
Marketing Accountability Standards

Marketer Member Panel Update on Accountability Initiatives

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Islamorada



Marketing Accountability Standards Board
of the Marketing Accountability Foundation

Panel PPO

- **Purpose**

 - Listen to current successes, challenges and approaches**

- **Process**

 - Marketer member panel discussion**

- **Outcome**

 - Input for current & future MASB work**

Member Panel



Jamie Richardson
(Marketing)



Jim Meier
(Finance)



Karen Ebben
(Marketing)



Peter Cushing
(Marketing)



Shyam Venugopal
(Marketing)

Guest Participants:

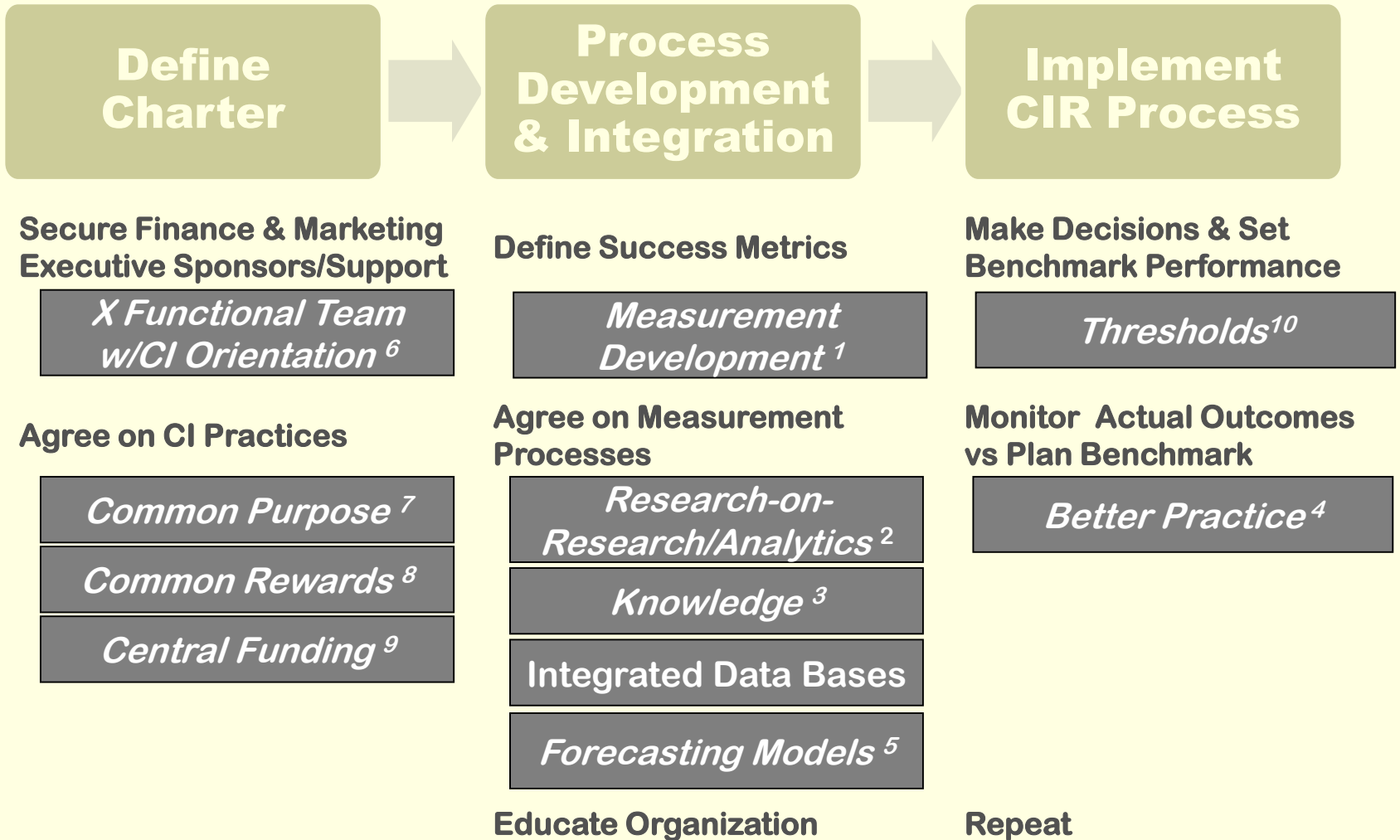


Stan Balanovskiy
(Marketing)



Robert Reyes
(Marketing)

Discussion Guide: High Level Roadmap



Discussion Excerpts

Meier: “I think most CPG companies and perhaps others have an S&OP process, sales and operation planning, which generally has existed to balance sales demand and operations supply. So that’s good to have but you’ll notice a couple of functions are missing from that. Marketing’s missing, Finance is missing, probably a couple others. We’ve actually brought all that together within our S&OP process to the point where we ought to just rename the process.

The S&OP group that meets are the senior leadership members for each of those functions – chief financial officer, chief marketing officer, chief executive officer. I think having that governance structure is very critical. All the executives are basically seeing the decision-making as it happens.”

Richardson: “From a K-C perspective, we have similar processes that we put in place. One of the things that really worked out for us, each of the businesses have to go in front of our CEO and our CFO and they present what their plan is and the support behind it, which is a huge level of emphasis to say, bring me the data, bring me the information to support the decisions that you’re making. And we have our senior level leaders asking and demanding that information come back. That really helps reinforce analytics and the role that we’re playing which is understanding our consumers.”

Venugopal: “At PepsiCo we have multiple divisions and not all divisions are at the same stage from a CIR standpoint. Of the divisions that have success, one commonality is using similar forecasting models to assess things from the driver’s standpoint. These are the investments that I’m going to make; what is going to be my one-year return, three-year return and so forth. The other thing these divisions can do is tie back to a marketing mix type of framework. I think the marketing and finance teams are driving it together, so they are in front of the executive leadership to assess what has happened last quarter.”

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Discussion Excerpts (cont.)

Reyes: “One of the first cultural things I encountered working for Nestle was a conversation I had with the CFO, and he was telling me, ‘Nestle is 150 years old, we have autonomous operating companies and we have autonomous business units.’ My challenge is taking all these autonomous units and instead of having each of them doing their own marketing mix, bringing it together on a company-wide basis. I mean quite frankly forming a partnership with the head of media, the head of digital, so that we actually took over the process and delivered results to the president and the controller directly as a first step.

It has to be cross-functional. Some of the findings we encountered were not surprising to me but were very surprising to my colleagues. It takes a lot of time to say ‘yes, the numbers are accurate,’ ‘yes, there are real reasons why the results came out the way they came out,’ ‘yes, the old rules that we all know as Best Practices really aren’t dead, they’re just rediscovered every month as being new.’”

Ebben: “Sales, Marketing and Finance need to be engaged in reviewing progress towards operational metrics as well as consumer metrics. There also needs to be consensus that not all KPI’s receive equivalent weight, so having cross-functional buy-in is necessary. Focus and Continuity can be overlooked, though without them, there is the risk of over emphasizing immediacy of short-term tactics that may not provide the kind of profitable, sustainable growth required for long-term success. This is why a governance structure that includes sales, marketing and finance is foundational to enabling traction.”

Richardson: “One of the challenges I’ll throw out that we’re facing is there’s a shift in control and the control is shifting to the consumer. How are we factoring in the consumer-led marketing of our brands, both the positive and the negative, and if you think about in a real time effect. There are elements that we don’t control, and those elements can have big effects. The more that we can understand the components that things like social media are doing to our brands, both in terms of advocates who are out there and negative comments that may be flying around, we need to understand that as another element of the marketing mix.”

(continued)

Discussion Excerpts (cont.)

Balanovskiy: “A lot of the things that we’ve been focused on recently speak exactly to helping organizations understand the consumer side, the effectiveness of various marketing efforts in as close to real time as possible by enabling a lot of technology that looks at both ‘how are your marketing efforts performing,’ and looking for proxies that help us understand which creative works best in real time for which advertisers, what are some of the most immediate consumer responses that we can understand, as well as looking at the customer behavior for things like sales data that might lag or understanding modeling to give marketers a really good understanding of how to anticipate demand through use of technology and media platforms that often come together to inform what to expect so that you can really shorten that decision-making process and improve the quality of your forecasting from data that might have been six months old to something that is as close to the market as possible.”

Richardson: “The data is coming from a lot of different data sources, and one of our big challenges is trying to figure out how to integrate all of that data together, and how different feeds of information are talking to each other, how they’re linking, and how we can use it from more of a prediction standpoint.

There’s a lot more appreciation for the different groups. They’re working together and they’re balancing each other out. All the companies are in a really good position when you start thinking about leveraging the strengths that each of the different functions is bringing to the table. Basically, we know they need each other.”



Thank-you!



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