

## MarketFrames® Newsletter - Fall 2018

# Supporting Profitable Growth by Solving the Marketing Problem

More than ever before, companies need to find new ways to lower costs and increase effectiveness in order to deliver profitable growth. This is especially true for firms facing major market disruption or organizational change. With the right approach and processes, companies can transform a traditionally complex, inefficient, and expensive marketing function into a valuable strategic asset that supports sustainable, profitable growth.

## Why Focus on Marketing?

Marketing is often a visible and expensive cost center within a company. As a result, management may overlook the strategic importance and potential that Marketing has to contribute to the bottom line.

***Marketing is the only function to connect a business from first idea to customer use***

Marketing is the backbone of successful, growing, profitable companies because it is a critical end-to-end process – the only one that spans the entire company – from fundamental business planning to ongoing customer care.

Granted, this view of Marketing is frequently obscured in companies where the various marketing functions (from Commercialization to Product Management to Marcom) have been fragmented across the organization. The resulting issues are often magnified further between Marketing and other entity resources (Operations, Finance, Planning) that reside in product groups or entities that operate as “silos,” inhibiting the linkages and synergies required for operational success. However, properly connecting and integrating the right resources through optimized process and structure makes it possible for companies to capture and exploit the full end-to-end reach and potential of Marketing.

Successfully transforming the marketing function enables companies to:

- 0 Better define their market-driven technology and core asset decisions
- 0 Gain breakthrough customer insights that enable the organization to develop differentiated and winning products
- 0 Better integrate go-to-market investments and planning
- 0 Align brand and category communications across regional entities and staff organizations in strategic ways
- 0 More efficiently manage marketing costs in line with overall strategy
- 0 Help support sustainable, profitable growth

## The Marketing Problem

The inefficiencies and other frustrations associated with the marketing function frequently originate from the way Marketing is organized and operated. Resources are often spread across business units, regions, and corporate resulting in both duplication and discontinuity of decisions, activities, and deliverables. In many companies, various marketing functions have been “disaggregated” and distributed across entities (for instance, separating Product Marketing from Market Development or Marketing Communications), resulting in poor communications and coordination between groups that should be working together seamlessly.

In practical terms, the results of this kind of marketing organization are all too familiar:

- Marketing spend can't be adequately tracked or managed
- Coordination and leverage between groups is sporadic or non-existent
- Marketing talent is inconsistent throughout the company
- Agencies are poorly directed and managed
- Brands and categories lack integrated strategies and messaging
- Accountability is weak or non-existent

The problem extends far beyond the marketing function itself. Without the right marketing:

- R&D doesn't always know what to design, and products may lack key features and proper pricing, or are late to market
- Customer solutions aren't well defined because product lines don't collaborate
- Operations spends time forecasting instead of driving supply chain efficiencies
- Forecasts are inaccurate because they don't effectively integrate sound market data and analysis from across the organization
- Sales spends too much time gathering requirements instead of selling

CMOs and other executives charged with solving this problem need to find ways to improve communication and coordination, foster marketing leadership, and drive better economies of scale and scope within their organizations. This work often involves variations on centralization, consolidation, or even downsizing strategies. While any of these approaches may be helpful in some ways, they alone aren't enough to drive the sustainable change required for successful marketing transformation.

Solving the Marketing problem requires a more comprehensive method -- one that provides a repeatable and scalable model for efficient planning and execution across a complex organization. Given the truly end-to-end nature of effective marketing organizations, it makes sense to organize in a way that defines the work to be done and then provides a comprehensive blueprint or map of the infrastructure, core processes, and tools that drive products and services from that initial idea to the customer.