

# HOW TO CREATE YOUR MARKETING DASHBOARD IN FIVE EASY STEPS!

By Laura Patterson

Action Mailing Lists  
18 Hotham Street, South Melbourne Vic 3205  
P: 03 9686 9700 F: 03 9686 9800  
E: [clientservices@aml.com.au](mailto:clientservices@aml.com.au)  
W: [www.aml.com.au](http://www.aml.com.au)



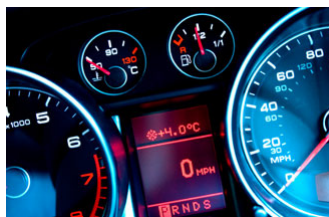
Earlier this year B2B ran a story on the top anticipated trends for 2010. Once again, marketing accountability was high on the priority list.

According to the article, "while proving ROI on marketing performance is nothing new, the recession increased the emphasis on accountability and analytics, and this will continue even as recovery gets underway"

The American Marketing Association defines accountability as "the responsibility for the systematic management of marketing resources and processes to achieve measurable gains in return on marketing investment and increased marketing efficiency, while maintaining quality and increasing the value of the corporation."

To truly be accountable, however, marketing professionals need to periodically report on their performance and contribution.

The progress or status report of projects, such as updates to the website, an upcoming event, new collateral, or a direct marketing campaign, are no longer enough because they do not address the questions the C-suite is most concerned about: what is working; what course adjustments, if any are required; and whether the investments that the company funnels into marketing are properly allocated.



Marketers need to develop a more valuable and insightful way to report. Only a report that benefits both marketing and the C-suite can help optimise performance and make decisions that will enable the company to sustain a competitive advantage and react timely to external and internal factors.

Such a report needs to provide an at-a-glance view that quantifies the overall impact that marketing is having on the business and how well initiatives are increasing customer acquisition, retention, and share of wallet.

Within the industry, such a report is known as a dashboard.

A dashboard is an important component of performance management. In addition to fostering better strategic and resource-allocation decisions, a good dashboard demonstrates the alignment of marketing expenditures with anticipated results.

Marketing dashboards are an important tool for ensuring that marketing initiatives are on track. They help facilitate strategic decisions and recommend course adjustments, such as whether the marketing organisation is on track to drive demand of products according to forecasts through higher-quality leads to sales, improved customer retention, or an increased market foot print.

The time and investment involved in creating a dashboard is worth the effort to know how well marketing is affecting your business and the organisations financial value.

The marketing dashboard's purpose is to capture the most critical diagnostic and predictive metrics and visually, at-a-glance represent performance patterns.

To create the dashboard, your organisation will need to be able to capture information from different information systems and consolidate data from campaigns, responses, customer interactions and new business.

Before creating the dashboard, the marketing organisation should identify all the data it will need and then inventory where that data is located and how often it is updated. How disparate sources connect to one another, and whether Marketing has access to the data.

It may be necessary for the leadership team to facilitate Marketing's access to data or to approve investments that will help capture missing data.

Once you decide that a dashboard is an essential too for improving marketing effectiveness, the following five steps will help you and your marketing team get started on the road to creating your dashboard.

### **Step 1: Align Marketing to Business Outcomes**

First, map the relationship between marketing programs and business outcomes. Doing so will serve three important functions:

First it will help the organisation clarify Marketing's role. Its role to build brand preference, generate qualified opportunities, retain customers, drive product adoption, enhance the customer experience?

Second, it will identify where marketing is and isn't aligned with the organisation. Are all marketing programs and activities connected to objectives and business outcomes, or are some orphaned and so will need to be revamped or eliminated?

Third, it will help identify key metrics. Once you define Marketing's role, you will know what to measure. Step 1 serves as a valuable dialogue between you and the marketing team and helps clarify priorities.

### **Step 2: Choose Your Metrics**

Select the metrics that you and the marketing team will use to measure Marketing's impact, efficiency and value.

Again, this is an opportunity for dialogue with your marketing organisation. You and the team establish the metrics that define what you expect from marketing and how you will measure marketing's success and contribution.

## Step 2: Choose Your Metrics (cont)

For many organisations, metrics relate to how well Marketing is affecting .market share growth, customer value and customer equity.

Typically, an organisation will have metrics from the following categories: customers (acquisition , retention, value), product (adoption, innovation, price and margin), competitive positioning (market share, brand preference), and financial (budget, payback).

It will be important to have quantifiable business outcomes and measurable marketing objectives to facilitate as a result of this step.

## Step 3: Document the Data Chain

Create the data chain between the marketing activities, programs and objectives, and the business results.

The data chain helps visualise the link between marketing activities (such as an email campaign with a call to action) and marketing objectives (some number of qualified leads), and the business results (such as new opportunities added to the pipeline quarterly), and any assumptions that your organisation makes between those.

## Step 4: Acquire the Data

Identify the data source and secure the data. Measurement requires data which means you need to know what data you have and what data is missing.

This step helps ascertain whether you have any data gaps that may impede Marketing's ability to do measurement

If gaps are identified, you and your team should discuss whether to use proxies, change what's being measured, or make some kind of investment to obtain the needed data.

## Step 5: Validate and Review

Develop an alpha dashboard to validate the data and the measurement process.

This step is critical for validating the data chains and determining whether the dashboard captures the performance information you want.

This step will further help define what you may want in a dashboard tool, it will also help define and establish the measurement and reporting process and systems.

Once the alpha is created, you can decide what changes, if any, need to be made to the dashboard, measurement and reporting processes.

Developing a marketing dashboard takes some effort, but the work associated with the five steps outlined above will pay back many times over. Because you'll know how Marketing is contributing to the organisation and you will be able to make decisions about what is and what isn't working and where to invest your marketing resources.