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# Key Note Panel

## The Next Three Years Changing The Game Marketing and Finance Align

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Boston



Marketing Accountability Standards Board  
of the Marketing Accountability Foundation

# The Proposition

**MASB**

where marketing and finance align  
on measurement

for reporting, forecasting and improving financial returns  
from buyers in markets...short-term and over time.

AKA

**THE  
BOARDROOM PROJECT** →

# The 2010 Summer Summit

*Will feature a Key Note Panel  
comprised of Senior Marketing and Finance executives  
who will identify common ground & reach conceptual alignment  
as to the role of marketing (and brands)  
in the overall financial performance of the firm*

# The Panel

## Finance



**Jeff Kampsen**  
FedEx & Coca-Cola

## Marketing



**Ken Lewis**  
Sun Coffee Roasters  
Timex, Stanley Works  
Walt Disney



**John Matthews**  
Comcast



**Bob Liodice**  
ANA Constituency  
All Brands

**role of marketing (and brands)  
in overall financial performance of the firm**

# Alignment on Definition of Marketing?

## Marketing

*The activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.*

Note: Approved by American Marketing Association Board of Directors, 2007 & 2004;  
Accepted by MASB as the standard for Common Language Project/Dictionary 2009

Panel aligned/agreed with this definition

# Q & A: Moderator

- How you and your company view marketing expenditures?
- Providing only short-term value?
- How does that effect the evaluation of marketing's performance?
- If an investment, why treated as discretionary?
- Why not treated as other investments?
- Is Marketing's job to create/build great brands?
- Why are marketers not measured and compensated accordingly?

# Conceptual Alignment?

**Marketing => Branding**

**Creating Brand Preference**

**Profitable Growth over Time\***

**Asset**

**Shareholder Value**

**On Balance Sheet\*\***

**Panel aligned/agreed with following caveats:**

- \* “How much” & “over what period of time” needs quantification**
- \*\* Not sure this is necessary**

# Q & A: MASB Board & Guests

Board & Guests aligned /agreed (slides 5 & 7) with following exceptions:  
Marketing function not entirely responsible for creating/building brands  
Brand needs agreed upon definition



# The Decision

**In May 2010, the decision was made by MASB Directors  
to move beyond The First 3-Years (Start-Up)  
to The Next 3-Years (Game Changers)  
with two “game changing” projects  
as the cornerstones of the Plan**

# The Next 3-Years

## Overall Objectives: Change the Game, Ignite the Transformation

- **GC I: FASB/MASB Partnership for Aligning GAAP and MMAP**  
Become FASB's partner for changing the accounting & reporting rules related to marketing expenditures such that financial returns from corporations will be driven and measured by buyer behavior in markets over time\*
- **GC II: Branding, From Expense to Investment Model & Discipline**  
Develop and trial/validate an internal model for brand building budgeting and project/expense authorization that represents the time period over which financial returns from the activity are realized... align management incentive systems accordingly
- **Prioritize other Projects to support the game changers**

**This afternoon and tomorrow morning**

\* Buyers might be consumers, customers, investors, etc.



# Thank-you!



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