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Beyond the 4Ps: The 5Ts of Marketing Operations

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CMOs of global companies are confronted with unparalleled challenges and opportunities. These include:

- **Marketing Accountability:** It is no secret that CEOs are demanding greater ROI on their marketing investments. Consequently many CMOs are driving initiatives to make the marketing function more accountable and measurable.
- **Globalization:** Serving global markets necessitates that marketing coordinate campaigns across continents to leverage cost and synchronize messaging, however campaigns must also meet local needs and norms.
- **Complex Consumer Expectations:** Consumers have become increasingly vigilant about SPAM, junk mail and privacy concerns. Regulatory compliance with each country and state is a mandate.
- **Mergers and Acquisition (M&A) Integration:** Frequent M&A places constant demands to rapidly integrate messaging, web, and collateral of newly acquired companies into the corporate brand. Inadequate marketing budgets frequently associated with acquisitions place additional stress on existing budget priorities.
- **New Marketing Technology:** The advent of new internet technology has enabled unprecedented interactive dialogs with customers. This presents a huge opportunity for forward-thinking companies to target and reach customers in personalized ways. However, new technologies must be implemented and integrated across the world with regional marketing teams that execute campaigns locally.
- **Stakeholder Agreement:** Coordination with regional marketing groups, product business units and sales constitutes a major task. Processes are needed to prioritize and support new product introductions and demand generation within marketing budget constraints. Terms, such as "What constitutes a qualified lead?" need to be standardized worldwide. If not addressed, roll-up, visibility and accountability into an actionable. CMO and campaign dashboards becomes nearly impossible.

Marketing Operations Emerges As A Discipline

Faced by these demands many CMOs have commissioned a marketing operations organization to tackle these challenges. Originally designated to create metrics and dashboards for accountability, leading companies are increasingly treating marketing operations as a key foundation to the marketing function.¹

Marketing operations is the only function, (other than the busy CMO), that manages marketing from an end-to-end perspective. Marketing functions such as PR, product marketing and regional marketing only see a portion of the big picture.

"Marketing operations ensures marketing is run as a business," states a VP of Marketing Operations at a major Silicon Valley firm, "We strive to enable the marketing organization to be streamlined in day-to-day processes so they have time to think, focus on the customer and to innovate."²

The 5Ts of Marketing Operations

What constitutes marketing operations? Based on our work with clients, and in our research, we have found that marketing operations is an emerging dimension to the marketing mix. Enabled by new processes and technology, it goes beyond the 4Ps (i.e. Product, Price, Place, Promotion), and 3Cs (i.e. Customers, Competitors, Corporation³), to fully round out the marketing mix. The 5Ts of Marketing Operations are:

- Total Strategy
- Techniques & Processes
- Tracking & Predictive Modeling
- Technology
- Talent



By approaching marketing operations across these dimensions, CMOs have an integrated approach to enable marketing worldwide. Let's describe the 5Ts in more detail:

Total Strategy: This area involves strategy development in the product portfolio. It is not uncommon for large companies to have seventy-five or more products in their portfolios -- some have hundreds. Managing investments and priorities across the portfolio is paramount.

- What constitutes effective strategy development for each product?
- What are the key elements needed in each plan to win in the market-place and to roll this out worldwide?
- Where do we “double-down” our investment? How do we gain market-share with our resources? Where do we reduce investment?
- Does the organization reflect how our business should optimally interact with customers? Are there new ways we can improve our dialog and reach?
- Chief of staff for the CMO: Based on our work with clients and research, the head of marketing operations in a number of companies takes on this role – driving the organizational agenda, identifying “white spaces”, and ensuring measurement results are discussed at review meetings.

Techniques & Processes: How should information flow most effectively across the marketing organization worldwide? How do we make decisions? What are our governance processes? What is our roadmap for marketing processes next year? in 3 years?

- Fiscal planning processes and reviews.
- How should budgets be allocated?
- How should we optimally interact with our customers? What are the touch points?
- How should information flow within marketing and with other stakeholders such as sales and business units?
- Standards and criteria for evaluating new initiatives and campaigns.
- What are product launch categories (e.g. Criteria for "A", "B", or "C" launches)
- Can we apply six-sigma to our processes?

Tracking and Predictive Modeling: How do we make marketing more accountable? How do we measure campaigns and ensure better predictability of outcomes?

- How are we doing today? Metrics and dashboards
- Forecasting – What are leading indicators of the future? How can we better target and predict? e.g. data mining customer databases.

Technology: How do we implement technology across the globe to enable effective customer dialog, demand generation and measurement? What are the business requirements for IT? How does technology support the marketing and sales process roadmap for the next 3 years? How do we integrate with sales technology?

- Internet/Web/e-commerce
- Consolidating/Rationalizing Customer Databases
- Online Customer Forums
- Marketing Resource Management Software
- Analytics/Decision making software
- Marketing Research Databases etc.

Talent: How do we ensure our marketing personnel are trained and able to work with new marketing technologies and processes? How can we enable them to make the right decisions based on analytics and campaign scorecards?

- What are the roles and responsibilities of each talent community?
- How do these communities interact? Where are the hand-offs?
- Training strategy with a marketing skills curriculum across the marketing function
- Ensuring balancing between the art and science of marketing

The 5Ts Transform the Future of Marketing

Although foundational the 5Ts have a deep and significant impact on customer relationships. For example, by implementing integrated technology for demand generation and customer database access, regional marketing personnel can now build innovative campaigns on top of a marketing operations infrastructure. By tracking the success of a campaign, companies will realize better customer targeting and ROI; they learn from prior successes and failures.

Although it can be a multi-year process for large organizations to implement all of the 5Ts, a holistic, integrated approach to marketing operations gains CMOs greater accountability and ROI for their organizations worldwide. It enables them to *"run marketing as a business."*

The 5Ts add a critical foundation to the marketing function enabling marketing operations to support CMOs in tackling contemporary challenges and opportunities. It is dramatically transforming the marketing function and is changing how marketing will be conducted in the future.

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- (1) In a number of business-to-business focused firms, marketing operations is combined with the sales operation function to promote integration of the two groups. Although organizationally integrated, the purpose of marketing operations as we will describe next remains the same.
- (2) HBS N. CA Marketing & Sales Roundtable, "Marketing Operations: How It Will Transform Marketing Forever", Panel Discussion with VP's of Marketing Operations from Symantec, Cisco, BEA, and a consumer packaged goods expert, June 20, 2006
- (3) It is recognized that the 3Cs have been used in other forms and described in different ways. For example, we have heard "Communication" used as a "C". Our description is what appears to be most consistent in literature based on the author's research. Other forms could be substituted for the 3C's and have the same effect. The goal is to avoid debate on this element in this article as it would take it away from the central topic.