

August 6, 2009 Matt Brewer & David Baron



# It would be great if there were conflict in the boardroom between marketing and finance...



## ...but that requires everyone to actually be in the boardroom

#### Finance...



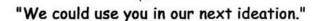
We lowered our interest expense and improved our cash flows by refinancing our debt obligations.

Operations...



We improved productivity by cutting direct labor and sourcing direct materials at a lower price.

*VS.* 



#### Sales...



We closed that sale by reducing the price and providing volume discounts.

Marketing...

We drove brand awareness and really connected with our core demographic.

All too often finance and operations executives just aren't buying the marketing value proposition, and marketers are the odd ones out.

# Connecting with your "customers"...just what are finance and operations executives thinking anyway?

#### Do you think we can make payroll this month by paying people with some Brand?

- ► The Street rewards sales and profit...more expenses = less profit...isn't marketing just an expense?
- ▶ Until you can prove that cutting your budget will hurt my bottom line, I'm not listening.

#### Let's see...would I rather win an award or make some money?

- ▶ I can either spend [insert absurd production fee here] on a "great" advertising campaign that doesn't guarantee results or can cut the expense and drop it directly to the bottom line...hmmmm.
- ► Have you seen those cool viral clips of piano-playing cats that generated millions of hits on the Web? Bet they cost a fortune to make.

#### Why is Marketing the only function without a reliable performance measure?

- ▶ Finance has the financial statements...operations has productivity reports...marketers have...?
- ► True, building communities and relationships is important, but marketers need to start tying them to facts, data, and results.

#### And anyway, how can I believe your numbers with so many variables in play?

- ▶ The number of marketing channels is expanding, and many are still rather immature
- ▶ Marketing metrics often reflect specific strategic marketing objectives
- ▶ No single approach can satisfy measuring effectiveness

## And how can marketers get them to finally pay attention?

### Put more rigor and standards behind marketing measurements

► There is something to be said for being able to compare the performance of Company A to the performance of Company B on an apples to apples basis.

### Start to talk about marketing as an investment rather than an expense

▶ It is much more difficult to cut investment spending that is supported by *reliable* ROI metrics than it is to cut discretionary expenses.

### Embrace their point of view and perspective

▶ No one is saying that brand building isn't important or that it should fall by the wayside…but why not focus a little more on directly tying marketing dollars to consumer activity?

### Standard disclaimer



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Thoughts, Opinions, and Experiences





Official Position, Opinion, or anything else the lawyers would get mad at us about