

# Preface

## Are You a Marketing Champion?

Marketing is the engine of any enterprise. Financial resources may be the fuel that the engine needs to run, but, infused with fuel, the marketing engine propels the organization forward. Management guru Peter Drucker, writing 50 years ago, said, “Any business enterprise has two — and only these two — basic functions: innovation and marketing.”<sup>1</sup> Drucker’s claim is no less true today.

Yet in many organizations, marketing is underutilized. We find marketing practitioners frustrated at not being able to make the essential contributions to their company’s success that they’re capable of — and that they’re ideally positioned to provide. Peer managers and members of the executive team have difficulty articulating how, precisely, the marketing function can help the organization grow and meet its strategic objectives. Equally troubling, marketers themselves face a challenge in describing the value of their work in terms that other executives understand. Put simply, marketers struggle to master the language of business. We wrote *Marketing Champions* to help marketers surmount these obstacles — so they can deliver their promised value, and so they *and* their companies can reap the benefits.

1. Peter F. Drucker, *The Practice of Management*, Harper & Row, 1954.

## WHY THIS BOOK?

*Marketing Champions* is for marketers (and their bosses) who want not only to help their companies thrive but also to shape satisfying, successful careers in this important profession. The single best career move a marketing practitioner can make is to market him- or herself internally — to ensure that others in the organization understand marketing’s power and promise. This book shows you how to do just that. When you use the language of business to help top executives and peer managers see what marketing has to offer, you build vital credibility and authority and boost your chances of winning promotions and salary increases. Perhaps most important for your career prospects, you sweeten the odds of gaining a seat at your company’s strategy table.

We also believe that marketers have much to contribute to the welfare of society. At their best, marketing professionals generate profits for their firms by providing relevant products and services that meet real needs of human beings. And marketers are uniquely positioned to both anticipate and fulfill those needs.

Clearly, all organizations need marketers to address the most crucial imperatives on top management’s agenda today — including focusing on the customer, resisting downward pressure on prices, improving customer loyalty, boosting revenues through increased sales, and staying ahead of the competition by adapting to change flexibly and quickly. Accomplished marketers possess both the skills and tools required to address all these challenges and more.

Yet surveys of chief executive officers (CEOs) reveal a lack of confidence in their companies’ marketing organizations,<sup>2</sup> and studies of senior marketers have found they face a revolving door in and out of the organization. In the fall of 2004, a survey by executive search firm Spencer Stuart found

2. CEO Confidence Index: Optimism Soars to New Levels, *Chief Executive*, June 2004, where the CEO Confidence Index reveals that only 18% of CEOs are “very satisfied” with their marketing organizations.

the average tenure of chief marketing officers (CMOs) to be just 23 months.<sup>3</sup> Why? Three reasons.

For one thing, many top-level executives and nonmarketing managers fail to see the connection between what the marketing function does and how the organization gets paid. These executives have difficulty grasping the notion that marketers manage demand so as to create and harvest cash flow — the raw profits a firm makes after covering the costs of developing and delivering its products and services. At its most fundamental level, marketing's role is to make the company's cash register make that oh-so-satisfying “Cha-ching!” sound while simultaneously dazzling the firm's customers. It's every customer's experiences with the firm — experiences that marketing professionals powerfully mold — that bring him or her back to the cash register again and again. As long as other executives perceive no connection between marketing and hard, cold cash flowing into the company, marketers will find it virtually impossible to exercise their influence and thus deliver value to their organization.

Marketers face an additional hurdle as well: To demonstrate profitability — an imperative deriving primarily from the financial markets — many companies have come under enormous pressure to reduce costs and to meet new standards for financial accountability that require a clear and demonstrable link between marketing activities and financial returns to the firm. In this environment, many executives view marketing as a discretionary expense — among the first line items squeezed to present a better-looking balance sheet and income statement. In organizations where marketing activities do not in fact directly affect short- or long-term financial performance, slashing marketing budgets may in fact be the right thing to do. More often, however, tightening marketing expenditures harms the company. Marketing professionals' work constitutes an investment that generates both short- *and*

3. Spencer Stuart, “CMO Tenure: Slowing Down the Revolving Door,” 2004, available at [http://www.spencerstuart.com/pdflib/CMO\\_brochureU1.pdf](http://www.spencerstuart.com/pdflib/CMO_brochureU1.pdf).

long-term financial returns for their enterprise. It is ironic that many marketers, who do a great job explaining a product's or service's value, have had such difficulty explaining their contributions to senior managers and peers.

Finally, in many organizations, the marketing function lacks repeatable and transparent processes — a situation that does not typically describe other professional disciplines (including finance, research and development, and operations). A CFO, for example, can always say, “We ran the numbers following generally accepted accounting practices and financial formulas” and show her conclusions in computer-generated reports. Her colleagues sitting around the conference table accept those conclusions as authoritative. But the marketing profession lacks similar formulas and standards of practice and has few (if any) standards for measurement and accountability. For example, how precisely should a marketing team go about determining prices? Segment markets? Build a brand? Measure performance? Different companies approach these marketing activities in different ways. Thus, many senior executives regard marketers' decisions as unreliable or poorly informed.

Yet this situation doesn't mean that marketing practitioners cannot establish consistent, visible processes to show the line of reasoning behind their proposals and decisions or that marketing has no hope of being viewed as a professional discipline on par with other disciplines. It is in the interests of the firm, consumers, and marketers that marketing's contribution be recognized, nurtured, and supported. And transparent, repeatable processes can help. But the purpose of this book is not to explain precisely how to carry out key marketing activities; there are numerous resources out there that offer to do just that. Rather, we argue that it doesn't matter as much how a marketing group goes about establishing prices, segmenting markets, and handling other marketing activities. What matters more is that the group selects a set of processes, communicates them to others in the organization, and uses them consistently.

This book shows you how to clear all of the above-described

hurdles and, in the process, transform yourself into a marketing champion. Let us be clear about what we mean by a marketing champion. Champions are recognized for their achievements, successes, and contributions; as a result, they enjoy others' respect and they exert power, influence, and authority. We wrote this book to help marketers achieve the respect and influence they are due. However, champions are recognized only because they succeed at something that others perceive as valuable. When we talk about marketing champions, we mean those who excel at making their organizations successful *and* who make others in their organizations successful — in tangible, measurable ways. And we mean marketing professionals to whom others look for advice and opinions on how the company can leverage growth opportunities and fulfill other key strategic objectives.

As you will discover in the chapters that follow, marketing champions anticipate changes in the business climate in which their companies operate. They develop strategies for helping their organizations seize advantage of those changes, and they actively execute those strategies by winning the collaboration and cooperation of their bosses, peers, and employees. They focus their time and energy on what they can change, not what they can't. As a result, their organizations value their contribution and view them as essential leaders in the drive to gain a competitive edge and leave rival firms scrambling. Marketing champions are recognized and appreciated because they make the entire *team* a winner.

## THE MARKETING CHAMPION'S IMPERATIVE

To exert your influence, gain credibility, and win support for your ideas, you need to market your value within your organization. Many other books stress the importance for a company to adopt a market or customercentric orientation but leave marketers without a road map for making the changes needed to provide this redirection. The message is always about companywide change initiated at the top. Yet even without a directive from the top, marketers can make positive,

fundamental changes that benefit their companies and their standing.

To become a marketing champion — and thereby ensure your company's and your own success — you must master mission-critical competencies. We present these competencies in the following themes that recur throughout this book:

- **Tie marketing to cash flow** by identifying and articulating the causal links between marketing expenditures and activities, intermediate marketing outcomes, cash-flow drivers, and (ultimately) cash flow.
- **Communicate marketing's outcomes**, rather than activities and tactics. Other professional functions are defined and recognized by their outcomes: R&D invents new products. Operations produces and delivers offerings. Sales sells products. Finance finds the capital to fuel the means of production. Marketing's outcomes are new sources of cash and cash itself.
- **Speak the common language of business** that other executives use and appreciate.
- **Develop systematic, transparent, and repeatable processes** that enable you to back up your ideas, defend your assumptions, and win support for your work.
- **Understand and serve internal customers' needs** by using the same marketing tools you employ to address external customers' needs. Identify internal constituencies' pain, tell their story, communicate with messages that generate the behaviors you want, and develop lasting relationships with them by meeting their needs.

By acquiring and honing these competencies, you demonstrate your value and earn a reputation as a marketing champion. Your credibility and influence expand, and you deliver the results your organization needs to excel. Don't assume you have to wait for your company's culture to change before you can become a marketing champion: Even CEOs cannot change their entire organization's culture. But no matter

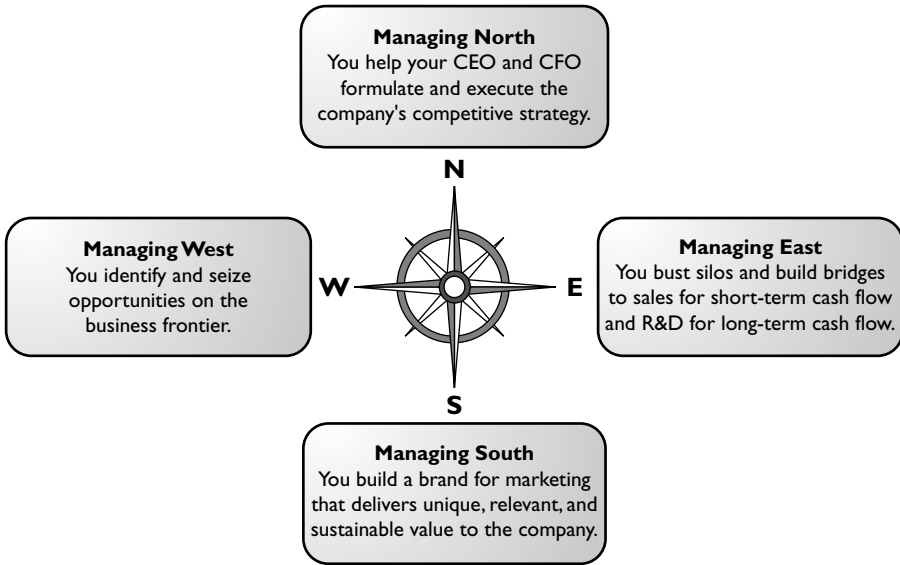


Figure P.1 The marketing compass for internal management.

where you work, there are always steps you can take now to correct misperceptions of marketing's value.

## THE MARKETING COMPASS

To help you pinpoint critical leverage points for change, we've developed the notion of the marketing compass as a visual representation of the internal constituencies you must manage in order to become a marketing champion as shown in Figure P.1. We envision these internal constituencies as four points on a compass, with you at the center:

**Managing North**, you help your CEO and CFO formulate and execute the company's competitive strategy. More junior marketers help their superiors support the strategic objectives of their immediate supervisors.

**Managing East**, you bust those all-too-common functional silos that prevent your organization from operating in top form. You replace silos with bridges to sales, helping professionals in that function to generate revenues in the short term.

And you build bridges to R&D, so these peer managers and experts can develop new offerings in the longer term that meet customers' needs in ways competitors can't copy.

Managing South, you build a brand for marketing in your organization — a brand that communicates marketing's power to deliver unique, relevant, and sustainable value to the company. Using internal resources (staff) as well as external resources (agencies, vendors, and partners) under your control, you fulfill marketing's brand promise.

Finally, managing West, you identify opportunities on the business frontier for marketing as a group or function in your organization and for your own professional development.

We've organized *Marketing Champions'* 12 chapters to reflect this notion of a compass. Part 1 of the book illuminates the landscape of obstacles that prevent marketers from delivering their promised value to their organizations. The chapters in this section place a special emphasis on marketing's role in generating cash flow and the advantages of translating marketing terminology into the more commonly shared language of business that other executives use. Parts 2, 3, 4, and 5 explain how to manage perceptions of marketing among your North, East, South, and West constituencies, respectively.

Most chapters conclude with a SWOT Analysis exercise that helps you assess marketing's strengths, weaknesses, opportunities, and threats inside your organization. Keyed to the chapter's major themes, these exercises enable you to identify where you should focus your change efforts.

## ABOUT OUR RESEARCH

To write this book, we relied on numerous sources. Our web site, [MarketingProfs.com](http://MarketingProfs.com), provided a treasure trove of information. This online resource, which has over 180,000 subscribers, contains a library of articles by experts, including academics, consultants, and practitioners. The practices and suggestions in *Marketing Champions* come from our own expertise as well as the best of more than 2,000 articles contributed by over 300 marketing experts. One of us also served as

editor of the *Journal of Marketing* and was able to bring the best of the academic world to this book.

Subscribers to MarketingProfs.com also provided valuable information. We surveyed readers to learn about the obstacles facing marketing professionals inside their organizations and to garner strategies and solutions from those who have successfully surmounted those obstacles. We received responses to several surveys from more than 3,000 subscribers who practice marketing in a wide range of organizations. From these responses, we conducted in-depth follow-up interviews with more than 60 marketing practitioners.

In addition, we interviewed senior managers in all types of organizations — many in marketing, but others in finance, R&D, operations, accounting, sales, and general management. These professionals included executives from *Fortune* 1000 companies (Visa, Bristol Myers Squibb, and Pitney Bowes) who serve in both business-to-consumer (B-to-C) and business-to-business (B-to-B) organizations and who manage large marketing budgets. Interview subjects also included individuals from small start-up organizations with only a strategic plan and investors (Iona Technologies and InternetViz). Moreover, we interviewed marketers from non-profit organizations that use marketing primarily in their fund-raising efforts (March of Dimes) as well as officials from local government agencies that use marketing to serve the public (The City of New York).

To further ensure that a rich array of organizations had representation in our book, we drew on the perspectives of such diverse sources as academics (Columbia University, the University of Southern California, and the University of California at Los Angeles), consultants (Enterprise Marketing Management, Gartner Group, Trout & Partners, and Prophet), advertising agencies (Burson Marsteller), and executive search professionals (Korn/Ferry and Spencer Stuart). All of these sources have worked extensively with marketing executives and their organizations.

The three of us bring to this book roughly 100 years' collective experience in marketing. Roy Young, a graduate of the

Stern School of New York University, worked for 10 years in the magazine division of Time, Inc. in line and staff positions. He then served in several consulting and marketing research firms, including Yankelovich & Partners. He has experience as an executive search consultant with a specialization in marketing. Currently, he is the director of strategy and development at MarketingProfs.com. and serves as a consultant and coach to marketing executives.

Allen Weiss is the founding publisher of MarketingProfs.com, a weekly online newsletter that provides practical tools and know-how in many forms, including online seminars, workshops, benchmark reports, buyer's guides, and thought-leader panel discussions. He is Professor of Marketing at the Marshall School of Business at the University of Southern California.

David Stewart is the Robert E. Brooker Professor of Marketing at the Marshall School of Business, a former editor of the *Journal of Marketing*, and the current editor of the *Journal of the Academy of Marketing Science*. He is well recognized among industry professionals and marketing academics for his work on measurement and marketing research, marketing communication, branding, and marketing strategy.

By opening this book, you've taken a major step toward becoming a marketing champion. As you read the chapters that follow and begin putting into practice the ideas and tools found within, we invite you to contact us with your thoughts and feedback. Let us know which concepts and approaches prove most useful to you and which could benefit from refining. Share with us additional ideas that you glean as you sharpen your influence within your organization and begin generating new kinds of results. Tell us what you find most challenging about Managing North, East, South, and West — and how you address those challenges. Our greatest source of support and information is each other, and we hope you'll contribute to the marketing profession's store of practical knowledge and wisdom by contacting us with your ideas. Meanwhile, we wish you success as you embark on your journey toward becoming a marketing champion!