to developing an effective MROI program. With today's management dashboards there's no place to hide. Everyone's activity can be tracked and their results measured. There is no safety to be had hiding in silos. So naturally, this can make people uncomfortable.

The number one reason MROI initiatives fail to gain traction is non-compliance or downright sabotage by its participants. This isn't to say you don't manage good people. It's probably an issue that your team is lacking a 'proof of business' that your MROI program is worth investing the effort.

Think beyond MROI initiatives. Imagine how effective your business will be if department silos were replaced with an internally focused, customer service mindset.

In reality, every department is inter-connected. Each plays a role as both service provider and customer when interacting with other departments in your company. Think beyond MROI initiatives. Imagine how effective your business will be when department silos get replaced with an internally focused, customer service mindset.

Authenticity

An authentic company is true to its core purpose and is fueled by a passion to make tangible differences in their customer's lives. However, we don't know when we are making differences unless we measure our progress. An MROI program keeps your key stakeholders operating in an authentic manner.

Consider these factors to see if your company has the characteristics of an authentic company in regards to a collaborative mindset:

- Commitment to stay the course
- A self-aware & learning organization
- Long-term relationships that aren't sacrificed by short-term gains
- A willingness to be criticized while responding with gratitude
- Employees are encouraged to develop their skills and serve internal stakeholders

The purpose of an MROI program is to provide meaningful measurements that keep your ship on its strategic course while ensuring your return on investment.

This initiative puts your stakeholders in the perfect position to lead the company and demonstrate how intent, collaboration, accountability, transparency and authenticity are essential traits of a well managed organization.

** Skills, Tools and Time refers the stakeholder's mastery of hard and soft skills, technology tools such as marketing automation and CRM, and a methodology for managing the variable of time.*

About the Author

Victor Dominguez is the Managing Partner of the Ligature Group and the Executive Director of Business Performance USA (non-profit (501(c)(6) in formation); as well as a Co-Founder of the EaglesWings Team. Victor has spent his career developing branding, marketing, sales and customer service programs for start-ups as well as Fortune 500 firms. He has founded numerous companies and well as served as a corporate officer for CB Richard Ellis. Victor has devoted his life-long training to creating written and visual communications to acquire and retain customers and constituents. Victor's core mission is to share his principles of leadership in the Age of Authenticity© and his Ethical DNA Model© in an effort to help employees learn to serve each other so that they may better serve the stakeholder model.

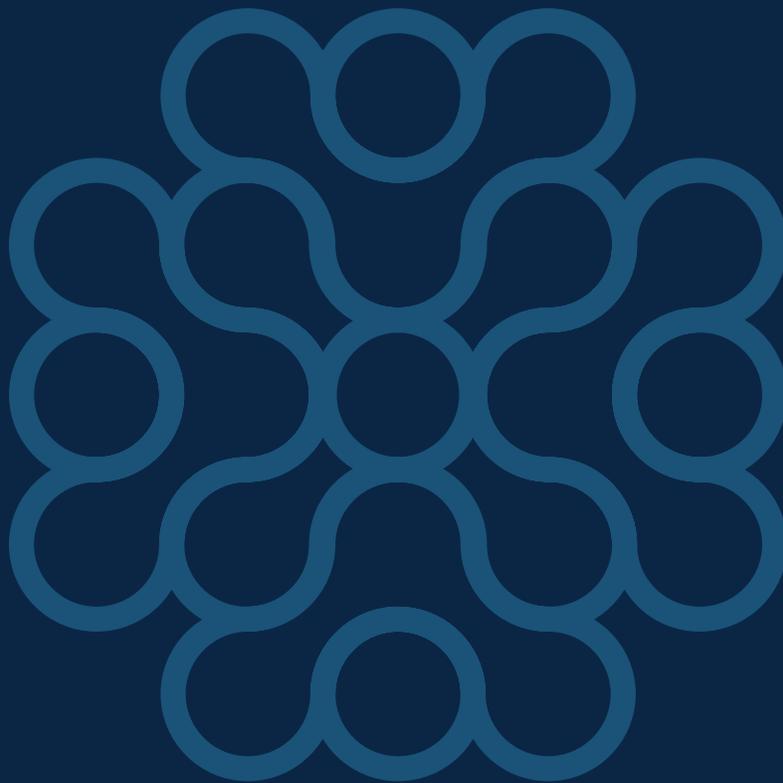
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