

Your Marketing Performance Management Maturity Playbook

A Self-Led Guide to Assessing and Improving Your Marketing Organization's Approach



It's one thing to say you want to improve and become best in class as a marketer, and it's another to put in the work and make it happen. That's why we created this playbook.

It will guide you and your organization to the focus on the most impactful areas and layout the steps you must take to master Marketing Performance Management and become a growth driver.

In this report you will find Allocadia's Marketing Performance Management (aka MPM) Maturity Framework, which focuses on five dimensions that are core to improving how you run marketing. We will:

- Lay out and explain the stages you must go through to optimize your marketing organization's MPM approach.
- Provide a self-guided assessment so you can determine your organization's maturity level and priorities across the five dimensions along with success metrics that matter to you.
- Share guidance to improve your marketing organization across each dimension.

Why You Must Prioritize Marketing Performance Management

Today more than ever marketers are being asked to drive growth. Yet they are struggling to find their footing. As McKinsey & Co. reports, “Few marketers are confident about identifying the real return on investment (ROI) of their marketing spending.” It’s no wonder, considering that only 40% of marketers have the right tools to demonstrate the quantitative impact of marketing spend on company performance.¹

However, it goes beyond ROI; marketing organization’s struggle to control their spend. “Nearly half (47%) of CMOs still depend on basic budgeting methods that roll last year’s budget into the next financial period or incrementally apply a percentage increase or decrease to last year’s budget. Budgeting immaturity presents significant risks to CMOs.”²

Perhaps this helps explain why marketing budgets have declined from 11.2% of company revenue to 10.5% since 2018.³ What seems like a relatively small difference, represents a budget cut of almost 10%. Hand in hand with this, the average CMO tenure is the shortest of all C-suite roles⁴, leaving little doubt that CMOs and marketers have their work cut out for them.

We developed this playbook and maturity model to help marketers like you upend this trend. We have long advocated that marketing needs to embrace the concept of running marketing like a business and adopt the processes, data approaches, and technologies that make this possible.

To run marketing like a business means investing in marketing excellence, marketing efficiency and marketing effectiveness. Combined, these add up to what is known as Marketing Performance Management.

Only 40% of marketers have the right tools to demonstrate the quantitative impact of marketing spend

The five core competencies marketers must master to optimize their MPM practice:

Strategic Planning and Goal Alignment to create a foundation for their strategy.

Marketing Investment Management to become efficient with the time and dollars they are investing.

Marketing and Finance Alignment to build trust with an often-forgotten strategic counterpart.

Data Strategy and ROI Approach to maximize the effectiveness of their actions.

Operational Excellence to enable the entire marketing organization to succeed with the tools and data provided.



“The attributes of MPM sharply contrast to those of marketing measurement. If B2B marketing measurement represents what a driver sees in a car’s rearview mirror, then MPM serves as the headlights and the steering wheel of the car itself that improve both visibility and control for the driver.”⁵

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Mastering these five dimensions highlighted above allow marketers to grab hold of the steering wheel and point their marketing organization to improved performance.

Read on to assess your own status and develop your own roadmap to improve your organization’s Marketing Performance Management approach.

Introducing Allocadia’s MPM Maturity Model

This maturity model will help you determine where you stand in your Marketing Performance Management evolution, and show you the steps to take to progress.

| | Strategic planning & goal alignment | Marketing Investment Management | Marketing & Finance Alignment | Data Strategy and ROMI Approach | Operational Excellence |
|----------|---|--|---|---|---|
| Value | Create a foundation for strategy | Save time and money | Build Trust | Maximize Effectiveness | Enable Success |
| Overview | Communicate and publish a plan that represents marketing’s strategy. Ensure plan and goal aligns across the entire organization. | Define spend management process and gain control of where dollars are being spent. Get visibility across multiple dimensions of how marketing is investing. | Align processes and create joint accountability with finance. Gain trust so budget cuts are reduced, and discretionary dollars are awarded to marketing. | Define and execute a data strategy that produces multiple levels of measurements (ROI and beyond) that support marketing’s goals. | Define best practices and enable the global marketing organization to work with maximum efficiency and effectiveness. |

Figure 1. The 5 dimensions of MPM maturity



Figure 2 below shows the full maturity model aligned with the five dimensions and key capabilities at each stage, from Basecamp to Summit:

Basecamp

means you are in the early stages of improving the capabilities within this dimension.

Slope

means you have started to put in effort and see real progress in this dimension.

Crest

means you have created a core competency within this dimension and are seeing meaningful results.

Summit

means you are best in class within this MPM dimension.

A marketing organization’s maturity evolves through these four stages across each dimension, as shown in Figure 2. To arrive at the highest summit (i.e., the most mature level in the model), you’ll move up the five dimensions from bottom to top.

Reaching the summit will improve efficiencies, create a stronger marketing organization, and drive better results, but you will also see worthwhile payback each step along the way. It’s important to acknowledge that you may be mature in one dimension but lagging in another — that is okay and expected. The point is to improve on the dimensions that will be most meaningful to your organization!

| | Strategic Planning & Goal Alignment | Marketing Investment Management | Marketing & Finance Alignment | Data Strategy and ROMI Approach | Operational Excellence |
|---------------------|---|---|--|---|---|
| Summit (4) | <ul style="list-style-type: none"> Marketing can quickly shift priorities, plans, and budget depending on current status and results. | <ul style="list-style-type: none"> Marketing can tie plans and investments directly to projects, campaigns, and other assets to kick off actions. A closed loop marketing process exists. | <ul style="list-style-type: none"> Finance sees marketing as a strong partner and a strategic lever within the business. Finance is an advocate of marketing to the rest of the leadership team. | <ul style="list-style-type: none"> Advanced analytics (e.g. attribution) have been layered on top of ROMI Multiple ROI and measurement views and models exist. | <ul style="list-style-type: none"> Multiple levels of the marketing organization are using MPM dashboards in meetings to review business results and adjust go forward actions. |
| Crest (3) | <ul style="list-style-type: none"> Investment plans are linked to goals and strategy. Marketing can create scenarios around activities and budget. | <ul style="list-style-type: none"> Marketing can pivot plans and spend across strategic levers. Multiple stakeholders receive investment insights that are valuable and actionable. | <ul style="list-style-type: none"> Finance actively relies on marketing data within marketing’s MPM systems Finance is an active user within the MPM system. | <ul style="list-style-type: none"> Marketing measurements go beyond ROI and include “Intent”. Measurements take into consideration implications outside of marketing’s control. | <ul style="list-style-type: none"> Power users are working together. Stakeholder enablement is consistent. Leadership alignment is occurring on a regular basis. |
| Slope (2) | <ul style="list-style-type: none"> Throughout the entire marketing organization plans and goals are connected to objectives, activities and budgets. | <ul style="list-style-type: none"> The spend management process within marketing is defined. PO and actual reconciliation is automated. | <ul style="list-style-type: none"> Marketing and finance have agreed upon investment targets. Marketing and finance have agreed upon a level of data accuracy. | <ul style="list-style-type: none"> An acceptable data quality exists for both the “R” + “I”. Bringing together “R” + “I” data for insights has been automated. | <ul style="list-style-type: none"> The MPM process has been documented. Continuous training & enablement of MPM is occurring. |
| Basecamp (1) | <ul style="list-style-type: none"> A set process around planning that spans beyond leadership exists. Goals are defined and communicated across the marketing organization. | <ul style="list-style-type: none"> Marketers can plan, forecast and track spend in a single system that rolls up across the team. | <ul style="list-style-type: none"> Marketers understand finance’s terminology and goals. The marketing & finance processes are aligned. | <ul style="list-style-type: none"> Marketing has identified questions they want answered via measurement. The desired marketing measurements are aligned to organizational goals. | <ul style="list-style-type: none"> Marketing Performance Management, the project and purpose, are defined. Roles + responsibility around MPM are set and agreed upon. |

Figure 2. The Allocadia MPM maturity model

The ultimate goal of this framework is to help you progress in your MPM maturity and entire marketing approach. If you are an Allocadia customer, this model will also help you maximize the value you realize from Allocadia.



The Five Dimensions of MPM Maturity

For each dimension, we include the typical challenges and problems you will face when struggling with that dimension; and business impact to show the improvements you can realize by maturing in that dimension.



1

Strategic planning and goal alignment

The focus of this dimension is communicating and publishing a plan that represents your marketing organization's strategy and, most importantly, ensuring plan and goal alignment across the entire marketing organization.

Pains

Marketing planning and budgeting processes are complex and time-consuming. Nielsen says senior marketing executives spend up to 30% of their time, or 1.5 days a week⁶, trying to make sense of their budgets. The reason this is so challenging is because planning lives in spreadsheets, PowerPoint slides, and borrowed tools designed for non-marketing purposes.

If you experience any of the following challenges, it may mean strategic planning and goal alignment should be a priority for you:

- Unable to align plans and budgets to corporate or CMO strategy
- No way to set a strategic approach and connect goals throughout the marketing organization
- Marketers across the business are unsure of how their activities align to strategy

Gains

When your marketing organization improves strategic planning and goal alignment, you create plans that support corporate goals, are able to define meaningful metrics that measure success, and show marketing's value to the business. This paves the way for greater alignment within the marketing organization and with key partners, like finance, and sets marketing up for increased budget.

Business impact you might experience by maturing your strategic planning and goal alignment:

- Regain 10–20% of budget by identifying wasted/redundant spend
- Save up to 40% of time throughout the planning process
- A published strategy that aligns the entire marketing organization, creating more efficiency



2

Marketing investment management

The focus of this dimension is gaining control of where dollars are being spent and gaining visibility into how your marketing organization is investing budget across multiple aspects of the business. Setting you up to spend dollars and kick off campaigns faster and with greater impact.

Pains

Since your marketing organization has the largest discretionary budgets in the business, you must know how much to invest, how much has been spent to date, where and when it has been spent, and how much budget remains. When your organization cannot answer these questions, you and the CMO are flying blind, risking the dollars that have been given to your organization by the CEO, CFO, and the board.

If you experience any of the following challenges, it may mean marketing investment management should be a priority for you:

- Broken, undefined, and complex processes that create spreadsheet chaos around spend management
- Lack of visibility into where marketing dollars are forecasted to go and where dollars have already been spent
- No way view spend and forecasted spend across strategic pivots
- An inability to shift dollars quickly

Gains

When your marketing organization improves its investment management practice, you can confidently answer questions on where dollars are going, gain control over budget to shift dollars and focus quickly, and gain the confidence and trust of C-level executives.

Business impact you might experience by maturing your marketing investment management:

- Save up to 66% of time avoiding manual data entry and up to 90% of time to create financial reports
- Regain 10–20% of budget by identifying wasted/redundant spend
- Gain visibility into all spend — including current spend — and activities



3

Marketing and finance alignment

The focus of this dimension is creating a productive partnership with finance by aligning processes and creating joint accountability. While marketing investment management is internally focused (on your marketing organization), marketing and finance alignment is about outward alignment with the business at large. As a marketer, you rely on strong alignment with the finance to ensure your investment data is accurate, properly structured, and trusted by the executive team.

Pains

Finance is regularly a forgotten partner for marketing. However, finance holds the purse strings of the organization and the CFO is often the right hand of the CEO. If your marketing organization has not built a strong relationship and, most importantly, gained the trust of your counterparts, budget and influence is at risk. In the worst cases when the marketing and finance relationship is not strong, it puts the CMO's job in jeopardy.

If you experience any of the following challenges, it may mean marketing and finance alignment should be a priority for you:

- Marketing is unable to hit spend targets or reconcile with finance's numbers
- Marketing and finance are running disjointed processes
- Marketing is suffering budget cuts due to an inability to show alignment with the business's goals

Gains

Demonstrating control over budget and creating a working partner in finance translates into fewer marketing budget cuts, more discretionary marketing dollars, and the trust of the CFO in where marketing should place its monetary bets.

Business impact you might experience by maturing your marketing and finance alignment:

- Save 20–40% of spend management effort by simplifying financial processes
- Get within 1% of the spend target
- Reduce the risk of budget cuts and get access to excess funds



4

Data strategy and ROMI approach

The focus of this dimension is to create a data strategy that produces multiple levels of measurements (ROI and beyond) that support your marketing organization's strategy. To do this, your marketing organization must determine data structures and processes for connecting disparate data in a meaningful way. When executed properly, this will provide you with insights that can help make more impactful decisions and grow the business.

Pains

Few organizations maintain the right quality data to produce measurements that help their marketers. The result is bad, outdated or disconnected data that create inaccurate measurements and ultimately lead to poor decisions.

If you experience any of the following challenges, it may mean data strategy and ROMI approach should be a priority for you:

- Measurement doesn't tie back to corporate goals
- An inability to produce measurements due to scattered data across different systems
- Spreadsheet gymnastics are needed to provide metrics
- Lack of confidence in decisions marketing is making

Gains

When your data strategy is mature and your ROMI approach is sound, your marketing organization has the confidence to reassess and reallocate investments to the highest performing areas.

Business impact you might experience by maturing your data strategy and ROMI approach:

- Gain trust by showing marketing's focus and impact on the business
- Increase ROMI by 2.5X or more
- Reduce customer acquisition cost (CAC) by 25% or more



5

Operational excellence

The focus of this dimension is to set best practices, share MPM processes broadly, and enable your global marketing organization to work with maximum efficiency and effectiveness. While this seems simple, it is most often the missing ingredient in many marketing organization's ability to reach higher maturity levels, since it is largely tied to change management and marketing enablement.

Pains

Most marketers spend ample time and money on technologies and re-engineering their revenue processes to optimize performance. However, the majority fail to invest in their people and the processes that support how their marketing organization is run. This leads to wasted time, wasted dollars, and work being duplicated and doubted.

If you experience any of the following challenges, it may mean operational excellence should be a priority for you:

- No defined processes across MPM (planning, investment management, and measurement)
- No way to teach marketers how to use insights or the process to get meaningful data to make decisions
- Lack of communication and understanding of the end value of MPM

Gains

To reach the summit in any of the other four dimensions, your marketing leadership must ensure operational excellence is a priority within the organization. When done correctly, marketing becomes a high-functioning, well-trained, and well-enabled team. This dimension truly separates the best from the rest.

Business impact you might experience by maturing your operational excellence:

- Consistent processes within MPM that improve marketing efficiency
- Better data quality to base insights and decisions off of
- Shared training, best practices and enablement so there is consistency in how work is done and reported



MPM Maturity Assessment

Now it's time to assess yourself on your maturity across each dimension and determine where your priorities lie. When finished with this exercise, you will have created your own maturity playbook that prioritizes where you should focus your efforts to improve your marketing organization.

Instructions:

- 1** Download Allocadia's [Self-Guided Marketing Performance Management Maturity Workbook](#) (a PowerPoint deck that you can edit).
- 2** Review the dimensions overview and the maturity model so you are familiar with each dimension and the maturity stages.
- 3** For each dimension, rate your organization on a scale of 1–4, where 1 is low maturity and 4 is high maturity. On the same slide for each dimension, rate your priority as high, medium, or low in terms of how it aligns to your business and marketing goals. (See an example slide below in Figure 3).
- 4** Once you've assessed your maturity level and rated your priorities, fill out your full MPM Maturity scorecard (see an example below in Figure 4). Enter in your maturity ratings for each dimension and then, using your "high/medium/low" priority ratings, rank the dimensions 1–5 in order of highest to lowest priority.
- 5** To finish your scorecard, fill out success metrics or accomplishments for your top three priorities and enter a next step on how you will start to improve your maturity in these dimensions (Hint: reference our next section, [How to Improve Your MPM Maturity](#), for ideas).
- 6** Once you fill this out, contact us for a deeper assessment and an understanding of how we can focus your personalized success plan to help you mature across your MPM approach.



Dimension Maturity Score and Priority Self-Rating Example

Strategic Planning & Goal Alignment Overview

Communicate and publish a plan that represents your marketing organization's strategy and, most importantly, ensuring plan and goal alignment across the entire marketing organization

Summit (4)

- Marketing can quickly shift priorities, plans, and budget depending on current status and results.

Crest (3)

- Investment plans are linked to goals and strategy.
- Marketing can create scenarios around activities and budget.

Slope (2)

- Throughout the entire marketing organization plans and goals are connected to objectives, activities and budgets.

Basecamp (1)

- A set process around planning that spans beyond leadership exists.
- Goals are defined and communicated across the marketing organization.

Challenges (Pains)

- Unable to align plans and budgets to corporate or CMO strategy
- No way to set a strategic approach and connect goals throughout the marketing organization
- Marketers across the business are unsure of how their activities align to strategy

Business Impact (Gains)

- Regain 10-20% of budget by identifying wasted/redundant spend
- Save up to 40% of time throughout the planning process
- A published a strategy that aligns the entire marketing organization, creating more efficiency

Your Maturity Rating (1-4)

Enter Your Rating Here

Your Priority (High, Med, Low)

Enter Your Priority Here

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Figure 3. Example of a Dimension Maturity Score and Priority Self-Rating

MPM Maturity Scorecard Example

| Dimension | Our Priority | Our Maturity Level (1-4) | Success Metric/Accomplishment | Our Next Step |
|-------------------------------------|--------------|--------------------------|---|--|
| Strategic planning & goal alignment | 5 | 1.5 | N/A | N/A |
| Marketing Investment Management | 3 | 2.5 | Be able to track spend against 4 major global campaigns | Add "tags" to all spend to be able to pivot reports to track spend against campaigns |
| Marketing & Finance Alignment | 2 | 1.5 | Come within 1% of budget targets in Q3 and Q4 | All marketers update marketing spend forecast twice a month |
| Data Strategy and ROMI Approach | 1 | 1 | Set a baseline for ROI measurements by July | Define top 3 measurements for all marketing VPs |
| Operational Excellence | 4 | 2.5 | N/A | Set up monthly MPM enablement and training for all budget owners |

Figure 4. Example of MPM Maturity Scorecard



How to Improve Your MPM Maturity

Now that you have completed your Marketing Performance Management self-assessment, here are practical and proven best practices for maturing along each dimension.

TO MATURE YOUR

Strategic planning and goal alignment dimension

- ✔ Connect and align your marketing plans, budgets and activities with strategic objectives. This could be CMO objectives, global campaigns or corporate goals.
- ✔ Create a single process or system around plans to communicate goals and approach. This will allow all marketers in your organization to understand what is needed and why it's needed.
- ✔ Review plans and identify gaps and inconsistencies where activities and dollars are not aligned to a set strategy. Refine as needed to assure strategy is being executed.

TO MATURE YOUR

Marketing investment management dimension

- ✔ Automate financial data flows, such as purchase orders and actual reconciliation. This will simplify your marketing investment management approach and save time.
- ✔ On a weekly basis, update budget forecasts and actuals so your marketing organization has a clear understanding of where dollars have been allocated and are being allocated.
- ✔ Create views of your spend by journey stage, or CMO goal to show how dollars are supporting marketing's strategy.
- ✔ Connect the spend processes with systems like project management and campaign automation to create a closed loop marketing approach. This will increase efficiency and set your marketing organization up for a successful data strategy and ROMI approach.



TO MATURE YOUR

Marketing and finance alignment dimension

- ✔ Work directly with finance to align your marketing investment processes with finance processes. They do not need to match perfectly, but they must be complementary.
- ✔ Translate and align complex financial processes into a language that marketers speak. Teach your marketers about accruals, actual reconciliation, and General Ledger codes.
- ✔ Agree with finance on a level of data accuracy for marketing spend and work to understand how often finance needs updates. This will give them visibility into overall spend, show business alignment of marketing's spend, and the impact of the spend — ultimately increasing trust in your marketing organization.

TO MATURE YOUR

Data strategy and ROMI approach dimension

- ✔ Define key marketing measurements, what questions they are answering, and where the data will come from.
- ✔ Define a common and consistent data taxonomy across systems and teams (e.g., campaign vs program vs tactic).
- ✔ Create a unique identifier for every marketing activity to connect different systems and data points. This could be a SFDC campaign ID, an Allocadia ID, or something custom.
- ✔ Don't settle for a single measurement source — create multiple views of investment, plan, and ROMI measurements.

TO MATURE YOUR

Operational excellence dimension

- ✔ Define your MPM project team, project goals and success metrics.
- ✔ Define and document your planning and budgeting processes for the marketing organization.
- ✔ Identify and then enable power users and marketers on the MPM process. First, teach them the benefits of the work!
- ✔ Once you've completed the documentation and training, create a continuous training and enablement cadence around MPM.

¹ Top Ten Results From The CMO Survey — August 2019

² 2017–2018 Gartner Spend Survey Highlights Demand for Results

³ Gartner, CMO Spend Survey 2019— 2020

⁴ Harvard Business Review, **What 575 C-Level Executives Really Think About CMOs**

⁵ **Forrester**, Vendor Landscape: New Technologies Make B2B Marketing Performance Management A Reality, October 18, 2016

⁶ Nielsen, Three Things B2C Marketers Can Do To Build Better Budgets, August 23, 2018



Make Marketing a Growth Driver by Maturing in MPM

As with most marketing competencies, Marketing Performance Management is a never-ending progression involving multiple aspects of marketing. This MPM Maturity Model provides a framework to tackle that progress in a manageable and logical way. Using this model, you can identify your priorities and challenges, systematically mature your approach to MPM, gain confidence across the organization and be a true growth driver.

Along the way, you'll experience major breakthroughs, take steps forward (and even backward), and feel frustration. That said, take this challenge head-on and you will undoubtedly help your marketing organization become a high-performing one.

If you found this valuable, engage Allocadia to conduct a more in-depth assessment and guide you on further steps you can take to improve.

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allocadia.com

1.866.684.0935

