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High Performance Marketing: Taming the Marketing ROI Monster in Five Easy Steps

by Steve Schultz

How to Further Tame the ROI Beast through Workforce Management

Understanding return on investment (ROI) has become a lightning rod in marketing. While advertising and various other non-direct marketing arenas struggle with trying to quantify their impacts, direct marketers rest comfortably on this issue, as response measurement is part of their core discipline. However, success has led to increasing demands, and these demands can stress the weakest points in the discipline. For a lot of organizations, the weakest link in direct marketing is workflow management.

Personalization, one-to-one marketing and "right message, right time, right offer, right channel" mantras continue to gain in popularity and can push the traditional bulk-oriented direct marketing process beyond its limits. As a result, many a direct marketer is sent scurrying to continuously shorten the cycle times for his current process or, worse yet, redesign the process on the fly in a time of greatly increased demands. How can you prepare for this onslaught and keep yourself from becoming the next victim of your own success?

For a lot of companies, the key is to arm themselves with information. Specifically, more and more organizations are leveraging lessons from our manufacturing brethren and are developing discipline around measuring their processes. For some organizations this has meant leveraging the Six Sigma methodology as part of an overall corporate initiative. For others, the following simple approach has given them the jump start they needed.

1. Define Your Process: Many direct marketers have stable processes that are people dependent. The processes are not so much a series of steps, but a series of organizational handoffs from one function to the next, or worse from one individual to the next. Start your documentation with a listing of key deliverables - the documents produced throughout the process - arrayed against a timeline. While this may seem insufficient to make a difference, the biggest mistake is creating so much detail that the act of defining your process becomes overwhelming. Start simple; you can always add detail later.

2. Determine Resource Categories: Review the functions in your department and create resource categories. Do not worry about levels during this activity, think only about key competencies. As was the case with the process, do not create so much detail as to overwhelm yourself. Most organizations find six to ten key categories to be sufficient. Again, you can always add more detail later.

3. Assign Responsibility for Deliverables : For each deliverable that you documented in your process, determine which functional area has primary responsibility for its creation. You will find that this step is a practical way to determine if you have the right amount of detail. If you find yourself debating between two or more areas, see if there is some way to subdivide the deliverable into meaningful parts. If you find yourself with a long list of deliverables and the same responsible party for many sequential deliverables, consider consolidating some of the detail.

4. Quantify Resource Efforts: For each deliverable estimate the amount of each resource type that is required to complete the deliverable. While there will be differences in the exact amount of time required to perform a specific activity from one project to the next, try to create an overall average that you and your staff is comfortable with and that is consistent with your actual experience. Remember, the goal here is to provide yourself with a means for managing your capacity, not for winning an award for precision measurement. Use a spreadsheet to array key deliverables (columns) and resource types (rows) and record the work efforts in the intersection (cells).

5. Understanding Your Limits: The spreadsheet that resulted from the previous steps now provides you a clear understanding of the principal work that you create and the resources required to create it. From here, it is just math, in this case: the resources (people) that you have to do work compared with the resource demands as determined by the number of each deliverable that you are being asked to create. The comparison will help you understand shortfalls or over-staffed situations by functional areas. Additionally, you can use the information to manage which deliverables can be produced using in-house resources and which will require outsourcing or staff augmentation.

These five easy steps have prepared you to be able to manage your current situation. All that was required was a simple tool (spreadsheet) and minimal efforts (one to two weeks of work). The result is an effective, high-level solution for process and people management.

Most organizations will add to this information over time. They add information about elapsed time to meet deadlines; they add details about approval processes; they add additional deliverable details; they are challenged to produce the same deliverables using fewer resources. Over time, this simple spreadsheet approach that was so empowering can become a monster that requires increasing amounts of resources to maintain over time.

If you find yourself in this situation, you will be happy to learn about an ever-improving class of tools called marketing resource management (MRM). Historically, MRM tools have been considered a budget management or/and digital asset management tools. More recently, workflow management and resource management have been the focus for augmentation in these tools.

The benefits for the typical marketer are immense. No longer are disparate tools such as Microsoft Project and Excel required to be integrated with financial information maintained in separate systems. MRM provides marketers the opportunity to integrate their process management with their measurement tools to facilitate more comprehensive and timely management of resources (monies and people). If you find yourself spending a lot of time linking information between and across pieces of software, MRM could be exactly what you need to keep all systems in check.

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