

# MASB Best Practices Benchmarking - CIR Stories From the Field

**Jim Meier**  
**MASB Trustee**

**February 2020**  
**New York**



**Marketing Accountability Standards Board**  
of the Marketing Accountability Foundation

# CIR Project

<b>Project</b>	Continuous Improvement in Return (CIR) (Meier, Banks)	<b>Strategy</b> Document “what is known” about the Science and the Governance required for <u>continuous</u> improvement in return, then create roadmap and <b>measure/track success</b> (revising map over time)
<b>Issue Addressed</b>	Continuous Improvement requires more than Science	
<b>Project Objective</b>	Document elements of Science & Governance for CIR, then measure success & revise Roadmap	
<b>Expected Outcome</b>	<b>Roadmap for all involved in Marketing Accountability Journey</b>	
<b>When</b>	<b>2014 &amp; Ongoing</b>	

# MASB CIR

- **A science- and governance-based system for marketers and their colleagues to “CIR” i.e. continuously improve financial returns**
- **Based on:**
  - **In-depth interviews with 23 CIR experts**
  - **Roadmap and MASB Marketing Value Chain**
  - **Definitions of 13 critical science and governance capabilities**
  - **Assessment tools and guided interviews**
  - **Provides progress over time**
- **Available to all MASB Marketer members and for a fee to non-members**

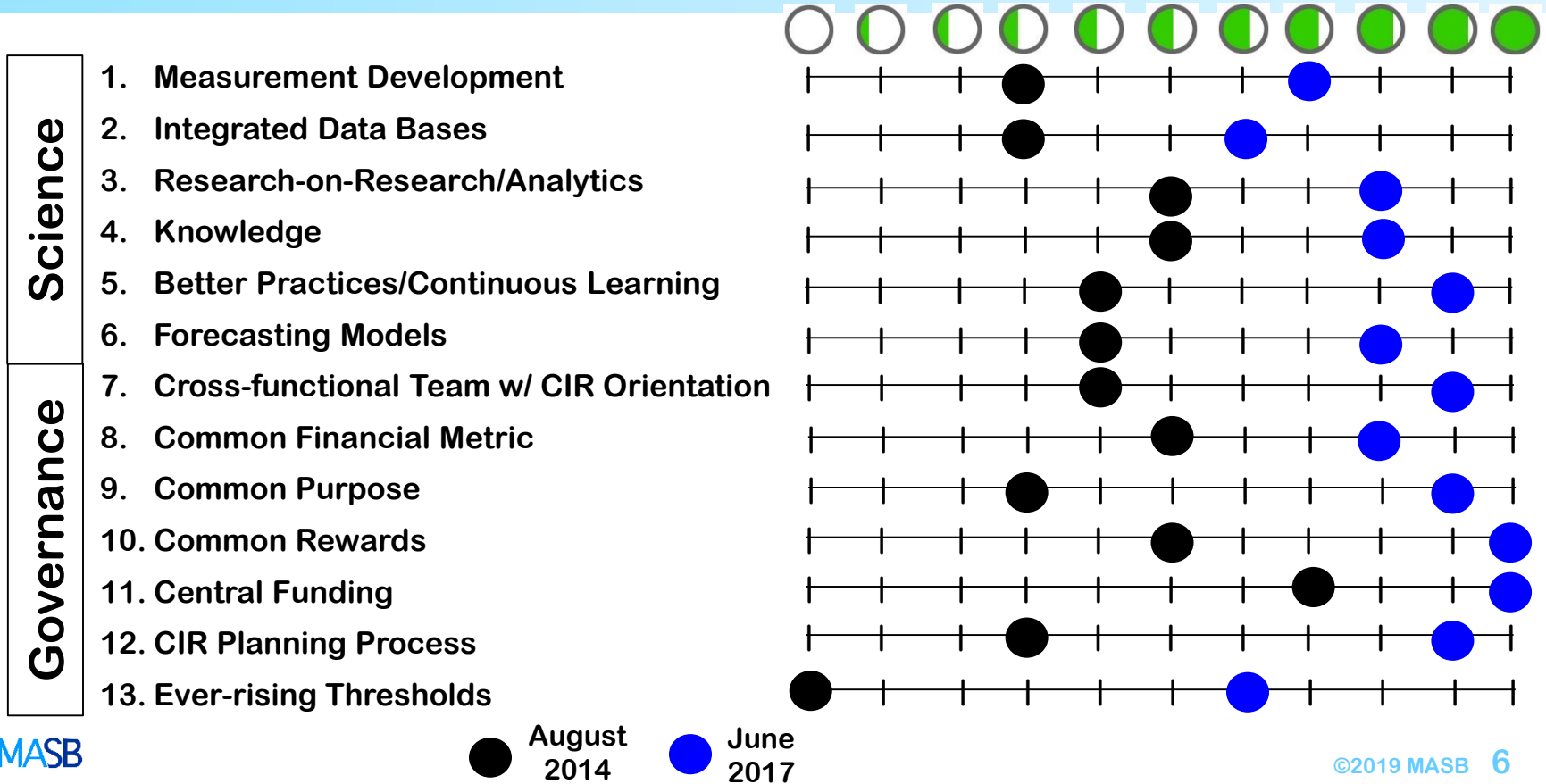
# MASB CIR Key Terms & Definitions

Science	<sup>1</sup> Measurement Development	Process of improving measurement reliability, predictive validity, sensitivity & calibration
	<sup>2</sup> 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.
	<sup>3</sup> Research-on-Research/ Analytics	Process of explaining variance/identifying the causal drivers of the business or human behavior.
	<sup>4</sup> 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).
	<sup>5</sup> 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.
	<sup>6</sup> 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).

# MASB CIR Key Terms & Definitions

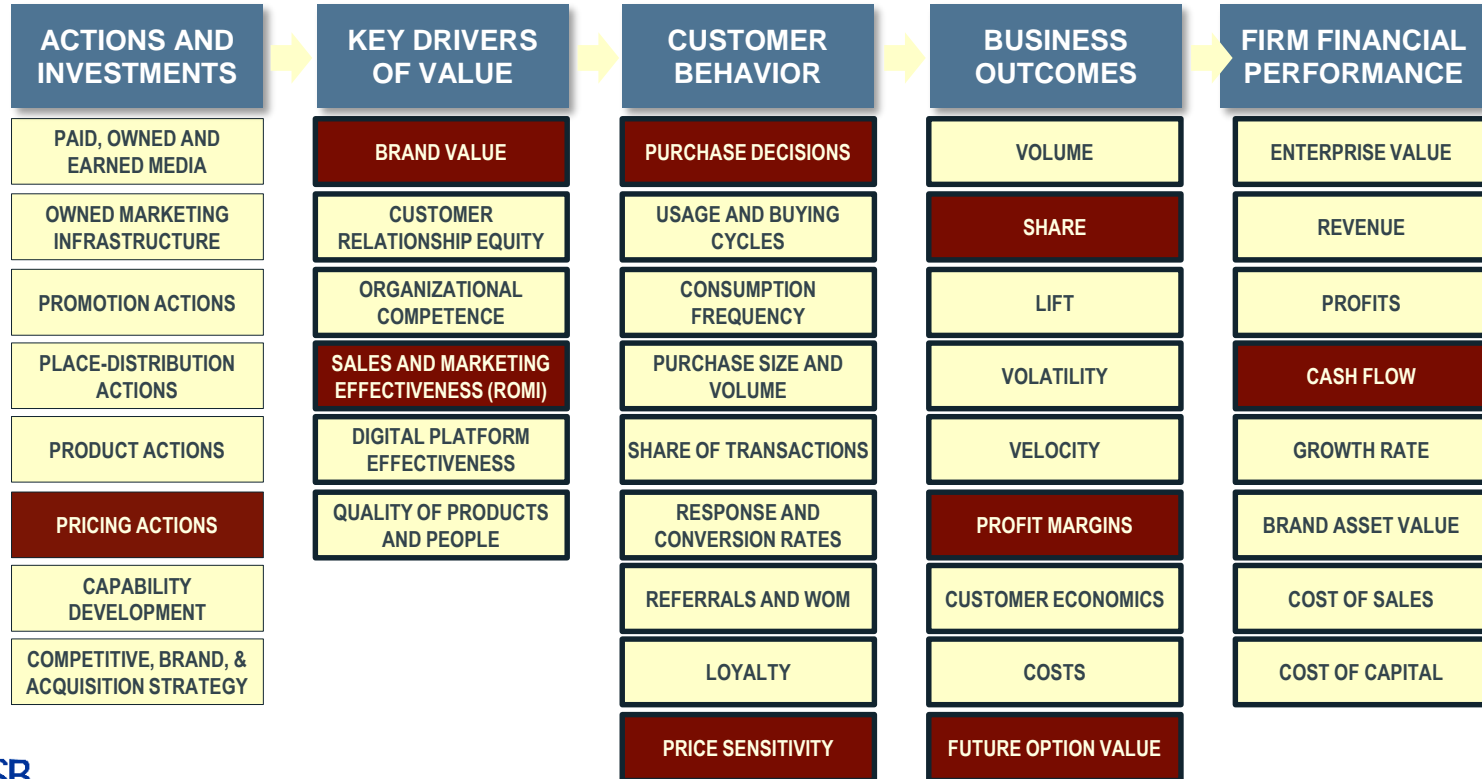
<b>Governance</b>	<sup>7</sup> Cross-Functional Team with CIR Orientation	X-Functional Team w/CI Orientation, Common Purpose & Rewards, Central Funding & Thresholds
	<sup>8</sup> Common Financial Metric	A financial metric that can be applied to most or all marketing, which is easily understood by non-financial people, (e.g., long-term profit/cash flow).
	<sup>9</sup> Common Purpose	All or most marketing personnel and suppliers focused on improving against the common financial metric (i.e. definition #8).
	<sup>10</sup> Common Rewards	Rewards for marketing personnel and their suppliers — including pay, promotions, recognition — based heavily upon success against common financial metric.
	<sup>11</sup> 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.
	<sup>12</sup> 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.
	<sup>13</sup> Ever-rising Thresholds	A minimum threshold of financial return is required to receive marketing funds, and this threshold is typically raised year over year.

# Here's how CIR works at



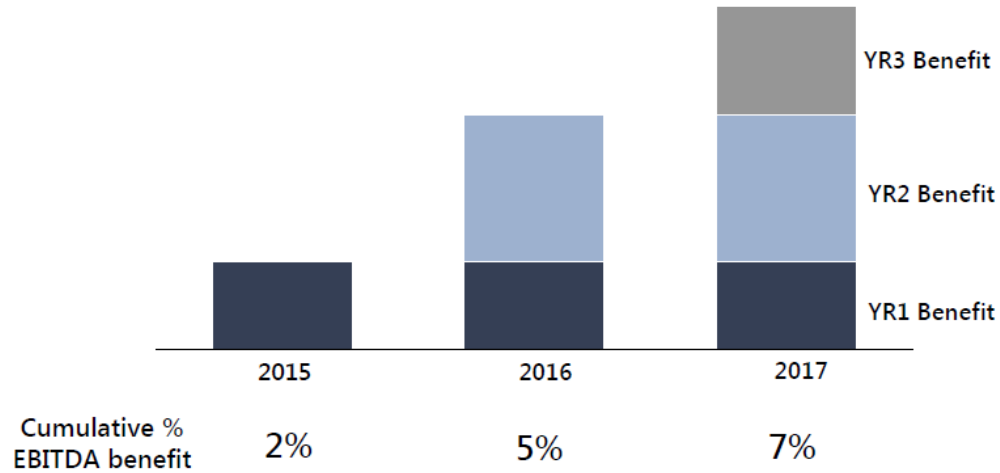
# MILLER COORS EXAMPLE

## THE MASB MARKETING VALUE CHAIN<sup>SM</sup>



# Here are the improving returns

MAINTAINING MARKETPLACE PRESSURE WITH  
SMARTER, MORE EFFICIENT MARKETING INVESTMENT





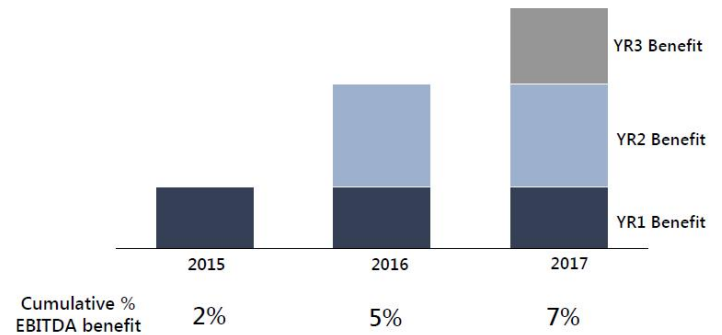
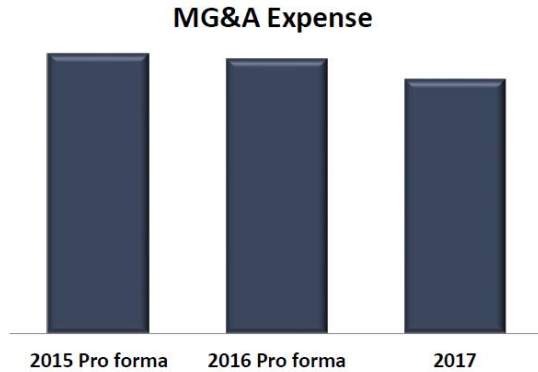
# Note: these were not through cost reduction

USE LESS, INVEST WISELY  
REDUCING COSTS WHILE MAINTAINING MARKETPLACE PRESSURE



REDUCING MG&A

MAINTAINING MARKETPLACE PRESSURE WITH SMARTER, MORE EFFICIENT MARKETING INVESTMENT



# New version released!



## Marketing Accountability Standards Board Continuous Improvement in Return

*Evaluating and enhancing a company's performance in generating continuous improvements in return on marketing investments*

### BEST PRACTICES BENCHMARK

**Measurement Development** *Process of improving measurement reliability, predictive validity, sensitivity & calibration*

1. What is your company's history of developing measurements of marketing effectiveness?
2. What is your company's trend in marketing measurement expenditures?
3. What steps have you taken to improve reliability and sensitivity of marketing measures?
4. How much has your company's data and analyses been integrated across multiple systems?
5. How would you grade your company on having an agreed-upon 'single source of truth'?
6. What are your key measures revolving around brand, customers, and prospects?

**Forecasting Models** *Analytical techniques that predict future outcomes of various potential actions & conditions.*

1. When you make marketing investment decisions, how often do they rely upon judgment alone? Analyses of historical results? Forecasts of future results?
2. When you forecast financial results and delivery requirements, is marketing considered?
3. How much precision do you expect in your forecasts? Looking out one week, one quarter, one year?

**Common Financial Metric** *Can be applied to most or all marketing, easily understood by non-financial people (e.g. cash flow).*

1. Do you use analyses that link marketing to financial returns? (e.g. marketing mix modeling). If so, how many? How much of the marketing spectrum is covered?
2. Do you require any financial threshold before approving funds?
3. Do you manage marketing based upon financial measures? (e.g. revenue, gross margin, net margin, time-to-payout, etc.)
4. How many types of financial measures are used? Do they come together at any point?

**Central Funding** *Sources of marketing funding in the company and criteria for approving these funds.*

1. Is there a central planning, budgeting, reporting and forecasting process for marketing funding?
2. Is funding available outside of the mainstream?
3. Are there employees or suppliers who manage large percentages? (e.g. media agencies, sponsorship teams, etc.)
4. What have been the recent trends in marketing investment? (by business unit, brand, vehicle, etc.)

**CIR Planning Process** *Teams make cases for funding for their respective brands and vehicles based upon financial metrics.*

1. Describe relationships between Marketing and other functions, especially Finance and Analytics.
2. What's the frequency (e.g. annual, quarterly) and cadence (e.g. series of meetings) for marketing planning?
3. Which groups make requests for marketing funds? When and how? Separately or together?
4. How is marketing investment set and tracked? (by business unit, brand, vehicle, etc.)
5. What are the processes to re-allocate funding throughout the year?

- Based on feedback from last summit we have created a 'lite' version of CIR
- Named 'Best Practices Benchmarking' it uses subset of full CIR based on marketer's need
- First one conducted with major marketer
- Quick three step process to give immediate, actionable information

# What MASB Needs from Marketer

- Participation from Marketing, Finance, and Analytics leaders
- Candor in providing information and answering questions

**Very low resource commitment  
for the value received!**

# 1. Kickoff

- **One-hour meeting, which can be conducted virtually**
- **MASB experts brief executives from the marketer and tighten the scope of the project including:**
  - **Define which business unit(s) & customer types**
  - **Understand business model**
  - **Establish timeline**
  - **Confirm key cross-functional participants**
- **We also provide a set of questions for company executives to consider before the next (Q&A) meeting**

# Kick-off - Lessons Learned

- May require more than one meeting – especially with organizations going through major change
- Base Question Guide is critical to ensure best representatives from functional areas
- Fairly easy to uncover key issues to explore



## Marketing Accountability Standards Board Continuous Improvement in Return Assessment

*Evaluating your company's performance in generating continuous improvements in return on marketing investments*

### BEST PRACTICES BENCHMARK ANALYSIS

**Measurement Development** *Process of improving measurement reliability, predictive validity, sensitivity & calibration*

1. What is your company's history of developing measurements of marketing effectiveness?
2. What is your company's trend in marketing measurement expenditures?
3. What steps have you taken to improve reliability and sensitivity of marketing measures?
4. How much has your company's data and analyses been integrated across multiple systems?
5. How would you grade your company on having an agreed-upon "single source of truth"?
6. What are your key measures revolving around *brand, customers, and prospects*?

**Forecasting Models** *Analytical techniques that future outcomes of various potential actions & conditions.*

1. When you make marketing investment decisions, how often do they rely upon judgment alone? Analyses of historical results? Forecasts of future results?
2. When you forecast financial results and delivery requirements, is marketing considered?
3. How much precision do you expect in your forecasts? Looking out one week, one quarter, one year?

**Common Financial Metric** *Can be applied to most or all marketing, easily understood by non-financial people (e.g. cash flow).*

1. Do you use analyses that link marketing to financial returns? (e.g. marketing mix modeling). If so, how many? How much of the marketing spectrum is covered?
2. Do you require any financial threshold before approving funds?
3. Do you manage marketing based upon financial returns? If so, what type? (e.g. revenue, gross margin, net margin, time-to-payout, etc.)
4. How many types of financial metrics are used? Do they come together at any point?

**Central Funding** *Sources of marketing funding in the company and criteria for approving these funds.*

1. Describe and rank—by dollars approved—sources of marketing funds within your company.
2. Is funding available outside of the mainstream?
3. Are there employees or suppliers who manage large percentages? (e.g. media agencies, sponsorship teams, etc.)
4. What have been the recent trends in marketing investment? (by business unit, brand, vehicle, etc.)

**CIR Planning Process** *Teams make cases for funding for their respective brands and vehicles based upon financial metrics.*

1. Describe relationships between Marketing and other functions, especially Finance and Analytics.
2. What's the frequency (e.g. annual, quarterly) and cadence (e.g. series of meetings) for marketing planning?
3. Which groups make requests for marketing funds? When and how? Separately or together?
4. How is the marketing investment set? (by business unit, brand, vehicle, etc.)
5. What are the processes to re-allocate funding throughout the year?

## 2. Q&A Meeting

- A half-day meeting
- Ideally held in-person on premises
- MASB experts guide benchmark participants as they answer the previously provided questions
- Interactive session:
  - Conversation
  - Hand-outs, reports, etc.
  - White boards & projection

# Q&A Sessions - Lessons Learned

- Customized booklets for each participant very effective
- Value received by just bringing together areas is HUGE!
- Desire by participants for one-on-one meetings after session – should include time for this

MASB	BEST PRACTICES BENCHMARKING for [NAME] 4
<b>Common Financial Metric</b> <i>Can be applied to most or all marketing, easily understood by non-financial people (e.g. cash flow)</i>	
1. Do you use analyses that link marketing to financial returns? (e.g. marketing mix modeling). If so, how many? How much of the marketing spectrum is covered?	
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	
2. Do you require any financial threshold before approving funds?	
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	
3. Do you manage marketing based on financial measures? (e.g. revenue, gross margin, net margin, time-to-payout, etc)	
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	

MASB	BEST PRACTICES BENCHMARKING for [NAME] 5
4. How many types of financial measures are used? Do they come together at any point?	
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	
<b>Central Funding</b> <i>Sources of marketing funding in the company and criteria for approving these funds</i>	
1. Is there a central planning, budgeting, reporting and forecasting process for marketing funding?	
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	
2. Is funding available outside of the mainstream?	
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	
3. Are there employees or suppliers who manage large percentages? (e.g. media agencies, sponsorship teams)	
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>	

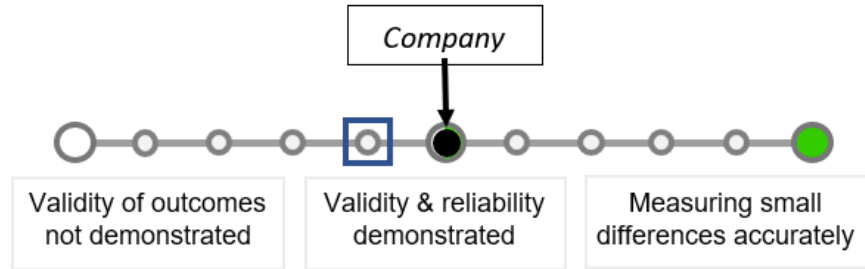
# 3. Read-out

- A one-hour meeting
- Conducted virtually or in-person
- MASB experts provide:
  - Scoring of progress against the CIR capabilities
  - Comparison against anonymized others
  - Guidance from MASB marketer, academic, & measurement experts
  - A point-of-view on the highest-potential improvement areas
  - A written report to share with your colleagues



# Readout - Lessons Learned

## Measurement Development



Headline Thought:

- Report dense – 11 pages including 2 pages of recommendations
- Each attribute includes headline thought and detailed explanation of rating including comparisons
- Sponsor reaction to initial draft exceedingly positive. As a result audience for full readout expanded and elevated (VP/EVP level)

# For More Information, Please Contact Us



## Marketing Accountability Standards Board Continuous Improvement in Return

*Evaluating and enhancing a company's performance in generating continuous improvements in return on marketing investments*

**What is CIR?** MASB is a visionary initiative by industry professionals and academics who see an opportunity to increase the contribution of the marketing function through the development of standards. The question for MASB leaders was how to help executives evaluate and enhance marketing accountability over time. The answer is CIR, Continuous Improvement in Return, a series of purposeful decisions and actions taken over multiple cycles that steer a company toward ever-growing financial returns.

The *Best Practices Benchmark* is an objective analysis of a company's performance against five core capabilities leveraged by best-practice companies. A full assessment adds an additional eight capabilities.

### Best Practices Benchmark

This is an efficient, limited-scope consulting project conducted by MASB experts over three meetings:

- 1. Kick-off:** One hour, can be conducted remotely. We brief you on the CIR approach and tighten the project scope—identifying relevant business units, customer types, timing, and your Marketing, Finance and Analytics participants for this project. We also provide questions for your team to consider.
- 2. Q&A:** Half day, ideally in person and on premises. We guide benchmark participants through the previously provided questions. Answers can be given verbally, with hand-outs, on white boards, etc.
- 3. Read-out:** One hour, conducted remotely or in person. We provide:
  - Scoring of company progress against the capabilities.
  - Comparison of your company against anonymous others.
  - Guidance from MASB experts.
  - A point of view on the highest-potential improvement areas.
  - A written report to share with your colleagues.

### What MASB Needs from You

1. Participation from your Marketing, Finance, and Analytics leaders.
2. Candor in providing information and answering questions.

### Best Practices Benchmark — 5 Capabilities

Measurement Development  
Forecasting Models  
Common Financial Metric  
Central Funding  
CIR Planning Process

### Full CIR Assessment—13 Capabilities

Measurement Development  
Integrated Databases  
Research-on-Research/Analytics Knowledge  
Better Practice/Continuous Learning  
Forecasting Models  
Cross-functional Team with CIR Orientation  
Common Financial Metric  
Common Purpose  
Common Rewards  
Central Funding  
CIR Planning Process  
Ever-rising Thresholds

- We will provide a 1-page overview for review
- Set up 30-minute call to provide details and answer questions

# CIR Team Members

## Team Leaders



**Greg Banks**  
At Large



**Jim Meier\***  
MillerCoors(ret)

## Team Heroes



**Kelly Johnson**  
ESPN



**Art Klein**  
MSW Research

## Staff



**Frank Findley**  
MASB ED  
Sponsor



**Tony Pace**  
MAF/MASB



**Erich Decker-Hoppen**  
Communication

\*Interim Co-Lead

# Thank-you!



**Marketing Accountability Standards Board**  
of the Marketing Accountability Foundation