

Marketing's Full Potential:

Bringing Head and Heart Together

By Kathleen M. Hosfeld

A McKinsey Company study, commissioned by The Marketing Society, recently found most CEOs believe that although marketing has a vital role to play in addressing business challenges, they question marketing's overall contribution to financial results. The potential of marketing's possible contribution is not fulfilled.

In some situations, the perception is caused by a lack of measurement. The organization hasn't measured the "before" and "after" pictures of an otherwise good program, and just can't tell what part of the mix is working or not. But in many instances this perception points to an underlying weakness in either strategy formulation or execution. "Marketers are the heart of the business but not the head," said one CEO interviewed. Head and heart must work together.

What this involves is building clear definition of the business model, collaboration between marketing and finance, widespread understanding and support for the business model, and alignment of individuals' goals and objectives with the key components of the business model relevant to their jobs. Here are three questions that help determine where each organization can start:

Do you have a strategy? A plan is not necessarily a strategy. A strategy would be an actual business model that shows how activity will overcome challenges and lead to financial return. Too often the concept of "marketing" is interpreted only as marketing communications - which can be thought to include advertising, public relations and brand-logo development. A business model includes product or service design, distribution strategy, sales strategy, customer and account management, pricing and more. This careens dangerously into the area of "finance" which is considered a weakness of marketers, according to the McKinsey study. One way to bring head and heart together is to forge a collaborative relationship between marketing and finance that reflects a holistic sense of the organization.

Do people understand and support the strategy? "Understand" would mean they get the rationale of it, how the strategy "works", what it will accomplish. "Support" means they agree with the strategy and reflect that with their actions. Everyone knows what it's like when our own head and heart are not in agreement. It's painful when the head doesn't support what the heart wants to do and vice versa. While it's often impossible to get 100% understanding and support of a strategy, each organization needs to do the work to engage the right people. Many employees will say they don't want to be involved in strategy education or engagement. "Just tell us what you want." This is often a mask for cynicism about whether the organization is really committed. "Why buy in when the wind is going to blow in a different direction six weeks or six months from now?" they ask. Employees measure management support for a strategy by the extent to which they "stay the course." For full return on investment (ROI), then, the marketing strategy must manage and renew the engagement and support of the company for a sustained period of time.

Does everyone know what it means for their job? The head and heart are willing, but the flesh is...well...*confused*. Strategies are often crafted by highly intuitive people who think the implications of the strategy are clear and obvious. Many people however need help to determine what a strategy means for their job or their department. Organizations that fail to do this translation create a



disconnect between the strategy and how members of the organization interact with the world. Often, some type of training or staff development is necessary to make sure all employees are living the strategy, including how they demonstrate brand values and promises in their day-to-day activities.

One of my colleagues, Hans Carstensen III, created broad participation in his company's business model through creation of a companywide budgeting/planning system that tied goals and objectives in a clear way to the desired performance of a part of their business model. Each goal or objective for the \$7.0 billion-in-assets insurance company had a "key performance indicator" (KPI) selected by the unit manager and the position-holder; these were monitored throughout the year. Bonus compensation was tied to performance. "The result," says Carstensen, "was that everyone had a stake in and a sense of how their position was contributing to the business model's overall success."

When I talk like this, some people say, "That's not marketing, that's management consulting." Maybe that's true, but this points to the very thing that keeps head and heart from agreement. If we see marketing as not management and management as not marketing we've created a barrier. There is no such distinction in the eyes of the customer. As Peter Drucker once said "Marketing is the entire business as seen through the eyes of the customer." Strategic management tools – the "balanced scorecard," systems thinking, integral theory, learning organizations -- reflected in the three points above are all great ways to see the organization the way your customers see it, to tear down the barriers between head and heart to create a more aligned, successful organization.

Another important step in bringing head and heart together is aligning the business model with values and purpose, and our design to make the world a better place. We'll save that enormous subject for another article.



Kathleen Hosfeld is the President of Hosfeld & Associates, Inc. Since 1989, Hosfeld & Associates' marketing expertise and services have launched, grown and inspired visionary for-profit and non-profit organizations and projects. We help clients think more clearly and boldly about their goals. We provide the skills and resources clients need to implement breakthrough strategies for profitability, service, and contribution. For more information, please visit <http://www.hosfeld.com>