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# THE ESSENTIAL FRAMEWORK FOR OPTIMIZING MARKETING PERFORMANCE

*HOW BEST-IN-CLASS  
MARKETING ORGANIZATIONS  
BECOME BEST-IN-CLASS*

## WHY READ THIS REPORT?

Allocadia's framework will lay out the different stages organizations go through to optimize Marketing Performance, key levers that must be pulled to progress, and actions to take to move from under-performing to over-performing.

It is possible to run marketing with total confidence and control.

**By optimizing Marketing Performance, you will be able to run a marketing department based on the following:**

- ☑ Marketing is one of the most respected, and talented, departments in the company and the CMO is a strategic voice.
- ☑ Alignment with sales and finance exists with the goal of predictable revenue and expenses.
- ☑ Prescriptive analytics help drive decisions at every level of the organization.
- ☑ Data is the department's greatest asset. Technology is best-in-class and enables better decisions in the field.

This report is the result of 6+ years of Allocadia's industry experience combined with comprehensive interviews that were conducted with senior-level marketing executives at enterprise companies. All participants are directors or above and have a combined 200+ years of marketing experience.

# THE ESSENTIAL FRAMEWORK FOR OPTIMIZING MARKETING PERFORMANCE

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**TODAY'S MARKETERS** are in a race to execute as fast as possible. Predictive, Attribution, Content, Account-Based Marketing – all of these are potential marketing game-changers, and if executed well, they can increase revenue. But, in this rush to do, marketers may forget what they are racing towards, and are failing to create impactful marketing organizations.

Recently, Aberdeen Group reported that only **19%** of marketers have comprehensive tracking & reporting practices in place, and according to The CMO Survey, **69%** of companies have yet to prove the long-term quantitative impact of marketing. If the foundational elements around tracking and reporting do not exist, and marketing can not prove its impact, how can marketers in the field execute with maximum effectiveness?

**“You can’t tell people to go make a goal without giving them the right instrumentation and data”**

— RENÉ BONVANIE, PALO ALTO NETWORKS

Thankfully, there is hope. Rather than chasing the latest silver bullet, the most successful executives are focused on optimizing their team's Marketing Performance. These executives work to run their marketing organization like a business, complete with high-functioning departments.

But what exactly is Marketing Performance, and how do you optimize it? Answers to these questions may seem obvious, but when taking a closer look, the full solution is quite complex.

Every organization-- large or small-- wants to perform well. Marketers want to meet and beat expectations and company goals. Yet, the reality is, if you ask marketing executives about this topic (which Allocadia did), you'll get varied answers. Marketing Performance is something every CMO is measured on, but there is no distinctive definition or playbook around the topic.

The goal of this framework is to fill that gap.

# WHAT IS MARKETING PERFORMANCE?

**Marketing Performance is marketing's results or output compared against the set objectives.**

This seems easy enough, right? Most marketers would say they are already measuring and managing Marketing Performance – and they would be correct (sort of).

In truth, Marketing Performance is not opt in -- a marketing team's contributions to the organization are always on trial. Sales, Product, Finance, and most importantly the CEO and board are constantly watching and judging. It is up to marketing leadership to drive the discussion and set the criteria for Marketing Performance. However, marketers often do a poor job of taking ownership of this. They do not make the necessary efforts to understand the different layers and inputs that go into optimizing their team's performance. Instead, they defer to shortcuts or allow other people to define success. This common scenario leads to an underperforming marketing organization.

► **FIRST, UNDERSTAND THAT MARKETING PERFORMANCE HAS TWO MAIN DRIVERS:**

**Marketing Execution** and **Marketing Performance Management** (SEE FIGURE 1)

**1. Marketing Execution** is all market facing activities; ranging from over-arching global campaigns to individual field events. Execution is the muscle behind everything the marketing organization does.

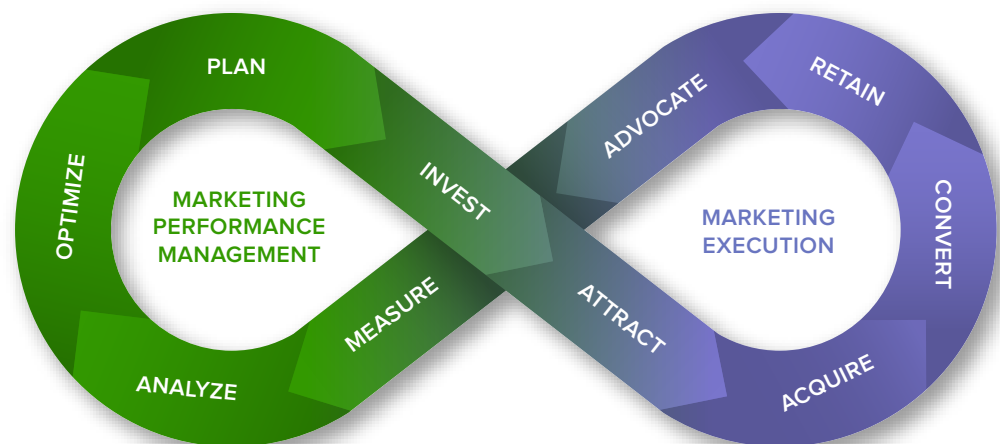


FIGURE 1  
**MARKETING PERFORMANCE INPUTS**

## 2. Marketing Performance

**Management** (or MPM) is what goes on behind the scenes; planning, marketing investments, the measurement of results, and output of insights. MPM should be looked at as the strategic arm, guiding the organization towards success.

(SEE FIGURE 2)

The strategy and tactics within marketing are both important, but should not stand alone. Organizations often struggle when too much time and resources are spent on execution. Without cognizant, constant efforts in MPM, marketing becomes decentralized and disjointed, which makes it ineffective.

At the most successful organizations, MPM is a strategic role that falls on Marketing Operations and with the Marketing Executives. In order to take control of Marketing Performance, marketers must spend a significant amount of energy on the strategy and plans.

**Successful marketing execution can only occur when effective efforts have been put into Marketing Performance Management first.**

The maturity stages and dimensions within this report will help you learn where your organization sits and what steps are needed to improve Marketing Performance.

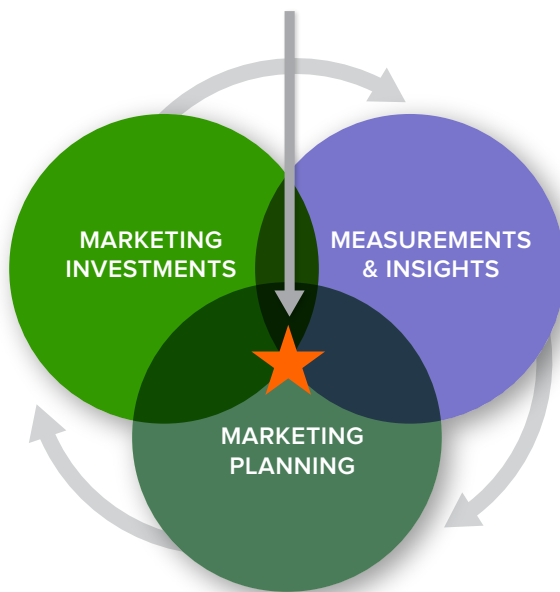


FIGURE 2

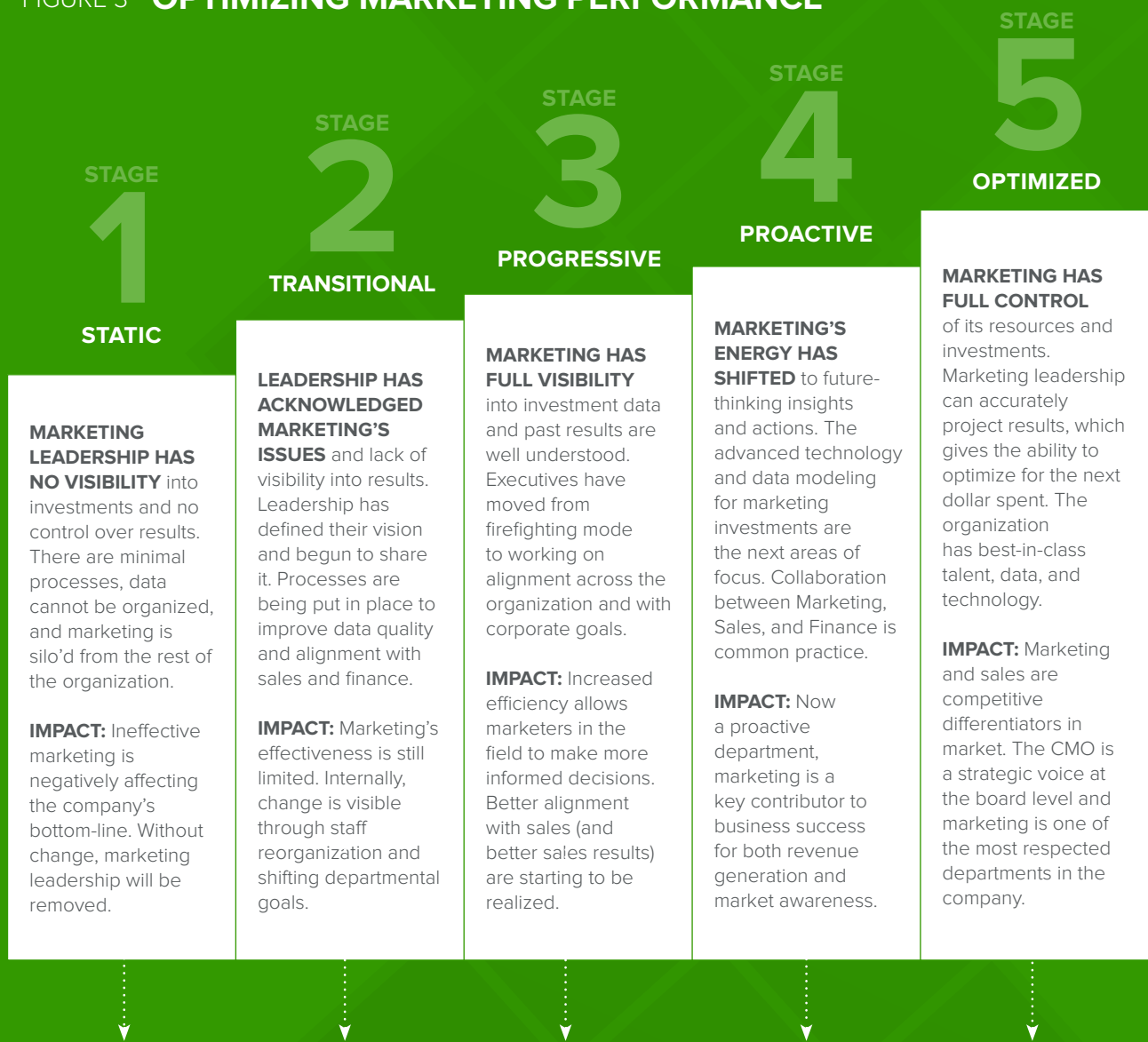
### MARKETING PERFORMANCE MANAGEMENT

# OPTIMIZING MARKETING PERFORMANCE IN FIVE STAGES

**ALLOCADIA'S MATURITY** model will help marketing executives learn where they stand in their Marketing Performance evolution. As with most marketing competencies, this development is a constant work in progress involving multiple facets of marketing. There will be major breakthroughs, small steps of progress, and also failures and frustrations – the path will not be linear. However, the most successful marketers will take this challenge head on, as this is the only way to become a high-performing marketing organization. It should also be noted that the strongest organizations are already moving with urgency.

Marketing Performance evolves through five general stages (**SEE FIGURE 3**). Marketing executives can leverage this maturity model as an aid when navigating their journey. This document should be utilized to examine the current state of a marketing organization in regards to how Marketing Performance is being managed and improved. To assist with this, this report provides checklists and specific steps to help move through each stage. The ultimate goal is to create a path to marketing excellence.

FIGURE 3 **OPTIMIZING MARKETING PERFORMANCE**



#### **YOU MAY BE STATIC IF:**

There is a disjointed structure within marketing or disenfranchised leadership. This could be due to multiple factors, but ultimately it has led to an outdated and unstructured approach to marketing. At enterprise organizations there are a lack of centers of excellence and there are antiquated approaches to data, technology, and marketing processes. Marketing is unable to collaborate within its own walls, let alone with other departments.

#### **YOU MAY BE TRANSITIONAL IF:**

Change is occurring, often spurred by new marketing leadership or the understanding that marketing must gain control of their operations, or risk irrelevancy. There is a lot to be done, which at times can lead to turmoil and confusion. Leadership is focused on creating new processes and rebuilding relationships. There is a renewed effort around data format design and data cleanliness. Marketing Performance has not improved dramatically, but there is noticeable momentum.

#### **YOU MAY BE PROGRESSIVE IF:**

There is a newly found respect for data and the ability to take action from that data. The marketing organization is focused on measuring past performance and understanding what has worked and what has not. The skill level within marketing has improved dramatically in last 6 – 12 months. However, change is continuing to occur at a rapid pace and much of marketing's gains are new. There is still uncertainty on how to best utilize new technologies, quality data sources, and recently deployed processes. There is a strong vision and an apparent path to gaining insights that will help create future success.

#### **YOU MAY BE PROACTIVE IF:**

Marketing is a results driven organization, and all actions are expected to tie back to specific objectives. Measurements are not just used to report on past results; they are also leveraged to gain insights that inform future actions. Marketing is highly respected and collaborates well with other departments. Positive effects from the work that was put into data and processes are clearly apparent. Efforts are currently being directed towards onboarding best-in class technologies and advanced data modeling.

#### **YOU MAY BE OPTIMIZED IF:**

This stage is aspirational for even the best departments. However, you will know you are near it when marketing is one of the most respected departments in the company. Advanced data modeling and prescriptive analytics exist at every level of the organization, which allows for marketers to accurately project bottom-up (what budget is needed) and from the top-down (what marketing actions should be taken to hit marketing objectives). Technology, data, and processes work in harmony, providing intelligent insights and prescriptive analytics for the best actions to take. Marketing, sales, and finance work as one to drive predictable revenue to meet and beat market expectations. Dimensions of Optimizing Marketing Performance

# DIMENSIONS OF OPTIMIZING MARKETING PERFORMANCE

|                       | STATIC                                                                                                                                     | TRANSITIONAL                                                                                                                                  | PROGRESSIVE                                                                                                                                   | PROACTIVE                                                                                                                                                      | OPTIMIZED                                                                                                                                                          |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EXECUTIVE VISION      | Marketing leadership does not have the time, is not empowered, or is unaware of the need to champion marketing performance.                | The CMO has set their vision for marketing performance and is socializing it inside and outside of marketing.                                 | Executive vision spans beyond marketing centric. Aligns to corporate objectives and looks at a 3 – 5 year horizon.                            | Focus has moved past vision, alignment, and evangelism to maximizing marketing's contributions and fully enabling the department's success.                    | Marketing is a top functioning department. The CMO is a corporate leader and focuses majority of energy on beating market expectations.                            |
| ORGANIZATIONAL TALENT | There is a lack of data, technology, and analysis skills within marketing.                                                                 | Marketing is aware of the talent deficit. The desired types of skills have been identified and top marketers are being elevated.              | Target marketer "profiles" have been identified and documented. The creation of training and recruiting processes have begun.                 | Formal training and recruiting has been put in place. Almost all marketers have strong data, technology, and/or analysis skills.                               | Externally recognized as a best in class marketing organization. Programs are in place to keep talent level elite.                                                 |
| ALIGNMENT             | Marketing's collaboration with finance and sales is practically non-existent.                                                              | Departments have publicly acknowledged a gap. Discussions around better processes and alignment are occurring. Joint execution has not begun. | A joint project is in flight to connect data from marketing investment, sales results, and marketing results. Groups meet on a regular basis. | A "golden handshake" around pipeline delivered exists between marketing, sales, and finance. The groups often collaborate with an end goal of driving revenue. | Finance is a trusted strategic partner to marketing and sales. Departments are aligned on market expectations and work to create predictable expenses and revenue. |
| DATA VISIBILITY       | No agreed upon approach. Metrics that exist are tactical and "activity based" (e.g. clicks, press release hits).                           | Core marketing metrics have been defined and marketing is working towards gaining full visibility into past performance.                      | KPIs have been mapped to corporate objectives. Multiple layers of measurements are defined. Benchmark targets have been set.                  | All measurements lead to marketing contribution. Measurements have shifted from past static results to insight based and future looking.                       | "Intelligent" insights or prescriptive analytics exist, providing marketers with recommended next best actions depending on the desired goal(s).                   |
| DATA CLEANLINESS      | Data is silo'd across the organization and impossible to get to. Even different marketing functions have disparate data and data formats.  | Data format and database design has begun. There is an understanding of where data exists and what data needs to be cleaned.                  | Core data (investments and results) have been normalized/cleaned. Efforts have begun to build a single data warehouse.                        | Marketing data is accounted for in a single data warehouse and in a consistent format. Advanced data modeling has begun.                                       | One view of the truth exists across marketing, sales and finance. Advanced data modeling exists at every level of the marketing organization.                      |
| TECHNOLOGY ADOPTION   | Excel, PowerPoint, Outlook and SFDC dashboards are the main technologies used for performance. At times, even the above tools are lacking. | Technologies exist, but are underutilized and inconsistent across the organization. Excel and PowerPoint are still prevalent.                 | Core technologies such as CRM, MAP, MPM are linked. Some silo'd marketing technologies still exist and Excel is still used.                   | Technologies are best in class, automated, self-service and flexible for the end user. A technology future roadmap exists.                                     | MPM stack is clearly mapped. There is documentation of how the technologies work together and how they produce recommended next best actions.                      |

# HOW TO OPTIMIZE YOUR ORGANIZATION'S MARKETING PERFORMANCE

ALL MARKETING organizations want optimal performance – this is an end goal for CMOs and marketing executives. The above section, which helps marketers understand the different stages and dimensions of optimizing performance, is only the first step. To impact meaningful change, leadership must take action to improve marketing. For each company the path will be different, but there are commonalities in both the necessary actions and the warning signs at each maturity stage. Utilize this section to inform key areas to focus on when making the jump from one stage to the next.

## ► HOW TO MOVE FROM STATIC TO TRANSITIONAL

The first step to finding a solution is acknowledging there is an issue. Often, a static organization is too much in the weeds or too deep in problems to realize change must occur. At this stage, the organization does not have advanced technologies or data approaches, and that is ok. To move forward, the focus should be on building alignment internally (both within marketing and with different departments) and designing and deploying new processes.

**“I don’t buy technologies to create processes, I build beautiful processes to begin with!”**

— JENNIFER POCKELL-DIMAS,  
VICE PRESIDENT OF INTEGRATED  
MARKETING AND BUSINESS  
OPERATIONS, PLEX

This is the time to define what good -- or great -- looks like. What does the future state of marketing look like at your organization? What questions does the marketing department want to be able to answer? What data is needed, and how should data be formatted to reach this goal? What other departments must be on board to make this vision a reality? These questions need answers before sweeping actions can be taken. Don’t look too far ahead; going from “A to Z” in one jump is not possible. You must instead formulate a plan to go from “A to B to C”.

Talent also needs to be an area of focus. It is important to identify which current employees will be part of these changes and what skills need to be infused into the organization to make sure progress is made. Recruiting top marketing talent is a competitive challenge, and getting the right people on the team early on is a must.

## ✓ CHECKLIST FOR MOVING FROM STATIC TO TRANSITIONAL:

- ☐ Set a vision for what marketing can be. Be realistic in what it will take to get there, but be clear on intent.
- ☐ Audit your technologies, metrics, data and processes to understand the current state – be ruthlessly honest.
- ☐ Identify the skills needed to succeed and gauge the current level of talent within the organization. Begin to promote top performers.
- ☐ Take action! Start small, begin with defining core metrics and focus on areas that you control (e.g. marketing investments and resources).

## ► HOW TO MOVE FROM TRANSITIONAL TO PROGRESSIVE

This transition can be challenging as the department has awoken from an unproductive slumber. Suddenly, there are new pressures and lofty goals. These forces are creating a groundswell of activity, often giving the feeling of a frenetic state. Executives must make sure the organization walks a fine line between pushing for a breakthrough and creating chaos. To be successful, the organization must be true to the vision laid out by the CMO and trust the initial plans and processes.

As progress occurs, executives should continue to highlight key wins and start to expand their vision to match corporate objectives. It's also important to look to a 3 – 5 year horizon that matches the company's aspirations. Make sure to launch joint initiatives with finance and sales leaders, as alignment efforts are essential if marketing is to have a respected voice across the entire company.

Within the marketing department, data cleanliness and data design should be top priorities. This focus will make it possible to create measurements that monitor progress towards the CMO's objectives. It's also important to continue to transition data and plans out of Excel, PowerPoint, and email into technologies that can be easily joined and automated. These technologies should start with CRMs (like Salesforce), Marketing Automation (like Eloqua or Marketo), and Marketing Performance Management (like Allocadia).

### “Data cleanliness is a full-time job”

— ALYSSA WEBER, JUNIPER

## ✓ CHECKLIST FOR MOVING FROM TRANSITIONAL TO PROGRESSIVE:

- Double down on alignment efforts with finance and sales. They must be partners in this journey – marketing cannot go at it alone.
- Work to assure impeccable data quality – processes have been defined, adjust where necessary – to make the next jump, marketing must have the needed visibility into measurements, and data is the answer.
- Keep focus and find balance; it will be clear there is much to do, but without that, chaos will become the norm. Be true to the previously set vision and leadership must over communicate across the organization.

## ► HOW TO MOVE FROM PROGRESSIVE TO PROACTIVE

At this stage, the marketing organization should have confidence in what is being delivered and is better respected by other departments. The marketing organization can measure results and take action from that information, and is now focused on producing forward-looking insights that direct future actions. There is a clear path to prescriptive analytics and insights. The power to make this shift is driven by two main things:

1. Leadership's time is now split between enabling the marketers in the field to hit their goals and communicating their vision (which has previously been the main focus).
2. Efforts around data cleanliness have hit a major milestone.

Previously, efforts were focused on getting data and processes in order and driving value through core technologies. Now, a more intense effort should be put into integrating additional layers of best-in-class technologies. Quality data is already in place, and a stronger tech stack will become the enabler for advanced data modeling and prescriptive analytics. The existing data coupled with the best technologies will give the advanced workforce tools to make smarter decisions. At this proactive phase, marketing will rise from just another department to a key contributor.

## ✓ CHECKLIST FOR MOVING FROM PROGRESSIVE TO PROACTIVE:

- Time to GSD (get stuff done). The foundation of a strong marketing organization should be in place, start leveraging the processes and core data and technology that now exist.
- Double down on technology investments. Baseline technologies and data exist, and now it's time to bring on attribution, predictive, and other other advanced point solutions.
- Finalize a training and recruitment program. Take efforts to energize the skilled workforce you have built.

## ► HOW TO MOVE FROM PROACTIVE TO OPTIMIZED

Finally, you must move Marketing Performance from proactive, to fully optimized. With fully optimized Marketing Performance, there is total control of marketing activities and resources, as well as what they will produce for the organization. When an organization reaches this stage, it is able to adjust inputs at any level of the organization and get expected outputs, while keeping revenue as the ultimate goal. Prescriptive analytics will help drive decisions from PR, to events, to direct marketing.

Reaching the optimized stage relies on two main actions:

1. Key dimensions such as data, technology, and talent move from good to great. Great is defined as:
  - *Fully integrated both vertically up the department and horizontally across the entire organization.*
  - *Self-perpetuating – the quality of the systems and people naturally improve themselves.*
  - *Internally and externally recognized as best-in-class.*

2. Marketing leadership is elevated to the highest level. The organization should be at a state where the CMO is spending minimal time on running the operations of marketing (their lieutenants have that covered) and can spend time on corporate development and broader market-facing activities.

Marketing organizations in this stage will rely heavily on intelligent insights and prescriptive analytics to drive their decisions. The marketers in the field are still empowered to make decisions, but they have a full suite of tools and insights to recommend next best actions.

**Important here is the balance between a world-class marketing staff who excel at their jobs, advanced data and technology that enable the staff, and trust from management that what has been put in place will produce.**

Reaching this point is the final exclamation point on a fully optimized marketing organization.

## ✓ CHECKLIST FOR MOVING FROM PROACTIVE TO OPTIMIZED:

- ☐ Assure there are no loose ends, there should be no standalone technologies or lone wolf marketing pockets. Marketing actions, data, and technology must be fully connected.
- ☐ Continuous testing and iteration – optimized marketing organizations are always looking for another edge on the competition.
- ☐ Make the move so all marketing resources are aligned with sales and finance, driving towards the underlying goal of predictable outputs and expenses.
- ☐ Celebrate – it takes hard work and an innovative team to get to this point, make sure to acknowledge these accomplishments.

# WHY OPTIMIZING MARKETING PERFORMANCE MANAGEMENT MUST HAPPEN TODAY

**EVERY MARKETING organization is judged on its performance. However, today the proliferation of data and measurement has put a new burden on the CMO's office to prove marketing's worth. This has led to more scrutiny and pressure on the CMO and the marketing organization to be contributing partners to the entire company's success. This relatively new reality will unfold for marketing departments in one of two ways:**

1. The CEO, CFO, and COO will pass marketing's agenda and objectives down as an edict. Little negotiation will occur and the CMOs that fail (which often is inevitable) will have their responsibilities diminished. This scenario is unideal and scary for marketing leaders.
2. Marketing will embrace new capabilities that exist and take ownership of Marketing Performance. The CMO has an opportunity to cement themselves as a leader. Not all marketing organizations will succeed, but the ones who do will find success, and will rise to new levels within their organization.

Obviously, scenario number two is much more desirable. But it is the hard path, one that forces marketers to move out of their traditional comfort zones and ask more of themselves and their team.

**To set the conversation around Marketing Performance, marketers must avoid focusing solely on execution.**

This report does not focus on specific marketing actions. Rather, it focuses on strategic plans, data, alignment, and processes. The fatal flaw in optimizing Marketing Performance is focusing too much on the tactical execution and not enough on the operational aspects of managing Marketing Performance. Execution is imperative, but execution happens naturally for most marketers, whereas Marketing Performance requires greater focus and discipline.

Marketing leaders who are able to take on Marketing Performance from both the management (MPM) side and the execution side will generate more revenue for their company, contribute to corporate successes, and see their fortunes rise. The marketing leaders who fail to do so will struggle and ultimately fall to irrelevancy. So start today, make a concerted, strategic effort to optimize Marketing Performance.

## STUDY APPROACH

IN RESPONSE to an increased pressure on marketers to deliver more specific and direct results, this report explores the importance of creating a departmental focus on performance. It is intended for senior-level marketers charged with creating progressive, high-functioning marketing organizations. This document leverages a maturity model and provides guidance on optimizing Marketing Performance within enterprise marketing organizations.

The study is the result of 5+ years of Allocadia's industry experience combined with comprehensive interviews that were conducted with senior-level marketing executives at B2B companies. A list of sample participants and companies is below:

### COMSCORE:

**Sandy Viteri,**  
*Vice President of Global Marketing Operations*

### F5 NETWORKS:

**Kristen Petersen,**  
*Director, Demand Center & Global Marketing Operations*

### GROVO:

**Hoontae Sim,**  
*Head of Marketing Operations*

### HITACHI DATA SYSTEMS:

**Jeremie Audran,**  
*Director of Global Marketing Operations*

### JUNIPER NETWORKS:

**Susan Vanin,**  
*Director, Global Marketing & Demand Generation Operations*

### JUNIPER NETWORKS:

**Alyssa Weber,**  
*Sr. Director, Global Marketing & Demand Generation Operations*

### MARKETSPHERE:

**Brian Brownrigg,**  
*Managing Director, Marketing Performance Management Practice*

### PALO ALTO NETWORKS:

**René Bonvanie,**  
*Chief Marketing Officer*

### PLEX:

**Jennifer Pockell-Dimas,**  
*Vice President, Integrated Marketing & Business Operations*

### RED HAT:

**Jackie Yeaney,**  
*Executive Vice President, Strategy & Corporate Marketing, Red Hat*

### VMWARE:

**Chethan Chandra,**  
*Senior Finance/Ops Manager*

### XEROX:

**Cindy Johnston,**  
*Director, Corporate Marketing Operations*

### XEROX:

**Duane Schulz,**  
*Vice President, Marketing Technology and Brand*

All participants are directors or above and have a combined 200+ years of marketing experience.

