
MASB Standards Project

Continuous Improvement in Return (CIR)

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MASB Advisor
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Orlando



Marketing Accountability Standards Board
of the Marketing Accountability Foundation

CIR: Game Changer

| | | |
|-------------------|---|--|
| Project | Continuous Improvement (CIR) (O'Keefe, Banks) | Strategy Document "what is known" about the Science and the Governance required for <u>continuous</u> improvement in return, then create roadmap and measure/track success (revising map 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 | 2015 & Ongoing | |

CIR Milestones (2014 & 2015)



El 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

Initial Roadmap 10/15

High Level Considerations 11/15

CIR Milestones (2016 to Date)



High Level Roadmap 2/16

Next Layers Down 4/16

Refinements to Elements 5/16

Phone Discussions w/Marketers 6-7/16

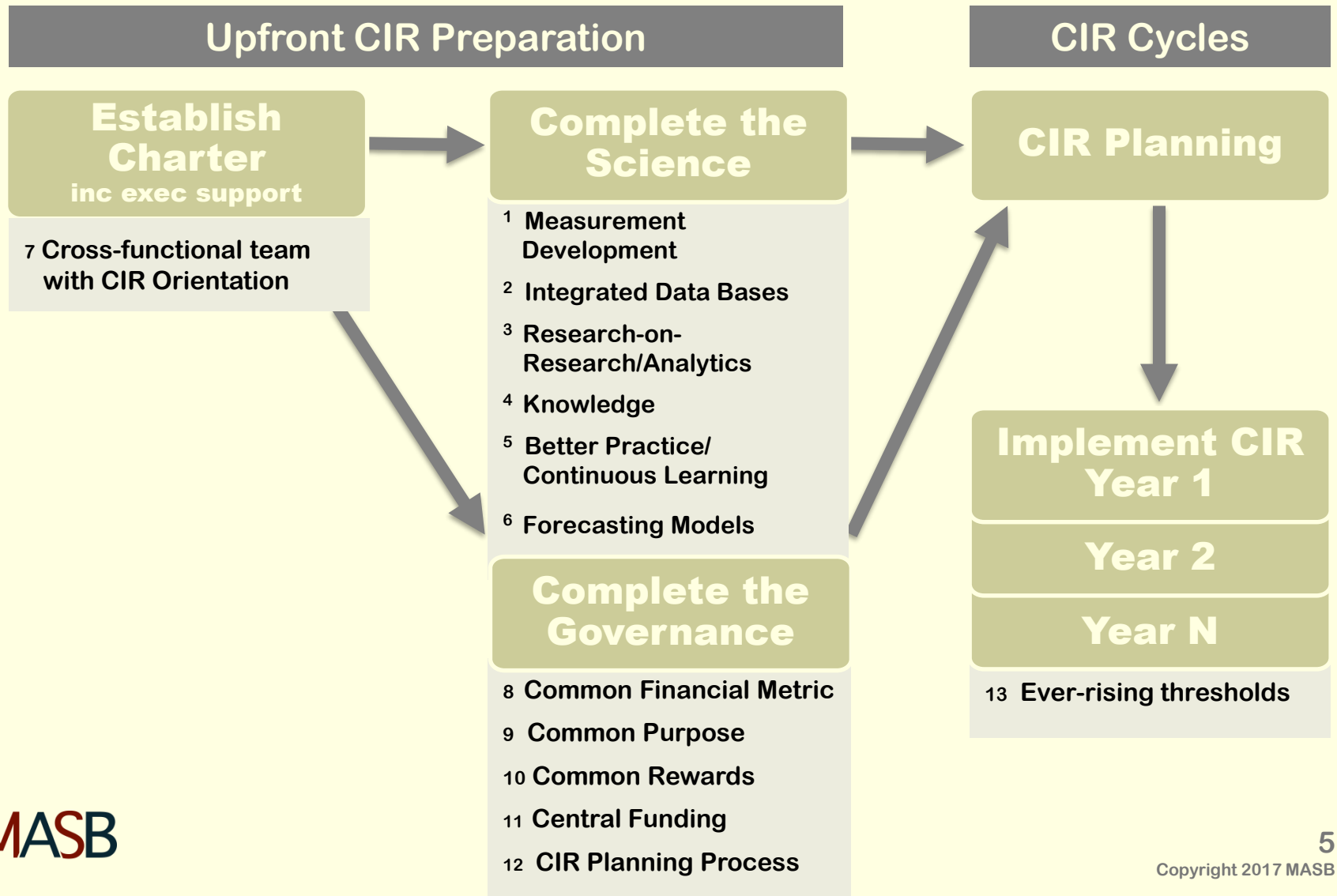
Initial Findings 8/16

Roadmap to Scorecard 10/16

Scorecard Refined 12/16

Scorecard Applied 2/16

MASB CIR One-Page Roadmap



CIR SCORECARD

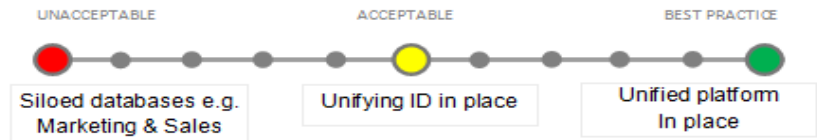
SCIENCE

1 Measurement Development



Comments: _____

2 Integrated Databases



Comments: _____

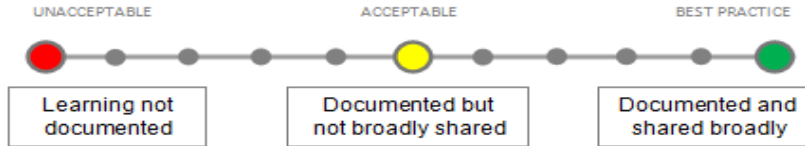
3 Research-on-Research /Analytics



Comments: _____

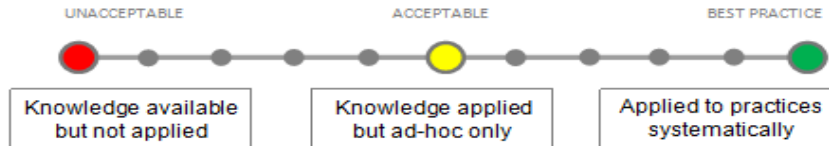
SCIENCE (cont.)

4 Knowledge



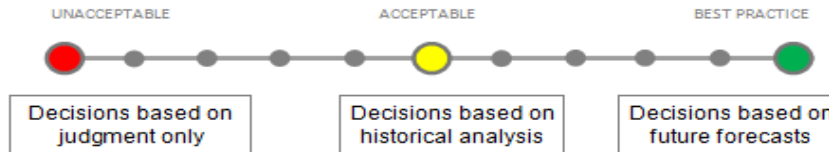
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5 Better Practice/ Continuous Learning



Comments: _____

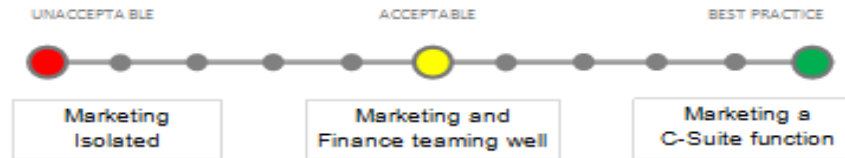
6 Forecasting Models



Comments: _____

GOVERNANCE

7 Cross-functional team with CIR orientation



Comments: _____

8 Common Financial Metric



Comments: _____

9 Common Purpose



Comments: _____

GOVERNANCE (cont.)

10 Common Rewards



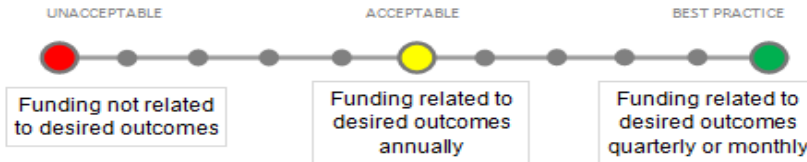
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11 Central Funding



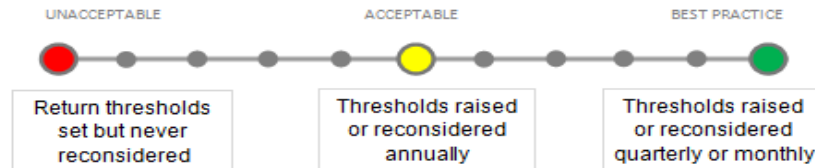
Comments: _____

12 CIR Planning Process



Comments: _____

13 Ever-Rising Thresholds



Comments: _____

CIR Next Steps (2/17)

- Present & Apply Scorecard at Winter Summit (Today)
- Publish CIR story & Scorecard
- Continue measuring MASB members at Summits
- Determine how to institutionalize

Marketing Accountability Foundation Trustee Meeting in January:

“This project is perhaps the Ultimate Game Changer...
something that Wall Street would likely embrace...
and the EYs and DeLoittes should expand their financial audits to include
this process...
are they using it and have they made headway?”

CIR Team

Team Leaders



Jane O'Keefe
MillerCoors



Greg Banks
Foresight ROI

Team Heroes



Kelly Johnson
ESPN



Rick Abens
Foresight ROI



Mike Hanssens
UCLA



Ash Ambani
PepsiCo

Staff



Meg Blair
MAF/MASB
Sponsor



Allan Kuse
MASB ED



Erich Decker-Hoppen
Communications



Karen Crusco
Executive Assistant
Admin

Team Meets: Third Friday at Noon ET

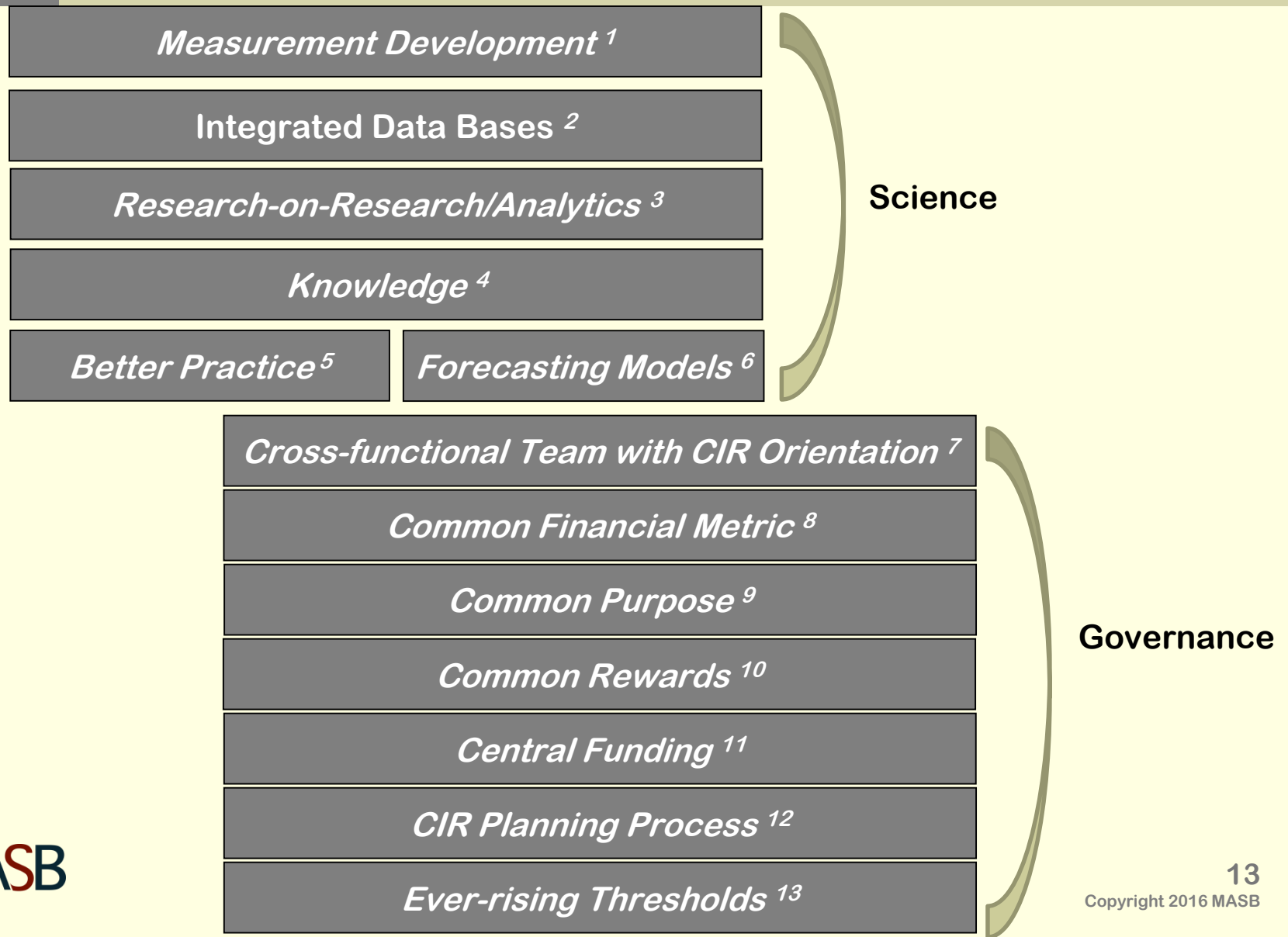


Thank-you!



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of the Marketing Accountability Foundation**

Elements of Science & Governance



MASB CIR Key Terms & Definitions

| | | |
|------------|--|--|
| Science | 1 Measurement Development | Process of improving measurement reliability, predictive validity, sensitivity & calibration |
| | 2 Integrated Data Bases | A method for managing data from multiple sources and combining it around some type of single ID (e.g. a single customer). Integrated databases provide marketers and other decision-makers with a unified view of these multiple, sometimes disparate, data sources. |
| | 3 Research-on-Research/ Analytics | Process of explaining variance/identifying the causal drivers of the business or human behavior. |
| | 4 Knowledge | Profound understanding (of the business process or human & customer behavior) that yield a clear prioritization of action; Learning or principles that yield true predictions with unvarying uniformity (MR Vision 2003). |
| | 5 Better Practice/ Continuous Learning | Documented method of operating that yields higher level of performance than other operating behaviors (BID); Process of applying Knowledge to the operating process for improved performance. |
| | 6 Forecasting Models | 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). |
| Governance | 7 Cross-Functional Team with CIR Orientation | X-Functional Team w/CI Orientation, Common Purpose & Rewards, Central Funding & Thresholds |
| | 8 Common Financial Metric | A financial metric that can be applied to most or all marketing, which is easily understood by non-financial people, (e.g., long-term profit/cash flow). |
| | 9 Common Purpose | All or most marketing personnel and suppliers focused on improving against the common financial metric (i.e. definition #8). |
| | 10 Common Rewards | Rewards for marketing personnel and their suppliers — including pay, promotions, recognition — based heavily upon success against common financial metric. |
| | 11 Central Funding | All marketing investments funded from a single source, which releases funding based primarily upon the likelihood of success against the common financial metric. |
| | 12 CIR Planning Process | A method of planning for marketing funding, based upon the principles of CIR, most notably: teams compete for funding for their respective brands and vehicles based upon proven (or at least plausible) ability to help hit overall financial metrics. |
| | 13 Ever-rising Thresholds | A minimum threshold of financial return is required to receive marketing funds, and this threshold is typically raised year over year. |