

## Software review

# Understanding marketing resource management (MRM) technologies and the implications for the delivery of a successful solution

Received: 29th August, 2005

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**Abstract** This paper looks at the role of marketing resource management (MRM) technology, the typical capabilities supported and the critical success factors for an MRM project. It aims to provide guidance for those thinking of embarking on a process improvement project in marketing, where technology will be used.

### WHAT IS THE BUSINESS PROBLEM MRM IS TRYING TO SOLVE?

The last few years have seen a major increase in the volume and complexity of campaigns executed by a typical marketing department. This has put significant pressure on other parts of the marketing process, particularly those associated with campaign execution. Organisations have therefore looked at technology as one way of addressing this problem.

The following factors have combined to create a step change in the complexity of marketing in today's business environment:

activities has led to a drop in the average volume of communications per campaign. In many cases, this saving has been re-invested into running more campaigns. The result is that the overall volume of campaigns is increasing. In the author's experience of implementing marketing automation solutions, a 3–5-fold increase in campaign volumes is typically seen.

### Adoption event based marketing

There has been a wider adoption of event-based campaigns that are triggered by changes in customer behaviour. These event campaigns are characterised by frequently run campaigns which have varying volumes. The ultimate impact on marketing is an increase in the number of campaigns. Where clients implement

### Improved targeting

The adoption of statistical techniques to targeting outbound communication

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event-based marketing activities, the increase is more pronounced, a 5–8-fold increase is common in the first year.

### **Availability of more communication channels**

The availability of more communication channels, and their integration in multi-channel campaigns, has increased the complexity of campaign planning, prioritisation and execution. This is often in addition to the increase in volume associated with the previous items.

### **Move to real time communications**

In the past, marketing databases were refreshed on a weekly or daily basis. Now it is becoming more common that these databases are being refreshed real time. This means the planning cycle for campaigns is becoming much shorter and marketing is needing to respond more rapidly.

### **Increased legislation**

There has been a big increase in the legislation governing what can be included in a communication. This has meant that the compliance process has become more complex and now has to be factored into the campaign planning process. More people now have to be part of the sign off process; this can be an administrative nightmare, especially if combined with increased campaign velocity.

### **Increased industry consolidation**

Increased industry consolidation has led to the development of enterprise marketing functions that have to support multiple brands and/or business units. This increases the complexity of the marketing process.

### **Lack of process support in marketing automation solutions**

The wider use of automation in many marketing activities has facilitated support particularly for the campaign management, analytical and reporting activities, but there has been limited support for other processes, such as:

- Project management
- Supplier management
- Product management
- Competitive analysis
- Planning

The introduction of these technologies has tended to be a catalyst for process review and enhancement, but there has not really been any appropriate technology support for the wider process issues or a commitment by the business to address the wider process issues in marketing.

### **Continuous business pressure to increase productivity**

In addition to increased complexity, there is always a business pressure to improve the productivity of the marketing team. These pressures have resulted in the development of a wide range of technologies to support marketing processes. The following section explores the use of MRM technologies.

### **WHAT IS MRM?**

MRM is most commonly defined as a set of processes and capabilities that aim to enhance an enterprise's ability to orchestrate and optimise the use of internal and external marketing resources. MRM involves the definition and adoption of processes and software applications to transform and enable an enterprise's ability to plan, budget,

execute and measure the impact of enterprise-wide marketing efforts.<sup>1</sup>

### **WHAT CAPABILITIES DOES MRM PROVIDE?**

The core technology that underpins MRM is work flow. In simple terms these technologies allow:

- Processes to be decomposed into a series tasks;
- The tasks to be linked together in a sequence; and
- The tasks to be linked to an individual or role.

Once created, these process maps allow the technology to prompt a user with a list of tasks to be completed. As the user completes a task, the system records the status. The user is then prompted with the next task. The underlying data that is created as part of each task is then used to drive management reporting.

In addition, these technologies allow both internal and external users to be able to share objects such as documents.

At this stage in the evolution of MRM technologies there is no clear functional set that all vendors provide, but, in broad terms, the following are the main areas that vendors are focused on.

**Planning and financial management**

This is concerned with managing the entire marketing portfolio across business unit, channel and/or brand. Activities supported include:

- Marketing planning
- Budgeting
- Expense management

### **Production management**

This is concerned with improving marketing productivity, collaboration and

co-ordination among internal and external marketing teams. Activities supported include:

- Creating jobs
- Online review of jobs
- Viewing and maintaining job calendar
- Vendor management
- Event execution
- Workflow management

### **Fulfillment and delivery management**

This is concerned with creating, managing, finding, distributing and fulfilling digital assets on demand.

Activities supported include:

- Creating assets
- Storing assets
- Finding assets
- Customising assets
- Publishing and sharing
- Printing assets on demand

### **WHAT ARE THE POTENTIAL BUSINESS BENEFITS OF MRM?**

MRM has a number of potential benefits, some of these are discussed in the next section.

#### **Standardised processes in marketing**

The introduction of MRM forces organisations to standardise marketing processes. This ensures a consistent approach to each process supported. It must be recognised, however, that it may not be appropriate to implement MRM for all marketing processes.

#### **Define and share best practices**

The review process during the development stage allows an organisation to critically review current processes and

determine best practice. These can then be encapsulated in the delivery, and applied across the business.

Once deployed, the MRM solution provides valuable metrics that can be used to refine existing processes and develop new processes.

### **Reduce errors and re-work**

One of the consequences of MRM is that the number of errors made and the amount of re-work can be reduced. This is primarily the result of the system supporting what would normally be a manual process.

### **HOW IS THE BUSINESS CASE MADE FOR MRM?**

It is much harder to make the business case for development of MRM, for campaign management. Most of the financial benefits are associated with cost reduction and not revenue improvement. The key areas that are commonly used to drive the business case are:

- Reduction in resource, required to execute a marketing activity;
- Reduction in costs associated with re-working deliverables; and
- Reduction in agency fees resulting from process improvement.

In most companies the issue is that there are no base line metrics for the key processes, hence predicting the level of improvement can be difficult. A common model that is used is to deploy the MRM technology for one or more processes in a pilot mode and use the result of the pilot to create the baseline and target metrics. In other cases, vendors have been known to enter into risk reward pricing models where fees are linked to improvement in performance.

When looking at the business case it must be recognised that the technology represents a minor part of the costs of a full MRM deployment. Professional services costs can be 3–5 times the costs of the MRM technology, especially where the current marketing processes are not structured and/or documented.

### **WHAT ARE THE CRITICAL SUCCESS FACTORS FOR AN MRM DEPLOYMENT?**

The following sections list of the typical critical success factors for an MRM deployment.

#### **Management commitment**

The cross-functional and cross-organisation nature of MRM deployment means that support from senior management is critical to success. All parties need to understand how their areas of responsibility are going to be impacted.

#### **Clearly defined objectives**

It is essential that there is a clearly defined set of objectives and that all parties understand what the business is trying to achieve through the project.

#### **Start small then evolve the solution**

Changing business processes is complex and involves changing the way people work. Marketing has traditionally not been an area of the business with well defined processes, roles and responsibilities, so the usual people problems are going to be further exacerbated. Most successful deployment, tend to start with one or two key processes that the technology is to support. This is then rolled out to other processes as and when the initial processes are stable.

### **Define a key set of metrics for current and planned process**

In order that marketing can show the impact of the MRM deployment, it is essential that metrics are defined for the current and planned processes.

These can be used to monitor the project's success and help refine the delivery process.

### **Careful selection of technology vendor**

The area of MRM is hot at the moment and there are many software vendors moving into the market. The result is that:

- Solutions are being over sold;
- Software is not stable;
- Functionality is unproven; and
- Vendor viability is a big concern (consolidation of vendors is already a reality and this is going to continue).

When reviewing potential vendors, you are advised to focus on:

- Functionality
- Technical architecture (scalability is proving a problem)
- Reference sites
- Vendor viability
- Business support (there are few implementations so the knowledge base for this type of technology is still quite limited)

Due diligence should be exhaustive.

### **WHAT TO LOOK FOR IN MRM TECHNOLOGIES?**

The following are some of the key things to look for in selecting a MRM technology partner:

- Ability to configure the product;

- Absence or limited use of customer specific code;
- Proven scalability;
- Modular design and architecture; and
- Simple deployment capability.

### **WHAT ARE THE LIKELY DEPLOYMENT ISSUES?**

The following sections describe some of the key issues that will need to be addressed by those looking to deploy MRM technologies.

#### **Lack of documentation of current processes**

Many organisations do not have well documented processes in marketing. This will be a barrier to rapid deployment and will have to be addressed as part of the project. It is suggested that companies use external resources with experience in this area.

#### **Complexity of marketing processes**

The number and complexity of the processes in marketing means that tackling all processes from day one is going to be fraught with danger. Companies should focus on a few key processes, then expand into other areas and look for processes that provide 'quick win' financial benefits.

#### **Impact on organisation and suppliers**

Implementing MRM will have an impact on a wide audience, both internal and external. It is essential to make sure that all parties are fully involved and are committed to the project. Companies should take an evolutionary approach rather than a big bang approach — it will take time to get the delivery process running smoothly.

### **Lack of product stability**

There are a number of MRM vendors in the market place and there will be a number of other new entrants over the next year or so. There have been a number of problems with product stability and this is also likely to continue as new players rush products to market. Companies are advised to ensure due diligence is rigorous particularly with new players.

### **WHO SUPPLIES MRM TECHNOLOGY?**

The following companies are MRM technology vendors:

- Aprimo
- Assetlink
- BrandWizard
- DoubleClick
- Elateral
- Nvigorate
- Oracle
- Peoplesoft
- SAP
- Siebel Systems
- Smartpath (Acquired by Aprimo July 2005)
- Unica
- Veridium

As highlighted earlier in the paper, due

diligence is always required when selecting any vendor.

### **CONCLUSION**

The increasing complexity of marketing in a multi-channel, real time environment, and the business pressure to increase the productivity of marketing teams, means that the support in marketing for business processes must be improved. MRM technologies appear to address some of the key issues. The author expects that this last bastion for technology support in marketing — process support — will be addressed over the next few years. In selecting a possible vendor for MRM look for financial viability, product stability and functionality.

It is to be expected that MRM will be most appropriate for large organisations with large numbers of campaigns (>100/year), but, as this technology becomes a commodity, it will become a standard part of the technology framework that supports a typical marketing function.

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### **Reference**

- 1 Marjot, B. (2003) 'Marketing resource management', The Delivery Partnership, available at: [www.thedeliverypartnership.com](http://www.thedeliverypartnership.com).