



FOCUS PAPER

Marketing planning software What can it really achieve?

An example of integrated marketing planning

Marketing planning software: What can it really achieve?

An example of integrated marketing planning or: Ms. Smith and ROMI

A study with 226 marketers, conducted in the Spring of 2007 by IT company BrandMaker (under the former corporate name pi-consult), Karlsruhe, and the University of Pforzheim, showed that approximately one third of those responsible for marketing saw the need for software in their departments, with which they could manage marketing planning centrally. In contrast, only 14% wanted a solution for their direct marketing activities - whereby it should be remembered that only persons were interviewed who stated they were not using software in this area. And of those who stated a need for a marketing planning solution, very few were aware of what such software can indeed provide and what the limitations are.

However, those responsible for marketing have clearly defined ideas as to what they expect from marketing software in general. Expert interviews, which were part of the mentioned study, revealed that holistic marketing planning, increased efficiency and cost reduction were the main expectations with regard to marketing software. That marketing solutions provide reports automatically, are user-friendly and take company-specific procedures such as approvals into account, was seen as a basic requirement for these tools. However, many of the study participants were not too sure as to what the terms Brand Management System or Marketing Resource Management System actually implied.

Using software for marketing planning and freeing resources

The aim of marketing software is to increase productivity - comparable to IT-based automation in other business areas such as accounting. The software is to replace previous manual tasks by marketing staff and to free resources which can be invested into other activities. When looking at marketing planning processes in detail, one finds that these are supported by a host of complementary processes. Each phase requires communicating results, coordination of proposals, reviewing of concepts, approval of milestones etc. When relating this process to a larger company, where several teams manage their own marketing planning, this "accompanying expenditure" soon multiplies, when the individual departmental plans have to be coordinated, consolidated, adjusted etc..

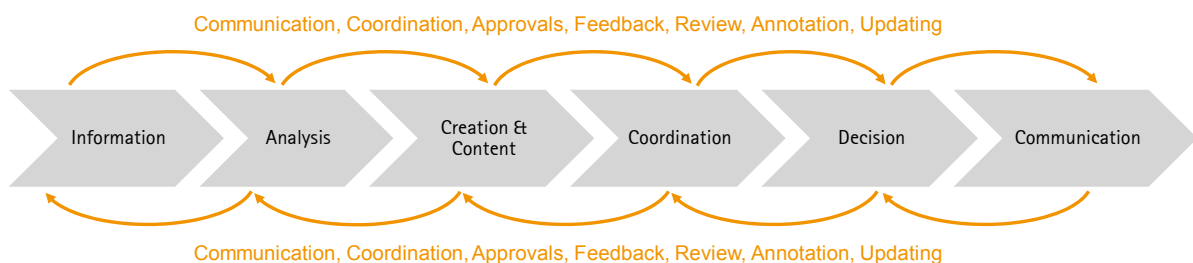


Figure: Workflow of the marketing planning and incurred communication tasks

A considerable portion of the marketing planning effort is not spent on content, conceptual or planning activities, but on accompanying communication and related activities, such as:

- Distribution of planning and intended content
- Coordination of details
- Obtaining approvals
- Updating marketing plans
- Adapting and consolidating the different departmental plans.

These tasks are essential for the success of marketing planning – but they are time-killers in the daily business of marketing staff.

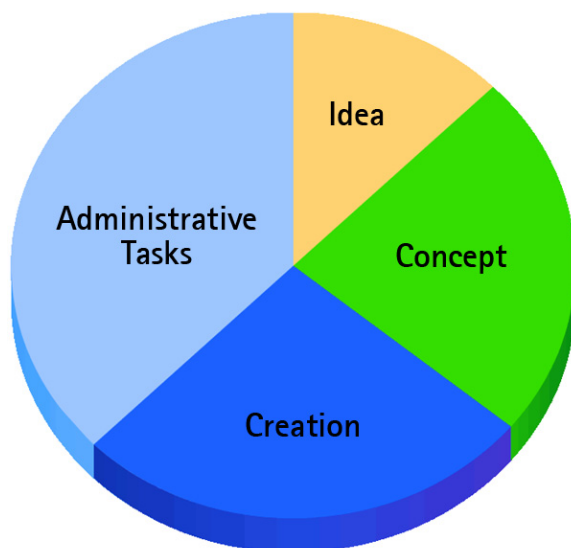


Figure: Disposition of the tasks in the marketing planning



Figure: Disposal of resources in the planning process by implementation of marketing software

The quality aspect: software does not make human errors

In addition to the time-saving aspect, the application of IT to the marketing planning process should contribute to quality assurance in daily business. Human error, which happens easily when compiling data from different sources, is to be avoided. Marketing software, based on a central database which contains the planning data for all departments, can supply the required data at the push of a button, which would otherwise have to be compiled painstakingly by hand and converted into an acceptable format. A marketing system does not miss a single line, does not make typing errors and does not delete important data by mistake.

Making the connection: Key word "ROMI"

"ROMI", the Return on Marketing Investment" has become the key factor for measuring work in marketing departments, with growing importance. Management ratios show how successful and efficient marketing is within the company - not in the sense of defending budgets, but to achieve the best targeted and efficient use of available resources. Marketing efficiency, expressed as ROMI, can be measured using suitable marketing software. Prevailing data is processed automatically and generates management ratios. Employees can see how their ideas and concepts work at the push of a button.

Example: Ms Smith and her ROMI

Using the BrandMaker Marketing Resource Management solution as an example, a planning process is shown under ROMI aspects.

1. Enter a marketing activity

Ms Smith from marketing enters a new marketing activity in the calendar overview of her marketing planning software per drag & drop. Supplementary data, such as briefing information for the agency, are also entered as attachment. As her marketing system is web-based, Ms Smith can thus give her agency access to the data. The agency can then enter the created materials as attachment to the activity in the marketing planner.

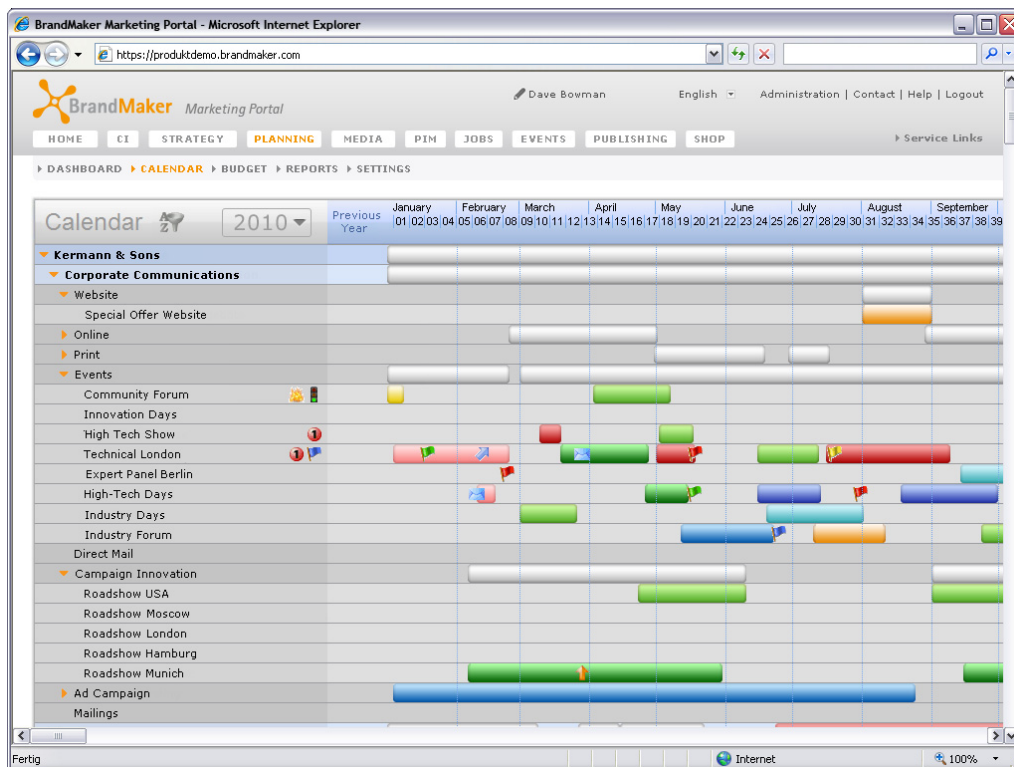


Figure: Calendar view in software-based marketing planner (BrandMaker Marketing Planner)

2. Determining the budget

Before going into details, Ms Smith enters the budget required for her activity. This still needs to be approved by her boss – the budget request can easily be done via the tool. Her boss also has web-based access to the system (of course with other rights than Ms Smith – he can view the budgets of all employees, whereas Ms Smith can only view her own budget) and can review all activities and grant approvals.

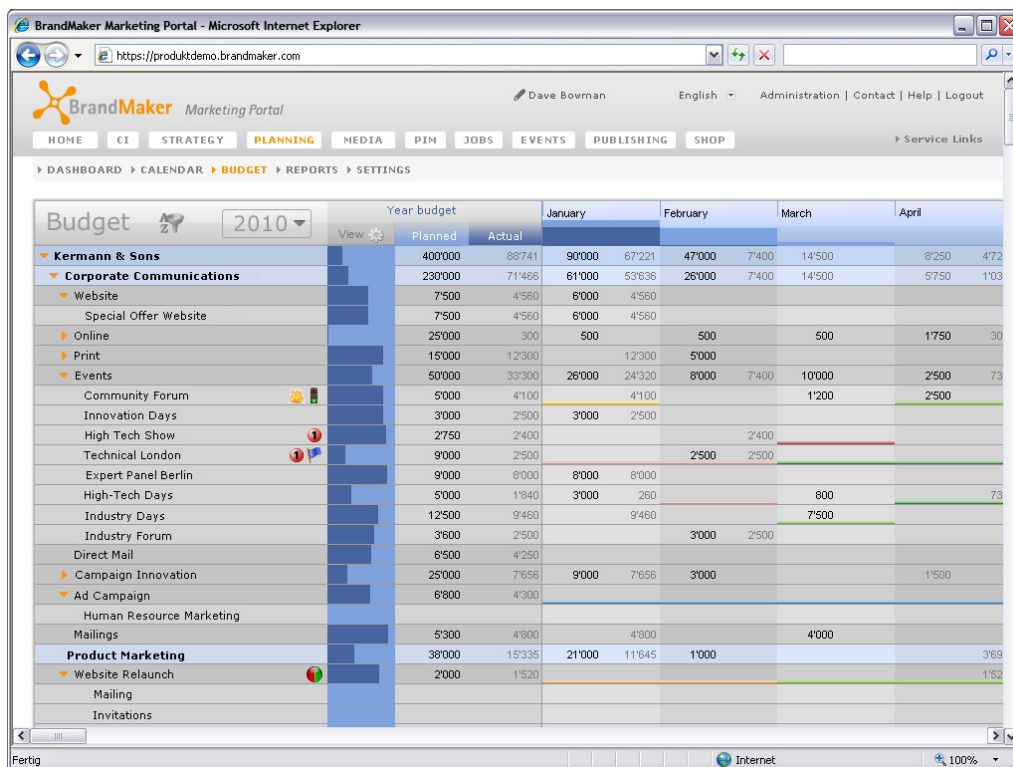


Figure: Budget view in software-based marketing planner (BrandMaker Marketing Planner)

3. Setting targets

Ms Smith defines the targets for her activity. Image and brand aspects of her product are already entered by default. She determines which factors are to be highlighted by her planned activity. For example, the "reliability of the product" is to be emphasized with less importance to be attached to the "youthful freshness" of the product. In addition to these qualitative goals, she also enters the qualitative goals – how many contacts are to be generated, how many sales?

4. Implement activity

The marketing planning tool supports Ms Smith in the implementation of the activity, especially with regard to identifying time-related bottlenecks and keeping deadlines. She can define and control milestones and project status for herself and her small team.

5. Call up ROMI

Initially Ms Smith was not too excited about having the ROMI of her activities being measured by a soft-ware. "Marketing is to do with intuition, this can't be expressed in numbers" stated her colleagues, who were afraid of being relegated to pure jugglers of numbers from now on. "We are already burdened with so many tasks that do not really help us in terms of content and strategy. And now we have to chase numbers from the call center, sales and wherever else for evaluation" they feared.

Meanwhile Ms Smith and her colleagues are totally at ease with ROMI. She enjoys viewing the results of her activities. When the software for marketing planning was introduced, management ratios were defined which determine the success of a marketing activity: customer contacts, new contacts, sales, new customers etc. Attention was paid to ensure that these data were automatically retrieved into the planning tool from the IT systems of neighboring departments. Even the costs for the activities can be imported automatically from the SAP system and compared with the results. Thus Ms Smith receives a ROMI overview on her activities via her marketing planning software – her boss has the opportunity of viewing the management ratios at decision-maker level to allow for successful control of marketing.

Software for marketing planning – what needs to be considered?

Depending on the vendor, software solutions for marketing planning vary for different goals and areas of use. For example, there is software which focuses on individual marketing segments, such as managing direct marketing campaigns or the individualization of print media using Web-to-Print. As a rule, these systems then only cover the planning processes for these segments. And then there are more comprehensive solutions, where the planning tools support all marketing activities.

Some systems operate isolated within a company structure, others allow the flexible integration of different user groups. Today there are hardly any applications which still require local installation of the software on the employee's computer. Nowadays most systems are web-based (and integrated into the company's Intranet) and can be accessed via the Internet. Scalability of the marketing software plays a role in many companies and common questions include possible extension of the system, linking to external systems etc. User-friendliness of marketing software also plays an important role. Marketing employees have different needs for their IT systems than do other business areas with predominantly accounting software solutions. This factor should also be taken into account when selecting the software, so that the tools not only provide increased efficiency but are also well accepted by the marketing staff.

About BrandMaker

BrandMaker is a Marketing Resource Management (MRM) system, which provides a broad spectrum of solutions: Offered are solutions for marketing strategy (scorecards as "guide rails" for marketing) and management modules (for example, software for integrated market planning and budgeting); as well as modules for marketing implementation and for optimization of the creative supply chain (job management, review management, media asset management, a web-to-print module, event planning, and a module for creation of online media). The system has a modular design and is applied according to the individual client requirements. The software is developed and marketed by the company BrandMaker GmbH. BrandMaker solutions are in use successfully in marketing departments of companies of varying size and in various corporate sectors – for example at EnBW in the energy sector, Commerzbank AG and DekaBank in the financial

sector, at international service providers like Ernst & Young and companies from the producing industry such as ZF Services GmbH. The software company for optimized marketing processes has about 150 employees across Europe.

<http://www.brandmaker.com>