

What Will Be Different? The MASB Vision

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**THE
BOARDROOM PROJECT**

It's All About Measurement

*It is clear that if measurement is disregarded in marketing...
the field will be slow to advance.*

*...objectives can be met only when measures are reliable and
valid.*

*...without measurement research, marketing has true GIGO,
garbage in-garbage out.*

Michael L. Ray
Stanford University
JMR

1979

Was this warning of where we are now?
Not having advanced? Struggling to be taken seriously?
Marginalized? Treated as *discretionary* expense?

Without Regard To Measurement Conclusions are often wrong...DEAD WRONG!

Without Regard To Measurement (GIGO):

“(Just) 49% of the...advertising...resulted in...sales increases”¹

“(CMOs) don’t have any effect on a company’s financial performance.”²

With Regard To Measurement:

“94% of all advertisements have a positive impact on sales”³

“Airing (these) ads produces more sales than going dark”⁴

“By performing due diligence to ensure quality measurement...
advertisers can greatly improve their advertising-to-sales track record.”⁵

¹ Lodish L.M., et al. “How T.V. Advertising Works:...”; *JMR*, May 1995, XXXII.

² Nath, P. et al. “Chief Marketing Officers:...”; *JM*, January 2008. As reported in *Ad Age*, July 9, 2007 front page.

^{3,4} Blair M.H. et al. “Advertising Wearin and Wearout-Ten Years Later”; *JAR*, September/October 1998, 38 (5).

⁵ Shirley, D. “Measuring the Effectiveness of Advertising”; *The Advertiser*, April/May 1999.

The MASB Vision

Laying the measurement foundations for marketing professionals to realize full accountability and strategic status in the Boardroom as reliable forecasters and achievers of consistent growth in customer revenues, earnings and cash flows quarter-to-quarter and year-to-year.

and this will make a
big difference
for everyone!

For Marketing Practitioners

We'll be accurately forecasting & delivering consistent growth in customer revenues, earnings, & cash flow quarter-to-quarter, year-to-year.

Everything we do will be tied to business results, and we'll continually improve as demonstrated by financially-linked metrics.

Even competitive activity will be accounted for in time to make a difference in our performance.

We'll be accountable to both top & bottom lines of the P&L making informed decisions about resource allocations between comparable & non-comparable marketing actions to achieve desired business results.

In short, we'll have earned a permanent seat in the Boardroom at the head of the growth table, inspired by creative strategy & guided by reliably predictive metrics.

For Marketing Scientists

We'll be measuring everything marketing does w/metrics that reliably predict the business results of the planned activities, dumping all those that don't predict along w/those not actionable.

Our metrics & models will be causal - in layers - for clear understanding of what drives success & for what to do next if part of the plan is in trouble.

The CIO will be our greatest ally in delivering empowering metrics, knowledge & what-if models : into the marketing rear view mirrors, onto the marketing dashboards, out beyond the marketing headlights.

We'll be doing what we love doing and valued for our contribution.

For Marketers

As it was for product quality in Operations, applying the science of measurement & process management to Marketing will give us sustained competitive advantage over folks who continue to operate by seat-of-the-pants.

This has been true for the Japanese in the automobile and electronics industries (first to adopt Deming's principles) and will be true for those of us first taking the plunge in the marketing arena.

For Business Schools

We'll be attracting the brightest to marketing once again...

Identifying, publicizing & sustaining standards for relevant measures of marketing performance & business success...making clear the link between marketing actions & financial returns.

Our structure & curriculum will be engineered w/the role of marketing measurement central, integrated w/other metrics along the value chain...all tied to overall financial analyses.

We'll be providing strong grounding in problem definition, critical thinking, & the process of strategic dialog in addition to technical skills...formally recognizing the *interdisciplinary Technical Strategic Marketing Consultant* in the MBA program.

We'll be providing businesses w/a cadre of these new marketing professionals to meet the growing demand.

For Marketing Associations

We'll be addressing (through partnership) the top concern of our marketing constituency...at its foundation...without having to tackle the heretofore stepchild & arduous task of measurement development.

Nor is the work of accountability a one time event, but a continuous process of :

**metrics development, knowledge creation, improvement
(repeat)**

For Media Agencies

We'll understand the costs *and* returns for each channel, placing our client messaging across these touch points with fact-based confidence and accurate forecasts of the returns.

We'll be managing the messages along with the media, knowing how much to spend behind each one for optimal/desired return,

And advising our Ad Agency and marketing partners when the messaging should and can be improved.

For Ad Agencies

The quality of our work will be determined by our contribution to our clients' business performance through high quality, standardized metrics that tie to overall financial results.

We'll be compensated according to this contribution and thus be able to attract and retain top creative talent.

Our income will smooth as we learn to improve, and we'll not be tossed aside at the whim of the once frequently changing CMO.

For CMOs

We'll no longer be concerned about data reliability, predictive validity, causality, or alignment among disparate sources.

We'll be seeing over dashboards & beyond rear-view mirrors, acting quickly & more confidently given the marketing opportunities & threats that lie ahead.

We'll be out of the black hole of discretionary spending, clearly understanding & able to predict how our work today is impacting the financial results of our brands and businesses tomorrow.

The CFO will be our greatest ally...we'll have removed ambiguity & become true business partners, delivering consistent growth quarter-to-quarter and year-to-year.

And we'll be less disruptive to spouse & the kids as our tenure will be measured in decades, not months.

For CFOs

We'll have great partners & support in the Boardroom as marketing eliminates the ambiguity surrounding their role as forecasters & achievers of consistent growth.

We'll have sustained credibility w/The Street as our projections & expectations are in line w/performance, consistently - particularly when performance is based on organic growth at the top line.

We'll understand the true "balance sheet" value of our brands as they can be leveraged across categories, borders & time... to produce future revenues, earnings & cash flows.

Company silos will disappear & we'll have better communications & performance across discipline & division...speaking the same language of accountability...tied to financial results.

And we'll be home for dinner at Quarter & Annual Close because everyone will have met their commitments to the plan and to expectations!

For Measurement Providers

We'll have moved beyond bombardment of requests for more & more information, w/more & more confusion & controversy over what it all means,

Beyond the adverse selection/moral hazard problem of buyers not being able to distinguish high quality from low quality.

We'll be focused...

...on providing metrics that are reliable predictors of what will happen to the business given potential marketing actions and how to continually improve results.

For Modelers

**We'll be moving beyond GIGO & beyond the rearview mirrors,
Validating our models & using them for accurate forecasts of the
financial implications of what lies ahead,
Understanding what drives success and how to improve...
for each & for all the marketing activities planned.**

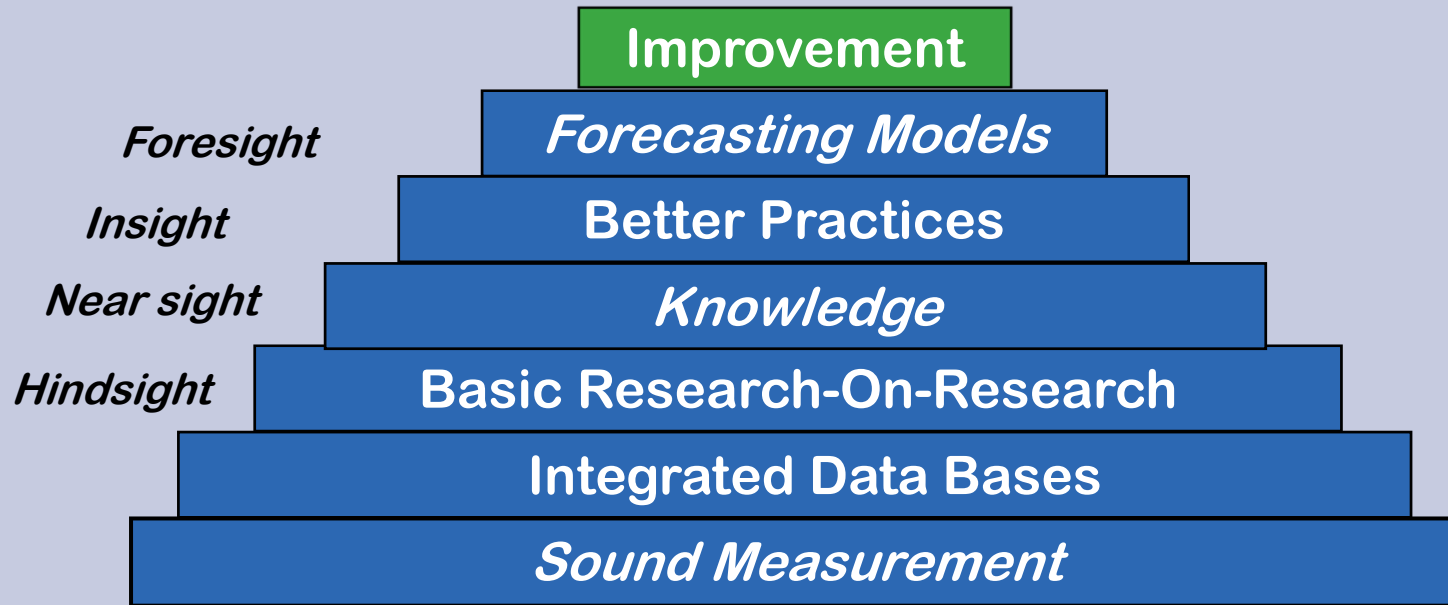
For Customers

**More new and better solutions
for every need and desire...
and at a lower price.**



Why is Measurement Key to this Vision of a Far Better Future for Everyone?

Measurement is The Foundation of Accountability & Improvement



“Revolutionary improvement in the...sales track record can be achieved through a Quality Management approach to (marketing) measurement and process management.

Over a four-year period, (marketers) taking this approach have achieved nearly 300% improvement in the (marketing activity)...(versus zero improvement...for others)...

...dollar sales have increased an average of 50%, more than double that... of others).”*

*Blair M H and MJ Rabuck. “Advertising Wearin and Wearout-Ten Years Later”;
Journal of Advertising Research, September/October 1998, 38 (5)

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**MASB: Finally addressing the situation we're in now.
Laying the measurement foundations for advancement.
Getting us out of the "default" category.**

Bottom Line

“It will not be easy...it is going to take a lot of effort. If it was easy, someone would have already tackled this crucial issue. The payoff for the marketing profession is worth the time, effort, and money.”

Joe Plummer May 12, 2006

Although Deming Once Noted...

“It is not necessary to
change.....
...Survival is not mandatory.”



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Thank-you for Acting!

This is an unprecedented opportunity to make a significant contribution to the marketing profession & to business overall.

Marketing is headed for *fundamental change* in mastering accountability & continuous improvement, taking its rightful place at the head of the strategic growth table, permanently.

MASB will enable this transformation & serve as the catalyst for advancement by attending to measurement.

Thank-you for your commitment to MASB and the Vision of a better future for all!