4 THINGS THE BEST GLOBAL MARKETING ORGANIZATIONS **DO DIFFERENTLY IN MARKETING PLANNING**

FRESH PLANNING STRATEGIES TO IMPLEMENT WITH YOUR MARKETING TEAM

DEMAND GEN® REPORT

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Contents

EFFECTIVE MARKETING PLANNING: A COMPETITIVE ADVANTAGE

Marketing organizations today are striving to perfect their marketing planning, a process that's especially crucial for enterprise organizations at a time when most marketing activity is measurable and marketers are challenged more than ever to prove the ROI of their marketing investment.

Marketing planning "is the opportunity to show other non-marketers how to best connect marketing investment to new revenue," said Jon Russo, founder and CEO of B2Bfusion Group, a CRM and marketing automation services company. "It is extremely important for marketers to be able to plan and articulate how they'll impact the bottom line."

In addition, a rapidly changing marketplace brought on by changes in buyer behavior and a fast-evolving universe of marketing technology means marketers need clarity on their best course of action.

What's at stake for organizations that do not make the effort to enhance marketing planning? "Relevance," Russo said. "The market is moving so quickly these days. Planning and having the ability to pivot based on newly acquired information is critical for a company to stay relevant in the market. Therefore, marketers have to drive that change."

The ability to pivot or iterate will become even more critical in the future, and planning starts the process, Russo said. "Marketing organizations are going to need to be more agile in their planning processes and [in their] ability to execute, as global competition is fierce."

"Effective marketing planning is ultimately good for the marketer as well as the company," Russo explained. "It will lead to better business results, such as increased revenue, and positions marketers more strategically within their organization."

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– JON RUSSO, B2BFUSION GROUP

Setting goals, justifying budget needs and defining the roles and responsibilities of each member of the team are among the elements that go into this exercise, Russo added. “There is no hiding place for marketers; we are all accountable for our activity, [and] everything can be measured,” he said. “What’s most important is setting business impact goals and reaching those goals. With better planning, a company can gain more confidence in hitting their revenue forecast and minimize the risk of becoming obsolete in the market.”

This E-book examines four essential recommendations for marketers in large organizations that are looking to improve marketing planning in their businesses:

- **Align marketing plans with company-wide strategy;**
- **Structure plans according to industry standards and best practices;**
- **Combine top-down planning with bottoms-up planning; and**
- **Partner with the finance team in the marketing planning process.**

These recommendations have been successfully implemented in global marketing organizations, according to the industry experts we interviewed. Each one can enhance your ability to affect change within your own organization.

RECOMMENDATION 1:
ALIGN MARKETING PLANS WITH COMPANY-WIDE STRATEGIC PRIORITIES.

Marketing planning should not take place in a vacuum. You need to make sure your marketing efforts are holistic and support one or more corporate objectives.

"This allows you to create a plan that is specific to certain business targets and that is scalable and repeatable and, at the end of the day, can show a return on corporate investments," said Ken Evans, Senior Director of Marketing Operations at Fuze, a communications technology provider.

Aligning marketing plans with corporate strategic priorities is the approach Evans has taken at Fuze since he joined the company nine months ago. At many companies there's a tendency for various departments to do their own thing with regard to planning, he said. But if there's no alignment with overall business goals, there's less likelihood of success with marketing programs.

How can companies achieve this alignment? "The first thing that has to happen is leadership needs to create specific corporate goals" if it hasn't already done so, Evans said. These can be financial goals, such as revenue targets, or process goals, such as boosting customer satisfaction levels or increasing the uptime of computer systems for users.

"The key advantage of alignment is providing clarity of purpose; you can focus your day-to-day activity [on efforts to meet the goals]," Evans said. For instance, if a goal is to enhance customer satisfaction, part of the marketing plan can include efforts to help build better relationships by delivering resources such as content for onboarding new customers, how-to information about the company's products or customer success stories.

The effort to align marketing planning with corporate goals should be headed by the CMO or a senior marketing executive, with input from the marketing team, as well as people from operations, technology and finance, Evans explained.

Best practices for aligning marketing planning and corporate priorities, according to Evans, require:

- **Allowing sufficient time to determine goals and create the plan to reach them;**
- **Making sure there is a defined process, that key stakeholders are identified, and finding a way to move from strategic planning to budgeting to execution; and**
- **If possible, charting a work-back schedule from the start of the fiscal year. For example, seven months before the start of the year, you need to have a certain product content program in place.**

Alignment in marketing planning is imperative, Evans stressed. With alignment internally, there is a plan that unites the marketing team and maximizes effectiveness. With alignment at the corporate level, marketing no longer lives in a silo.

RECOMMENDATION 2:
STRUCTURE YOUR PLANS ACCORDING TO INDUSTRY STANDARDS. USE ANALYST FRAMEWORKS AND INDUSTRY BEST PRACTICES.

Effective marketing plans link to the company's business plan, market situation, customer experience strategy and sales plan, said Kathleen Schaub, Vice President of IDC's CMO Advisory Service.

"The plan must coordinate efforts for different audiences, channels, marketing functions, product lines, regions and audiences," Schaub said. "It's impossible to get good results within this complex environment without a formal framework. The more elements to coordinate, the more important becomes a formalized approach to planning."

The goal of planning is to improve outcomes through advance thinking and organizing, Schaub said. "Planning is where data is examined, innovation stimulated, issues raised, conflicts worked through, priorities determined and decisions made," she said. "It's challenging under the best circumstances. A framework helps ensure all this tough work happens constructively."

A formal process provides a method for ensuring greater completeness, consistency, quality and alignment, explained Schaub. "Without a formal process, planning is ad hoc," she said. "There's a chance things will turn out okay. More likely the result will be chaos, frustration, misunderstanding and risk."

It's always better to get outside, objective views as input for planning — especially during times of transformation as enterprises are experiencing today. "Gut feelings and last year's plan are very poor foundations," Schaub said. "However, it's important to know how to use a benchmark during times of change. Mimicking will drive you right into your competitor's headlights." Benchmarks are better used to surface critical questions you might otherwise miss.

IDC recommends a four-stage framework. The first stage starts with corporate alignment. "Armed with the company's vision, values and business goals, as well as an

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understanding of the market situation and customer experience strategy, marketing sets up its overall direction and plan," Schaub said.

The second stage is an interlock with the product, sales and audience teams. In the third stage, marketing's regional and functional teams put their plans in place, and then finally the budgets, headcount plans, dependencies and other specifics are identified. "Of course, many negotiations take place and many documents are created to make this happen," Schaub said.

In the future, IDC sees marketing planning becoming more of a continuous process. "Some strategic aspects of the plan will be updated every two to three years," said Schaub. "The financial decisions are made annually. But customer and campaign decisions that must be adaptive will be made more frequently, even daily if need be. Fortunately, as marketing organizations become more data-driven, this degree of planning flexibility will become easier."

Planning, particularly at large organizations, can be a difficult process. It's important to remember that you do not need to go it alone, according to Evans at Fuze. Analysts and other advisors have tried and true methods and frameworks they have built through many engagements, he said, and marketers should leverage these to provide guardrails for their own planning cycles.

RECOMMENDATION 3:
MEET IN THE MIDDLE — WHY IT'S A BEST PRACTICE TO COMBINE TOP-DOWN PLANNING WITH BOTTOMS-UP PLANNING.

In the world of marketing at enterprise organizations, there's top-down planning, where planning and decision-making is conducted at the highest levels, and bottoms-up planning, in which planning is spearheaded by lower-level team members.

In marketing planning, it's best to go with a combination of the two, said David Lewis, CEO of DemandGen International, a consulting firm specializing in marketing automation and demand generation.

Each method has its benefits and drawbacks. For example, top-down planning is led by a senior executive, such as the CMO, and incorporates the broad strategic goals of the organization. Executives can set the pace and the key targets of planning. On the downside, higher-level officers are not always willing to accept advice or guidance from the lower-level people who will actually execute the plan, according to Lewis.

With bottoms-up planning, those handling the planning are more apt to provide the details needed to create a strong plan, and to ground the organization in reality. It provides a view of what is possible from the field. But bottoms-up planning might fail to take into account the goals of the organization as a whole and, in many cases, lacks the authority for budgeting and other major decisions.

In marketing planning, you can't use one method without the other. "For starters, senior management has to establish the vision and long-term strategy," Lewis said. DemandGen uses a specific methodology for overall corporate planning that outlines the firm's guiding principles, core values, 10-year target, three-year outlook and one-year goals.

"Without those plans outlined, how can our team of 70-plus people possibly know where we are headed and what success looks like when we get there?" Lewis said. "I firmly believe it's the role of senior leadership to share the 'why' to the firm, and for the employees and middle management to come bottoms-up with the 'what' and 'how' to achieve the plan/vision."

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– DAVID LEWIS, DEMANDGEN INTERNATIONAL

STEPS TO A **TOP-DOWN, BOTTOMS-UP** PLANNING APPROACH

Here are the main steps for marketers taking a dual top-down, bottoms-up planning approach, according to David Lewis, DemandGen International:

- **Leadership establishes high-level vision and goals;**
- **Senior management and leadership communicate the "why" to the team;**
- **The team crafts the ideas, plans and task to support the vision; and**
- **There is ongoing, two-way communication to align outcomes to vision, and ground vision in reality.**

For example, DemandGen International's mission or purpose is to "Make Marketing Matter Most." "That's our 'why'; it's what wakes us up in the morning and what drives us as a firm," Lewis said. "But how are we going to do that? What will it take to achieve that? That's where bottoms-up planning is needed."

Only if the team has a vision will it have any chance of achieving it, Lewis said. "Since most people don't show up to work looking to change the world or even get outside their comfort zone, it requires leadership to come up with the big plans and it requires the people who will be working on the day-to-day projects and tasks to have a detailed plan on what it will take to achieve the vision," he said.

By combining the vision of senior management with the skills of lower-level team members, efficiency and project success are more likely, Lewis said.

RECOMMENDATION 4:
MAKE THE FINANCE ORGANIZATION YOUR PARTNER IN THE MARKETING PLANNING PROCESS.

While marketing teams might be tempted to go it alone, they need to align themselves with finance to create a sense of trust and to ensure successful planning, said Bryan Semple, General Manager of the Core Business Group and CMO at SmartBear Software.

CFOs need to accurately predict company results, but more importantly they need to have confidence that money is being spent wisely. “Once a CFO thinks marketing has lost control of their spending, or not spending wisely, then they are obligated to figure out what is going on,” Semple said. “Keeping the trust with finance is critical to avoid that unnecessary thrashing.”

Semple said finance is one of the key partners of marketing, along with human resources, facilities and IT. Each provides critical resources, with finance supplying the funding needed for planning and campaigns.

“For each of these groups, the expectation is that you are going to be using what you are given wisely,” he said. “Make poor hiring decisions or mess up your organization, and you can expect to spend more time with HR fixing things. Squander computer resources and drive up your cloud computing costs, [and] you can expect to spend more time with IT.”

The same holds true with finance. “Lose track of your expenses, lose predictability of spending, waste money, and you can expect to spend more time with finance trying to fix things,” Semple said. “Spending time with these groups isn’t a problem, but every hour you aren’t working with sales or doing activities to help customers navigate their journey to you, is time that doesn’t drive revenue success.”

Finance needs confidence that money is being spent wisely and the planning process is working, Semple said. “Marketing needs actual customer acquisition costs and actual spend numbers that map pretty closely to the financial numbers marketing tracks,” he said. “The numbers seldom match

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100%, due to the different accounts and ledger orientation of finance. But marketing needs to feel comfortable that the numbers generally align."

Expense forecasting is critical, because finance is working to have the company hit financial goals. "Marketing many times has a high amount of discretionary spending," Semple said. "This can help or hurt the company, depending on how it is spent and the timing of the spends."

Marketers that bring finance into the planning process, spend wisely, forecast accurately and track diligently, will earn the respect of the CFO, Semple said.

Conclusion

Effective marketing planning is crucial to marketing success. Experts agree it provides a roadmap for the marketing team and enhances credibility across the organization.

With proper planning, marketing strategy is aligned with the overall company goals so that everyone is on the same page. Plans are structured based on industry standards and best practices; a top-down and bottoms-up approach ensures the best of both worlds; and working with the finance team becomes a normal part of the process.

Enterprises that undertake this strategy will have a much greater likelihood of achieving success.

"Smart CEOs recognize that marketing, as the orchestrator of the company's digital voice, now exerts more power over revenue," Schaub said. "As marketing's business impact expands, so must marketing accountability. CMOs must run their function as a full-fledged component of the overall business. This shift requires a data-driven, disciplined approach to planning. By linking a structured marketing plan to business objectives, the CMO solves the mystery of what the executive committee values." She said that, "delivering on that plan ensures marketing's contribution to the company's strategy and results — and earns the CMO a seat closer to the CEO in the board room."

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– KATHLEEN SCHAUB, IDC

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