
Summary and Call to Action

Meg Blair
Founding President
Marketing Accountability Foundation
February 2013
Las Vegas



Marketing Accountability Standards Board
of the Marketing Accountability Foundation

The Mission

**Establish marketing measurement and accountability standards
across industry and domain
for continuous improvement in financial performance
and for the guidance and education of business decision makers
and users of performance and financial information.**

Partnering with Finance is the surest way forward

Source: Stewart 2/14/13

The Essence of MASB



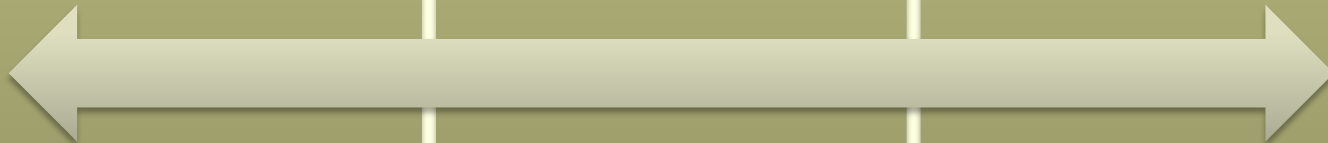
Measuring
Analyzing
Reporting



Metrics
Processes
Coverage



Decision
Making
Learning
Improving

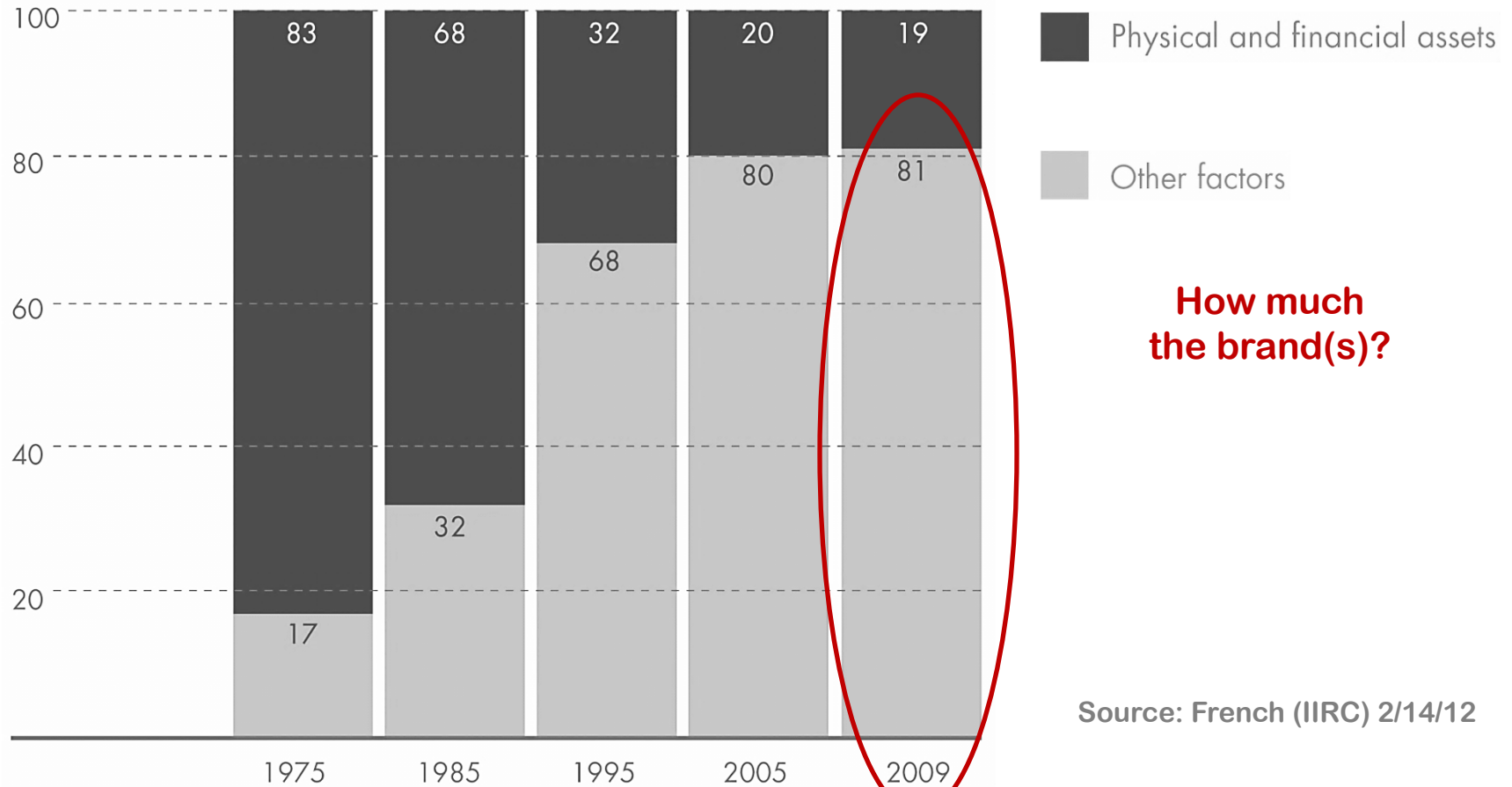


The MASB Game Changers

Project	Brand Investment & Valuation (BIV) (Analysis)
Issue Addressed	Brand represents great Value (but how much)
Project Objective	Establish “generally accepted brand investment & valuation standards”
Expected Outcome	Empirically proven model for valuing brands & guiding investment decisions
When	2015

Communicating value

Components of S&P 500 market value



**How much
the brand(s)?**

Source: French (IIRC) 2/14/12

Source: Ocean Tomo (2010)

Should we care?

% Mkt Cap

	2011	Value (\$B)	Rank	Movement	Change
21%	Interbrand	\$42.8	#5	↓	-10%
25%	BRANDZ™	\$50.3	#10	↑	+12%
15%	BRAND-FINANCE®	\$30.5	#7	↓	-4%
	CoreBrand	N/A	#25	↑	+2%

How to manage if not sure where it stands or if it's going up or down?

On the one hand...
The variability of the alternative brand values makes their validity and utility highly suspect

While on the other...
Their prominence and visibility necessitates proactively managing and interpreting the results.

Source: Cayabyab (GE) 2/16/12

The MASB Game Changers

Project	Brand Investment & Valuation (BIV) (Analysis)	Improving Financial Reporting (IFR) (Reporting)
Issue Addressed	Brand represents great Value (but how much)	Intangibles >80% of Corp Value (need better info)
Project Objective	Establish “generally accepted brand investment & valuation standards”	Marketing at table when reporting of Brand Value is required for all brands
Expected Outcome	Empirically proven model for valuing brands & guiding investment decisions	Brand Value as KPI and/or MD&A Notes... better info for capital providers
When	2015	2015

Expected Results

Partnering to improve financial reporting will

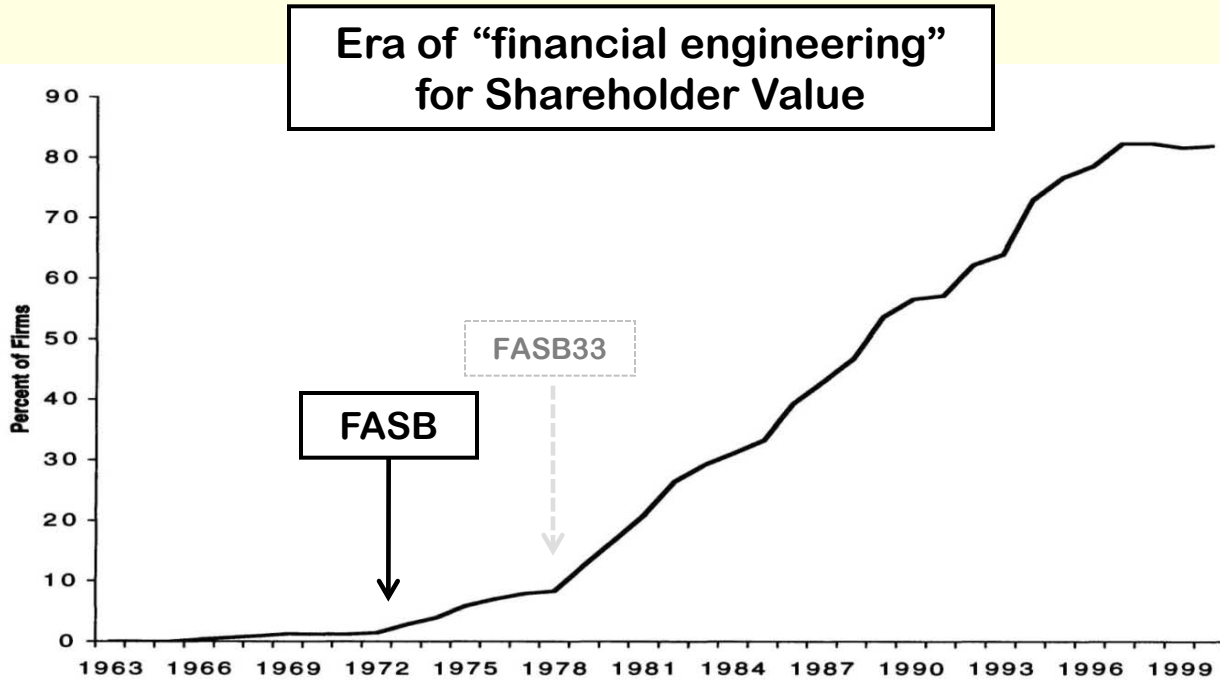
- Require firms to apply marketing measurement & accountability standards consistently & comprehensively
- Achieve discipline & rigor in investment decisions & budgeting
- Position marketing as masters of their own territory & destiny
- Avoid external intervention (e.g. from government)
- Create value for all, including
 - Better/more transparent reporting
 - Increase in Marketing ROI
 - Predictable & consistent organic growth
 - Improvement in corporate profitability
 - More/better offerings at less cost to meet needs of society

Summary: Why Game Changers Important

- **Creating, maintaining & growing Brands = Marketing's role in life**
- **Strong Brand = life blood of business**
- **Brands = large part of unaccounted for Market Cap (eg: GE 15% - 25%)**
- **Management needs to know how/where to invest in them**
- **Investors need to know what they're worth in future financial terms**
- **Reporting bodies barely have Brand on their radar screens**
- **We'll be at the table to demonstrate their value (IFR)**
- **W/Generally Accepted Brand Investment & Valuation Standards (BIV)**
 - **Metrics & Processes with Consumers/Customers at the center**
 - **Consistent, comparable, transparent, credible and actionable**

**Providing the “missing link” between the
marketing & financial communities...
will change the game!**

Rise of the CFO

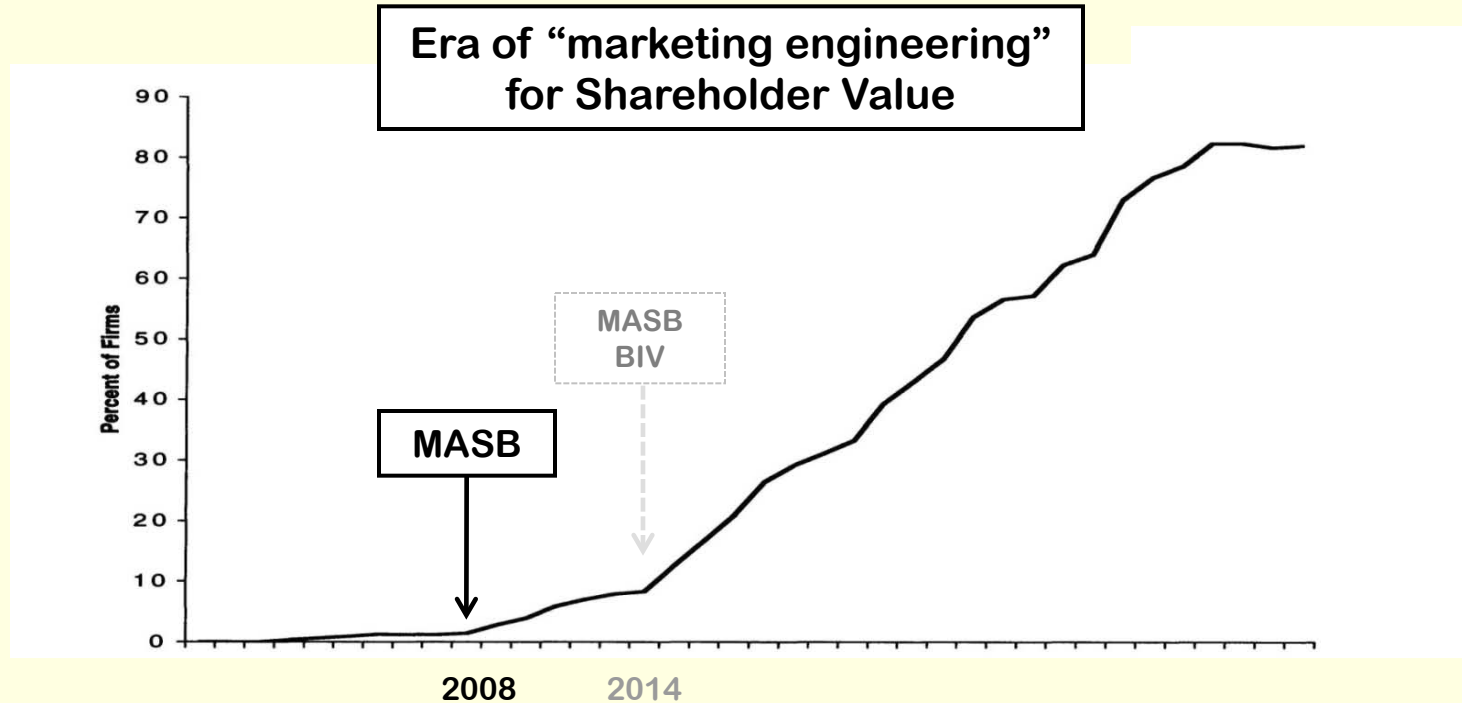


Prevalence of CFO Positions 1963-2000

Source: Zorn, Dirk M. "Here a Chief, There a Chief: The Rise of the CFO in the American Firm", American Sociological Review (Jun 2004)

**FASB set standards for the rise of the CFO...
then "financial engineering" delivered shareholder value.**

Rise of the Accountable CMO?



CMO on Board; Marketing Committee at Board Level

MASB is setting the standards for the rise of the accountable CMO... when "marketing engineering" will deliver shareholder value*.

Evolution

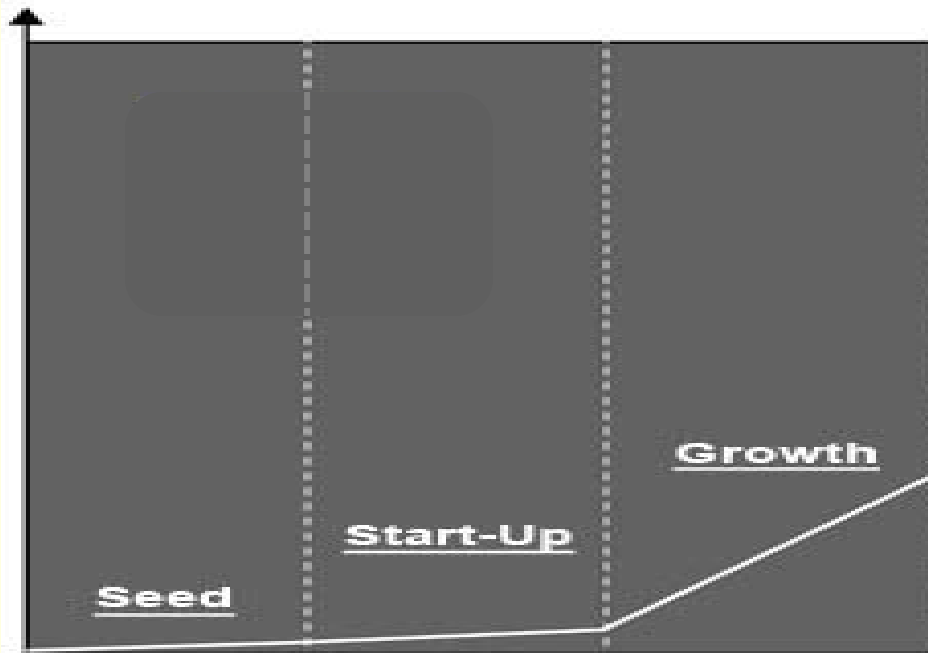
In the beginning, we decided to keep these meetings to about 35-40 attendees...small enough to foster constructive dialogue towards achievement of the body's Vision & Mission and for the opportunity to attract new members to fill the leadership positions (MASB Directors & MAC Advisors).

For the 1st three years, half the attendees were MASB members/leaders and half were invited guests/speakers.

Today, we've reached the 35-40 count with Directors, Advisors, Members and Speakers alone (90%)...and the guests are here at their requests.

Source: Stewart 2/14/12

MASB Life Cycle

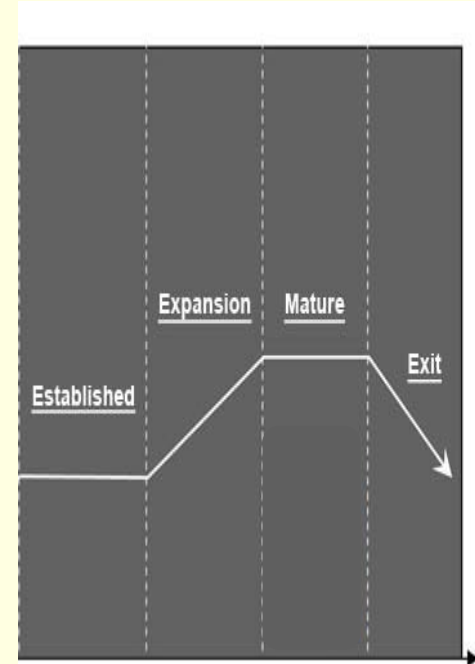


2004 - 2007

2007 - 2013

THE BOARDROOM PROJECT

MASB



Seed & Start-Up Phases

- Vision & Mission
- Structure & Infrastructure
- Processes (eg Planning/Review, Project, Resource Allocation, et al)
- Projects to address Needs of Marketing Community
- Funding & Data Resources
- Transparency, Integrity and Open Due Process
- Independence & Integrity of Private Sector Body
- Highly Qualified Operating Leadership (Directors & Advisors)
 - Near Planned Mix
- Highly Qualified Stewards (Foundation Trustees)
 - A few more in plan

Directors & Advisors



Creating Value for 21st Century

Leadership Mix

	Members	Directors	Advisors
Top Industry Associations	6	2	3
Top Business Schools	11	3	8+
Agents/Agencies	9	6	4
Major Marketers	6	6	4
AO	3	2	1

MarCom Team Action Plan (January 2013)

- I. Framed-Up Project & approved by MASB Directors (March 2011)
- II. Formed Project Team, designated leadership (March 2011 & Dec 2012)
- III. ANA Brand Valuation Summit (May 2011)
- IV. Commissioned Roger Sinclair to draft BIV “Rationale & Principles”(June 2011)
- V. Engaged 4 Marketing & Finance “Pairs” (August 2012)
- VI. Revised Team Plan, Objectives & USP given feedback & new team leadership (Sept)
- VII. Reengage 4As (Donahue), IAB (Mane), ARF (Dec - May)
- VIII. Recruit Marketing & Finance Accountability Pairs to Summits (Team, Dec – July)
- IX. Set Industry Association Schedules w/Boards & Podiums (Team, 2103)
- X. Achieve Short-Term Success Criteria
 1. MarCom Team Industry Association Boards buy-in to MASB (Feb 2013)
 2. 90% Top Tier Members Renew (2013+)
 3. 5 Potential New TT Marketing Members/Pairs attend Summits (2013)
 4. **4 More New TT Marketing Members , 10 Total (2013)**
- XI. Determine longer term success criteria (2014+)

Leadership Mix Plan

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Major Marketers	6 + 4 = 10	6 + 4 = 10	4 +
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Pharma, Retail, Financial, High Tech?

Foundation Trustees & Officers



Blair 04
MAF/MASB
(Pres & Asst
Sec)



Barns 04
Nielsen



Sirkin 04
SMG



Plummer 06
Columbia
(Secretary)



Tisor 07
Kearney
(Treasurer)



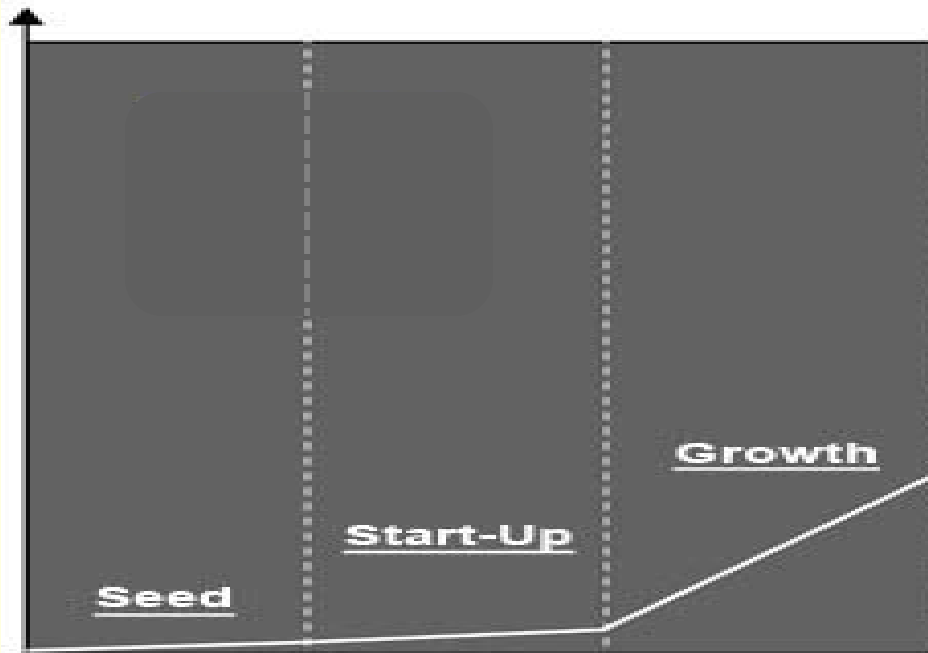
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ANA

First 6 Trustees in place...

Trustees meet quarterly for governance, oversight, funding and administration (ie long term sustainability of the body)

Remaining Trustees will be recruited from Charter Membership Base...part of Trustee Plan for 2013 - 2014

Completing Start-Up Phase: Call to Action

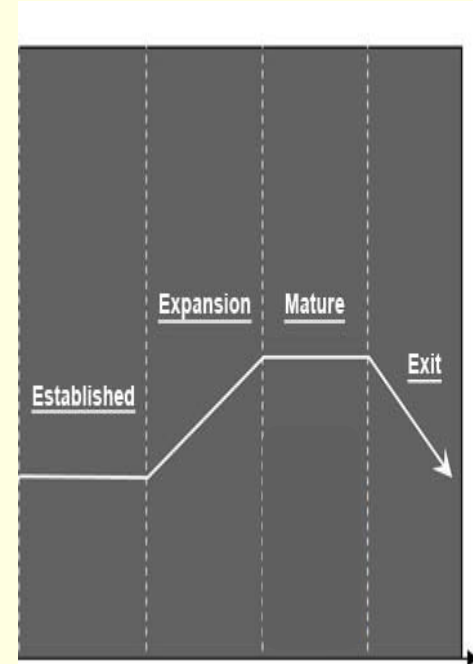


2004 - 2007

2007 - 2013

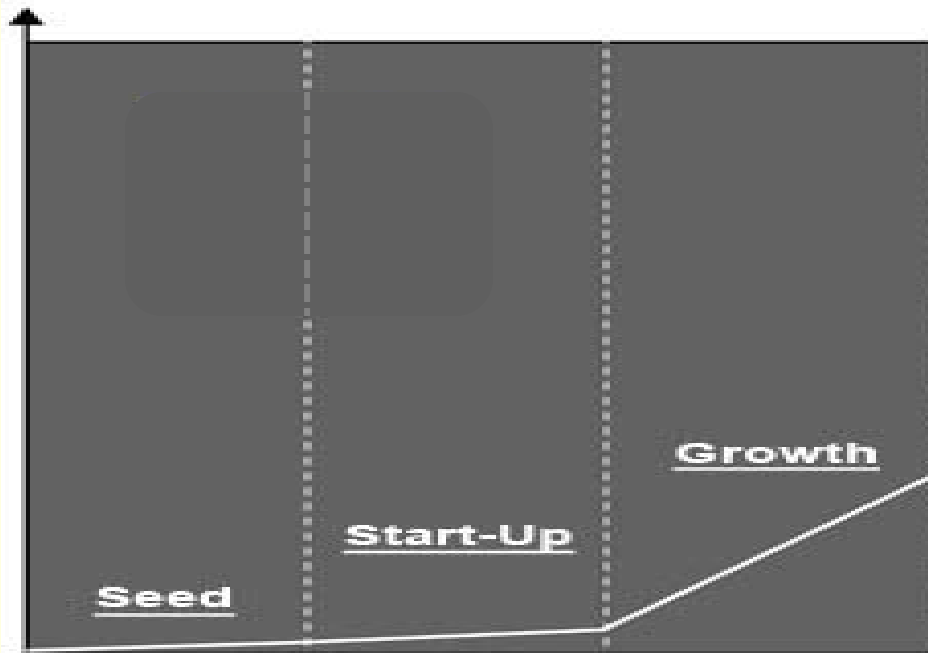
THE BOARDROOM PROJECT

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4 More Marketing & Finance Pairs!

Entering Growth Phase



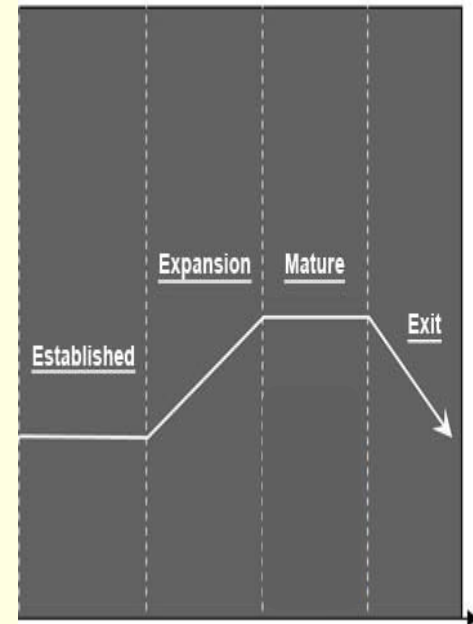
2004 - 2007

2007 - 2013

2014 +

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1. MMAP Audits (Known Challenge)



Only 3 providers have gone through the MMAP Audit...
learning the basics of measurement development...
metrics that reliably predict market impact & financial return...
on behalf of marketers...and their investors.

A Project Team?

2. C-Level Outreach I (Known Challenge)

- In the Fall of 2006, The Boardroom Project members decided to conduct interviews with C-Level management (CFO, CEO, CSO) to gain insight into their views regarding the role of marketing in the business process and the value of marketing metrics in the accounting & financial processes.
- Interviews with senior management were completed December 2006- January 2008 at a sample of marketing oriented companies:

Visa
Colgate
PepsiCo
Frito Lay
Meredith
NBC Universal

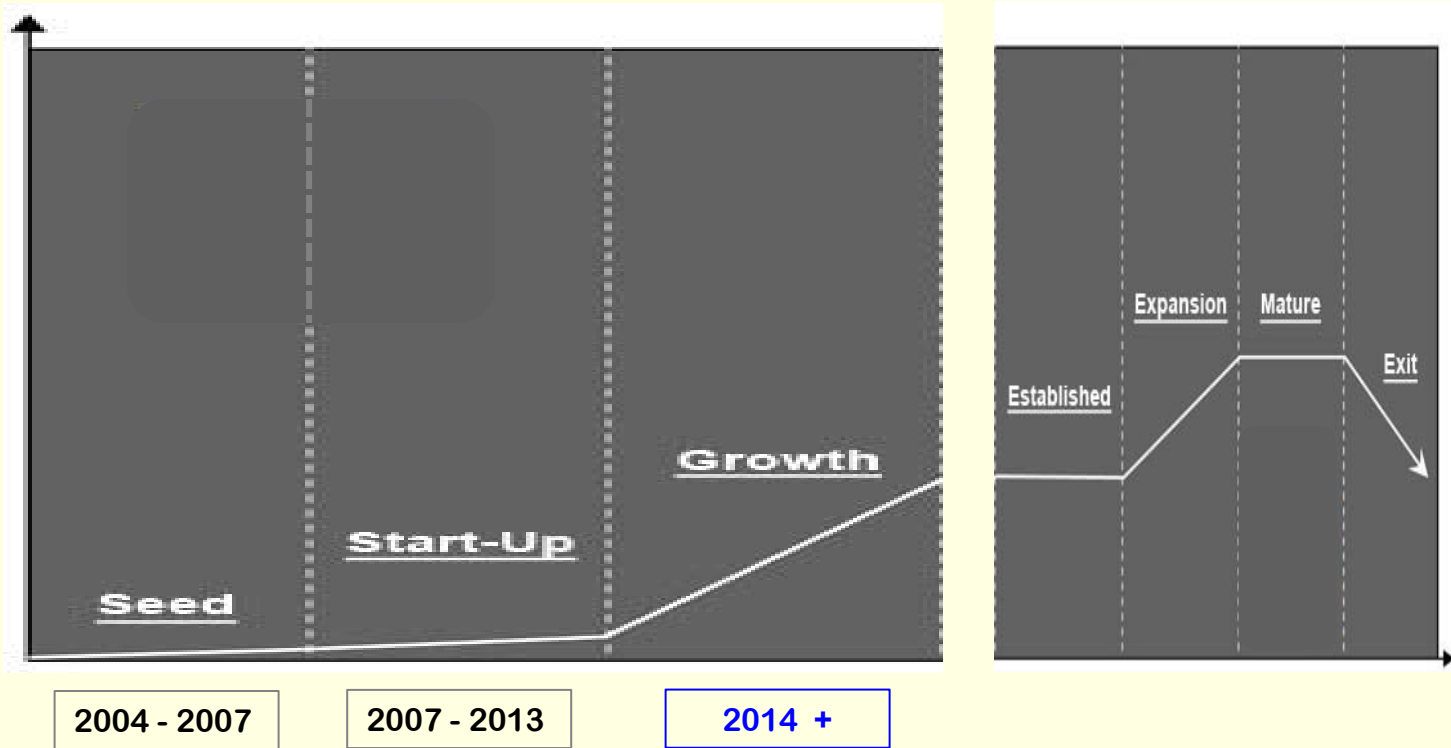
Federal Express
USPS
Ford
Nokia
Wachovia
ConAgra

Novartis

In 1st study it took 18 months to get feedback from just a baker's dozen...
This time, 20 requests went out and we have 4 in hand from new members...
Qualitative sample sizes...not for quantification & measuring change over time.
We must continually address C-Level accountability issues & track our success.

Another Project/Team?

Entering Growth Phase: **Known Challenges**



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1. Getting Vendors to Undergo the MMAP Audit
 2. Measuring success/delivering to our C-Level agendas
- And there will be more...

MASB

Joining (and Parting) Message

As with the Quality movement...

this will not be easy... it's going to take a lot of time and effort. If it were easy, someone would have already tackled these crucial issues.

However, the payoff for the marketing profession is worth the time, effort, and money.

It's the right thing to do and right time to do it!

Dr Joe Plummer
Columbia University
MASB Founding Director & Trustee
May 2006 & February 2013

MASB Trailblazer 2013

Joe Plummer
Founding Director & Trustee

Thank-you!

For your support of MASB
and a better future for all who follow



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