
MASB
Standards Project
Continuous Improvement
in Return (CIR)

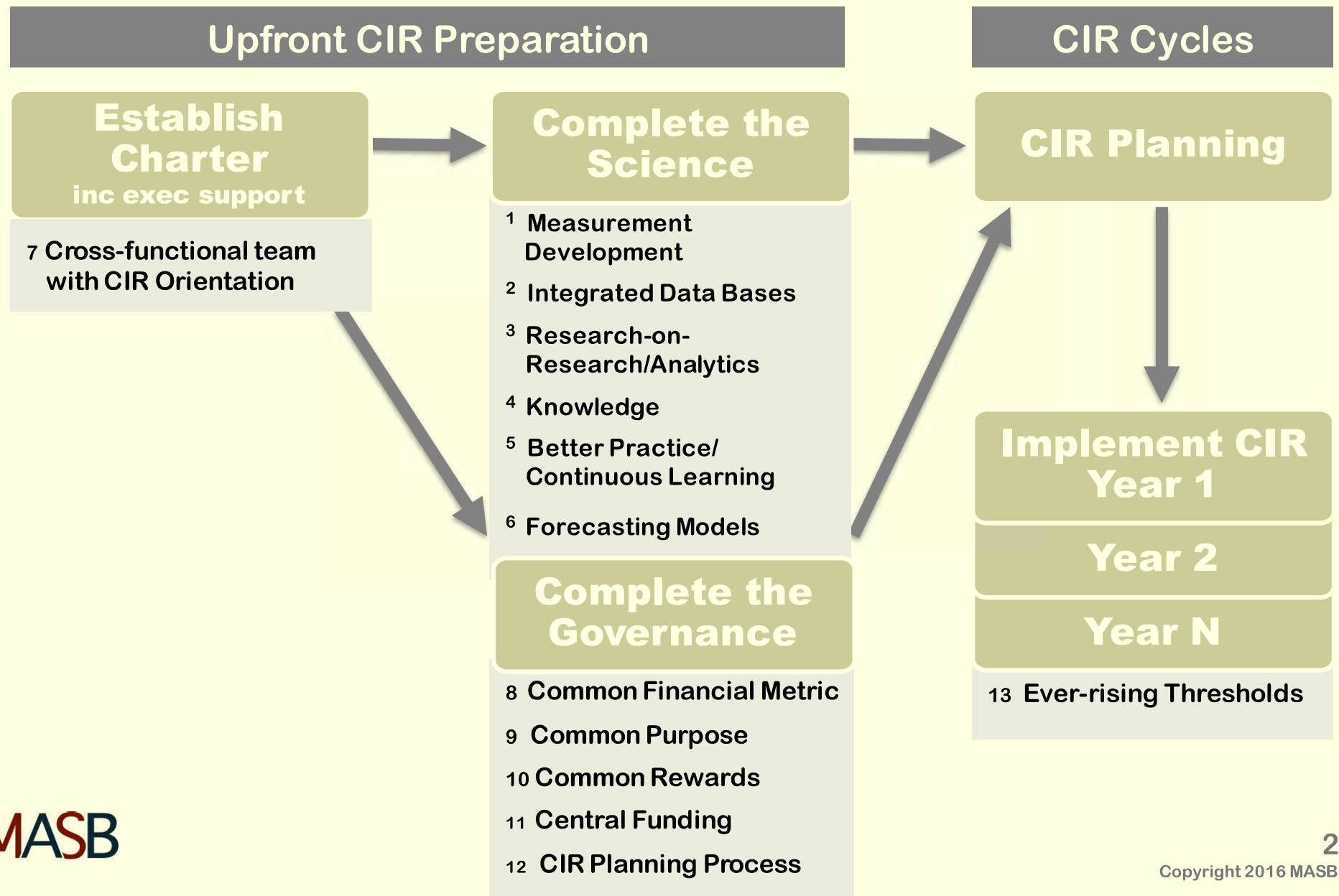
Leading Practices
Initial Results

Greg Banks, Maddock-Douglas
August 2016
Atlanta





























Marketing Accountability Standards Board
of the Marketing Accountability Foundation

High Level Roadmap



How We are Recording Results

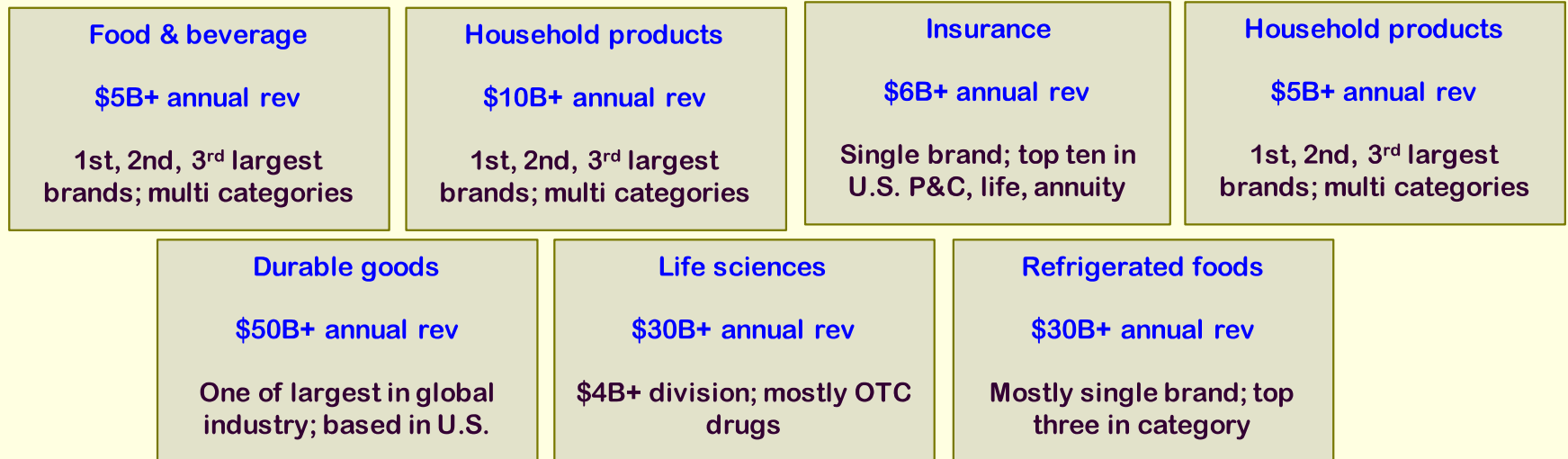
		Red / Yellow / Green		Improvements to reach higher level (e.g., yellow to green) by next assessment	Expected timing for completion of improvements
		Last assessment (e.g. June 2015)	This assessment (e.g. June 2016)		
Science	1 Measurement Development			Revisit root models	Dec '16
	2 Integrated Data Bases				
	3 Research-on-Research/Analytics			N/A	N/A
	4 Knowledge			N/A	N/A
	5 Better Practice/Continuous Learning			N/A	N/A
	6 Forecasting Models			TBD	TBD
Governance	7 Cross-Functional Team with CIR Orientation			Expand from 70% - to 90% marketing	Dec '16
	8 Common Financial Metric			N/A	N/A
	9 Common Purpose			Expand from 70% - to 90% marketing	N/A
	10 Common Rewards			Roll out marketing team bonus	Oct '16
	11 Central Funding			Move from 3 to 1 funding sources	N/A
	12 CIR Planning Process			Evolve from 12- to 6-month cycles	June '17
	13 Ever-rising Thresholds			Formalize speculative investment policy	Dec '16

To improve scorecard: in-depth interviews

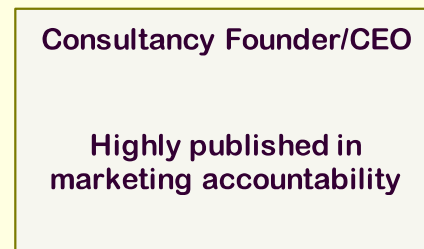
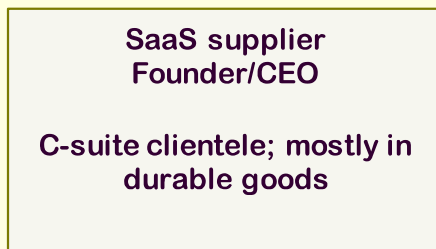
- Via Go-to-Meeting in June-July
- With preview material
- Seven \$5B+ companies
 - Execs in: Finance, Marketing, Research, Analytics
 - All had careers in marketing accountability
 - All had marketing science
- Also interviewed:
 - Founder/CEOs of three leading suppliers
 - One leading academic
- Fifteen interviewees total
- Interviewers: Greg Banks, John Willard, Rick Abens (in pairs)

Here are the interviewees (w. names cloaked)

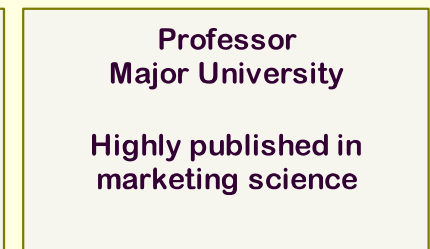
Companies



Suppliers



Academic



How we'll present our findings

Science

- 1 Measurement Development
- 2 Integrated Data Bases
- 3 Research-on-Research/Analytics
- 4 Knowledge
- 5 Better Practice/Continuous Learning
- 6 Forecasting Models

Governance

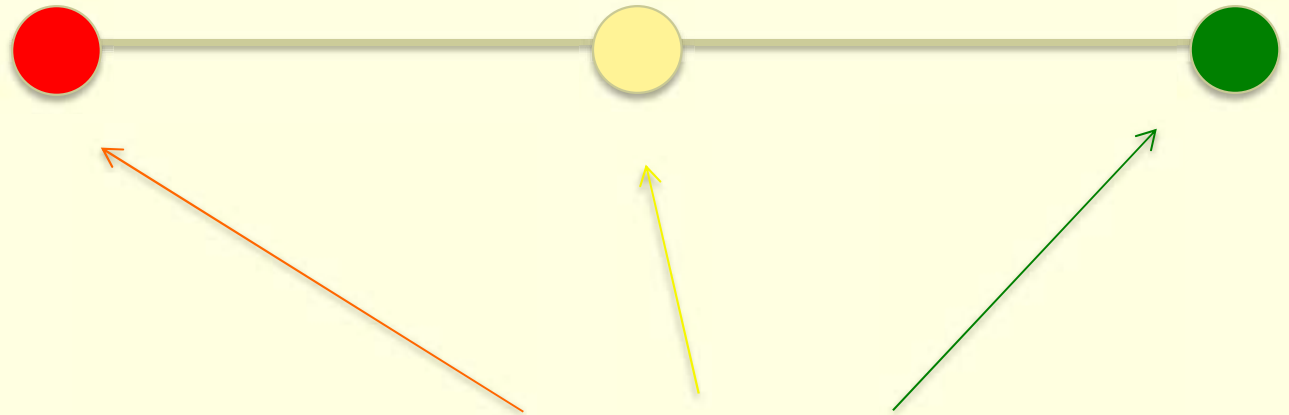
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- 13 Ever-rising Thresholds

By MASB standards

Unacceptable

Acceptable

Best practice



We'll highlight the criteria ...

... define the three scorecard colors...

... and show typical progress on the journey

Consistent X-Functional Training

Science

- 1 Measurement Development
- 2 Integrated Data Bases
- 3 Research-on-Research/Analytics
- 4 **Knowledge**
- 5 Better Practice/Continuous Learning
- 6 Forecasting Models

Governance

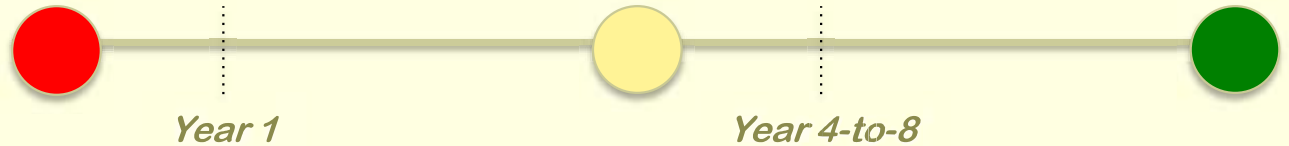
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Knowledge:

Only with marketing

Shared in planning

Taught and used weekly

“You want to get to – whatever is the opposite – of a black box”

Quote from one of the more advanced practitioner interviewees.

Most start with Historical Analyses

Science

- 1 Measurement Development
- 2 Integrated Data Bases
- 3 Research-on-Research/Analytics
- 4 Knowledge
- 5 Better Practice/Continuous Learning
- 6 Forecasting Models**

Governance

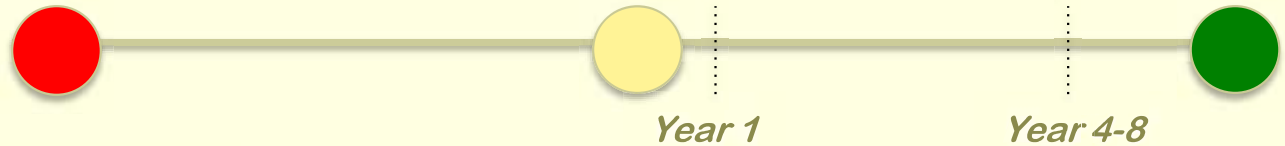
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Decisions:

Based upon judgment only

Based upon historical analyses

Based upon forecasts

"We've shown 50%+ financial gains ... yet we are still weak on forecasting"

Add stakeholders; increase cycles

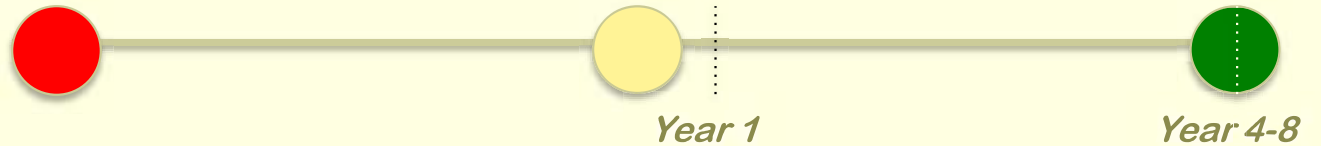
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Marketing:

Isolated

With Finance

C-suite member

Performance thresholds for funding:

None

Annual

Quarterly, monthly

"We update our metrics every quarter with the senior-most leaders"

Embrace marketing's corporate role

Science

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- 2 Integrated Data Bases
- 3 Research-on-Research/Analytics
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Governance

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Year 1

Year 4-8

Marketing's purpose:
Unclear or disassociated

Returning more than invested

Efficient achievement of corporate financial goals

"We had to get past the obstacle of marketing having its own goals."

Every year expand funding scope

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Governance

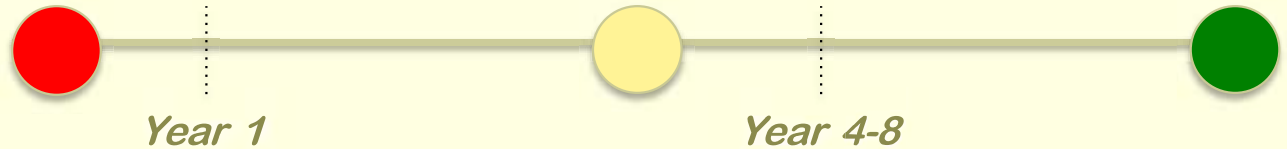
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Funding:

Fragmented

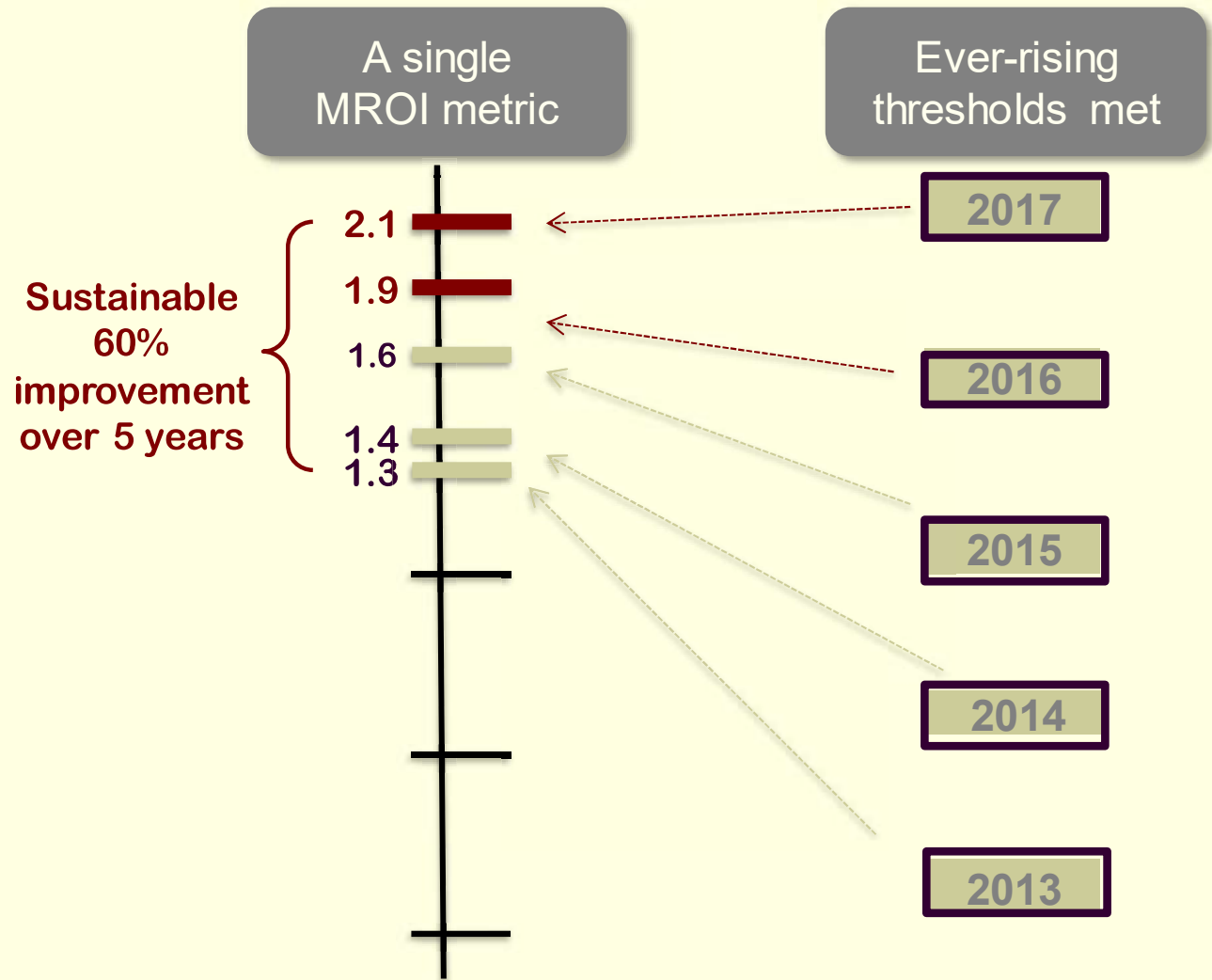
60%+ central

90%+ central

“Last year we added trade discounts; this year we’re adding sponsorships.”

We offered this as best practice ...

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..and heard very different feedback

Science	1 Measurement Development	Prototype	ACME food & beverage	AJAX food & beverage
	2 Integrated Data Bases			
	3 Research-on-Research/Analytics	On our scorecard	At least top tertile	At least top tertile
	4 Knowledge			
	5 Better Practice/Continuous Learning	Marketing funded based upon ...	Efficient achievement of portfolio of needs	Performance against single metric
	6 Forecasting Models			
Governance	7 Cross-Functional Team with CIR Orientation	Single metric?	Never envisioned	Considered a linchpin
	8 Common Financial Metric	Ever-rising what?	Corporate impact	Single metric (long-term profit contribution)
	9 Common Purpose	Most beautiful thing	Clear purpose !	CIR obvious!
	10 Common Rewards			
	11 Central Funding	Question mark	CIR possible ?	Too rigid ?
	12 CIR Planning Process			
	13 Ever-rising Thresholds	Other	Finance original driver; took five years	CEO original driver; took 18 months

To Be Determined

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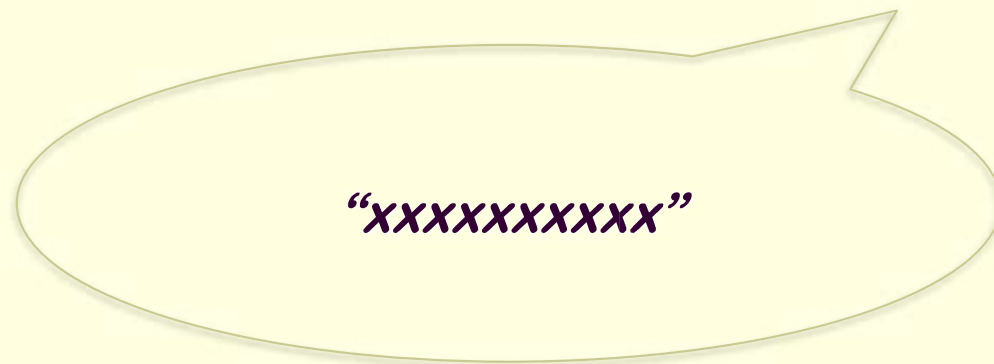
Best practice



XXXXXXX

XXXXXXX

XXXXXXX



Then the Continuous Improvement in Return (CIR) Roadmap measurement criteria and process will have been defined!

CIR Next Steps (8/16)

- **Report on initial feedback at Summer Summit (Today)**
- **Publish CIR story & tool**
- **Continue measuring current MASB members**
- **Determine how to institutionalize beyond leadership transition**



Thank-you!



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