

THE ST. LOUIS AMERICAN MARKETING ASSOCIATION PRESENTS

REPORTING TO THE C-SUITE:

TRANSLATING MARKETING DATA TO THE BOSS

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An American Marketing Association — St. Louis Chapter White Paper #17
by Lon Zimmerman, Zimmerman Marketing Research

The St. Louis AMA recently conducted a roundtable discussion with local marketing executives on the topic of communicating marketing data to their bosses in the C-Suite. This discussion was the seventeenth in a series sponsored by the local AMA.

To be effective and appreciated in today's challenging environment, marketers not only need to help their companies communicate with its target audience, they also need to communicate effectively with their bosses. In this discussion, we probed the marketing executives to determine the best way to relate to the boss, the type of data needed to show marketing accountability and best ways to present marketing results?

THE NINE PARTICIPANTS IN THIS ROUNDTABLE DISCUSSION INCLUDED:

Tracy Barfield
Senior Mgr., Marketing Communications
Novus International, Inc.

Ron Gossen, APR, PMP
Senior Assoc. Vice Chancellor, CMO
University of Missouri – St. Louis

Donna Heckler
Global Brand Strategy Lead
Ingersoll Rand

Matt Polizzi
Director of Marketing
Arizona Companies

Meredith Rabenold
Director Marketing/Brand Mgt.
Signature Medical Group

Chris Ruzicka
Marketing Director
Gateway EDI

John Salozzo
Director of Sales & Marketing
Craftsmen Industries

Michelle Sausen
Vice President, Marketing
Convenience Valet

Scott Turner
Vice President
Daugherty Business Solutions

The AMA Marketing Executive Roundtable was held March 14, 2012, at the John Cook School of Business at St. Louis University. The session was moderated by Lon Zimmerman of Zimmerman Marketing Research.

RECOMMENDATIONS FOR SUCCESSFULLY COMMUNICATING WITH THE C-SUITE

Conveying marketing's value to the C-Suite can be challenging. It's often easy for C-level executives to see the dollars spent on marketing but difficult for them to evaluate the impact of that budget.

Participants in this Roundtable agree that marketing executives can improve their likelihood of successfully communicating with the C-Suite by following these recommendations:

1) When Dealing With the C-Suite, Focus On the Short-term

Many participants caution marketers to recognize that those at the C-Level have a very short-term orientation. If they head up a publicly traded firm they are likely focused on the company's current valuation by Wall Street. Unless your CEO is clearly different, try to keep your focus more on what marketing is doing for the firm in the short-term. It is difficult to hold the attention of C-level executives when discussing issues that are longer term in nature.

I would say they look at the short term. Brand awareness, although we think it is important, I would say the average C-Suite doesn't care long term. I might not be here in five years so what do I care? So I think that it is always a struggle to try to sell that in. Same thing with social media. If it's not going to bring me business tomorrow, why are we even involved in it?

I would say that the C-Suite is much more interested in what our value is to Wall Street than to your point, what is our value in a year, two years, or five years. We have value for Wall Street and at the same time we are building value for our brand that will translate to future profits and revenues. That is a tough conversation.

2) Keep Communications Simple and Speak in Language the C-Suite Understands

Participants recommend that marketers keep their communications simple and utilize bulleted presentations. Share marketing results in an easy-to-understand manner for non-marketing professionals. In these presentations, speak the language of the C-Suite (i.e., ROI, assets, etc.).

I think as much as possible to be in bullet points and to use a return-on-investment mindset when presenting any type of marketing component to the management team. It works best for us to just keep it short, concise

but always focusing on the value that it's going to bring to the company overall.

I would argue that all communications need to be bulletized and that you need to focus on return on investment, return on equity, or return on assets. Whatever measurements are crucial in that culture.

We have been talking about the brand being an asset. By putting it into financial terms, then all of the marketing expenditures have a return on investment. The executive suite is definitely listening and paying attention to how we can drive his asset or the business. That seems to be a way that is opening up doors for conversation.

3) Focus on Results, Not Activity

To be successful with the C-Suite, marketing executives need to simply explain what they have accomplished and what this means for revenues and future growth. Unless specifically asked, the executives shouldn't get into the details of activities driving these results. The CEO and other C-level executives are not likely to care. Their focus is on the bottom line.

I would say don't bring up activities. They don't care about them. All they are about are results. Whatever your conversion metric is, show me your conversion metric. I don't care how you got there. That is your worry. I only care about the bottom line, conversion.

We have web metrics that we've been using for years but the people that I'm reporting to don't care about Ad Words or anything like that. They want to know what was the result?

He wants to know, we spent \$100,000 on this event, what did we get and what are we going to get.

4) Align Marketing Efforts with Desired Business Outcomes

Marketers who can demonstrate alignment and accountability between marketing activities and desired business outcomes have better credibility with the leadership team. Roundtable participants all stress the importance of employing appropriate metrics to evaluate their marketing efforts. While specific metrics will vary from company to company, they should clearly align with desired business outcomes. Participants stress the importance of focusing on metrics such as leads, sales, or student applications as opposed to softer metrics.

All communications need to be aligned to the company strategy. You are not going to get any mind share with the C-Suite, on any of the initiatives you are pursuing, unless it aligns specially to corporate goals. I would argue that it's really about communicating in alliance to the strategic messages of the firm. Otherwise, you are spinning your wheels.

If you start with results and work your way back through the value chain. I mean that is how you get buy-in around the metrics all the way through. So once we agree that is success. All right, how do we get there? You trace it back through. Now you build your storyboard and you can decide what the important metrics are along the way.

5) Establish and Maintain Expectations

Some participants believe it is important for marketers to set and manage expectations.

I think one of the keys for me is I kind of drive them in the direction I want them to go. Then when they come back to me, it's always in those same metrics. So by creating a scorecard early on and by kind of doing things certain ways, they are always back on that because that is what they are now comfortable with at this point. By managing expectations, I then don't get the more random questions that could come out because they have their eyes focused.

6) Need to Market to the C-Suite to Get Buy-in

A number of the roundtable participants believe marketing to the C-Suite is essential. Some do this by finding ways to demonstrate the value of their marketing activity to the leadership team. They believe that hitting some "home runs" will help build up their credibility and get the attention of the C-Suite.

I think we probably know that we have to hit some home runs first. It's hard to educate the C-Suite but if you come out with what they would call the head success, wow, love that new template you guys just came out with. You can get their attention and then you interject the stuff that you feel is just as important to implement.

Yeah. We market to the C-Suite. They didn't know what QR codes were so we put on a little campaign. I included one of the more progressive board members. I used his LinkedIn for a QR code just so they could see how it could work. All of a sudden that is a go.

Other marketing executives focus on keeping the leadership team informed of their activities, particularly their successes. Many also keep them informed of competitive activity to lay groundwork for efforts to combat this activity.

I think keeping them updated on what is going on weekly instead of just when they ask for it.

For the past year on Saturday mornings I have sent the CEO a report of some of the bigger projects from that week and then projects in the coming week as well.

I think another way you can market to the C-Suite is to keep them abreast of all the competition and all the activity from the competition. The more that I can make it relevant to say that this is why we should do this initiative to combat this strategy that is going on in the market place, it really helps support my activity. Similarly, I send out a weekly report of actual tactical results, a sales update, here's a new win that we just secured.

7) Seek Support From Others Within the Organization

Many suggest that it is wise for marketers to build bridges with others within the organization and sometimes utilize these relationships to help sell their programs. This is particularly true when the other party is highly valued by the leadership team.

One of the things that I would add is that we have tried to identify who are the leaders, who are most intrigued with the impact that marketing is having. And then we have those business leaders take the message to our CEO. Sometimes we have to defend the budget by linking up with the business executives that are seeing the impact in the business and having them take the messages forward to the Budget Committee. Especially, if that person is someone the board values.

Here is something really great. We are going to sell it to the boss. I have nothing to lose. You have nothing to lose. If this thing works really well, you are going to get credit, you are going to sell stuff. If it does well, we are going to spend money again. If it doesn't, then don't run it again. We are no worse off.

8) Finance Group Can Be An Asset in Getting Buy-In from C-Suite

A number of the roundtable participants also suggest that Marketers should be utilizing their finance counterparts as an asset to get buy-in from the C-Suite. Participants agree that a partnership between marketing and finance can often be mutually beneficial. Most believe that the relationship between marketing and finance is better now than it has been in years. Few see finance as a problem. More are likely to be antagonistic towards Sales than Finance.

I think in our organization, the finance group is trying to do a better job of understanding the business case for marketing and how they can be partners with us in getting the message across. I think part of that is relationship driven. But I also think it is a recognition that finance has a keen interest in making sure that we are profitable and hitting the revenue targets. And if marketing can be a partner in achieving that, then that helps finance look good. So there has been a shift that I've seen in how finance and marketing have related and work together.

I don't see sort of the green visors any more with the directors of accounting or the CFO's. They are far broader and if they are used in a more strategic fashion like I argue marketing should be used. They are more like business partners that are trying to help you understand where the drivers are for value from your activities. So if you can partner with them, you can help one another drive it. So I have found them to be far easier to work within the last ten years than in the ten years previous. Far easier.

Over my career, I've had more issues with sales than with finance. Sales came and said, instead of putting the money into couponing, let's discount the price of the product. Or to your point, sales says, you are in corporate marketing in St Louis. We are out in California. We know our customers better than you do.

For more information about this or future AMA St. Louis Roundtable Discussions, contact either of the Roundtable Co-chairs:

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