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Marketing resource management: An investment that can energise your entire customer management strategy

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Abstract

Improving efficiency and effectiveness of the marketing organisation is chief among most CMOs' responsibilities. As marketing evolves from art to science, technology is playing an increasingly important role in the CMO's toolbox. Learn about the types of solutions and vendors available, and get some valuable tips on how to manage your deployment and negotiate the best deal.

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The year 1959 marked a watershed development in the relationship between marketing and technology. The Radio Corporation of America (then a dominant manufacturer of television), NBC (the producers of the wild west adventure show, *Bonanza*) and a group of advertisers worked together to create a market for colour television. *Bonanza* went on to become one of the great TV series of the 1960s, black and white television would soon be left behind and marketing would begin a love affair with technology that would only intensify over the next half century.

For the most part, marketing's infatuation has focused on customer-facing capabilities. But increasingly technology has begun to permeate every facet of the marketing function. No longer is technology seen as a competitor or alternative to the creative force of marketing. Enterprise software has now evolved to facilitate every aspect of the creative marketing process. Today, enterprise software empowers the creative forces of marketing to be effective and deliver the analytical insights to answer those ultimate questions about the financial return on investment (ROI) that have been elusive. In this paper, we describe the marketing automation playing field, the basic problems that marketing technology addresses and some tips on selecting the right model for you and differentiating between vendor solutions.

The marketing automation playing field

The customer relationship management landscape

Customer relationship management (CRM) is a management philosophy whereby companies build technology and design processes to put their customers at the centre of their business strategy. CRM

is also a category of enterprise software (originally defined by Siebel Systems) that automates operational and marketing relationships with customers in accordance with CRM principles. From a technology perspective, CRM includes software for salesforce automation (SFA), call centre, marketing, lead management and self-service. This view of CRM is highly tilted towards operational or sales interactions, and marketing is largely relegated to a lead management (feed the pipeline) role.

Marketing, particularly marketing at large B2C-based companies, has an awkward alignment with CRM, whereas the marketing organisation at a large technology-based company that sells through a salesforce fits this paradigm quite well. The CMO of a large retailer or packaged goods company probably thinks of CRM (if at all) as a tactical tool that can be used to achieve a specific objective.

Marketing resource management: The central nervous system of marketing

Over the past decade, marketing resource management (MRM) has emerged as a family of software applications specifically designed to make marketing more efficient. MRM technology represents a class of enterprise software that ties the various processes of marketing together in a consistent and automated fashion. Fundamentally, MRM supports marketing planning, design and production work. MRM vendors include Aprimo, Unica, Oracle, SAP, Assetlink, SAS, Orbis, BrandWizard, Elateral, Xeed, CapitalID, MarketingPilot, Alterian and Marketingisland (Figure 1).

MRM serves two fundamental purposes. First, it improves efficiency by automating the flow of marketing information through the marketing process. Secondly, it serves as a foundation for measuring all aspects of marketing performance. MRM investments should always be made to automate an inefficient process or to measure the results of a particular process.

TECHNOLOGY COMPONENTS OF MRM

Figure 1: MRM components

Note: MRM is not just the technology that enables organisations to manage the operations of marketing — it is about the right combination of people, processes and technology working in collaboration to improve the overall efficiency and effectiveness of the marketing function

MRM provides the opportunity to automate key processes — eliminating waste and decreasing cycle time

Enterprise marketing management: Nirvana

The enterprise marketing management (EMM) is a term used to describe marketing nirvana. As defined by Gartner, EMM ‘encompasses the business strategies, process automation and technologies required to effectively operate a marketing department, align resources, execute customer-centric strategies and improve marketing performance’. Vendors who aspire to this include Aprimo, Oracle, SAP, SAS, Unica, Alterian, Teradata and Infor. Although these vendors all provide some amount of EMM functionality, no one (yet) offers all of these functions on a single, integrated platform.

Efficiency and the iceberg opportunity

What to automate

MRM is a good starting point for any marketer considering an investment in marketing automation. It provides the opportunity to automate key processes to eliminate waste, decrease cycle time, ensure brand consistency and maximise the quality of marketing outputs.

Although most marketing technology investments focus on customer-facing applications, research has shown that as much as 80 per cent of marketing resources are spent on the back-room functions that are required to create content and manage the channels of communication to the customer. Much like an iceberg that has 80 per cent of its volume below the surface, a marketing executive understands that enormous amounts of resources are spent on operations and content production. Any effort that reduces the sub-surface volume of the iceberg, or allows a portion of the marketing investment to be transitioned to customer-facing activities, can yield a huge ROI.

So what are some of the marketing processes that can be automated and can benefit from MRM systems? Our experience suggests that the opportunity is broad and highly dependent on the marketing model that is in use at your organisation. Here are some of the processes that can yield a measurable ROI from an MRM investment:

- *Budgeting and resource allocation.* Define a top-down or bottom-up budgeting process. Ensure that all marketing spend is aligned to support strategic initiatives.
- *Materials production.* Define a workflow that routes work through an electronic production environment. Ensure that steps are adhered to and are executed without delay. Avoid reruns because of skipped steps in the process.
- *Marketing calendar management.* Ensure that all activities are aligned to support the needs of stakeholders. Schedule and coordinate activities to maximise their impact on customers and prospects. Work closely with sales and other external organisations.
- *Creative review and approval.* Ensure that review processes are executed smoothly and without delays. Eliminate any opportunity for key or legal reviews to be skipped.

- *Offer development and management.* Leverage learnings about previous offers and treatments. Facilitate reuse of previous offer schemes.
- *Vendor/agency management.* Define clear objectives for agencies. Minimise costly reruns and rush charges. Pay your agency for specific deliverables rather than for broad retainer agreements.
- *Digital asset consumption.* Avoid costly violation of licence agreements. Purchase centrally; deploy globally. Minimise time to find the right digital asset. Ensure alignment with global branding standards.

Each of the above processes provides real financial impact by reducing waste and cycle time, improving customer impact and ensuring alignment between marketing activities and business strategy.

Choosing a paradigm to match your growth plans

Companies must decide which vendor paradigm best fits their short- and long-term plans. There are several options.

Choose the right vendor to suit your needs

- *Enterprise resource planning (ERP) vendors.* The major ERP providers, SAP and Oracle, have software that covers much of the MRM landscape. Many companies, especially those in the manufacturing, technology, CPG and retail verticals have made substantial investments in their ERP vendor. Marketers who work at companies with a major commitment to SAP or Oracle will likely have to include them in their evaluation of MRM solution vendors. These products tend to have limited out-of-the-box functionality, but have programming tools (objects and workflows) that enable substantial extensions to their core technology. The result may be a low cost vendor licence but a high cost of ownership, however. Buyers should make sure they understand the total cost of having their specific business requirements delivered by an ERP vendor.
- *CRM vendors.* The major CRM providers, SAP, Oracle/Siebel, Oracle/Peoplesoft and Infor all provide large suites that include coverage of the MRM landscape. Because of their focus on transactional interactions with customers and sales teams, however, these vendors have limited MRM functionality.
- *EMM vendors.* Because of the limited size of the MRM marketplace, many MRM software vendors have started to position their offerings in the context of EMM, a broader, more ambitious category. The requirements that they strive to satisfy beyond MRM include campaign management, lead management and analytics. A major advantage of selecting an EMM or MRM vendor is their focus on and deep understanding of marketing. Selecting between them should depend on your business objectives.
- *Marketing asset management (MAM) and digital asset management (DAM) vendors.* MAM and DAM are high on the list of confusing marketing technology acronyms. For the sake of this paper, the differences are very minor. In general, MAM vendors

tend to have more extended marketing functionality, including the ability to take digital assets and merge them into electronic and paper-based templates. DAM vendors have a greater focus on metatags and asset transformation. Vendors in this space include some enterprise content management (ECM) vendors and some pure-plays. EMC Documentum, Interwoven's MediaBin, Xinet, Open Text's Artesia, Assetlink, Be-TheBrand, Chuckwalla, CapitalID, Clear Story Systems, MarketingPilot, North Plains and Widen all play in this field.

- *MRM vendors.* Ironically, very few vendors actually consider themselves MRM software vendors. The dominant player in this category, Aprimo, now positions itself as an EMM vendor, even though they remain the category leader. In Europe, CapitalID has a strong presence. Globally, AssetLink remains an attractive low-cost provider of MRM software. Although they are US-based, they have a meaningful presence in Europe and Asia Pacific. Their partnership with Teradata has given them increased stability and distribution.
- *Event management vendors.* Marketers spend billions of dollars on events each year. For many B2B and pharmaceutical marketers, event management may be the largest line item on the marketing budget. Event management can take two forms. The production of the event itself is a classic project management problem and is handled by nearly all of the MRM vendors. Event management can also focus on the registration and scheduling of attendees into sessions.
- *Marketing agencies.* Although agencies have not traditionally been strong providers of marketing technology, they understand the changing nature of the marketing landscape and that they can either facilitate the MRM revolution or be overtaken by it. Many companies utilise MRM software to better manage their agencies through greater control of digital assets, tracking the value of deliverables and facilitating improved process flow between the organisations. Other companies leverage tools provided by their agency.

Ensure that you thoroughly define your requirements before selecting your vendor

Considering your ERP vendor

Marketers will naturally be more comfortable with vendors who specialise in marketing applications. Vendors who define themselves as EMM or MRM have technology and expertise that is purpose-built for marketing. Although the ERP and CRM vendors may have very acceptable products to solve your MRM challenges, they likely will lack familiarity with your specific business processes and terminology. They will also have deep relationships with your organisation that may represent years and millions of dollars in investment. In some cases, your company may already own enough marketing licences to cover all of your needs. So how should you approach these 'foreigners'?

- Make sure you have done a thorough job of defining your requirements. Most battles with information technology (IT) over

incumbent vendors can be resolved by a careful comparison between your business requirements and your vendor capabilities.

- Take the ERP vendor capabilities seriously. It is easy to become enamoured with a specialty vendor and dismiss an ERP solution as irrelevant. Depending on your requirements, the major ERP vendors may have a great solution for you.
- Look at technology integration options. If you decide on a marketing specialty product, you will likely have to integrate with any of a handful of legacy applications within your own environment. Marketing products vary dramatically in their ability to integrate. Products with a service-oriented architecture and that are web services-enabled integrate more easily with back-end systems.
- Avoid contentious territory. Given the breadth of the MRM landscape, there are many places to start where vendor-overlap is less of an issue. On the other hand, if your goal is to better manage marketing financials, then the consideration of your ERP vendor could be critical to your success.
- Look at total cost to value. Although the major ERP and CRM providers may have technology to meet your needs, the cost of matching your business requirements could be quite significant, even if the licences are free.

Once the vendor is selected, it is essential to choose the best method of delivery

Choosing a delivery method

Ten years ago, vendors offered one option for delivering their software — they sold you a licence and a maintenance programme (roughly 15 per cent of the licence fee paid on a yearly basis) to provide you with the privilege of using their software forever (or at least as long as you were willing to pay maintenance). Today, your options as a buyer have increased manifold, primarily as a result of the emergence of a new paradigm, software as a service (SaaS). SaaS delivers functionality over the web and is purchased on an as-you-go basis. As customers have adapted to this new world, a variety of new options have emerged. Buyers should consider three primary models for delivery of the technology:

- *Traditional on-premise software.* Traditional on-premise deployment of software provides your company with the highest level of control over the technology. This paradigm is likely your only choice if you are using a strategically deployed ERP or CRM application as your base for the solution. It is probably your best choice if you are looking at building an EMM platform that will be the global hub of your marketing system. Typically, platform investments enable you to integrate your marketing system with other parts of the enterprise backbone such as financials, content and CRM systems. Because this type of platform will need to reside within your large IT environment, the technology of the chosen application is an issue of significant relevance. Many IT organisations will be concerned about the fundamental technology — is it based on Microsoft.NET or an

SaaS implementations are the fastest-growing category of software in the market place today

open J2EE platform? When considering a technology that is not consistent with your chosen standard, you may want to look at an externally hosted option. The other issue that should be considered in this delivery option is the long-term cost of ownership. In addition to maintenance charges, vendors may charge significant sums for upgrading to the next version of their software. Although the licence fee is included in the maintenance fee, the services may not be.

- *SaaS software.* SaaS implementations are the fastest-growing category of software in the marketplace today. A recent International Data Corporation report showed that SaaS is growing at a compound annual gross rate of nearly 35 per cent. The primary advantages of a SaaS solution are four-fold: (1) a single pay-as-you-go fee covers the cost of software, hardware and infrastructure support; (2) dramatically reduced upfront costs and a faster time to value; (3) an alignment of your cost to the value received; and (4) a predictable cost that includes upgrades over the life of the contract. On the other hand, the SaaS approach will limit your ability to customise the application to your needs (including limitations on integrations with other parts of your enterprise). In general, the more focused and tactical your MRM needs, the more likely that SaaS will fit your requirements. If you are looking at MRM as the first step to a strategic EMM platform, an on-premise or hosted model will likely be a better fit.
- *Hosted software.* Many software vendors who have developed traditional platforms that are not easily transformed to a SaaS model now offer their software in a hosted delivery model. A hosted delivery model can be very attractive for several reasons. First, it allows you to proceed with very little contribution from your own IT department. Given the bottleneck that marketers frequently face with their own IT organisations, this can be a significant advantage. Secondly, this approach provides you with a single point of accountability for your marketing capability. Many application issues relate to complex interactions between vendor software and the unique configuration of your own environment. Because vendors can control many of these factors, your chance of receiving high-quality service is much greater. Additionally, if you do have problems, you have one point of accountability to fix the problem quickly.

Simplifying the complexity

As you see, there are a lot of acronyms to describe the many (and often overlapping) categories of marketing automation technologies. In addition, there are several choices relative to how you deploy marketing technology. How do you make sense of it all — and decide what's right for your company?

It does not have to be hard. A methodology that includes the following steps will increase your likelihood of success:

1. Identify your business drivers.
2. Ensure sponsorship and alignment.

Map out a methodology

- Marketing transformation services (MTS) developed this methodology through experience gained deploying over 40 marketing automation initiatives at Fortune 500 companies. Consider either hiring a consulting firm with expertise in this area or dedicating an experienced project manager to facilitate this process (Figure 2).

Identifying and maintaining focus on your business drivers is the single most important step in a successful marketing automation deployment. To arrive at clear and lasting business drivers requires brutal honesty in terms of your challenges and what can realistically be accomplished. The three most common categories of business drivers include increased productivity, increased accountability or visibility and cost savings. Executing a well-structured process for creating your business requirements will ensure that you acquire the best product for your organisation and secure buy-in from users and stakeholders (Table 1).

It is important to identify the people who will be impacted by your initiative (either positively or negatively) or whose support you require. These people are your stakeholders. Marketing employees will make up the majority of your stakeholder group, but do not forget to include IT

Table 1: Typical MRM business drivers

Increased productivity	Increased accountability	Cost savings
<ul style="list-style-type: none"> • Resource allocation • Organisation collaboration • Speed to market • Shared best practices • Transfer institutional knowledge • Agency collaboration 	<ul style="list-style-type: none"> • Lack of marketing resources • Pressure to prove marketing ROI • Internal budget constraints • Global expansion • Brand integrity • Compliance challenges • Sarbanes–Oxley 	<ul style="list-style-type: none"> • Re-utilisation of marketing content • Agency fees • Rush fees • Re-work • Partner and channel management • Habitual and renegade marketing spend

and Finance. Both groups will be more likely to give you the support you need if they are involved early. They will also provide you with much needed input to your requirements and your business case.

It is also important to enlist the support of your functional executive. User adoption will depend on the degree to which you facilitate change, and this is always made easier by executive support.

Build a business case

Business cases are increasingly important for any major initiative. In addition to articulating the return a company will get from an investment, a business case can also facilitate the process of defining what problems to solve and in what order.

It is important to build the case with both immediate and long-term financial gains in mind. The initial business case supports the priorities you put in place, but this does not mean you solve the ‘highest’ financially beneficial problem first. The business case will structure the payback, what the initiative delivers to the company, in three ways: contributing to revenue, cutting costs and increasing efficiency.

Define a governance model

A good governance model lays out who is involved in a project and what the decision-making hierarchy will be. It provides a clear definition of the roles and responsibilities of all team members. Perhaps most importantly, a governance model ensures that decisions are made in an orderly fashion and survive personnel transitions. Governance models often define three bodies, the core team, the steering committee and the executive stakeholders, each with its own roles and responsibilities.

Build out a project plan

A project plan is the list of activities or tactics that are applied to a timeline. Because of the large number of people and roles involved in any mid- to large-sized MRM projects, the complexities of implementation can quickly become substantial. As with any technology deployment, it is important to apply professional project management methodologies to your

MRM initiative. A project manager should be assigned, and weekly meetings should be held to track progress against the project plan.

Align your organisation and optimise your processes

If you listen to ten marketers who have implemented successful MRM projects, they will all say that starting with clear process definition was a key to the project success. Once defined, clear process will enable everyone on your team to understand what they have to do to ensure success. You will also need to consider whether the team in place has the right skills to support the environment that will result from your MRM initiative. Technology is the final layer that ensures that all of your processes can be executed in a repeatable and optimised fashion.

Evaluate technology

Believe it or not, provided you define your requirements clearly, selecting technology is relatively easy. A well-defined set of requirements and an understanding of your IT environment will likely lead you to one or two technology providers that will align most closely with your short- and long-term needs. When you combine your business requirements with a complementary list of architectural and cost-of-ownership requirements from your IT counterparts, the final decision should be obvious.

The good news about the current economic climate is that software vendors are hungry for your business, and will likely be willing to make concessions that were unlikely a year ago. You can expect vendors in every category to discount the upfront price for their software. Vendors are much less likely to discount their services, however, because of the importance of services to profit margins.

Summary and conclusions

Improving the efficiency and effectiveness of the marketing organisation is chief among most CMOs' responsibilities. Marketing efficiency involves saving time and money through expeditious processes and fiscal responsibility. Marketing effectiveness ultimately involves an improved ability to impact consumer behaviour. As marketing evolves from art to science, technology is playing an increasingly important role in the CMO's toolbox.

Technology solutions for marketers have arisen from a wide variety of sources. The established ERP and CRM technology providers have extended their suites to solve some of marketers' key challenges. Additionally, entirely new categories of EMM and MRM providers deliver deep standalone solutions. Marketers who define their business requirements and make careful vendor selections can quickly improve their efficiency and effectiveness. By properly leveraging technology, marketing has a great opportunity to create powerful brands and demonstrate their value to the organisations that they serve.

The correct vendor selections will increase marketing effectiveness