

Freedom Within a Framework:

A CMO's guide to the marketing operating model in the new digital normal

ZEE JAY DIGITAL

About this eBook

Marketing leaders must take a step back to overcome their struggles with the new normal, reconceiving both how marketing operates and how it engages customers. They must establish the context that will allow the freedom to rapidly adapt to changes in customer behavior and technology (“freedom within a framework”) to avoid disruption and creation of new silos as new capabilities emerge in today’s rapidly changing environment.

After reading this paper, you will have an understanding why marketers struggle to cope with changes in our new digital environment, and an approach to help you navigate improvements in your organization with a marketing operating model.

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In many industries, marketing is shifting from a secondary support service to a vital part of operations. Instead of just spreading awareness or seeding the marketplace for sales, marketers are now helping to create a high-value customer experience. But in order to handle this greater responsibility, marketing must become a consistent, process-driven corporate function like any other. It's time for companies to transform not just what they do for marketing, but how they do it.

As they overhaul their organization, however, marketing leaders face an added challenge. More than in most corporate functions, they must set up structures and processes with the agility to adapt to ongoing changes in customer behavior and technology. The goal is freedom within a framework, so the organization can evolve with the marketplace without losing its coherence and consistency.

The new normal

Digitization has given companies new ways to connect with customers and deliver goods and services. These interactions are so rich and personalized that companies can reach much further into customers' lives than before. We're seeing convergence everywhere: between mobile devices and personal computers, between B2B and B2C buying behaviors, and between customers' professional and personal lives.

That's great news for building brands with loyal customers and strong communities. The rub, however, is that customers have rising expectations for an integrated, multi-channel experience throughout the buying journey. They demand easily accessed, user-friendly, and insightful connections – and they're increasingly likely to dump a brand that falls short. The total customer experience is what will drive customer satisfaction and retention, more than the specifics of the product or service for sale.

That's good news for marketers looking for a higher profile in their companies. As steward of the brand, marketing is increasingly responsible for defining the overall customer experience and for managing the messages in each touchpoint and much of the needed technology. In a 2015 survey conducted by the Economist Intelligence Unit, only a third of marketers said they currently had this responsibility, but three-quarters expected to have it within five years. Similar numbers predicted their departments would be seen no longer as a cost center, but a revenue driver.

These developments are already evident with “ultra-connected” consumers who expect automated services with apps and who look for insights and entertainment from buying communities. These consumers are a driving force in promoting a seamless, omni-channel experience. On the B2B side, savvy buyers are no longer waiting passively until salespeople enlighten them with run-of-the-mill materials. Now they are scanning the web for solutions on their own – and they'll choose only from companies with an online presence that wins their respect. No longer able to control the buying funnel, sales teams increasingly depend on marketing both for qualified leads and for the high-quality content to stand out in a marketplace awash in information.

Marketing is
overwhelmed



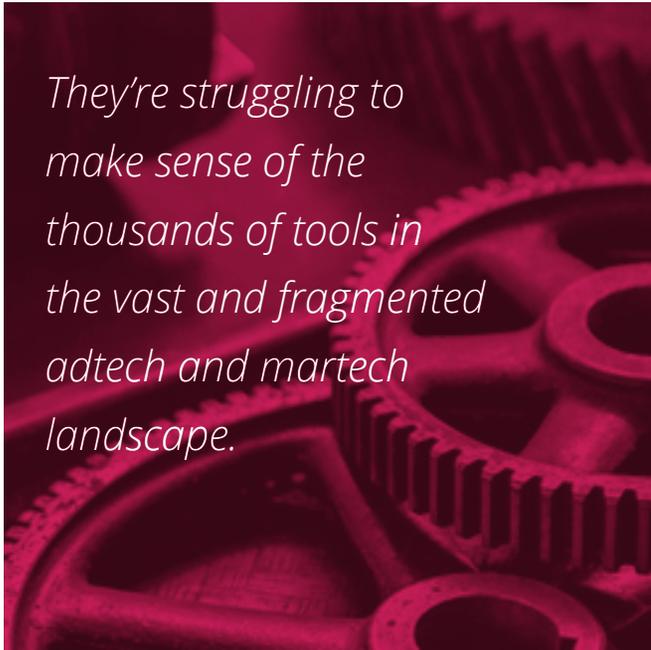
Marketing is overwhelmed

Marketing is poised for a golden future, but most departments are woefully unprepared. They still operate in silos, planning in a vacuum and pushing content through separate advertising and promotional channels. Too many brands perpetuate a transactional, reactive mindset that prevents them from collaborating and unifying customer contacts with sales—or linking to the rest of the organization. Marketers can't offer a coherent face to customers or develop content that represents the knowledge or essence of the whole company.

Many marketers are also still in the early stages of developing the skills and tools for digital connections, even around the most basic marketing automation capabilities. They're struggling to make sense of the thousands of tools in the vast and fragmented adtech and martech landscape. They're learning how to connect these tools to the company's CRM system – all while handling the flood of new data on customers and content. Few have set up formal planning processes to ensure that the proper content is ready when needed.

The usual advisors for marketing aren't much help either. Agencies have little interest or expertise in the operational end, while the big systems integrators have only a narrow view of customer engagement. The large consulting firms tend to be as siloed as the companies they serve, so they struggle to unite their pockets of knowledge and support a deep-seated transformation in a reasonable amount of time.

As a result, companies that do invest in stepped-up marketing functions too often simply bolt on new capabilities. The resulting mix of tools and systems usually work poorly together, so marketers can't plan, align and operate with confidence. They fail



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Marketers also need to change their fundamental organization. Only then will they be able to properly align themselves with their counterparts in sales and product areas.

to present a unified and reliable customer experience.

Individual industries are feeling their own pains. Retailers have been early adopters in expanding their marketing efforts, and their need for speed and scale has made them good candidates for this transformation. But for all their seeming sophistication and impressive front-ends, the rapid growth has led to more of the same for many firms. In place of a major change, many have simply automated older processes that do little to boost the customer experience in place of the needed sweeping change.

Financial services firms have also invested a good deal in marketing automation. They've succeeded in shifting from local, sales-driven leads to marketing-driven leads at scale. But their marketers have struggled to deliver on the promise of these tools, inhibited by line-of-business silos and their own limited digital skills.

Health care is shifting from B2B to direct-to-consumer outreach, so they're investing heavily in marketing. Their activities are steadily maturing, but most have yet to overhaul their content creation to work with their new distribution channels. And all of these efforts are slowed by the added burden of regulatory compliance.

Going back to the Economist survey mentioned earlier, the biggest gaps in marketing departments were in digital technology and skills. Most companies are doing little with the oceans of data coming in through social networks and older channels such as email. But 38% of respondents had broader concerns and said they needed to ramp up their capabilities in strategy and planning. More important, a whopping 80% wanted to change the structure and design of their marketing organization within five years, to meet the needs of their business.

Digital tools alone are not enough. Marketers also need to change their fundamental organization. Only then will they be able to properly align themselves with their counterparts in sales and product areas. Only then will they be able to generate and re-use marketing content, integrate existing outreach with social media, and raise the return on investment in marketing technology.



The prize

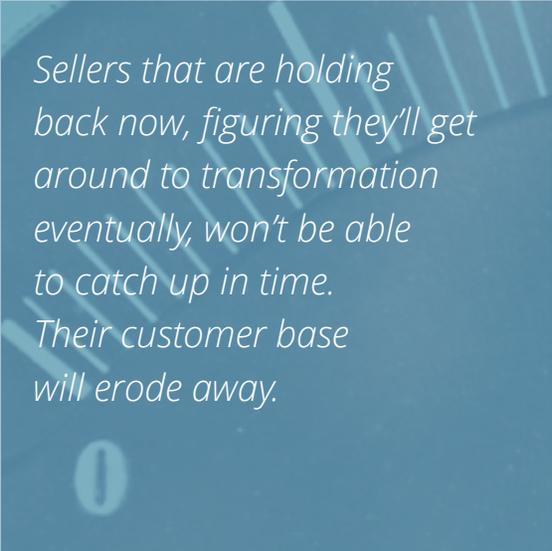
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The prize

With most companies struggling to transform their marketing, shortcomings aren't so glaring right now. Ultra-connected customers may get irritated that every buying relationship isn't as seamless and entertaining as buying shoes from Nike, or attending Salesforce.com's Dreamforce. But over time, more companies will overcome the challenges and deliver a solid customer experience. Sellers that are holding back now, figuring they'll get around to transformation eventually, won't be able to catch up in time. Their customer base will erode away.

More than a threat, though, digitization is also an opportunity. Up to now, marketing has always been a pretty indirect business. They invested in a brand, hoped to create awareness, and looked for signs that you had an impact. In most cases you couldn't show hard numbers. So when expenses had to be cut, marketing was an easy target.

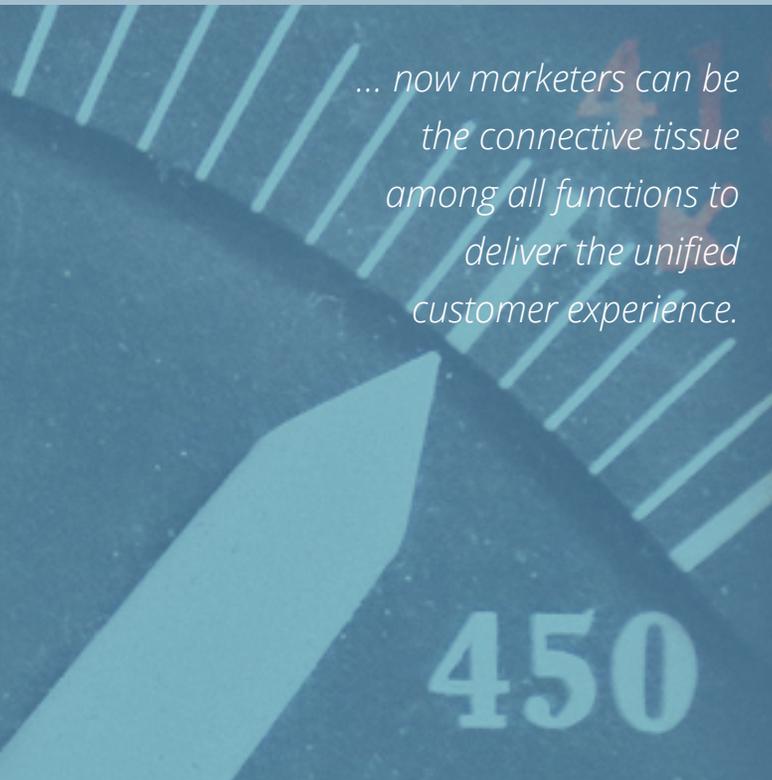
Now, marketing is getting a direct connection to customers. You lead people on journeys that will steadily enrich their lives. You aren't just making people aware of products and services. You're actually increasing the total value that buyers receive from those interactions, because their experiences are a key part of that value. Already in 2014, a survey by McKinsey suggested that customer satisfaction in a cross-section of industries correlated 30 to 40 percent more with the overall journey than with performance on individual touchpoints such as product quality. As for business outcomes such as higher revenue, repeat purchase, lower customer churn, and positive word of mouth, these were 20 to 30% more strongly correlated with the overall journey.



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At Zee Jay Digital, we believe that customers are looking for brands that offer a clear and consistent experience, one that overcomes the fragmentation and complexity of new technologies and channels. Marketers that deliver on these goals will not only gain loyalty, but also gain a two-way communication path that drives innovation in the products and services themselves. Digitally savvy brands can also provide platforms of mutual support for dispersed communities of users. Together these advances mean that digitization isn't just one more challenge for brands to help with. It's a major step in realizing the potential of brands.

Marketers have always been the custodians of brands. But now marketers can be the connective tissue among all functions to deliver the unified customer experience. Eventually we probably won't even speak much of marketing per se. Instead we'll talk about customer experience management, and it will have a central role in corporate success.



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How to get there



How to get there



The marketing operating model is not about the organization of people or technology, but is a framework for developing the key capabilities for delivering that experience.

Marketing transformation has to start not with the technology, or even the organization, but with the company's business model and customer experience. Sometimes digitization can seem like an independent force, gradually reshaping our environments and relationships. But within a company, delivering on digital requires a lot of advance work – especially to handle the convergence of channels, purchasing, and lifestyles. Without well-thought-out processes, supported by the larger organization, digital customer journeys become hopelessly complex and inefficient. Marketing content isn't generated or repurposed, or delivered when it has the most relevance. Customers don't steadily progress in the buying and post-buying cycle. They won't be satisfied with the social media flavor of the day, when they know of competitors with a more reliable experience.

Accordingly, marketers need to take a step back to formally define their role and authority in the company. From the business model, the desired customer experience will shape the operating model for the marketing department. The marketing operating model is not about the organization of people or technology, but is a framework for developing the key capabilities for delivering that experience. It defines the foundational structure within which marketers can rapidly adapt to changes in customer behavior and technology, permitting marketing leaders to adjust their organization and technologies without major disruption.

The operating model should be designed without regard to traditional functional groupings, which have little to do with how customers truly interact with brands nowadays. Separate silos for advertising, merchandising, sales, and store operations will hinder the all-important integration necessary for a unified experience. What matters is how well the operating model addresses the elements of the customer experience, including all of the tactics, messaging, calls to action, incentives, and other ways the brand will interact with customers.

Only after putting forth the operating model can marketers generate the organizational structures and technologies to deliver the intended experience. Up to now, few marketers have

thought through their brand's operating model and how well it connects to their target customers. Politically and budgetarily, it's much easier for marketers to build incrementally, working with existing structures and roles. But a decade into the adtech and martech soup, we've learned that's an expensive path for bolstering the status quo. *Figure 1* describes the top down path of marketing transformation.

While operating models will vary enormously across industries and even among companies, depending on their strategies for attracting and segmenting customers, they should all address these questions:

What capabilities does marketing need in order to serve the touchpoints? How does marketing work with other functions to secure and coordinate the resources needed for these capabilities? What capabilities can be outsourced? In serving the touchpoints, which marketing teams need to be governed by clear rules, and which teams need the flexibility to operate independently? What is the marketing global footprint? Where is the company's digital footprint moving, from local to global?

Often represented with a graphical depiction of capabilities, the operating model states the scope of marketing's activities to be carried out by teams at headquarters and elsewhere. It is a shared blueprint of record for the capabilities that, when enabled by process and technology, will deliver the intended customer experience. And with this capability view, marketing will have the freedom to change incrementally over time as the environment changes.

Figures 2a and 2b illustrate basic operating model capabilities and sub-capabilities.

Once these capabilities and sub-capabilities are specified, marketing can design planning processes to create the necessary content strategies and other ingredients. It can define the key planning inputs and milestones, along with structures and tools for collaboration across teams. Insights need to be synthesized and incorporated in workflows. From there, planning should lead to clean and accountable handoffs with the creative teams and production, with oversight to

Figure 1
Marketing Transformation
Methodology, and Prerequisites
to Successful Implementation

Top down approach to transformation links the customer experience to the marketing team members and technology needed to deliver it. Thoughtful approach to change requires marketing leaders and their analysts to progress through myriad of deliverables to define the digital future state. Once marketing, and its adjacent functions, are transformed and recast into a more holistic framework, only then can incremental change result in substantive and sustainable improvement.

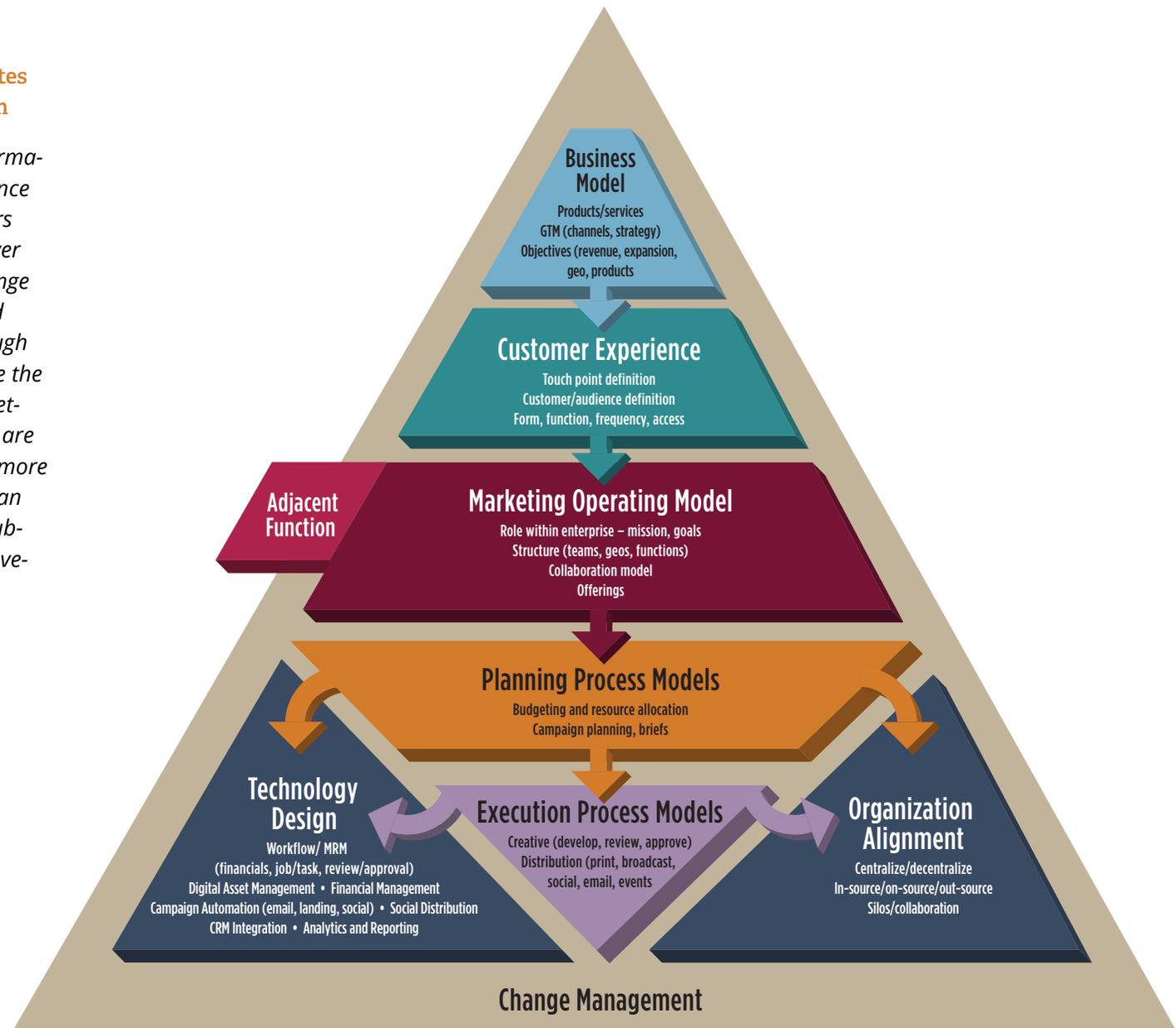


Figure 2a - Operating Model Capabilities

Marketing does not exist in a vacuum – it exists among adjacent functions and the outside world of competitors, influencers and buyers. The marketing operating model puts both internal and external elements in context, and identifies the capabilities needed to fulfill its role in a company.

As illustrated here, the operating model shows that marketing is (1) at the intersection of the environment and key management decision making.

(2) Through various engagement and operational elements, marketing interacts with outside world and manages the customer experience.

(3) The operating model is defined with specific design elements, which in turn, (4) align technology to the operating model.

Zee Jay Digital's transformation methodology addresses each of these design elements. How each company casts these capabilities will be different. See Page 19 for case study.

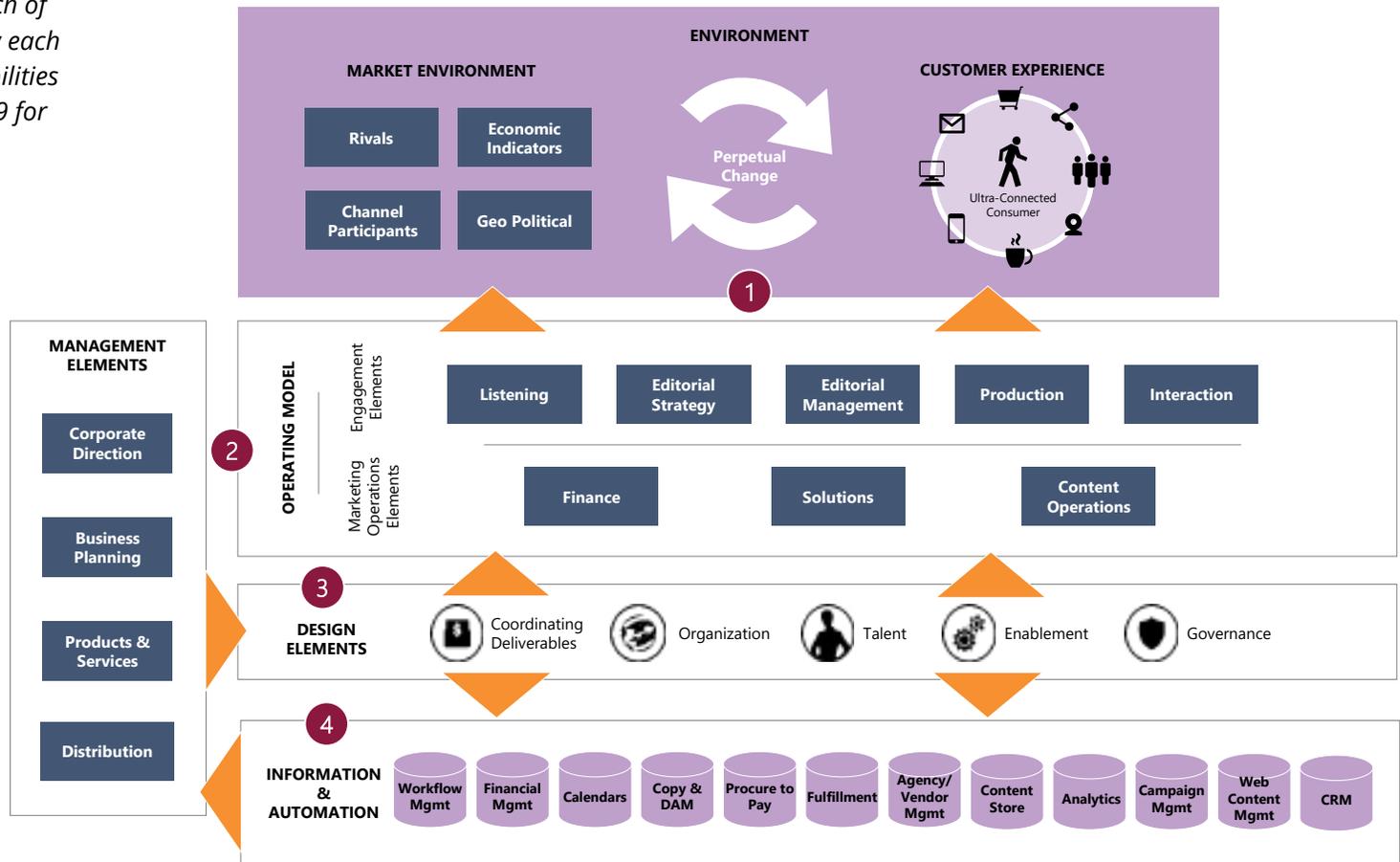
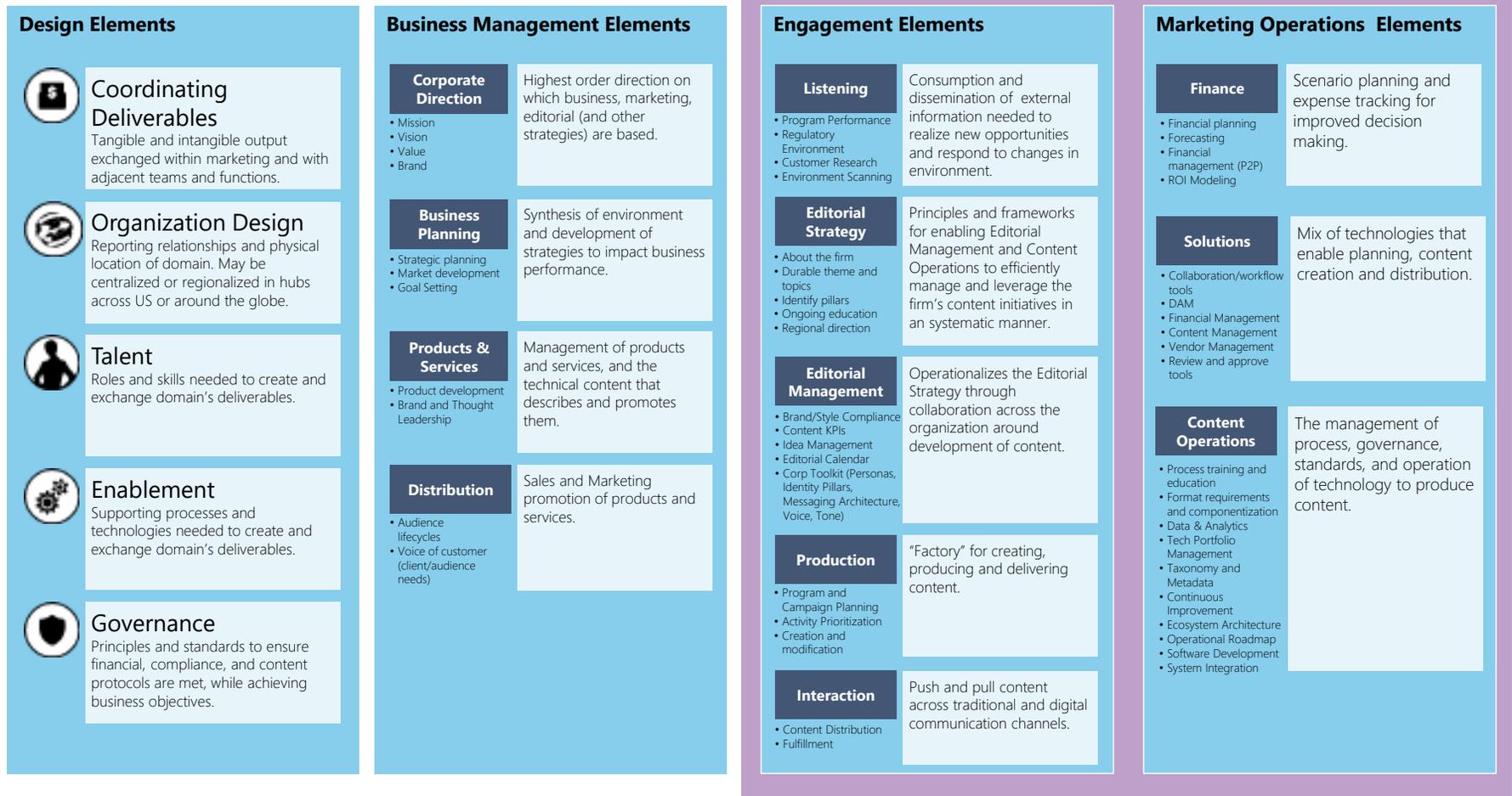


Figure 2b – Definitions and Sub-Capabilities





A major challenge is to connect marketing's back end – the customer databases, brand assets, project and financial management – with the front end of marketing automation, web content management, social listening, and other tools.

ensure that the work supports the marketing leadership's goals.

These processes need to specify the contributions of colleagues outside of marketing, especially in providing the rich marketing content needed for distinctive messages. Making that work will require some negotiation and expectation-setting, to ensure ongoing cooperation.

Marketers will need to formalize processes, but they should be wary of process engineering such as Lean and Six Sigma, at least for many of the creation and production processes. That can work well for repetitive, predictable processes such as basic content production, but their use in upstream campaign planning and content ideation should not drive process design. Both on the planning side and in execution, marketing will always rely on non-linear creativity and collaboration. A tight-loose-tight approach is best, where output aligns to leadership's goals, teams are freed to generate innovative and creative output with minimal structure, and then output is executed efficiently across the touchpoints.

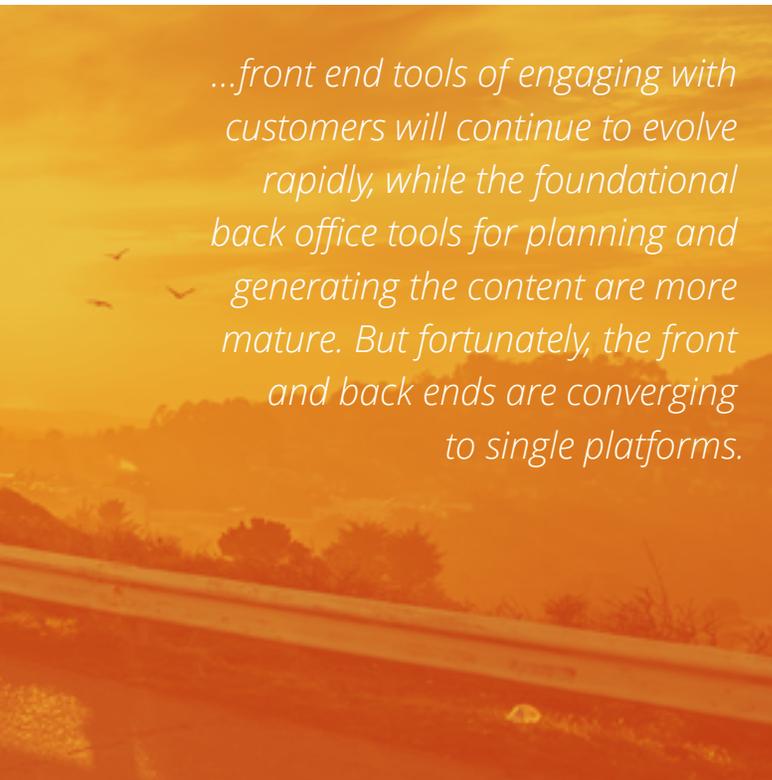
Only with the underlying processes in hand should marketers assess their teams and design the actual organization that can best deliver on the operating model. That includes reporting relationships, decisions on hiring and training, what to outsource, and how much autonomy to grant each team. A key challenge is to resist the mindset to cluster the activities into traditional silos.

From there, marketers can design technology. A major challenge is to connect marketing's back end – the customer databases, brand assets, project and financial management – with the front end of marketing automation, web content management, social listening, and other tools. The front end of marketing technology tends to receive the lion's share of investment and prestige, but that disparity gets in the way of integrating the two ends to ensure a smooth delivery. In the finely tuned, low-tolerance digital age, marketing is only as effective as its capabilities act in concert.

Content may be king, but the back end is essential to delivering the content where and when it packs the most value.

Also important is to link the marketing technology with the overall enterprise technology as managed by corporate IT. Instead of a dispersed collection of tools working in pockets, marketers need to think of a dynamic ecosystem of information.

Looking ahead, the front end tools of engaging with customers will continue to evolve rapidly, while the foundational back office tools for planning and generating the content are more mature. But fortunately, the front and back ends are converging to single platforms. The key, here and throughout, is to structure the technology around the main processes for delivering a good customer experience, not around the traditional organizational roles.



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Case Study:
From a
Whitepaper to a
Campaign

Case Study: From a Whitepaper to a Campaign

Let's see how these ideas play out in an actual company, still progressing through their transformation. A large, global financial services firm was struggling to connect better with customers.

In the increasingly competitive market for investment perspectives with rich and timely content, investment experts come up with ideas that would eventually get communicated to institutional and retail buyers. But there was no structure for getting it done; content was largely ad hoc and single purposed, and did not necessarily reflect the broader view of the firm. The expert would draft a white paper, and eventually marketing would become aware of the paper and try to adapt for dissemination to various customer groups, many of whom would find it irrelevant.

In our discussions with the firm, it became clear that they would benefit from a more holistic approach, linking critical members of the firm's content supply chain to investment experts. Instead of reacting to individual whitepapers, marketing would be much more effective by establishing durable editorial pillars and coordinating tools and resources. By elevating single purposed content to broad, multi-channel campaigns, buyer experiences would be improved and resources could scale. See *Figure 3* for content operating model illustration, and see *Table 1* for how managers in this financial services firm bring the new content operating model to life.

Let's say customers are increasingly interested in saving efficiently for college. A team could work with the investment experts on a series of pieces on 529 plans and how these relate to traditional savings plans, and how to choose among the firm's various options. The campaign would represent a big upfront investment with thoughtful planning, but the payoff wouldn't just be more content to work with. It would involve the foundation for ensuring a steady stream of content, with minimal duplication, executing the messaging that marketing has designed from listening to customers. Marketing in turn would develop its own internal authorities, standards, processes, etc. for repurposing the content according to the needs, preferences and abilities of the different customer segments.

Figure 3 – Case Study: Financial Services Content Operating Model

In one content marketing example, (1) Investments leaders listen to the environment and formulate content ideas. Then, (2) coordinating capabilities across Editorial Strategy, Editorial Management, and Marketing Operations bring content to life in a way that feeds the (3) Content Planning and Creation Factory.

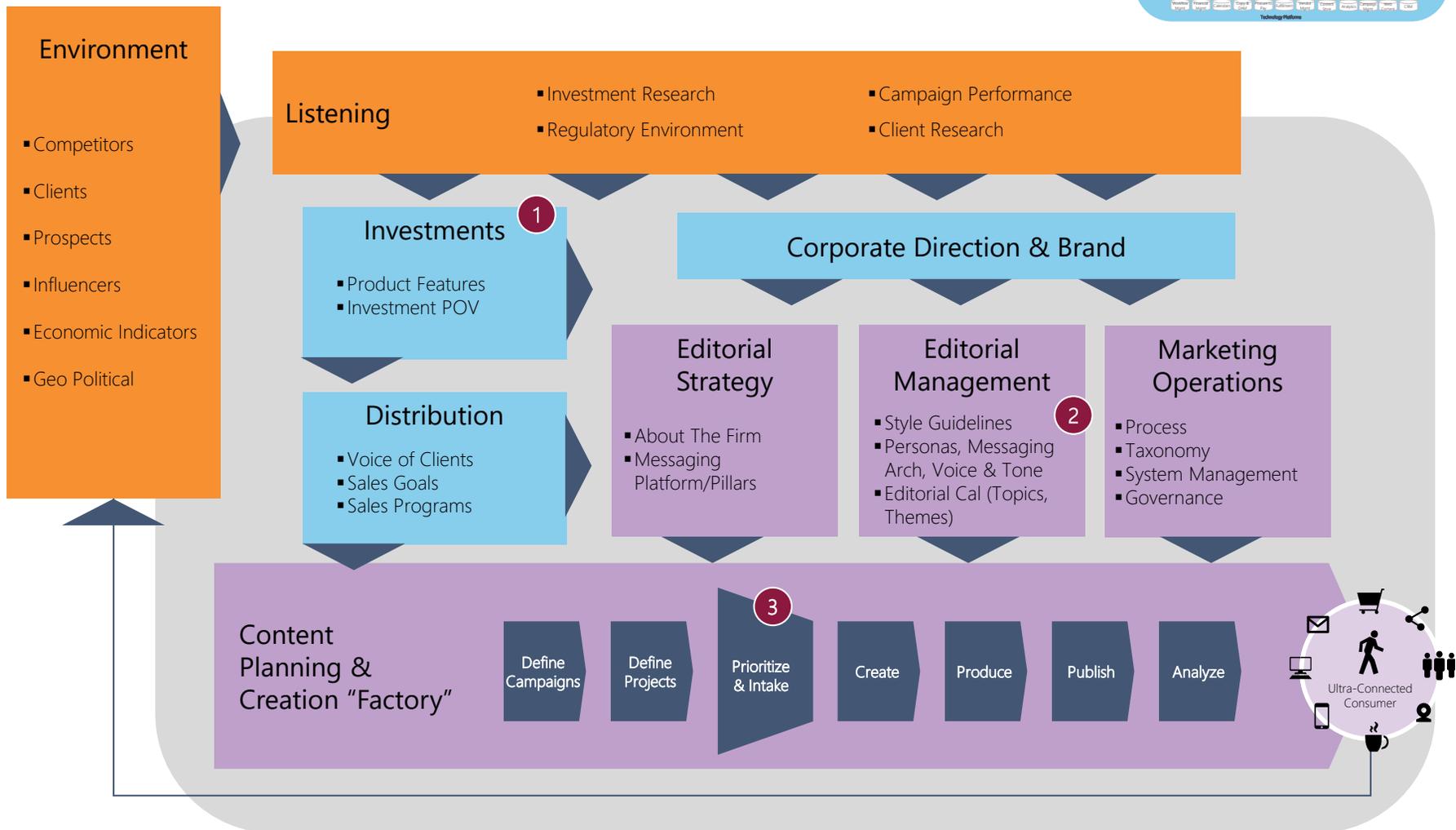
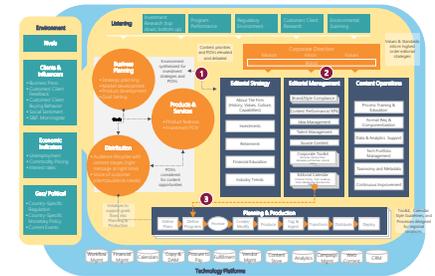


Table 1: Design Elements Bring the Operating Model to Life

With the new content operating model, managers now have the unifying blueprint to align decisions, tools, frameworks, skills (and more) to improve the planning and creation of content, no matter if sitting in corporate headquarters or distributed around the world.

Table 1 continued on next page

DESIGN ELEMENTS	OPERATING MODEL ELEMENTS				
	Listening	Editorial Strategy	Editorial Management	Content Operations	Planning & Production
 Deliverables	<ul style="list-style-type: none"> Enterprise learning calendars Formalized feedback loops Documentation of shared and leverageable research 	<ul style="list-style-type: none"> Topic agreement and focus/alignment: Investment, Retirement, Education, Trends Guiding principles/ guide posts to better leverage content 	<ul style="list-style-type: none"> KPI framework Editorial toolkit: Personas, Tone & Voice, Identity pillars, Messaging architecture Editorial calendar Writer and Investment talent skills inventory 	<ul style="list-style-type: none"> Information standards, taxonomy, metadata Training materials Technology roadmap Content performance reporting 	<ul style="list-style-type: none"> Initiative Plans, Briefs, etc. Activities (Email, Direct Mail, Print etc.) Initiative status reports
 Org Design	<p>Cross functional forums:</p> <ul style="list-style-type: none"> Internal participants include: Investment, Distribution, Corporate Marketing etc. and will be dependent on topic External participants include key agencies and research vendors 	<ul style="list-style-type: none"> Centralized direction, decentralized implementation Oriented by topic, audience Span of control is all regions 	<ul style="list-style-type: none"> Centralized Oriented by topic, audience Align by discretionary, non-discretionary Span of control across all regions 	<ul style="list-style-type: none"> Centralize capabilities related to common processes, technologies and standards Decentralize capabilities related to distinct BU audiences or regions Supports business unit marketing operations 	<ul style="list-style-type: none"> Oriented to support enterprise content production needs. Global hubs with roles requiring local knowledge, resources or impact response times
 Talent	<ul style="list-style-type: none"> Forum leader(s) Skills needed for each capability: <ul style="list-style-type: none"> Investment research Sales and marketing program performance Regulatory changes, client/customer research Environmental research, etc. 	<ul style="list-style-type: none"> Editor-in-Chief, responsible for implementing overall content strategy and points of view Deliberate audience and topic expertise/specialization Writing for specific output types Writers closer to the subject matter 	<ul style="list-style-type: none"> Managing Editor, responsible for day to day application of content Writers close to subject matter Writers staffed for planned volumes Talent model founded on audience, topic and format expertise 	<ul style="list-style-type: none"> New roles: <ul style="list-style-type: none"> Content Librarian Content Technologist Potential impact to current state roles: <ul style="list-style-type: none"> Web content management specialists Marketing Operations 	<ul style="list-style-type: none"> Context for agency and vendor management engagement Context for turnkey outsourcing Agency and Vendor Managers Org alignment by discretionary and non-discretionary work

Table 1: Design Elements Bring the Operating Model to Life

Continued from previous page

DESIGN ELEMENTS	OPERATING MODEL ELEMENTS				
	Listening	Editorial Strategy	Editorial Management	Content Operations	Planning & Production
 <p>Enablement</p>	<p>Process</p> <ul style="list-style-type: none"> Insights and learnings embedded in end to end process: Periodic meeting of “listeners” across firm Learnings from individual clients assimilated across the firm for broader application 	<p>Process</p> <ul style="list-style-type: none"> Contributes to Business Planning Guide Editorial Management Review of topic area content Removes ambiguity of decision making 	<p>Process</p> <ul style="list-style-type: none"> Integral in mid-range planning for enterprise calendar views Key tasks in Planning & Prod to apply best content Continually evolve tool kit components Hold frequent Editorial Calendar reviews 	<p>Process</p> <ul style="list-style-type: none"> Tasks to ensure proper metadata applied through content creation process Decommissions content upon expiration In-market, post-market content performance reporting 	<p>Process</p> <ul style="list-style-type: none"> Content creation pushed to where subject matter is Designed for componentization: Assets, Data, Activities, etc. Basis for technology and org design requirements
	<p>Technology</p> <ul style="list-style-type: none"> Social listening tools Knowledge Management tools Collaboration tools Metadata management tools 	<p>Technology</p> <ul style="list-style-type: none"> Knowledge Management tools Collaboration tools Access to licensed industry information 	<p>Technology</p> <ul style="list-style-type: none"> Workflow Calendaring Knowledge Management tools Collaboration tools Tactical performance reporting Authoring tools 	<p>Technology</p> <ul style="list-style-type: none"> Workflow Management Calendaring Copy Management & DAM Agency and Vendor Management Web content Management 	<p>Technology</p> <ul style="list-style-type: none"> Workflow Financial Management Calendaring Copy Management & DAM Procure to Pay Fulfilment Vendor Management Campaign Management Web content Management
 <p>Governance</p>	<ul style="list-style-type: none"> Monitors formal research for adherence to standards, where appropriate Ensures content initiatives are substantiated in learnings and insights 	<ul style="list-style-type: none"> Monitors Business Planning and programming to ensure editorial alignment Monitors Editorial Management deliverables to ensure alignment Review of focus area content generated for Content Planning & Production 	<ul style="list-style-type: none"> Monitors content needs via calendaring Monitors messaging Ensures writing skills/expertise aligned with audience, topic and volumes 	<ul style="list-style-type: none"> Responsible for taxonomy and metadata Monitors content/taxonomy/metadata standards Monitors for content expiration 	<ul style="list-style-type: none"> Various types of governance embedded in process, i.e., alignment, financial, compliance, brand Activity triage at intake

Having done this work, marketing is now starting to talk to the investment experts on the operating side of the business. Early indications are that these content creators are showing interest and some willingness to step up their writing, with some coordination with Marketing. They'll never agree to write on demand, of course. But with Marketing moving from a reactive to active mode, and working to give their writings much greater impact in the marketplace, these experts are likely to do more. All the upfront investment in the operating model will pay off with much more effective content marketing.

Marketing is now assembling the resources, internal and outsourced, to carry out these activities for all types of content: long tail campaigns, timely response to market events and changes in governmental regulations, and others. Multi-dimensional editorial calendars, thoughtful briefs and well-placed authority keep the content flowing to customers.

With the model now set, here's where marketing technology is assessed and redeployed to enable the more holistic view of how content is created across the firm and delivered to buyers. And while the large, complex global firm will remain decentralized in many ways, optimum placement of team members who participate in content creation are being reorganized to sit closer to where their action is, rather than multiple layers of shared services. No matter where a team member sits around the world, he or she now has the contextual operating model to know how content comes to life, and can work and within the framework of the larger firm.

The will to
transform



The will to transform

Most companies in competitive markets are coming around to embracing the digital revolution. Marketing budgets are expanding and new technology is flowing in. But that's only half the battle, and not the opening salvo. Making those technologies work effectively requires changes in authority over customer interactions that will meet direct and indirect resistance throughout the organization. Marketing executives may control the brand, but only the CEO can lead the full digital transformation.

As with any other transformation, marketing leaders will need skills in change management. The only way to realize the full potential of the digital age, both for customer value and for marketing's elevation, is to rethink and restructure much of what marketing currently does. What's needed most is not a bigger technology budget, but the leadership's will to transform.



About the Author



Eric Rotkow is co-founder and Managing Director of Zee Jay Digital. Eric works with marketing leaders to bring forward new operational and management approaches that elevate tech-led change to harness the convergence of process and communication to improve engagement — and win relationships.

Prior to Zee Jay Digital, Eric led marketing operations practices at prominent global consulting and software development firms. He has extensive agency-side experience in many marketing disciplines including agency management, customer research, omnichannel communication programs, social media, and brand development.