

MARKETING VALUE MANAGEMENT: PROCESS AND METHODOLOGY OPTIMIZATION

How can IT and marketing departments jointly increase business productivity and strengthen high-value areas? The response lies in a strategic approach involving an integrated vision of all activities related to analysis, evaluation, planning and budgeting of marketing. Marketing Value Management provides a methodology that permits appropriate and targeted budget cuts, and at the same time preserves and adds value to the areas of highest business profitability.

THE SCENARIO

During periods of economic crisis companies make significant budget cuts, almost always using proportional criteria and rarely considering the value added to the customer base. In such conditions, downsizing and cutting programs in the IT and marketing departments is not unusual, even though these departments can potentially provide the positive leverage needed to add value to the business during market downturns. One example of this could be the possibility of implementing and managing efficient marketing policies that identify and consolidate relations with profitable clientele.

MARKETING VALUE MANAGEMENT

The Marketing Value Management provides a set of processes and methodologies for the development of a company's capacity to coordinate and optimize the use of marketing resources. In particular, it consists of the integration of various components that can: i) monitor the internal and external performance of marketing, ii) optimize the marketing mix to improve the ROI of marketing programs and campaigns, iii) concentrate resources to improve the efficiency of Lead Management and Retention Management, iv) ensure the sharing of knowledge and expertise. As these issues are

closely related, it is necessary to apply a top-down approach that takes into account the reciprocal impacts of processes and performance.

Since the primary objective is to increase efficiency and allocate the proper budget, Marketing Value Management involves the construction of a management control system based on monitoring marketing areas such as ROI for programs and campaigns, providing a internal efficiency dashboard (financial, allocation of resources, ROI for campaigns and programs, etc.). In order to reach this objective, it is essential for marketing to have access to a set of methodologies and models that can continually monitor the company's position and performance in the market. This means the availability of a market performance dashboard, structured competitive/market analysis, data mining models, simulations and scenario analysis. This complex mix of processes and methodologies forms the management cockpit that enables proper resource planning and the ability to react to adverse market developments.

In periods of economic and market crisis, knowing how to manage Lead and Retention processes is essential to increasing the opportunity-to-business conversion rate while at the same time achieving the highest level of customer loyalty from the highest-value segments. The key element of MVM therefore is the ability to identify which segments of the clientele to focus on to strengthen the company's business. This requires optimizing all processes and models that contribute to the efficiency of Lead Management and Retention Management and strengthening all components related to Customer Knowledge and Customer Value Analysis. This also enables the assignment of priorities (and therefore resource allocation criteria) to various leads, and the identification of the clientele on which the retention policies should focus (with criteria that balances retention costs and profitability). Another important element is a model that permits identification of clientele churn mechanisms and provides alerts well in advance when in the presence of churn triggers.

Structuring Customer Value Management processes and models also involves reaching a level of knowledge and marketing resource distribution that optimizes costs and accelerates analytical and decision-making processes. This means the availability of Digital Asset Management methodologies, of resources for the search and customization of marketing programs and initiatives, of a repository for the sharing of information about work teams, successful programs, and the use of assets and content, and of collaborative platforms such as chat, blogs, wikis, etc.

Other areas subject to Marketing Value Management are, for example, Online Marketing, Creative Production Management and, in general, any company area which has an impact on marketing processes and budget.



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