



January 2005 Issue

Read all about the first annual CMO of the Year Award and what makes a great CMO.

Editor's Cut

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Editor's Cut



Happy New Year to all and welcome to the second year of *Marketing Magnified*, the CMO Council's official online voice for its CMO membership. The next 12 months will see U.S. membership rising above 1,000, a European chapter, continued emphasis on the MPM initiative, and many new programs that will further enhance the CMO Council's reputation as the technology industry's thought leadership organization.

To help guide the further development of CMOC editorial content, including this publication, Scott Van Camp, currently senior editor at *BrandWeek* and most recently managing editor of *Technology Marketing*, will join the CMOC as editorial director in February. Scott previously held positions at Hachette Filipacchi Magazines and Times Mirror Magazines. He has been reporting on technology marketing since 2000 and is well known in the technology community.

With MM in extremely good hands, I will be focusing all of my energies on my brand optimization consultancy and MPM Insights, the new consultancy developed to provide Marketing Performance Measurement planning and implementation services to technology companies.

I've very much enjoyed our marketing conversations from our first issue in December 2003 to this current January issue. Our primary objective has been to present information and ideas that make your brain itch and result in new perspectives on how marketing within technology companies is done. If we have helped a few of you improve your processes and programs, we have done our job.

As we say in my town, muchas gracias for your readership and interest this past 14 months. Hasta luego amigos/amigas.

Marketing Magnified's managing editor is Robert Nelson, a brand optimization consultant based in Puerto Vallarta, Mexico. He is also a partner with MPM Insights, a Marketing Performance Measurement (MPM) consultancy. He can be reached at: nelsonbranding@pvnet.com.mx or <http://www.nelsonbranding.com>.

CMO of the Year Winners Give Insights and Perspectives

Last month, the CMO Council held its first annual CMO of the Year Awards ceremony at the Computer History Museum in Silicon Valley, honoring three of technology's top marketers for their accomplishments in 2004. The recipients, recognized for excellence by their peers on the CMO Council, all lead significant global marketing organizations for three of the industry's most powerful brands.

Based on an online ballot of 1,000 CMO Council members, the 2004 CMO of the Year award winners were Jonathan Rosenberg of Google in the Business Value Creation and Growth category, Martin Homlish of SAP in the Continual Momentum Building category, and Allison Johnson of HP in the Transformation and Uplift category.

Marketing Magnified recently caught up with all three of the award winners to get their perspectives about their accomplishments in 2004 and the challenges and priorities in the year ahead. Based on their responses, none of these marketers expects to rest on their laurels in 2005. We're sure you'll be interested in what they have to say.

Martin Homlish, CMO, SAP

What do you consider to be your most important marketing accomplishment in 2004?

2004 has truly been a great year for us at SAP. I am particularly proud of the many innovative sales tools and lead generation efforts which are proving their value. We have had tremendous success with our own CRM system – this has continued to help us in gaining visibility and improving the overall efficiency and effectiveness of our marketing investment. In addition, in 2004 we launched an internal tool world-wide – called the Sales and Marketing Intranet. This is truly one of our secret weapons – it allows all marketing and sales personnel instant access and leverages all marketing assets to help drive lead generation and sales acceleration.

How credible and influential is the marketing function in your organization?

Marketing is a welcomed partner in every aspect of our business. This is one of those key reasons for the ongoing success of SAP. In our industry – there is always a healthy “competition” amongst development and sales, sales and marketing, marketing and development, etc.; at SAP marketing we recognize this – and leverage it. Marketing is the “go-to” organization for market insight and message clarity.

How are you evidencing ROI and business value from marketing spending?

This is always a challenge for an organization. We need to be able to measure ROI - and I consider this one of the most important areas – however, we also must maintain a careful balance so we don't squeeze out creativity. At SAP – we have a marketing dashboard which looks at four main areas: brand, sales enablement, lead generation and budget. Under these sections we have several metrics looking at both adoption and impact.

What are the top three challenges in managing a global technology marketing organization?

- Focused Messaging – this is not unique to technology, but rather global companies...it's important not to clutter the market.
- Adaptable Programs – the toughest part of developing global campaigns is not translating the “technical speak” into easily understood concepts; but rather creating programs that are adaptable to local markets and drive compelling insight and sales motivation.
- Continuous Insight– we are always looking for insight. For me – insight is a key driver in the creation of foresight and the ability to preempt the competition.

What functional areas and responsibilities should be consolidated in the office of the CMO?

This goes back to finding the proper balance of effectiveness and efficiency. Generally speaking, as you consolidate activity and responsibilities globally you can increase efficiencies. At SAP we have had a lot of success with things like advertising, branding, market strategy and competitive analysis.

Centralizing can have great benefits – just be careful that you are not sacrificing effectiveness. At SAP we are always looking for ways to manage this balance.

What are your critical areas of marketing focus and organizational development in 2005?

This is SAP's "Time." SAP is a great place to be...we are poised for growth as we look to 2005. It is hard to deny our momentum. In marketing we will be continuing to look for ways to add value. The "Top Three" for 2005 for me would be:

- Messaging - We are evolving our messaging to see how we can reach a more targeted audience by market size and/or industry;
- Effectiveness – We are developing regional centers of excellence to further syndicate and adapt global resources to local needs; and
- Market Insight – A key to our continued growth is understanding the competitive environment more than our competition – we have a world-class competitive intelligence team...and we will rely on them even more in 200

Jonathan Rosenberg, CMO, Google

What do you consider to be your most important marketing accomplishments in 2004?

When I look back at 2004, I'm proud of the scope, quantity, and intensity of innovation that came out of Google.

For starters, we defined a new advertising category (contextual advertising), launched breakthrough new email (GMail) and search (Desktop Search, Google Print, Google Scholar) products, and along the way iterated like crazy to improve our core consumer, advertiser, and publisher products. So, on one hand, the sheer breadth of what we did, the speed and impact of our innovation, mattered a lot.

But what I think is even more important is *how* we launched and marketed these products and services.

- Even though we became a pretty good-sized company this year, we retained our user-sensitive, respectful, and modest marketing posture. We let products and innovation speak for themselves.
- We insisted on highly relevant and high-return marketing. We engage users with long beta and testing periods. And we let our own products and platforms carry most of the weight of our outbound communication and marketing.
- Simply put, we continued to act like a scrappy, highly disciplined marketing organization that's steeped in respect for its users, even as we became one of the world's best-known brands. Perhaps there's a relationship between the two concepts.

How credible and influential is the marketing function in your organization?

Google is the market and innovation leader in a young, tremendously promising category. So our job as Google marketers is two-fold:

- First and foremost, we need to innovate with tremendous speed: We need to be the new products leader in a new products category. We need to work hard to define new ways of using the Internet, and deliver the unexpected. We have to embrace raw innovation.
- At the same time, however, we need to bring our customers forward and meet their needs with product iterations and improvements. Striking this fine balance-leading the

customer and setting new parameters for their expectations, while at the same time, meeting their expectations and responding to their needs-is what gives Marketing its influence at Google.

Of course we have a bias for innovation and always will. But our ability to turn all this creative technical talent into something that can modulate between breakthroughs and baby steps that improve people's lives is at the core of the brand.

Which is a long way of saying: *Our influence derives from our ability to synthesize the advocacy of customers and speedy innovation.*

On a more basic level, but just as important, we are sticklers for marketing accountability. So the fact that 80% of our marketing spend is trackable gives us credibility, too.

How are you evidencing ROI and business value from marketing spend?

Generally speaking, we use cost/acquisition and lifetime value metrics as the core elements of our ROI model, and always aim for at least a 4x ROI on marketing spend. We're happy to report that nearly all of our 2004 campaigns crossed the 4x bar.

What are the top three challenges in managing a global technology marketing organization?

- Leading with innovation while meeting customer needs
- Building efficient, scalable marketing programs that can be leveraged globally
- Continuing to recruit the very best talent

What functional areas and responsibilities should be consolidated in the office of the CMO?

- Product Marketing
- Field Marketing
- Creative Services and Agency Management
- Market Research
- Marketing Communications

What are your critical areas of marketing focus and organizational development in 2005?

- Keeping the new product and innovation train running at top speed
- Developing the Google brand and presence in emerging markets
- Improved usage among existing customers
- Even higher percent of trackable marketing activity
- Marketing Decision Support systems

Allison Johnson, CMO, Hewlett Packard

What do you consider to be your most important marketing accomplishments in 2004?

First, we made excellent progress rolling out our brand campaign and establishing a single, powerful brand voice for HP around the world. I'm particularly proud of the work the regional marketing teams have done adapting the campaign to their local markets.

Second, we've made demonstrable progress proving the power of innovating around customer experiences. The Starbucks Hear Music initiative is a great example of this. Here we partnered with Starbucks to create new and valued consumer experiences that drive revenue and loyalty for Starbucks and HP. In this case, we made it possible to explore music and create customized CDs while sipping lattes. Closer to home, the iPod printable tattoos idea was generated by the

marketing team to let iPod owners personalize their music experience. We're linking the brand in a fun way to people's irreplaceable desire to express themselves. Importantly, we created a whole new revenue stream for HP's media product category and product development teams across the company are now thinking about new ways to personalize products and differentiate HP.

Finally, we made great progress equipping marketing folks with the systems, tools and processes they need to do a better job on the analytical side of marketing. We know we can make a stronger case for marketing investments when we bring fact and data to the table.

How credible and influential is the marketing function in your organization?

Product marketing has always been influential at HP. What's different is in the last few years we've added brand building and customer experience innovation to the mix of what marketing leads on behalf of the company. We recognize that as technology becomes even more central to how we run our businesses and live our lives, we must move the HP brand closer to the center of what's really important to people. This becomes especially clear when you think about what it takes to move into new categories like digital entertainment where we're competing with the more traditional consumer electronics players. As a consumer technology company we have a huge advantage, but we need We need to convince people that you want the HP brand in your living room , brand building and deep customer insights are essential to our success.

How are you evidencing ROI and business value from marketing spend?

We're building an ROI mindset across the marketing community at HP. Virtually every program dollar we spend today is tracked and measured in a single, global MRM system. Programs don't get funded unless there is a commitment to specific ROI targets. As a result, we're getting much more analytical about how we spend our marketing dollars and we're beginning to drive awareness, consideration, preference, purchase, commitment and loyalty with much greater purpose and intent.

What are the top three challenges in managing a global technology marketing organization?

The single biggest challenge is achieving the right balance and alignment between global and local marketing teams and programs. In other words, balancing all that's required to build a global brand with what's required to drive local demand in a way that's culturally relevant. This is something every global company struggles with and there is no magic bullet to this one. It requires almost uncomfortable levels of collaboration and shared accountability across the marketing community.

What functional areas and responsibilities should be consolidated in the office of the CMO?

We've brought all of the organizations that influence marketing together under the leadership of the CMO office: product marketing, customer segment-based marketing, channel marketing, brand marketing, corporate communications, global alliances, corporate social responsibility, the IT organization that drives our CRM and MRM-based IT systems and processes, and the dedicated group that tracks and measures our progress managing the total customer experience from awareness to loyalty. We've gone one step further by creating a tight linkage between the sales and marketing organization so that we can accelerate improvements in our selling motions and build deeper, more meaningful relationships with our customers.

What are your critical areas of marketing focus and organizational development in 2005?

You'll see us drive an even tighter linkage between our brand and demand generation efforts to drive preference and purchase. In 2005, we'll take marketing to the next level of analytical rigor. And we'll continue the journey we're on to lead the industry in customer experience-based design and innovation. As we build our muscle in these areas, it's important that we invest in the people and skills we need to be world-class. We're focusing significant resources and funding on training

and developing our folks in 2005 – with a particular emphasis on customer and trends insight and best practices training.

A Critical Tool for the New IT Enterprise CMO: The Customer Hierarchy of Needs

Over the years, a variety of approaches have been used to extrapolate and evaluate customer information in an effort to understand and replicate what keeps customers satisfied and loyal. As efforts are steered toward retention rather than acquisition, particular attention is being paid to cultivating high-value customers, and in some cases, abandoning low-value ones.

Particularly in IT enterprise companies, CMOs have utilized detailed customer segmentation models, satisfaction surveys, and costly programs and initiatives designed to improve customer satisfaction. The results, however, have often been less than expected, sometimes improving satisfaction by a mere percentage of a point. Even more telling, satisfaction and loyalty are no longer reliable indicators for a company's success. In fact, those measures rarely correlate with sales or corporate growth, metrics to which CMOs are increasingly being expected to contribute.

We propose that CMOs have a new role: Chief Customer Steward. While the sales organization is mostly responsible for acquiring new customers with the support of marketing, and various organizations touch the customer throughout the lifecycle, no one organization is chartered with cultivating the customer relationship. Why is the relationship important?: Because the customer relationship is one asset that cannot be replicated. And, according to customers, the relationship is becoming a critical part of the value proposition.

In a recent survey, we asked over 60 CIOs, VPs, directors, and managers from a number of industries what influenced their willingness to testify to peers on behalf of a vendor. An overwhelming 98 percent of respondents indicated that the overall vendor relationship is the most important factor — even more so than the robustness of product features (84 percent), technical support (82 percent), and the cost-benefit ratio of products and services (64 percent).

Put another way, the ultimate measure of a customer's satisfaction and loyalty can be demonstrated in their willingness to serve as a reference. That willingness is a direct indicator of the relationship the customer has with their vendor. The more needs the vendor can meet, the deeper the relationship. The deeper the relationship, the more sticky it becomes, the more satisfied and loyal the customer. The more satisfied and loyal the customer, the more traction the vendor can achieve with that customer.

Distinguishing Transactions from Customer Traction

The Customer Hierarchy of Needs is a tool that helps companies move customers along a continuum from transaction to traction. Transactions are point-in-time experiences where organizations exchange products or services for money; to be expected, these dealings and interactions are governed by stated agreements, contracts, and money. There is a risk, however, that a company would have an entire base of "transaction customers." These interactions are not inherently negative, especially since most customer relationships begin at this level and they immediately impact revenue. But customers who remain at this level are more difficult and costly to retain. Capturing true customer value and leveraging customers to help attract new customers requires solid, strategic relationships.

Traction powers amazing companies. It brings mutual financial and competitive gain to vendors and customers. It enables vendors to build not only market share, but also innovative and customer-centric products along with a pool of credible advocates who proactively share successes and lessons learned. Traction customers are motivated to give constructive feedback about a product or service rather than to defect to another vendor. They are motivated to proactively encourage their colleagues to adopt the technologies and services they use. Traction customers are also motivated to buy more from the vendors they trust.

Unlocking Critical Relationships: The Customer Hierarchy of Needs

Through our research, The Phelon Group has developed the Customer Hierarchy of Needs, a simple, yet powerful model that helps CMOs unlock and leverage significant value through customer relationships. Our model parallels Maslow's Hierarchy of Needs, developed in 1943 by Abraham Maslow as a means to understanding complex questions about human motivation. Maslow's Hierarchy of Needs is widely accepted; it is the foundation upon which much of modern psychology is founded.

As is illustrated by his Hierarchy, Maslow deduced that humans must meet basic needs before pursuing increasingly greater human accomplishments. For example, an individual without food may forsake safety concerns to meet the body's physiological need for it.

An individual without safe shelter is unlikely to pursue relationships, familial or otherwise. And an individual without the support of some external network is unlikely to pursue a higher education. The model's sequential, hierarchical order illustrates that people seek to meet primal needs first, and only once those needs are met do they move toward an ultimate, inner satisfaction.



The Phelon Group's Customer Hierarchy of Needs permits a full understanding of the intricacies of customer relationships and illuminates the sequential path that IT enterprise customers must travel for the vendor relationship to deepen. Designed to demonstrate its commonality and alignment with Maslow's Hierarchy, the Customer Hierarchy of Needs illustrates what is required to evolve customer relationships.

Armed with this perspective of customers and how your company is meeting their needs, CMOs can ensure that the gap between the profitability of the initial transaction and the lifetime value of the customer is greatly narrowed.

Our research has clearly illustrated that customers struggling at the transactional levels are inherently less loyal, and are less likely to buy more or invest in a deeper relationship with their vendors. Similarly, customers who don't feel they received products that work or that technical issues are quickly resolved are less likely to encourage peers to adopt a company's technology, and to contribute to mutual success. Customers' tendencies toward traction are much lower when they view a company and its products as merely providing a certain utility.

When customer relationships do not transcend the lower levels of the Customer Hierarchy of Needs, price — or the "what's in it for me" attitude — becomes paramount in future interactions. In this state, customer defection is high and customers are generally unwilling to participate in marketing, to refer their colleagues, and to forgive their vendors when things go wrong.

For a company to be successful they must achieve credibility among their influencers, they must continuously innovate their offerings, and their customers must continue to buy. Each of these is greatly affected by deep relationships with existing customers, which no one organization owns.

The Phelon Group’s Customer Hierarchy of Needs is defined as follows:

Products That Work. This is a need for sustenance, the most basic of needs. Products that work may - from time to time - experience problems, but those problems should not cause major business interruptions. Major interruptions are equivalent to starvation in the Maslow concept.

Rapid Resolution of Technical Issues. This is the customer safety net; companies only care about it when problems arise. If problems that do arise are not rapidly resolved, customers experience fear and a sense of vulnerability.

Understanding and Ability to Increase Benefit. On a solid product, service, and support foundation, customers can experience and realize success. They gain a sense of belonging from being a part of the success, and are ready to foster increased benefit. At this level, the “two way street” begins; both customer and company are free to give and receive in the relationship; fear, vulnerability, and anxiety are no longer “normal” experiences.

Recognition, Expand Horizons. Here, after customers experience and understand their successes, they receive recognition and respect, both internally and from external sources. Here, also, customers expand their horizons as their influence and recognition increases.

Mutually Beneficial Partnership. Maslow said people reach self-actualization when they do what they are born to do. We say the vendor-customer relationship reaches its full potential when each side fulfills its promises to the other — when individuals act in ways that are beneficial to both parties, not just to themselves. This is the level to which we believe every company should aspire.



Appointing the CMO as Chief Customer Steward

To CMOs who may be unsure whether the transaction state reigns in their companies, we ask: Can you name one person within your company with the responsibilities and rewards for evolving customer relationships, for making them more mutually valuable (not just more profitable), and for ensuring that customers stay tied and true to your brand? If not, the likelihood is great that your company’s customers are simply enduring until they can make a change, not thriving in their relationship with you.

The emerging role of today’s CMO is not only to raise the flag when relationships are stuck in transactions, but also to act as the customer steward. While no one person or organization can

own a relationship, it is critical that a single entity be responsible for managing and guiding the customer so that they successfully move up through the Hierarchy of Needs.

As customers move along the Hierarchy, their value to companies increases manifold. Customers at the higher, tractable levels contribute not only to bottom lines, but also to high-impact activities that thrust companies ahead of their competitors. And as customer relationships evolve, the roles of marketing organizations become more significant.

Marketing organizations, no matter how successful, cannot effectively engender loyalty or leverage customers if their companies' foundations — or beginnings — are not sound. In the words of the ancient poet Manlius, "finis origine pendent," the end depends on the beginning.

Companies must fulfill their pre-sales promises to customers; they must provide safety nets through solid, rapid technical support. If these basic needs aren't met, customers will be ineffective for marketing, they will be susceptible to competitor poaching, and the cost to keep and up-sell them will be high.

Customer traction requires organizational-wide acknowledgements that customer relationships are fluid and must continuously evolve. The Phelon Group calls this principle Customer Leverage, which is based upon two underlying concepts: 1) customer reference programs, being well-positioned to evolve customer relationships, should be viewed and managed strategically; and, 2) creating "traction" with customers can only be achieved when both customer and company mutually benefit.

Implementing Customer Leverage involves a multi-pronged approach: establishing bi-directional customer communication vehicles; building networks to support customer-to-customer and customer-to-company communication; creating a solid structure and process to collect, manage and share customer intelligence; and, finally, developing a comprehensive program to identify, cultivate and enable a community of active customer promoters.

Mining the Hierarchy by Putting Relationships to Work

The Customer Hierarchy of Needs is a powerful model. It challenges companies to rethink how they approach and view customer relationships. It reminds executives that customers are collections of people with collective psychological needs and desires. The Hierarchy can awaken a new understanding within marketing organizations that relationships are critical to loyalty and traction, and that unless the basics are covered, no matter the program or incentives, customer loyalty and traction will be fleeting.

In our travels and through our research, we have encountered many companies that, despite the best efforts of marketing and customer reference teams, are unable to achieve their goals of leveraging customers. We have observed that in most cases, companies fail to leverage their customers because they pursue activities that solicit cooperation from customers at the transaction level, and their higher-level needs have not yet been met.

In summary, we believe that:

- Marketing can play a major role in the fulfillment of customer needs and wants. It is also a catalyst that fuels the customer's movement through the hierarchy.
- By demonstrating their relationship with a vendor, customers can greatly contribute to new customer acquisition.
- Relationships cannot be built unless the strong foundations of safety, trust, and commitment exist.
- Sales and other efforts can be accelerated with this model.

We recommend that marketing organizations use this model to take an honest look at their customers. Where are your customers in the Hierarchy today? What do various organizations within your company expect to gain from customer relationships? What and where are the disconnects between what your customer needs, and what you are asking them to do? By asking probing questions marketing leaders will gain insight that helps formulate next steps. And with those next steps, CMOs will help their companies make the leap from supporting and promoting transaction customers to enjoying the mutual benefits of loyal, traction customers.

Suzy McKee is Marketing Director for The Phelon Group, a consultancy that defines and implements Customer Leverage as a distinct business initiative to help enterprise technology companies build and sustain powerful reference programs. She can be reached at smckee@phelongroup.com or www.phelongroup.com.

Automating Your Demand Chain: PRM Can Really Help

This article is the fourth in a series of five articles by Mark Walton, Managing Partner at the consulting firm DemandEdge.

Let's start with a brief explanation of the difference between Partner Relationship Management (PRM) and Customer Relationship Management (CRM) systems. At the most obvious level, the difference is that PRM helps you manage partner (or channel partner) relationships while CRM helps you manage customer relationships. But in reality, the differences go a lot deeper.

In the last article, we looked at the demand chain as a set of demand chain funnels and customer touchpoints. For a one-tier demand chain, we had a channel development funnel (to the channel partners) and a sales development funnel (to the target customers). Here is a good way to look at the difference between PRM and CRM: PRM is designed to manage your channel development funnel AND your channel partners' sales development funnel, while CRM is designed to manage your direct sales development funnel.

When PRM systems were first introduced in the late 1990s they were nothing more than a glorified partner portal – a place for partners to go to get information on new products, order collateral, and find new sales leads. In essence, early PRM was a fairly simple online interface to channel partners. Since then, PRM systems have evolved to better manage the channel partner data as well as the channel development and sales development funnels. You can typically group PRM system capabilities into three main areas: Partner Portal, Partner Management, and Demand Chain Funnel Integration.

Partner Portal

As noted above, this is really where PRM systems started and is the base module in all PRM systems. A typical portal provides channel partners with information on such things as products, events, and promotions. Partners have a login and information can be targeted to them individually or to a community of partners.

Partner Management

The Partner Management module of a typical PRM system includes a capability for managing the application process for new channel partners. This module also provides tools for a company's channel sales and channel marketing people to manage the channel partners, including such activities as requests and approvals for pricing variations, discounts, and market development funds.

Demand Chain Funnel Integration

Funnel integration is one of the more recent developments in PRM systems. As in the area of channel development funnel management, capabilities of the various PRM systems vary greatly. Some have strong capabilities, in line with CRM. Some are rudimentary, with basic functionality such as the ability to send promotions to segments of channel partners. Unfortunately, in general, there is little functionality to automate and manage the activities and assets that a vendor uses to drive channel partners across attract, attain, retain, and develop sections of the channel development funnel.

Some PRM systems provide functionality to allow vendors to integrate brokers or sales representative firms into the system. While mostly applicable to consumer goods and retail, the ability to have a system that integrates direct sales people and brokers is an extremely valuable way to ensure campaigns and activities are aligned.

In the area of sales development funnel management, most PRM solutions have the ability to provide sales leads to partners. More capable systems provide more extensive sales development funnel management capabilities that, in essence, deliver a shared view of the sales development funnel between a vendor and its channel partners. As discussed in prior articles in this series, this can be highly valuable, as vendors can then act to help channel partners improve their ability to manage their funnels, shorten their sales cycles, and maximize their conversion rates. Additionally, the more advanced PRM systems provide similar capabilities for shared case management and overall customer service, which can be extremely valuable in helping channel partners be more successful in the retain and develop sections of their sales development funnel.

The most extensive solutions go beyond shared funnels to provide integration tool kits that allow a vendor to tie into their channel partners' internal systems and provide complete real-time data integration of sales development funnels, catalogs, inventory, and ordering systems.

What Should You Do?

As with any enterprise-level software system, the selection of PRM systems must be heavily driven by your own needs and requirements. There is no one-size-fits-all solution. It depends on your demand chain, your organizational structure, and your existing systems and processes.

PRM can be a great tool to help you maximize the efficiency and effectiveness of your demand chain. It is clearly a way to gain significant information about what drives the creation and conversion of demand across your demand chain. The more information you have the better ability you will have to measure what is and is not working. In the February issue of *Marketing Magnified* we will discuss the topic of Performance Measurement to conclude our five-part series.

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Separate Your Firm from the Pack: Turn Your Senior Officers into Thought Leaders

In good times and bad, the trick for chief marketing officers is always to find a way to help your firm stand out from the crowd. Though most action plans embrace news releases, newsletters, e-letters, and website dazzle, many smart CMOs have latched onto an underutilized strategy for winning more attention: transforming company officers into thought leaders.

Why adopt this approach? For one thing, it's far less expensive than even a modest ad campaign, and CEOs often like that. For another, the combination of writing/publishing and public speaking, the one-two punch of thought leadership marketing, earns double benefits by promoting products and services and at the same time educating target markets about the existence and value proposition of the company. Thought leadership converts whole companies - and their executives, sales reps, customer service representatives, and, well, the whole team - into proven experts. This brands the firm's core values as a cut above, and separate from, even the most aggressive competition.

But I know what you're thinking: How would I get the process, and in particular, how could I get my CEO and CXOs to actually sit down and write anything? The truth is many executives respond enthusiastically to this idea, leaping at the opportunity to see their name in "lights," or rather print. And though they will undoubtedly need some help with editing and shaping their drafts, in the end they usually do a pretty good job of getting their core message across in the article, so that you the CMO can then get it out to a waiting editor for publication.

One hint: The best way to begin is NOT to ask your officer(s) to start writing an article. Instead, formulate a list of article ideas based on your firm's strategic objectives and then compile a list of publications read by those representing your target market. Have your marketing staff begin pitching to these publications with the aim of obtaining an editor "go-ahead." This approach typically results in contact with editors who truly want to publish your articles and will do so. All you and your C-level officers need to do is physically produce the requested article draft.

After articles begin to come out, invitations to speak at conferences and other events should follow, particularly if you leverage your article in the following ways:

- Send an email announcement to your corporate e-list of clients, prospects, colleagues, and friends. Getting proactive ensures an article that builds a buzz.
- Pass the article out at company events, during sales calls, and at networking events. Send it off directly to influential contacts.
- Search out calls for speaking proposals, especially at organizations that sponsor conferences that would offer a promising platform for your firm. Each published article now becomes a valuable, thought leadership credential to include in such proposals.
- Always post published articles on the company website, adding a line at the bottom informing readers that the author is available for public speaking. List a company speakers' bureau on your website as well as a calendar of past, present, and future engagements, a tactic that bolsters your firm's credibility as a haven for thought leaders in constant demand.

Having embarked on the thought leadership highway, use the media in traditional ways to augment the process, by sending out news releases announcing newly-published articles and recent speaking engagements, inducing editors to call and request interviews with your thought leaders. In your releases, provide a link to the company web site page where articles and speaking synopses can be found. In this way you develop yet another device for driving traffic to your website, i.e., the firm's door!

Follow these steps to thought leader success and your firm's credibility will be enhanced by third party endorsements of both publications and professional groups. The resulting media attention will boost the company to a stature far beyond that of your competitors. Once this level of competitive advantage arrives... enjoy the ride!

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Digesting CXOs by the Pound Gives Brand Indigestion **Paying Attention to CXO behavior is Like an Antacid Tablet**

The predominant tendency of CMOs from technology brands is to try and reach as many CXOs as possible through as many marketing efforts as possible. We like to call this “digesting CXOs by the pound.” The objective is to catch their attention and build brand preference-since CXOs are one of the key initiators of large technology purchases.

But in this attempt to get the desired high response and feedback, brands must incur enormous marketing expenses, resulting in “marketing indigestion.” Internal pressures ensue, as sales and product-development colleagues expect fast and exponential sales improvements, yet few CXO-based programs yield high levels of return.

CXOs across the globe have shown us that the “by the pound” model is not the way they absorb and use marketing information from technology brands-especially at the awareness and initiation stages of the purchase phase. Using a measurement system called the Information Network Engram (INE), we measured the consumption, absorption (impact) and content needs of CXO targets. The INE tool is used by many of the world's largest technology brands to tap into the mindsets of targets during the planning stages for communications execution.

In our program, which interviews over 1,000 CXOs of the largest corporations around the world about communications consumption, we have found three truths:

TRUTH ONE: Consumption is Multifaceted

We asked CXOs across the globe to make comparisons of 29 sales-and-marketing vehicles. What we discovered, and have continued to observe over the last three years of the program, is that CXOs do not separate these sales-and-marketing vehicles into apples or oranges but see them as one set of comparative-information source options. Figure 1 shows a varied list of the top five most impactful sales-and-marketing vehicles for CXOs who are looking for solutions and services. (These results are for CXOs from organizations of 500 or more employees, and are sorted by country.) As you can see, CXOs are using multiple information sources during this single phase of the purchase process.

TRUTH TWO: Pairings of Activities Work Better Than Poundage Alone

An analysis of information-consumption patterns shows us that there are multiple sets of paired or multi-paired activities CXOs use when acquiring information during the awareness stage. It is worth asking yourself if your awareness programs to CXOs (from medium and large enterprises) include these pairings.

TOP INFORMATION SOURCES **For CXOs in Organizations of 500+ Looking to Purchase Solutions and Services**

AWARENESS PHASE										
US	CANADA	UK	AUSTRALIA	GERMANY	CHINA	JAPAN	SPAIN	BRAZIL	ITALY	FRANCE
Industry print	Email newsletters	Tech print	Email (news/sub)	Tradeshov/ conf	Direct mail	Tradeshov/ conf	Tradeshov/ conf	Industry print	www. Vendor	Tradeshov/ conf
www. Tech info	Tech print	Tradeshov/ conf	www. Vendor	Vendor Events	Email (news/sub)	Vendor Events	Vendor Sales (Tele/email)	Tech print	TV/Radio	Vendor Events
www. Vendor	www. Vendor	Industry print	SI/ Consultant	Webcasts	Industry print	www. Vendor	Vendor Sales in Person	Tech Analysts	Vendor Sales (tele/email)	www. Vendor
Tradeshov/ conf	SI/ Consultant	Tech Analysts	VAR/ Retailer	Sponsored seminars	www. IT forums	www. Tech info	TV/Radio	White papers	Direct mail	Webcasts
Tech print	VAR/ Retailer	www. Tech info	Tech analysts	TV/Radio	Tech analysts	Webcasts	Tech Analysts	Vendor Sales (tele/email)	SI/ Consultant	Sponsored seminar

Tan background denotes high/extremely high impacts; White background denotes medium impacts

FIGURE 1

TRUTH THREE: Don't Under Estimate Their Sophistication in Consumption

From Figure 2, you can see that CXOs do not acquire most of their information from hit-and-miss marketing campaigns. Instead, they quite purposefully access online information by 1) searching for the information themselves (www. Search); 2) looking for information from independent sources such as Tech Republic (www. Tech info) or 3) accessing technology publications online (www. Tech print). The level of use differs by country but, overall, CXOs are very sophisticated in how they look for and access information.

ONLINE INFORMATION SOURCES

Ranked by Importance For CXOs in Organizations of 500+ (out of 29 total sales and marketing sources)

AWARENESS PHASE											
	US	CANADA	UK	AUSTRALIA	GERMANY	CHINA	JAPAN	SPAIN	BRAZIL	ITALY	FRANCE
www. Tech info	15	1	23	1	2	1	2	2	8	7	3
www. Tech print	9	10	4	7	5	20	13	8	29	15	18
www. Search	4	8	1	8	20	5	16	4	21	18	26

Tan background denotes highest impact

FIGURE 2

Four CXO Observations

There are four main conclusions we draw from this feedback and have put into a practice with a number of clients:

1. **Listening is often better than guessing.** Great brands realize that functional support of their targets' needs, neatly intertwined with unique propositions, is far more effective than isolated breakthrough ideas that do not pay attention to customer (in this case CXO) preferences. As the world moves to a more dichotomized set of commodity and solution-based technology purchases, you need to pay close attention to a CXO's needs. CXO attention is focused on solutions instead of commodity products, yet with so many brands pitching solutions, the communications landscape is scattered and the target is deluged with poorly constructed programs.

2. **Internal education is critical.** There are many pre-conceptions about what CXOs do and don't do. However, only a few key people actually get to meet or talk to them about marketing. The best marketers use the valuable information these few people have gained to educate their internal clients about CXO patterns and needs with a simple "did you know" set of reference points-to break down these barriers of opinion internally. This simple educational step ensures that the entire marketing team thoroughly understands (and can effectively reach) the CXO target. Before seeking agreement on marketing actions and investment levels, shared knowledge is the best start point.

3. **Playbook planning is better than the "Idea de Jour."** There are very distinctive patterns for information consumption among the CXO target. The right objective should be to focus on one set of playbooks and then migrate across to another set of playbooks when economies of scale hit a peak. Some brands fail to migrate from one play to another; these brands continue the same marketing strategy until the results become a disaster and funding dries up. Executing a well-informed series of plays based on actual CXO consumption, and sticking with them, provides for greater return than making changes midway through a marketing plan or at a moment of crisis.

4. **Interact more and talk less.** CMOs in the technology industry have life spans just a little shorter than those of an MLB coach. Inevitably, this is a function of a somewhat immature industry, however this trend is also driven by a perceived need to hit home runs-in effect, a very high-risk marketing strategy. And, ultimately, it's a strategy that CMOs don't need in order to win. CXOs will respond better to a communications dialogue model rather than to the "home-run method" inappropriately favored by some short-stay CMOs. Using our research, a brand can provide exactly the information CXOs use to make technology-purchase decisions (including: case studies, integration issues and comparisons to what their peers are doing). Providing this specific information to CXOs, through various impactful sales-and-marketing vehicles, will provide you with a series of base hits that will be much more effective than a single high-risk, home run strategy.

Conclusion

The bottom line? Consume your CXOs piece by strategic piece-not pound by pound- and you'll avoid the costly indigestion that comes from over-indulgent, ineffective marketing.

Michael Gale is the Founding Principal of Strategic Oxygen and heads the INE consulting and strategic development practice. Strategic Oxygen focuses on the creation of a more scientific approach to the planning, deployment and measurement of marketing communications in a range of industries. He can be reached at: Michael@strategicoxygen.com.

The Download

Marketing Technology To Technologists: Tips For Marketing To IT Professionals

IT professionals have a large appetite for information. They are willing to invest the time to sort through an ever-mounting mountain of publications, websites, events, and sales calls. The key to connecting with IT professionals is to develop messaging and opportunities that will filter through the clutter. Here are a few tips from a recent Ziff Davis Media Marketing Zone newsletter:

- **Stress the business benefit, not the technical advance.** "Companies have to approach me with information that shows me what it's actually going to do for my business," says Peter Milla, CIO of Harris Interactive, a New York-based market research supplier. "People want to sell me technology all the time, but unless it helps me solve a business problem, I can't use it."
- **When you do speak to technology benefits, leave the speeds and feeds at home.** For IT professionals, the technical focus is on aspects of the product or service that makes it easier to deploy and support: security, compatibility, scalability, and reliability. Performance-based specs are fine, but usually only in the context of how to make the harried IT department's life easier. Faster data rates and more terabytes are secondary.
- **IT buyers are most impressed by what other IT buyers think.** Savvy marketers will not only gather up as many reference accounts as possible, but they'll actually let prospects talk to their colleagues at those reference accounts. "Salespeople have to know that buyers are so skeptical," notes Judy Murrah, VP of information technologies at Symbol Technologies Inc., Holtsville, N.Y. "One of the most important sources of information still is word of mouth, and if I can talk to a company's reference account in a similar industry, I can get right to the issues that matter most to me. It's a way of building credibility for the vendor's claims."
- **Learn the client's business before that first call.** IT professionals continue to be befuddled by how often salespeople cold-call with little or no understanding of the prospect's business. While it's understandably difficult to ask a salesperson to automatically intuit a company's overriding business challenge before the first meeting, it's certainly not too much to ask that they understand something about the prospect's industry and competitive position.
- **Build conversations with the IT decision-maker.** In addition to advertising, public relations, and direct marketing, you need to create ways to establish real, two-way dialogues with IT. "Networking is such an important issue for anyone selling to me, and it helps if you can relate back to conversations we may have had at a seminar or an event," says Symbol's Murrah. Online e-seminars, Webinars, or small vendor-sponsored events, allow for feedback and input from IT to suppliers, usually with enough interest to generate specific follow-up meetings.

New Survey Finds 75 Percent of Employees Looking for New Jobs

According to the *2004 U.S. Job Recovery and Retention Survey* released by CareerJournal.com and the Society for Human Resource Management, 75 percent of all employees are searching for new employment opportunities. When asked about their job-search activity, 35 percent said they are actively searching, 40 percent are passively searching, and almost 50 percent of employed respondents said they are intensifying their job-seeking efforts as the job market improves. The survey also reveals 38 percent of HR professionals have seen an increased turnover since the beginning of 2004 and believe that, as employees leave their organization for new opportunities, most resignations will come from non-management (69 percent) and middle-management (19 percent) positions.