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Standards Project

Continuous Improvement in Return (CIR)
Project Review & Status

Jane O'Keefe,
MillerCoors
Co-Lead CIR Team
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Chicago

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Marketing Accountability Standards Board
of the Marketing Accountability Foundation

Continuous Improvement in Return (CIR)

Project	**Continuous Improvement (CIR)** (O'Keefe & Banks)	**Strategy** Review "what is known" about the elements of Science required for improved return, hone in on the elements of Governance required for <u>continuous</u> improvement, then measure/track success & revise RM over time
Issue Addressed	**Continuous Improvement requires more than Science**	
Project Objective	**Document elements of Science & Governance for CIR, then measure success & revise RM**	
Expected Outcome	**Roadmap for all involved in Marketing Accountability Journey**	
When	**Ongoing**	

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CIR Milestones (2014 & to date)

I Frame-Up Prioritize*	II Team Leadership Plan	III Resources	IV Research*	V Acceptance*	VI Education*

EI Frame-Up 10/14

Leaders & Plan 11/14

Base Terms Defined 12/14

Science Reviewed 3/15

Gaps in Governance IDd 4/15

Governance Terms Defined 6/15

Definitions Consolidated 8/15

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* Paper, Deck or Publication outputs

Marketing:
"Marketing is 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." *(AMA 2013)*

Marketing Return:
"Contribution to profit attributable to marketing (i.e. net of spending/investment), divided by the investment." *(CL Dictionary)*
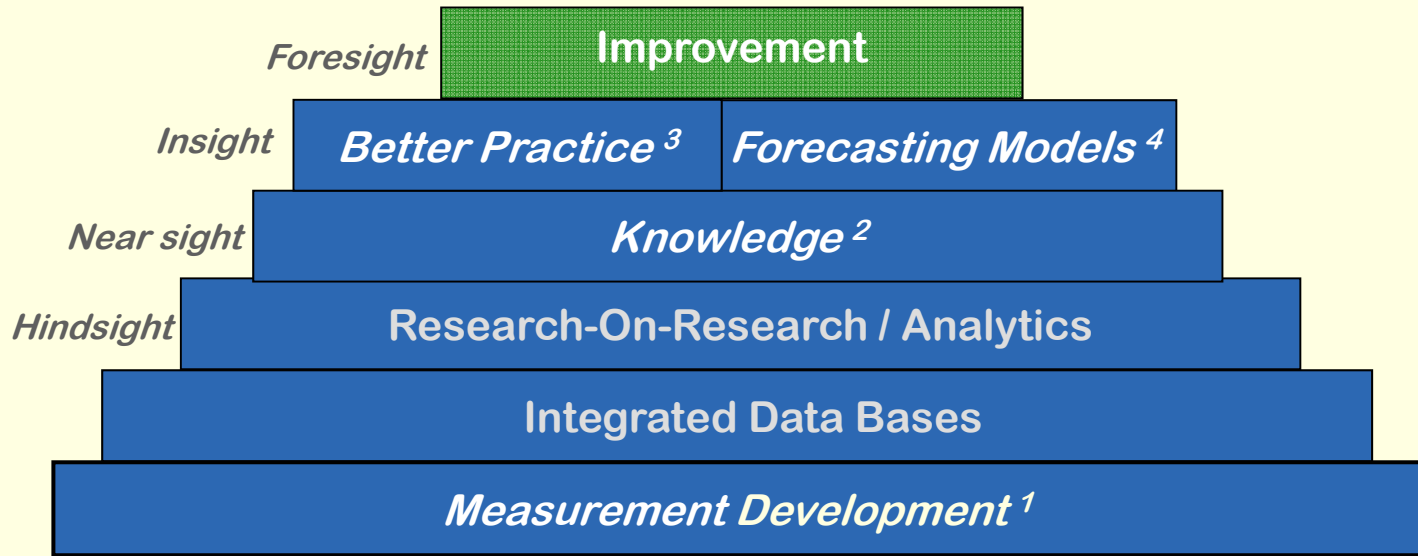
Continuous Improvement:
Profitable growth is (predicted and) achieved over set periods of rolling times over time; return is increased cycle over cycle

Roadmap:
A plan or guide to show how something is arranged or can be accomplished

The Science: Measurement is The Foundation for Better Practice, Forecasting & Improving Return
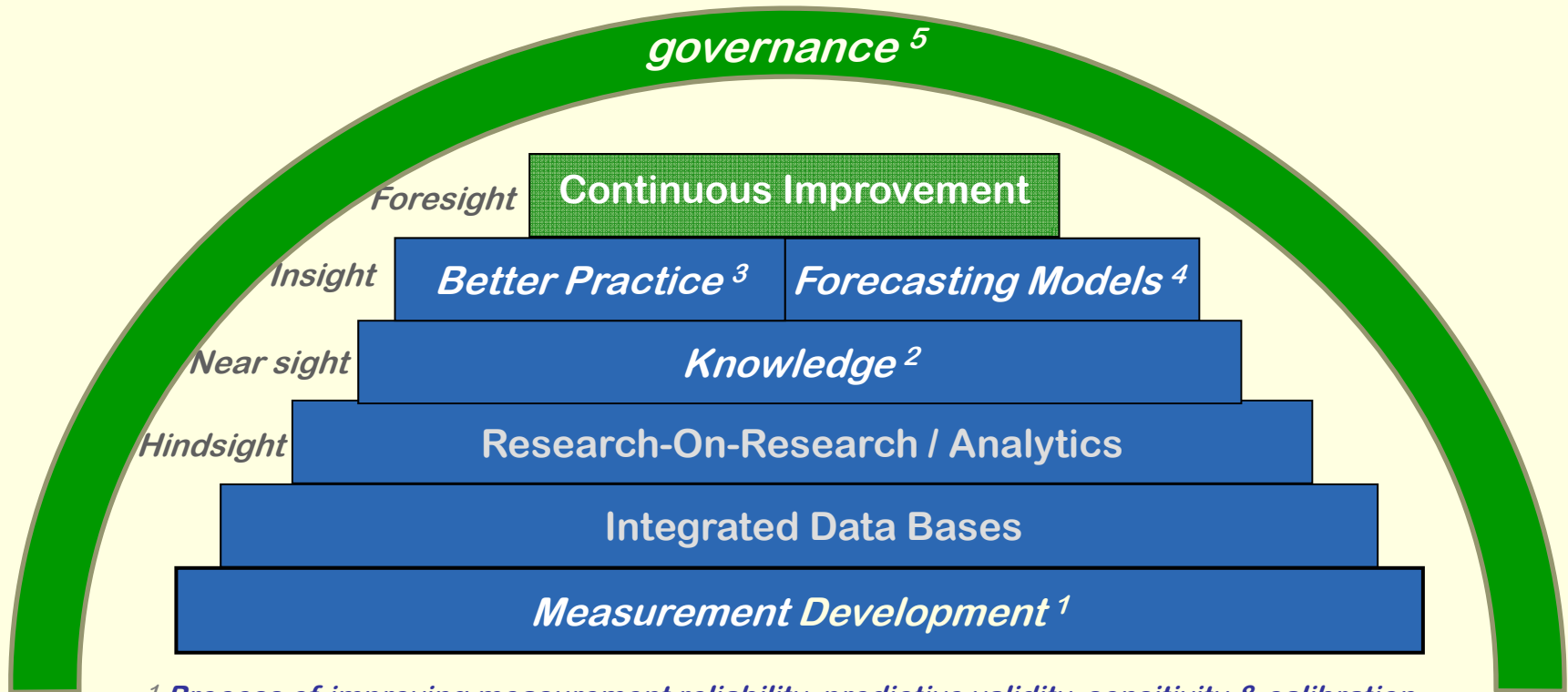

Pyramid levels (top to bottom):

Foresight	**Improvement**
Insight	*Better Practice* [3] — *Forecasting Models* [4]
Near sight	*Knowledge* [2]
Hindsight	**Research-On-Research / Analytics**
	Integrated Data Bases
	Measurement Development [1]

[1] *Process of improving measurement reliability, predictive validity, sensitivity & calibration.*

[2] *Profound understanding (of the business process or human & customer behavior) that yields a clear prioritization of action; Learning or principles that yield true predictions with unvarying uniformity (MR Vision 2003); Process of explaining variance/identifying the causal drivers of the business or human behavior.*

[3] *Documented method of operating that yields higher level of performance than other operating behaviors (IBID); Process of applying Knowledge to the operating process for improved performance.*

[4] *Analytical techniques that represent causal relationships among various conditions & actions taken to achieve specific business results, and forecast future outcomes of various potential actions & conditions (IBID)*

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(Blair Science Pyramid, MASB 2014)

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The Journey to Continuous Improvement in Return: Science Pyramid & Governance Umbrella

governance [5]

Foresight	**Continuous Improvement**
Insight	**Better Practice [3]** / **Forecasting Models [4]**
Near sight	**Knowledge [2]**
Hindsight	**Research-On-Research / Analytics**
	Integrated Data Bases
	Measurement Development [1]

[1] *Process of improving measurement reliability, predictive validity, sensitivity & calibration.*

[2] *Profound understanding (of the business process or human & customer behavior) that yields a clear prioritization of action; Learning or principles that yield true predictions with unvarying uniformity (MR Vision 2003); Process of explaining variance/identifying the causal drivers of the business or human behavior.*

[3] *Documented method of operating that yields higher level of performance than other operating behaviors (IBID); Process of applying Knowledge to the operating process for improved performance.*

[4] *Analytical techniques that represent causal relationships among various conditions & actions taken to achieve specific business results, and forecast future outcomes of various potential actions & conditions (IBID)*

[5] **X-Functional Team w/CI Orientation, Common Purpose & Rewards, Central Funding & Thresholds**

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(Blair Pyramid & Banks Umbrella, MASB 2014)

Governance Defined/Consolidated (8/15)

❑X-functional team: A collaboration across functions (marketing, sales, finance) which provides the feedback business leaders need as they select their key measures (e.g. MROI or CLTV) and strive to improve its returns, in a way consistent with other enterprise functions (e.g. sales, finance). (Example: if marketing leaders focus mostly on brand image, but brand image has no known connection to the sales team's focus on acquisition, this suggests a marketing team that is not well-governed)..

❑Continuous improvement oriented: A culture built on ensuring that profitable growth is (predicted and) achieved over set periods of rolling times over time; return is increased cycle over cycle (Example: if marketing leaders only use measures to justify annual funding, this suggests a marketing team that is not well-governed).

❑Common purpose: A focus on a single financially relevant measure (e.g. incremental CLTV) when seeking funds. (Example: if digital specialists seek funds based upon web traffic; and separately experiential specialists seek funds based upon event attendance, this suggests a marketing team that is not well-governed).

❑Common rewards: Marketing leaders aim to provide rewards (pay, promotions, accolades) toward people who clearly help in improving the key measures (e.g. MROI or CLTV). (Example: if leaders reward promotion specialists for higher short-term sales, and separately reward broadcast specialists for higher awareness, this suggests a marketing team that is not well-governed).

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Governance Defined/Consolidated 2 (8/15)

❑**Central funding**: All marketers seek and receive funding from a single source, and the funding decision-maker uses the key measure as its primary filter for funding. (Example: if digital, experiential, regional, and/or retail marketers can each receive funding from different sources, this would suggest a marketing team that is not well-governed.)

❑**Thresholds**: Funding is only provided to marketers who can project that their investments will operate within defined limits or parameters related to a level of return (e.g. above 1.5-to-1.0 MROI), over some reasonable amount of time (e.g. within one-to-two quarters). (Example: if more than half of the marketing funds flow to tactics with no clear connection to the key measure, this would suggest a marketing team that is not well-governed.)

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CIR Next Steps (8/15)

- **Design the Roadmap**

    - *The plan or guide to show how something is arranged or can be accomplished*

- **Begin tracking member journeys and measuring success**

CIR Team

Team Leaders

Jane O'Keefe
MillerCoors

Greg Banks
MAD

Team Heroes

Kelly Johnson
ESPN

Kate Garner
PepsiCo

Rafael Alcaraz
Hershey

Jamie Richardson
Kimberly-Clark

Peter Cushing
GM

Chris Ciccarello
ConAgra

Sunny Garga
[m]PHASIZE

Mike Hanssens
UCLA

Jeff Winsper
Winsper

Rick Abens
Foresight ROI

Admin

Meg Blair
MAF/MASB

Allan Kuse
MMAP Center

Team Meets: 3rd Friday Noon ET

Thank-you!