

Software Review

The role of workflow and marketing resource management technologies in supporting marketing – the last bastion for technology in marketing

Shaun Doyle

Shaun Doyle is CEO of Cognitive Box a marketing technology solution provider. Until recently he was VP Intelligent Marketing Solutions at SAS. In this role he worked with various parts of the SAS organisations to develop business-orientated solutions for marketing, in particular the SAS Marketing Automation (MA) Solution and SAS's Industry specific solutions for Telco and Retail banking. He was founder and chairman of Intrinsic, a campaign management vendor acquired by SAS in March 2001.

Synopsis

The development of technology to support marketing over the last ten years has predominantly focused on the analytics, campaign management and reporting (collectively marketing automation). The last two years has seen the release of a number of technologies aimed at supporting marketing workflow. These solutions classified by Gartner as Marketing Resource Management (1) are starting to address the management of the complex marketing processes that exist in today's multi-channel, multi-brand marketing functions. This paper looks at how marketing processes are getting more complex and how MRM could provide a valuable tool in helping us manage this complexity. It also explores some of the issues affecting delivery and the potential business benefits of MRM.

Introduction

In the early nineties at Intrinsic we received a Request for Information (RFI) from a Building Society in Birmingham UK, for workflow technology that could be used to support the processes in marketing. Neither Intrinsic nor any of the other mainstream campaign management vendors had any propositions in this area. Since then marketing workflow has appeared every now and then, mainly when the larger consultancies are involved in marketing transformation projects. It is only in the last few years that we have seen a focused attempt by vendors to address this area and release commercial solutions. The initial results appear to be quite positive although there is still a long way to go for this type of technology to become mainstream.

In the case of the building society they tried to deploy a standard enterprise work flow solution but the lack of clearly defined standard processes in marketing, the complexity of the interactions of the organization both internally and externally and the limited functionality of the selected solution led to a failed project.

Things have moved on since the early 90's. Our understanding of the importance of process in marketing has significantly improved and a whole class of new technologies has started to be released. Some of these represent extensions to existing marketing automation solutions (e.g. Unica Corp) whilst others have evolved from the agency sector as stand alone solutions (e.g. Smartpath). We know the technology has come of age as Gartner has even introduced a magic quadrant and associated acronym – Marketing Resource Management (MRM).

The rest of this paper looks at these new technologies, the issues associated with deployment and the

potential benefits. I think this is likely to be the last bastion for the deployment of technology in marketing.

What is Marketing Resource Management?

Marketing Resource Management (MRM) is most commonly defined as a set of processes and capabilities that aim to enhance an enterprise's ability to orchestrate and optimize the use of internal and external marketing resources. MRM involves the definition and adoption of processes and software applications to transform and enable an enterprise's ability to plan, budget, execute, and measure the impact of enterprise-wide marketing efforts. (2)

What is driving the evolution of MRM?

The primary driver for the evolution of MRM solutions is the increasing complexity of managing marketing in a large enterprise.

The following factors have combined to create a step change in the complexity of marketing in today's business environment:

Improved targeting

The adoption of statistical techniques to targeting outbound communication activities has led to a drop in the average volume of communications per campaign. In many cases the resulting saving has been re-invested into running more campaigns. The result is that the overall volume of campaigns is increasing. In my experience of implementing marketing automation solutions we typically see a 3–5 fold increase in campaign volumes.

Adoption event based marketing

There has been a wider adoption of event based campaigns that are triggered by changes in customer behavior. These event campaigns are characterized by frequently run campaigns which have varying volumes. The ultimate impact on marketing is an increase in the number of campaigns. Where our clients implement event based marketing activities then the increase is more pronounced, a 5–8 fold increase is common in the first year.

Availability of more communication channels

The availability of more communication channels and their integration in multi-channel campaigns has increased the complexity of the campaign planning, prioritization and execution. This is often in addition to the increase in volume associated with the previous items.

Move to real time communications

In the past database refresh cycles meant that there was more time for planning. The move to real time marketing with databases that are refreshed in real or near real time means that the planning cycle has been reduced.

Increased legislation

There has been a big increase in the legislation controlling what can be included in a communication. This has meant that the compliance process has become more complex and now has to be factored into the campaign planning process. More people now have to be part of the sign off process. This can

be an administrative nightmare, especially if combined with increased campaign velocity.

Increased industry consolidation

Increased industry consolidation has led to the development of enterprise marketing functions that have to support multiple brands and/or business units. This increases the complexity of the marketing process.

Lack of process support in marketing automation solutions

The wider use of marketing automation technology has help to automate many activities particularly support for the campaign management, analytical and reporting activities but there has been limited support for other processes such as:

- Project management
- Supplier management
- Product management
- Competitive analysis
- Planning

The introduction of these technologies has tended to be a catalyst for process review and enhancement but there has not really been any appropriate technology support for the wider process issues or a commitment by the business to address the wider process issues in marketing.

Continuous business pressure to increase productivity

In addition to increased complexity there is always a business pressure to improve the productivity of the marketing team..

How does MRM address these issues?

The core technology that underpins MRM is work flow. In simple terms these technologies allow:

- Processes to be decomposed into a series tasks
- The tasks to be linked together in a sequence
- The tasks to be linked to an individual or role

Once created, these process maps allow the technology to prompt a user with a list of tasks to be completed. As the user completes a task the system records the status. The user is then prompted with the next task.

The underlying data that is created as part of each task is then used to drive management reporting.

In addition these technologies allow users both internally and externally of the organization to be able to share objects e.g. documents

Note: In reality the technologies are more complex than described above but the basic principles apply.

What are the potential business benefits of MRM?

The following are some of the potential benefits of MRM.

MRM allows an organization to:

Standardized processes in marketing

The introduction of MRM forces organizations to standardize marketing processes. This ensures a consistent approach to each process supported.

Note: It must be recognized that it may not be appropriate to implement MRM for all marketing processes.

Define and share best practices

The review process during the development stage allows an organization to critically review current processes and determine best practice. These can then be encapsulated in the delivery and applied across the business.

Once deployed the MRM solution provides valuable metrics that can be used to refine existing processes and develop new processes.

Monitor processes

One of the key benefits of the latest MRM technologies is that they produce a wide range of metrics that allow management to monitor the execution of one or more processes. These metrics can ensure effective management of the business.

Reduce errors and re-work

One of the consequences of the MRM is that the number of errors made and the amount of re-work can be reduced. This is primarily the result of system supporting what would normally be a manual process.

Who is typically impacted?

This really depends on how extensive the MRM technologies are deployed but typically the functions that would be impacted include:

With the marketing function:

- Product management
- Marketing communications
- Competitive intelligence
- Database marketing
- Marketing analysis
- Marketing executive

Within the wider organization:

- Legal (compliance)
- Finance (budget)
- Channel management (e.g. call centre management)
- Sales management
- IT

Externally of the organization:

- Advertising agency
- External telemarketing agency
- Print house
- List brokers
- Data management suppliers

While MRM embraces a variety of different aspects of marketing, its greatest effects are felt by the core group of marketing staff that is focused on daily execution: production and fulfillment workers, compliance managers, and suppliers. Using MRM, they can get a personalized view of their daily tasks and deliverables, the status of document review and approval, and manage resource and schedule changes. MRM typically addresses all of the tasks involved in day-to-day marketing operations, unifying them and embedding efficiencies.

What processes are typically supported?

The following processes are typically supported by MRM

- Manage marketing plan
- Manage campaign plan
- Manage campaign
- Manage product development
- Monitor competition
- Manage brand development
- Monitor marketing performance

What evidence is there that MRM works?

It is fair to say that MRM is in the early adopter stage, with few companies having fully implemented solutions and run them for long periods of time.

When Gartner surveyed companies with MRM implementations, 100 percent reported improved efficiencies, and 93 percent, improved effectiveness the highest level of improvement ever reported for a new software category. (1)

Specifically, better use of marketing assets resulted in a £2 million savings in annual agency fees for one insurance company; an auto parts manufacturer reduced its packaging design cycle from 3-to-4 weeks to 1-to-3 days, and a pharmaceutical company decreased the time required for marketing campaign creative development approvals from 14 to 2 weeks. (3)

Which sectors have been early adopters of MRM?

According to industry analysts (1), the key driver for MRM is the increasing complexity of marketing. The need cuts across all industries and affects those organizations that have experienced consolidation, brand proliferation, and heavy regulation. The following sectors have been the early adopters:

- Automotive
- Consumer packaged goods
- Pharmaceuticals
- Financial services

- Retail
- High technology companies

What are the likely deployment issues?

The following are some of the key issues that will need to be addressed by those looking at deploying MRM technologies:

Lack of documentation of current processes

Many organizations do not have well documented processes in marketing. This will be a hurdle for rapid deployment and will have to be addressed as part of the project. I would suggest you used external resource that is experienced in this area.

Complexity of marketing processes

The number and complexity of the processes in marketing means that tackling all processes from day one is going to be fraught with danger. Focus on a few key processes, then expand into other areas. Look for processes that provide quick win financial benefits.

Impact on organization and supplies

Implementing MRM will have an impact on a wide audience both internal and external of the organization. Make sure that all parties fully involved and are committed to the project. Take an evolutionary approach rather than a big bang approach it will take time to get the delivery process smooth.

Lack of product stability

There are a number of MRM vendors in the market place and there will be a number of other new entrants over the next year or so. There have been a number of problems with product stability and this is likely to continue as new players rush products to market. Make sure due diligence is rigorous particularly with new players.

Vendor viability

This will be an issue while the market is immature, as with product stability due diligence should be exhaustive.

What to look for in MRM technologies?

The following are some of the key things to look for in selecting a MRM technology partner

- Ability to configure the product
- Absence or limited use of customer specific code
- Proven scalability
- Modular design and architecture
- Simple deployment capability

Who supplies MRM technology?

The following are examples of MRM technology vendors

- Aprimo
- Smartpath
- Unica
- Elateral
- Veridium

As highlighted earlier in the paper, due diligence is always required when selecting any vendor.

Conclusion

The increasing complexity of marketing in a multi-channel, real time environment and the business pressure to increase the productivity of marketing teams means that we have got to improve the support in marketing for business processes. Marketing Resource Management (MRM) technologies appears to address some of the key issues. I expect that this last bastion for technology support in marketing, process support: will be addressed over the next few years. In selecting a possible vendor for MRM look for financial viability, product stability and functionality.

I believe that MRM will be most appropriate for large organizations with high volumes of campaigns (>100/year), but as this technology becomes a commodity it will become a standard part of the technology framework that supports a typical marketing function.

Acknowledgements

(1) Marketing Resource Management – Magic quadrant Feb 2003 (M-19-3829). Claudio Marcus, VP Research, Gartner. 2003 www.gartner.com

(2) Marketing Resource Management. Bill Marjot, Managing Director, The Delivery Partnership. May 2003 www.thedeliverypartnership.com

(3) www.smartpath.com case studies, 2003