Marketing by the Numbers

A Guide to Business Development Campaigns

by
William M Fitzgerald
Eric Albertson

MarketScape LLC
marketing by the numbers

Albertson
Performance Group

Introduction

Why marketing by the numbers?

Most products don't sell themselves.

They need to be promoted effectively to people who have a reason to buy them. Marketing is the business function responsible to identify those people and to initiate profitable relationships. Effective marketing delivers a stream of motivated, qualified buyers to the sales channel enabling sales to focus on developing major opportunities and closing orders rather than scattering their efforts cold calling and qualifying suspects. Freeing sales from tasks more cost effectively performed by marketing creates a lower cost of sales. When marketing does its job, channel resources are more productive. Close ratios improve thus leading to "above plan" order performance. And when marketing and sales are in synch, the bottom line can show dramatic improvement through the compounding of increased revenues and lower cost.

But too often—in companies large and small—this is not the case because marketing relies on hunches and best guesses feeding sales unprocessed fodder. Marketing teams amass huge mailing lists and advertise to hundreds of thousands of people, hoping good customers will somehow emerge from the enormous universe of suspects. Marketing communicators, intent on cutting through the media clutter, routinely package their messages in creative concepts that snag attention but don't resonate with real customers. Incomplete or weak message are overwhelmingly costly in relation to their effectiveness. They cause management to lose confidence in marketing and to slash promotional budgets. They cause salespeople to become disenchanted and revenues to sputter.

The remedy is to take as much guesswork out of marketing as possible.

This can be accomplished only through methods that realistically quantify data and results, using the power of technology to better identify and qualify prospective customers, to speak directly to them in dialogs pertinent to their pain, and to accurately track what happens. In other words, to discover, as quickly and cost-effectively as possible, what works and what doesn't, and to use that knowledge to steadily improve your marketing and sales efforts.

At MarketScape, we talk about Marketing by the Numbers.

The process we share with you in this book brings effective levels of quantification to your business development campaigns, with higher yields and improved returns on your marketing investment.

When we talk about numbers, here's what we mean:

Numbers denote process. MarketScape's methodology employs sequential steps that guide you through the definition and implementation stages of a campaign. It is a process you'll repeat day after day, prospect after prospect, customer after customer, to build profitable and lasting relationships.

Numbers also represent the operational and financial metrics for evaluating campaign investments. Operational metrics include response, qualification and conversion rates. Financial metrics track the dollars invested to achieve satisfactory outcomes including cost-per-result, customer lifetime value, net-present-value, and time-to-breakeven—all critical for evaluating campaign investments.

We use numbers to illustrate the quality and status of the evolving relationships between your company and your target customers, accurately tracking pertinent data-population statistics and period-over-period changes in them. The data will distinguish your high-priority sales opportunities from those with less potential, showing the magnitude of the opportunity and the degree of need the customer has for your product.

Numbers also track the value of the intellectual capital generated by your dialogs with customers, helping you to preserve and amortize that value through effective re-use of the content with new audiences in future campaigns.

With these and other numbers, the MarketScape method efficiently captures the information most valuable to your marketing efforts and links it to the information a good salesperson seeks when developing a sales opportunity.

And by focusing your campaign team on clearly defined business goals—intelligently linking your tactical campaigns to your company's overall business objectives—the MarketScape method helps you to conduct marketing campaigns that are on-target, timely, relevant and supportive of the goals and objectives that drive your company.

Chapter 1

An Overview of the Process

Using a well-defined and proven process, you can implement—with more confidence than ever before—business development campaigns that attract, acquire and retain profitable customers.

The process developed by MarketScape integrates analytical, creative and communication skills with technology to deliver superior performance from your marketing investment. This process builds upon the innovative ideas of several marketing thought-leaders, transforming them from abstract concepts into a practical and functional road map for effective campaign execution.

This guidebook focuses on the process itself, which we call CAPE—short for:

- Consolidate the data
- Analyze the information
- Plan the campaign
- Execute the tactics.

As a campaign team, each time you perform each of the four CAPE phases, your marketing skills will grow. You will learn more about customer characteristics so you can achieve a true, value-based customer differentiation and better understand the intents of your campaigns and their targets. You will improve your visibility of who comprises your target market universe and develop a realistic snapshot of your current relationship with each target customer.

By its very nature, the CAPE process improves your campaign team's ability to address specific target customer sites, to engage key individuals at those sites, and to consistently deliver effective dialog elements to them. All of this customer-specific knowledge pays valuable marketing dividends well into the future.

The Benefit of Distinct Phases

The CAPE process is built upon the basic operating principle fundamental to manufacturing and product development teams, but a principle often foreign to the creative, intuitive, marketing team. And that principle is the use of discrete phases, gated by review and approval steps.

In product development, for example, you specify the product concept and then get approval. Then you design the product and get approval. Only then do you manufacture the product. Marketing teams—especially in the accelerated pace of today's technology companies—have been known to give a perfunctory nod to the concept stage, then hastily combine the design and execution stages to get something out the door quickly. As a result, too many companies exhaust their budgets and people by habitually implementing "throwaway" marketing events that consistently under-perform.

The CAPE process calls for a disciplined approach to each of its four phases.

Take campaign dialogs, for example, which include the messages going from you to your target audience and their responses. The CAPE process separates the defining of a campaign's dialogs from the creation of their content, and that from the execution of their delivery. You don't start a dialog until you know how it is going to end, as well as all of the steps in between. With the content developed, the creative team is free to focus on developing new dialogs, while the production team executes the campaign according to plan. Adjustments and additions to dialogs can and do occur, but only within the normal operational review process—not on the campaign's manufacturing floor.

Only through disciplined adherence to this type of process can measurements be applied to accurately track performance and make effective and ongoing improvement possible.

◈ Understanding Customer Value

Defining your company's market universe is a critical step for campaign success. Your business development efforts improve significantly when you can identify the customer sites in your market universe with the most potential value to your company.

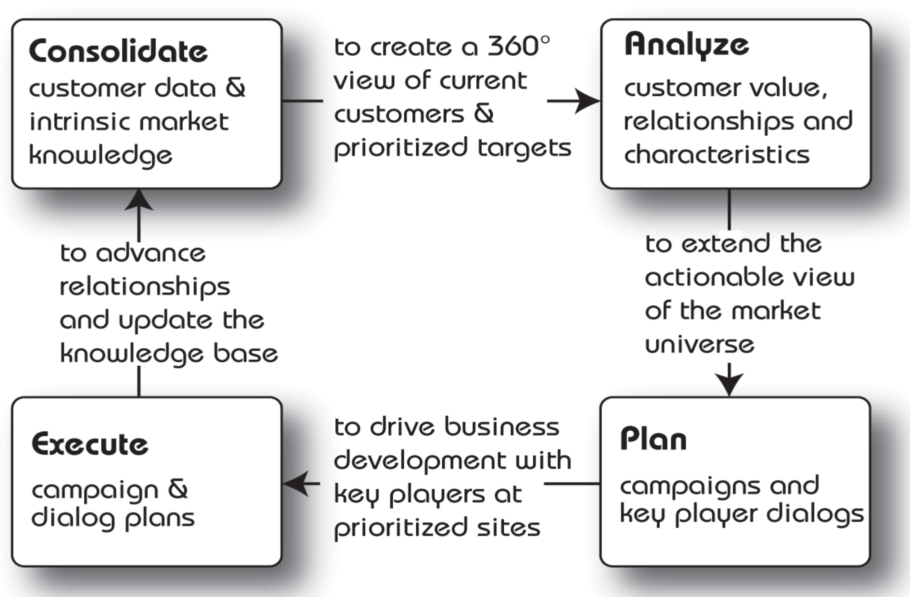
By using CAPE process metrics, you can accurately identify the relationship status of each site. With the completion of a full CAPE cycle, the prioritized sets of customer sites will have advanced, in measurable increments, towards your campaign objectives. Using the process in conjunction with clearly defined financial goals helps your campaign team achieve magnitudes of improvement in campaign yield, investment return, and customer lifetime value.

Establishing and nurturing customer relationships requires that you understand the product needs of your customer base. With the CAPE process, you gain this critical insight through repeated interactions. By converting this information into actionable market knowledge—and, in the process, ascertaining the lifetime value of your customer relationships—you build equity in a valuable company asset. Consider the fact that financial analysts look to the future value of a company's customers as one determinant of share price. Companies with high P/E ratios are those the market believes possess strong future customer value.

The Four CAPE Phases

Strategic business development campaigns systematically identify and retain your most profitable customers while eliminating customers who consume disproportionate resources. The closed-loop CAPE process achieves this by cycling campaigns through its four distinct phases.

Concept Map—CAPE Process



Consolidate

This is the initial phase of each campaign cycle. Here the campaign team collects, inventories and integrates the data and intellectual property necessary to execute the campaign. The Consolidate phase focuses the team on building an inventory of information about customers and key contacts. It also builds an inventory of the campaign's intellectual content—the messages, documents, and the offers used to initiate and sustain dialogs.

Analyze

During the initial cycle through the four phases of the CAPE process, the team's analysis produces a baseline assessment of the current market universe and relationships with customer contact persons. In subsequent iterations through the CAPE cycle, the Analysis phase serves two functions: First, it closes the previous cycle by assessing changes in relationships from the previous assessment, and second, it identifies audience priorities and communication requirements for the next Plan phase.

Plan

In the Plan phase the CAPE process utilizes the results of the work performed in the Analyze phase to initiate or reconfirm campaign strategies and objectives assessing them from two directions. Through a top-down view, it provides clear linkages to business strategies and order targets. And using a bottom-up approach, it examines current relationships and market visibility to prioritize audiences. The purpose of the PLAN phase is to document the goals, objectives, audiences, strategies, tactics and budgets that drive the campaign. Dialog plans are created mapping the interactive communication elements that will be used to initiate and sustain dialogs with the highly targeted audiences.

Execute

This is the operational phase of the CAPE process. With the planning and development work completed, the systems primed and the support functions trained, the team is ready to Execute. The campaign manager approves the launch, signaling to the team that the CAPE process is now operating in real-time as an operational control mechanism.

Relationship Campaign	*a campaign designed to increasing account penetration and maximizing customer lifetime value by enhancing existing customer relationships.*
Acquisition Campaign	*a campaign designed to first validate candidate sites as legitimate targets and then second to initiate dialogs with new Key Players at a prioritized set of the targeted sites.*
Key Player	*an individual classified by his/her role and level of influence in the purchase decision for a specific product or service.*

Moving through the Phases

During the Consolidate and Analyze phases, the CAPE process guides development of a Market Relationship Database. This tool will host your proprietary view of your market universe. It will organize customer and prospect data creating actionable views of your target markets. Chapter 8 discusses the design and implementation of a Market Relationship Database in more detail.

The Plan and Execute phases require the campaign team to prioritize and implement campaign tactics, using the operational procedures recommended in the MarketScape method. Leveraging the now-expanded customer data, campaign execution continues advancing the target customers through the series of defined campaign objectives.

The CAPE process leverages technology to increase the reach and breadth of campaigns. Whether you are addressing an individual or broadcasting to an audience of thousands, the process ensures that your communications are on target, with contents appropriate to each customer relationship.

One activity builds on another so that the four phases of CAPE become richer and more effective with each repetition. Customer data continues to grow, analysis becomes more precise and predictive, planning becomes more effective, and campaign execution sees more profitable results that directly support company goals and objectives.

The CAPE process is iterative. Here is a sequential list of the implementation flow uses by MarketScape to guide campaign teams through the process:

1. Identify and rank customers in accordance with the segmentation analysis and market visibility assessment
2. Establish operational business development objectives around orders, profit, and strategic initiatives for each addressable segment
3. Evaluate current performance against business goals
4. Set Relationship Campaign objectives.
5. Set Acquisition Campaign objectives for campaigns designed to initiate dialogs with new Key Players at a prioritized set of targeted sites
6. Identify and categorize existing campaign content
7. Develop Relationship Campaign dialogs
8. Develop Acquisition Campaign dialogs
9. Create or acquire missing dialog content
10. Rationalize budgets to meet business development objectives looping back to step 4 until plans and budgets are aligned
11. Complete campaign plans
12. Execute campaign tactics according to the campaign plan
13. Update the Market Relationship Database with campaign results
14. Repeat the CAPE cycle

The GRC Scenario: Basis

Marketing by the Numbers is for real companies with real marketing challenges.

The CAPE process it describes has been implemented at several large and well-known corporations, and their experiences can provide invaluable insights. As you would expect, all of our client relationships take place under the auspices of comprehensive nondisclosure agreements from some of the best law firms money can buy. For ethical and the obvious practical reasons, we fully respect the letter and spirit of those agreements.

So when it comes to learning what these companies experienced, we believe the best way is through composite scenarios.

The scenarios you'll read in *Marketing by the Numbers* represent the collective experiences of a group of Fortune 500 companies, many of them in the aftermath of the dot-com bust starting in 2001.

Each of these companies had some degree of success during the dot-com boom and each suffered from the bust. Each had leadership that faced the fact they could not longer fulfill their responsibilities to shareholders by "Field of Dreams" marketing—"If we build it (and hire a bunch of ad agencies and sales folks), the customers will come." And each had concluded that to achieve target levels of success, they must become more deterministic and deliberate in how they approached their market.

Each needed a better marketing process and decided on the approach described in *Marketing by the Numbers.*

We call our composite company Global Results Corporation, or GRC, and you'll learn much more about GRC's marketing challenges and successes in the coming chapters.

Chapter 4

The Consolidate Phase

The Consolidate phase focuses your team on building an inventory of information about Customers and Key Players. It also builds an inventory of the campaign's intellectual content—the messages, documents, and offers used to initiate and sustain dialogs. This is the phase when the team assembles current segmentation schema and the criteria for assigning sites to a segment. The final elements to be gathered are the operational and financial goals the campaign will strive to fulfill.

The several inventories in the Consolidate phase should be performed simultaneously. Ideally the work is assigned to three individuals or teams, depending on the size of the tasks. Someone with database skills—such as a business analyst or systems analyst—should be responsible for gathering and organizing the customer data. Marketing is a natural place for the Key Player inventory, segmentation model, and the operational goals and objectives. Marketing Communications should be responsible for the campaign content and messaging inventory.

As with each of the four phases of the CAPE process, the first time through the Consolidate phase requires more effort and original thought to identify and categorize sources, to establish linkages between them, and to structure and document the data-collection effort. Subsequent passes through the Consolidate phase will leverage the initial work by updating and refreshing this important data.

As the campaign team performs this phase, its view of the target market often is effectively expanded by the addition of internal and external data sources or more richness of detail captured during audience interactions.

grc scenario

GRC Scenario: Colsolidate Phase

Rigor in the Consolidate phase is critical because this phase determines the success of all other parts of the CAPE process. Yet, in 30 years of active consulting, we've rarely seen companies commit to this phase and too often have witnessed the resulting waste of resources, careers and shareholder value.

So, let's look at GRC's experience.

Like most companies, GRC's customer data was scattered throughout the organization. Some resided in Accounting, some in Sales and Marketing, and some in customer support. In all, GRC had 48 separate databases containing unique customer information. And like the story of blind men's hands on the elephant, each database presented a view of a customer so limited that it was more likely to mislead than to inform.

GRC was astonished—as are most Fortune 500 companies at this point—to discover that its consolidated data represented only 24 percent of the company's stipulated target market. This is where the saying, "If you can't see it in your data, you can't successfully sell to it" becomes a harsh reality.

The bite became even more painful when GRC was reminded that its accounts generally have more than one site where key players could purchase GRC products, and each site often has several key players, some of them interested in multiple GRC products. This broader view of the market simply could not be seen in GRC's existing data.

Which meant, in actuality, GRC's visibility of its market was much less than 24 percent.

During the Consolidate phase, GRC's team determined that combining 16 of the databases would create a workable customer profile and that four years of history would provide useful customer-relationship trends.

GRC had never done this degree of data consolidation. Managers were painfully aware they had little time for the Consolidate phase and no room for mistakes. Several knew their careers could be at stake if the CEO's fiscal goals were not met. In the interest of time and focus, GRC outsourced the Consolidate phase to one of a number of capable firms.

At GRC's behest, the firm handling the consolidation agreed to work with Dun & Bradstreet to validate business entities by using the AIS service. The team also required that DUNS numbers be assigned to customer records, after witnessing that the previous lack of them had turned earlier data-integration attempts into untold confusion. With diligence, the outside firm was able to consolidate the databases within 30 days of receiving the data.

But even with 16 databases now consolidated, GRC still had formidable gaps in customer information, including some vital target-customer data. The GRC team decided to seek outside sources, finding that adding publicly available data at the account and site levels brought GRC's view up to a much-improved 80 percent of its target market.

For the first time in its corporate life, GRC now had a functional market relationship database.

But the Consolidation phase was not yet complete. Two more critical steps were required and neither would be good news for GRC.

The first occurred when a member of the GRC team popped the new database into Microsoft Access to run some simple queries. The market segments GRC believed it had been serving turned out to be an illusion. GRC's new data-driven reality pointed to dramatically different segments. It was painfully evident that GRC for years had wasted money, time and, worst of all, had squandered huge opportunities by not focusing on valid markets.

And the bad news still was not over.

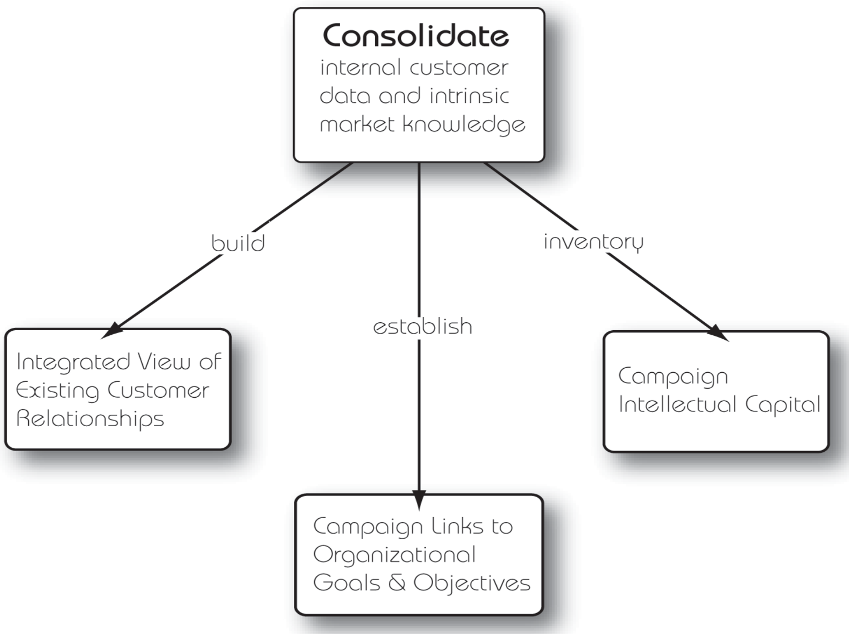
As a final part of the Consolidate phase, GRC inventoried its campaign intellectual capital—the message content of all marketing communications with the customer. The phrase we heard most often at GRC during this effort was: "What were we thinking?" At GRC and elsewhere, this is often the first time companies actually view their campaign messages from the customer's perspective.

GRC found it had never had a coherent, on-going conversation with its target market. The company had subjected its best customers and long-shot targets alike to the same disjointed blend of email, direct mail and muddled campaign rhetoric.

Trash buckets may have benefited from GRC's marketing, but there was no evidence that the target market had.

Certainly the Consolidation phase at GRC had been painful, at times embarrassing. Still, the team agreed they would not have been in a position to meet the CEO's and Wall Street's expectations without the data clarity the Consolidate phase had produced. Marketing and Sales had been in a "field of dreams" and the company had been destined for a shortfall of revenue and profits. Now GRC was hungry for the next CAPE phases to remedy the newfound weaknesses and replace them with strengths.

Consolidate Phase—Concept Map



Building a Customer Inventory

Data consolidation begins by identifying the internal sources or operational systems that host customer data. Business analysts map the data sources into a common structure and identify candidate links between any disparate data sources. In parallel, Marketing codifies the company's intrinsic knowledge of its markets, customers and audience members. These two efforts produce rules to guide the consolidation of internal market data, while formulating the data-acquisition strategies. These strategies, in turn, will be used to guide the expansion of the market universe to include all possible target sites.

Goals of the Customer Inventory are to:

- Identify and differentiate customers based on financial and strategic factors
- Assess customer size and behaviors
- Assess market size and coverage

- Create a unique view of your market, consolidating sites into accounts and identifying on-target prospects
- Identify system keys that can link operational data and create as complete a picture of individual customer sites as possible

Strategies of the Customer Inventory include:

- Using data warehouse or data marts as primary data sources
- Using transactional data sources only as a last resort
- Including a system name and unique key for each record
- Obtaining DUNS numbers from Dun & Bradstreet uniquely identifying each site or location in the data source
- Constructing a data map for each data source
- Building a prototype Market Relationship Database

◈ The Integrated View of Customers

Your initial consolidated view of customer relationships is organized in a prototype of the Market Relationship Database. This database will eventually provide you a micro view or detailed snapshot of each target site and the relationship status of the key contacts working there. At the same time the resource will allow you a macro view of your target market universe providing size, share and penetration information. It will become a valued strategic resource aiding investment decisions beyond business development marketing programs. But for now it forms the basis of you current functional view of customers. Chapter 8 takes a detailed look at the methods used to construct and enhance this vital company asset.

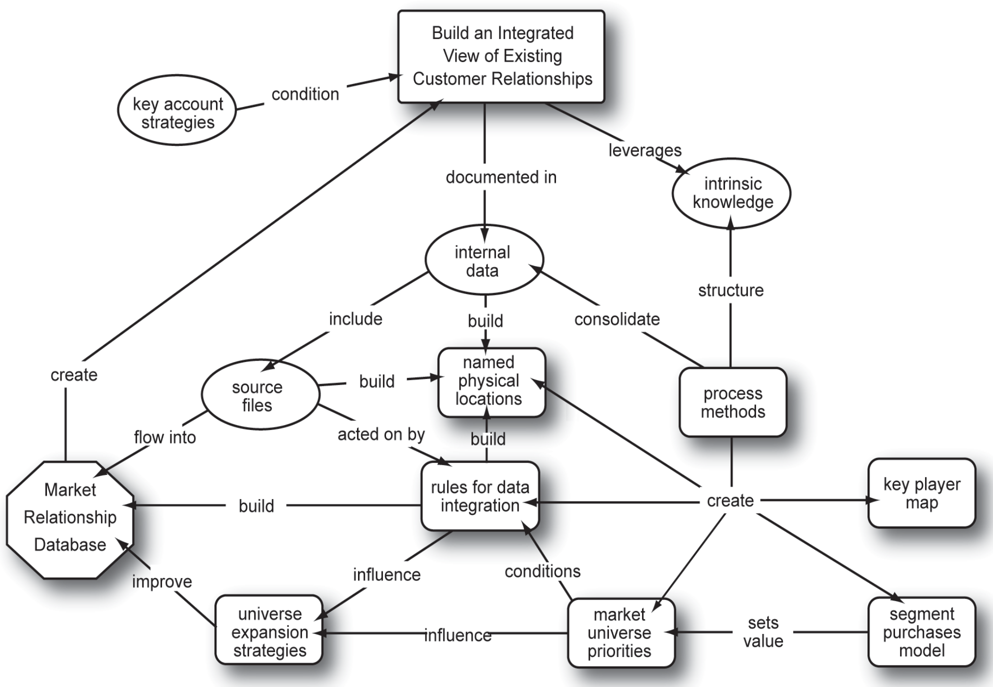
Insight: The Ploitics of Data

Gathering customer data is rife with politics. For that reason, the CAPE process is most successful when it is understood and supported by senior management. Without executive-level support, the process cannot achieve full potential.

In the Consolidate phase, for example, an internal organization sometimes resists revealing the true condition of its data as well as the cost of updating it to a level of usefulness. Other times, internal organizations won't prioritize the required Consolidate-phase activities—or worse, simply refuse to cooperate—until the entire timeline is ruined and the campaign is killed, thus protecting their vulnerability from exposure.

These situations usually can only be managed top-down from the executive level.

Customer Inventory—Concept Map



Data Required for the Customer Inventory

◈ Customer Master List

The Customer Inventory master file is often hosted by Accounting, where it can be optimized to accept orders, print invoices and process payments. Some care is taken by Accounting to establish entity identification, in order to reduce credit risk. But this effort

Chapter 6

The Plan Phase

Planning successful campaigns relies on an actionable view of the current market and a crisp understanding of your business objectives.

The Plan phase of the CAPE process guides the team to a quantitative assessment of campaign requirements. The team works the tasks from two directions in order to fully condition and prioritize the desired outcomes—top-down and bottom-up.

Planning begins with the creation of a top-down view of campaign requirements. In other words it defines the campaign's end-state in terms that demonstrate clear linkage between campaign priorities and the established business strategies and order targets.

The second approach—taken to establish campaign output—builds a bottom-up view of the requirements. It examines current customer relationships, sales funnel activities and market visibility status to quantitatively condition the campaigns desired outputs.

These findings are documented and disseminated, serving to guide the team throughout the campaign's implementation phase. Thus prepare the team is able to make rational choices about resource allocations under dynamic conditions. Shifting operational requirements or budget constrains will focus rather than hobble campaign planning during the initial and successive iteration through the Plan phase.

The CAPE process planning addresses two types of campaigns—Acquisition and Relationship—each employ unique strategies and tactics that are best suited to accomplish the defined business objectives.

Potential returns are often greatest with Relationship campaigns because they are structured to maximize profits from your best customers. Acquisition campaigns, on the other hand, break new ground as you, identify, validate and engage a prioritized set of Key Players at target sites.

Relationship Campaign	*a campaign designed to increase account penetration and maximize customer lifetime value by enhancing existing customer relationships.*
Acquisition Campaign	*a campaign designed to first validate candidate sites as legitimate targets and then to initiate dialogs with new Key Players at a prioritized set of the targeted sites.*

Goals of the Campaign Plan are:

- Describe Marketing's intended application of resources in order to attain business objectives.
- Document the Campaign Team's planned actions, outcomes and measurement criteria.
- Guide and coordinate the implementation of campaign dialogs.

Strategies of the Campaign Plan include:

- Publishing Marketing's intent and measurement criteria to establish campaign credibility.
- Linking marketing activities to business objectives.
- Aligning investments with campaign priorities.
- Prioritizing target audiences to create highest investment returns.
- Providing a consistent platform for measuring progress and for validating next steps.

grc scenario

GRC Scenario: Plan Phase

GRC entered the Plan phase of the CAPE process—the point where knowledge of the target market meets corporate objectives—with a better grasp of both than ever before, thanks to the work accomplished in the Consolidate and Analyze phases.

Marketing and Sales still were not fully aligned, but there was marked improvement in the relationship due to the effort in the Analyze phase. They now shared a deeper understanding of what information was of value to the sales effort, and they now knew what the installed base looked like and who were GRC's high-potential targets.

At this point, the CAPE process required the GRC team to assemble the information into a comprehensive plan that would drive the company's revenue efforts in accord with GRC's overall business goals and objectives.

For clarity and continuity, the team adopted the GOAST+B standardized template, requiring that the goals, objectives, audiences, strategies and tactics, plus budgets, be documented for each discrete marketing event and linked in a hierarchy to other levels of campaign activities. First the team produced a top-level executive summary of how GRC's business goals and objectives would be met. Then they focused on the campaign dialog strategy—what conversations would occur between GRC and its targets to move them through the sales cycle.

Sound easy? It wasn't.

GRC had a habit of acting like someone with short-term memory loss at a cocktail party who keeps telling the same joke with the same punch line over and over again to the same people. The listeners only want to get away. Like many companies, GRC had repeated the same marketing platitudes to its customers time and time again, making the sales effort doubly difficult.

But this time GRC—now armed with relevant information and the discipline to write down its dialog strategy—laid out the campaign's sequence of interactions with the target market. The team defined the early messages to start the dialog and went on to describe the middle dialog that would advance the customer along the sales cycle and then the late dialog to move the target toward closure. And this time, GRC's messages incorporated the key indicators identified by Sales during the Analyze phase to hike the quality of leads.

In examining the sales cycle during the Plan phase, the team realized the company did not have—in fact, never had — appropriate material to help salespeople move a client with clear pain progressively toward the point of purchase. Seeing this as a serious problem, the GRC team met with sales and product management and an outside agency to assemble the types of messages and materials to support a high probability of sales conversion. The new insights plus the dialog work provided the structure for these much-needed materials.

Liking what they were seeing, GRC senior management tentatively approved the team's campaign executive summary. This gave the team the green light for documenting the GOAST+B for each budget item they had included in the summary.

In fact, the GOAST+B acronym became the watchword for campaign planning at all levels of detail. The team quickly saw the value of hierarchical planning when GOAST+B components of a single event could be tied directly to the GOAST+B of a broader program that in turn linked up with the GOAST+B of the overall campaign. By the end of the Plan phase, the team could read the plan up and down through the hierarchy and point to how each individual event ultimately supported the CEO's stated objectives for GRC.

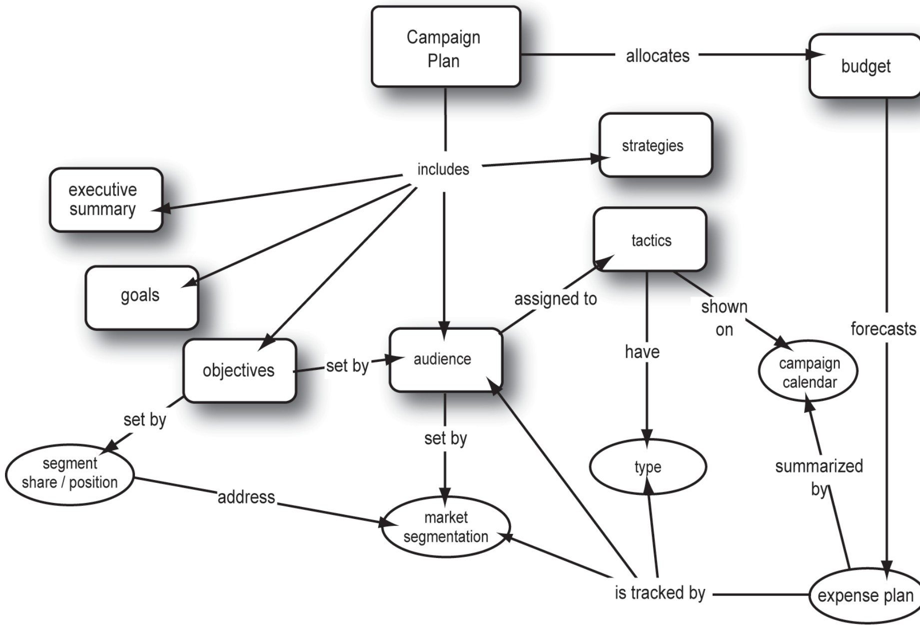
But the devil was in the details.

The team—due to its hierarchical planning effort—soon detected that the overall marketing strategy still was underfunded. That meant Marketing must seek more money if the plan was to be implemented. Given poor past performance, GRC's senior management was somewhere between hesitant and hostile toward sinking more money into the marketing effort. But this time the Chief Marketing Officer was able to convince the CFO that the campaign shortfall meant a corresponding shortfall in quality leads. This time he could quantify his argument. And this time, the Chief Sales Officer—who had reviewed, verified and endorsed the data—stepped forward to confirm Marketing's assertions and support the request for funds.

By the end of this third phase of the CAPE process, Marketing's credibility had improved substantially. It was apparent that its plans were built on facts and insights compiled during the Consolidate and Analyze phases and then laid out in an operable plan during the Plan phase. GRC's senior management had the confidence to approve the increased marketing investment—something that had rarely happened in the past.

The team now headed toward CAPE's Execute phase with its marketing calendar finalized. And making the marketing organization more accountable allowed the CEO to take a huge step forward toward making all of GRC more accountable to meeting the company's goals and objectives—something he originally thought would take at least five years.

Planning Process—Concept Map



Plan Phase Deliverables

◈ Campaign Templates

Campaign planning is a collaborative effort, integrating many disciplines. As such, it establishes a common structure for inputs and outputs of each step in the process. This improves your team's efficiency and the clarity of the final Campaign Plan that follows a "GOAST+B " format that defines a campaign's Goals, Objectives, Audiences, Strategies, Tactics and Budget priorities.

◈ Format for Program Briefs

The MarketScape CAPE process teaches you to use a cascading model for program planning. This means each level of detail demonstrates support for and linkage to its superior controlling level. An example of cascading planning would be demonstrated by a campaign objective that is linked to the subordinate program's objective and that program, in turn, is linked to its subordinate tactic's objectives.

The cascading model employs a consistent format for each level of the Campaign Plan. Campaign, program and tactical plans each address the same key elements, but at the appropriate level of detail for management requirements. The "GOAST+B" format is applied at each level of detail thus simplifying tracking and reporting linkages and support for the high-level business requirements by the tactical implementation details of the campaigns.

◈ Planning Timetable

The final control element of the Plan phase is the campaign timetable. Coordinating the timing of inputs and outputs of each step is critical to moving your team through the details of planning and on to the rewards of effective campaign execution.

◈ Dialog Plan

This planning document defines campaign dialog topics, organized by Key Player pain point. It identifies the content of each topic and its usage, such as initial offer, middle offer or late offer. It also prioritizes use of the content by Key Player attributes and/or site level. It describes the content elements, source or author, availability and budget requirements.

◈ Program Briefs

One brief is written for each program, presenting the goals of the program and demonstrating the program's linkage to the business objectives that drive the campaign. Program objectives are stated using a SMART format (Specific, Measurable, Attainable, Relevant and Time frame).

In a Program Brief, the team must delineate the strategies that will guide the implementation. It also specifies the tactics that will be used, including a description of the media, timing, offer, content and budgets. Finally it should identify any linkages or dependencies between tactics or other campaigns.

The brief contains written descriptions of each audience group as well as database selection criteria. If a data source other than the Market Relationship Database is to be included, it is identified in the brief. A forecast of audience size should include counts by: Key Players, Site priority, Dialog status, Response history, Time constraints, List source and Audience membership.

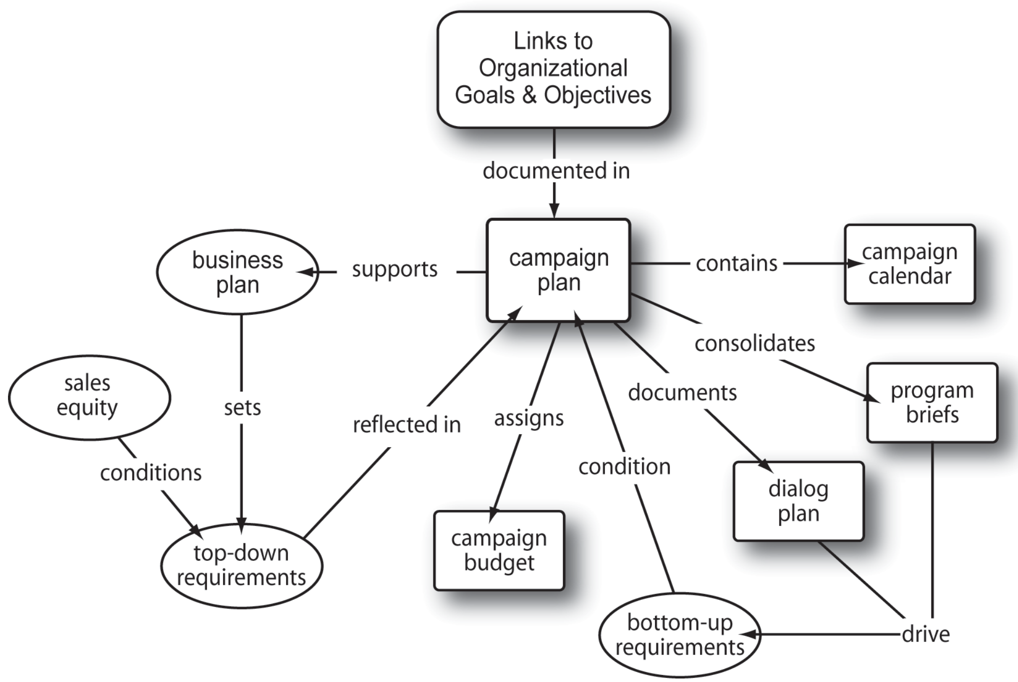
◈ Campaign Calendar

The calendar is a graphical representation of the campaign, demonstrating timing and linkages between activities. It can be organized by audience, segment, media type, region, or budget source.

◈ Campaign Plan Executive Summary

This is a one or two-page page summary covering Goals, Objectives, Audience, Strategies, Tactics (GOAST), and budgets.

Campaign Linkage to Business Plans—Concept Map



◈ Action Summary

1. Document goals, objectives, audiences, strategies and tactics (GOAST) to achieve business objectives.
2. Create a dialog plan for each key player pain point.

Action Summary

1. Document audiences, media, timing and integration of campaign events.
2. Publish campaign calendar.

Resource Requirements

- Campaign Manager
- Program Manager
- Business Analyst

Insight: CAPE and the Creative Team

The CAPE process can threaten your creative team. Agencies and in-house communications staff alike have been known to view it as impinging on their ability to control the creation of campaign concepts and messages. They've sometimes balked at the CAPE campaign team — armed with its consolidated database and detailed step-by-step process — actually dictating aspects of the creative effort.

But in actuality the CAPE process can be an agency's salvation when it comes to a successful, long-term client relationship.

As with marriages, no two corporate marketing-communications structures are alike. Whether in the Fortune 100 or in a start-up, the relationship between a company and its external agencies is unique, governed mostly by varying experience levels and individual personalities.

Neither party in a normal agency-client relationship tries intentionally to undermine the other. But bad things happen — from lackluster campaign response to dismal ROI — and someone usually is held accountable. Sometimes the true blame lies with a highly persuasive but ineffectual agency. More often the culprit is the client who hasn't moved beyond throwaway marketing.

We noted earlier that throwaway marketing is characterized by excessive creative costs to generate single-use content. In other words, each campaign is a standalone event with no connective tissue to campaigns coming before or after it, and with content based on everyone's best guess as to what will generate sales.

Such campaigns typically treat target audiences as if everyone were an initial contact, with the same message going to every name on the list. There is no mechanism to advance prospects closer to closure. There is no distinction between an acquisition campaign and a relationship campaign. Success is gauged by the only metric possible in these situations — number of responses. This is the same metric that floods the target market with free t-shirts and white papers and digital-camera drawings certain to dump heaps of valueless inquiries on salespeople's desks.

Over time, everyone in the creative effort tires of the resulting criticism and the excuses. The client will launch an agency search with the deck stacked against its current agency, and history repeats itself with no lessons learned.

The CAPE process is the most valuable tool we've seen for breaking this costly and discouraging cycle. Its power is seen most clearly in the Plan and Execute phases.

The Plan phase requires the discipline to effectively remove campaigns from the throwaway mode and instead to embed them in a cohesive, cascading model ultimately driven by business objectives. The Plan phase also prioritizes the target audience for highest investment returns. The required program briefs clearly define campaign objectives in terms of media and timing, content and offers, and budget. Program messages are designed to advance the sales opportunity with pre-determined dialogs compiled for initial, middle, and late-cycle audience contact.

The Execute phase is where the creative team fulfills the requirements of the Plan phase and sets in motion the programs according to details set out in the approved campaign plan.

Now, back to your agencies.

There is no single method dictating how outside agencies participate in the CAPE process. Companies usually take one of two approaches.

One approach is to bring the agency on board early in the Plan phase so it can actively participate in defining individual program objectives, media, timing, and content. The advantage is that the agency becomes fully aware of the data-driven rationales, business objectives, and the cascading nature of the programs comprising the overall campaign. This may contribute to quicker on-target concepts and messages that adhere to campaign intent. Downsides include higher agency expense and the risk that the agency output is no better than what is achieved by the other approach.

That other approach involves bringing the agency in at the Execute phase, at the point when all aspects of the campaign and its programs are defined and now must simply be created. The agency's job is to develop the visual concepts and dialog that satisfy the objectives, messages, and planned dialog as articulated in the approved campaign plan. This approach puts the agency at greater distance from the campaign team and in a more reactive stance, but it allows for smoother relationships when multiple agencies are involved, is less expensive, and enables cleaner transitions to new agencies when necessary.

It's important for the campaign team to consider where any agency or other external vendor will fit into the CAPE process — at the Execution stage or earlier — and to make that decision before the team gets too far into the Plan phase.

And it's important for agencies to realize that the effort the client's campaign team spends on completing the Consolidate, Analysis, and Plan phases eases the agency's burden of responsibility for campaign performance. With so many details already hammered out by the campaign team — and approved by management — the agency's responsibility is simply to fulfill the creative intentions of the campaign plan as effectively as it can.

Most agencies, once they've thought about it, will accept this position with relief.