

TIME TO INTELLIGENCE

▶ **Het Moment van De Waarheid**



13.30 Welkom

Bert Boers
Managing Director, SAS Nederland

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**TIME TO
INTELLIGENCE**



“Learning from the Leaders”

Martin Hermsen

CRM Practice Manager Accenture

Ermelo, Netherlands. October 2005



Return to growth

Companies are once again putting growth at the top of their strategic agenda.

A handful of companies, however, manage to achieve profitable, organic growth despite these challenges.

What sets them apart?



Leaders have adopted a broad definition of Marketing with the ultimate goal of creating customer loyalty.

Marketing (mar·ket·ing)

***Noun.* The orchestration of all the customer management activities that build **loyalty** to company products and services in order to meet performance objectives.**

How do leading companies across industries address the challenges of 21st century Marketing?

Key Project Questions

- ▶ **Capabilities.** What Marketing capabilities create high performance, in B2B and B2C companies?
- ▶ **Contribution.** How do these capabilities contribute to the creation of customer loyalty and shareholder value?
- ▶ **Performance.** How do leaders achieve and sustain excellence in these capabilities?
- ▶ **Enhancement.** How can laggards transform into leaders?

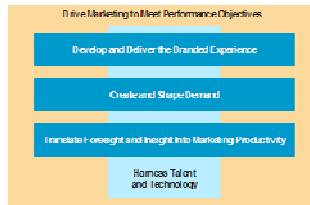
We conducted research to understand the capabilities that leaders use to create growth.

Qualitative Research



- Interviewed 40 Marketing experts
- Interviewed 30 senior marketing executives, globally
- Reviewed thinking with University of Michigan Marketing department
- Defined 120 skills needed for mastery of capabilities

Quantitative Research



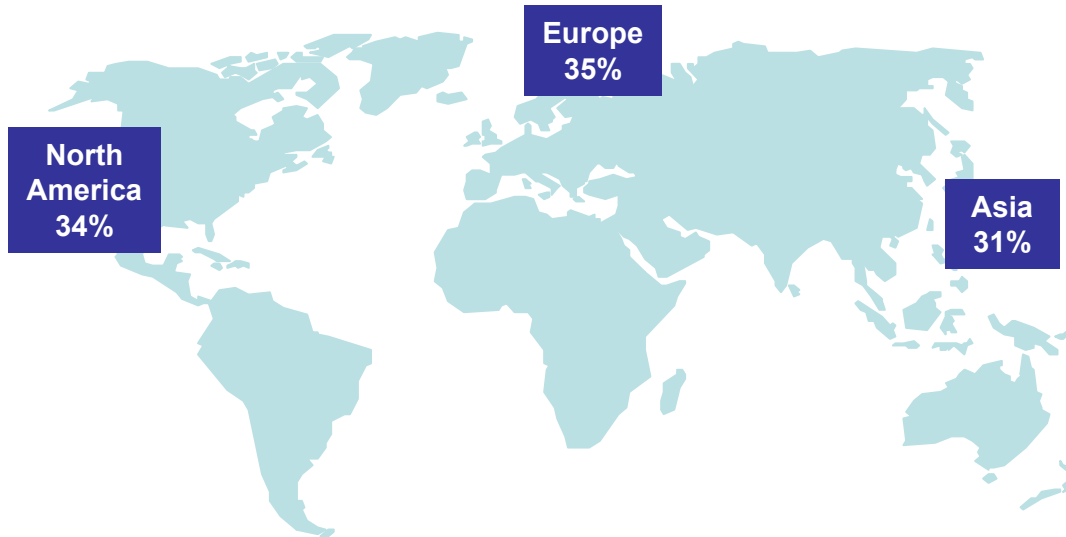
- Developed survey to test our hypotheses
- Surveyed over 700 key marketing decision-makers – across industries, B2B and B2C, around the world
- Asked respondents to rate their mastery of 120 skills and performance vs. 4 measures
- Correlated mastery measures with ability to achieve loyalty and superior business performance

Profiles



- Identified companies pursuing Marketing excellence
- Developing 25 profiles in 4 categories:
 - Sustained mastery
 - Emerging mastery
 - Transformation
 - Restoration

We surveyed 716 companies around the world



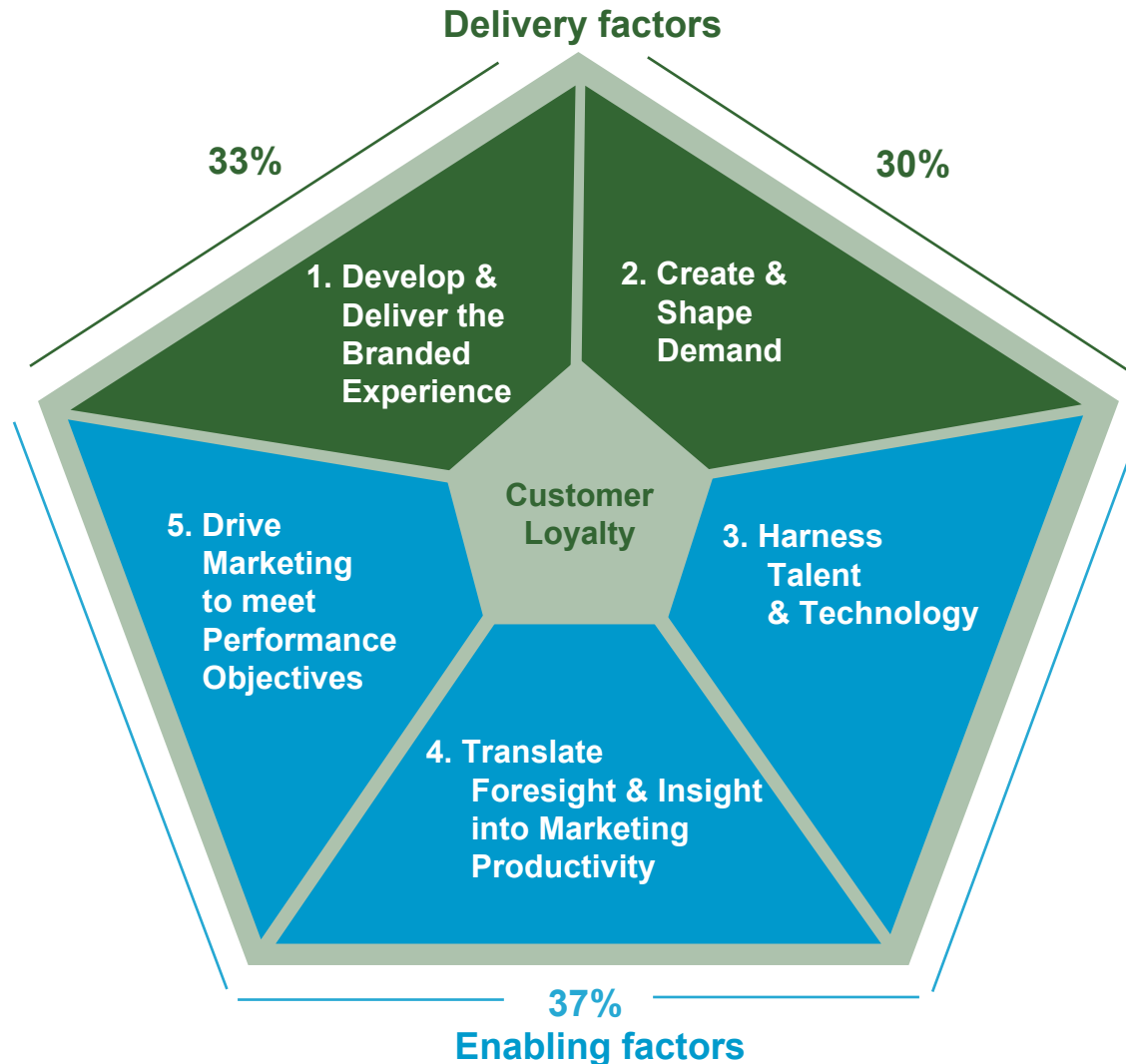
Participating Industries

- Automotive (47)
- Communications, Electronics and High-Tech (112)
- Computers and Peripherals (65)
- Consumer Products (52)
- Energy, Gas and Oil (30)
- Financial Services and Insurance (90)
- Health Care and Pharmaceuticals (44)
- Industrial Products and Equipment (73)
- Media & Entertainment (15)
- Resources and Chemicals (45)
- Retail (49)
- Services (30)
- Transportation (37)

We found leaders rely on three differentiating traits to create and sustain loyalty.

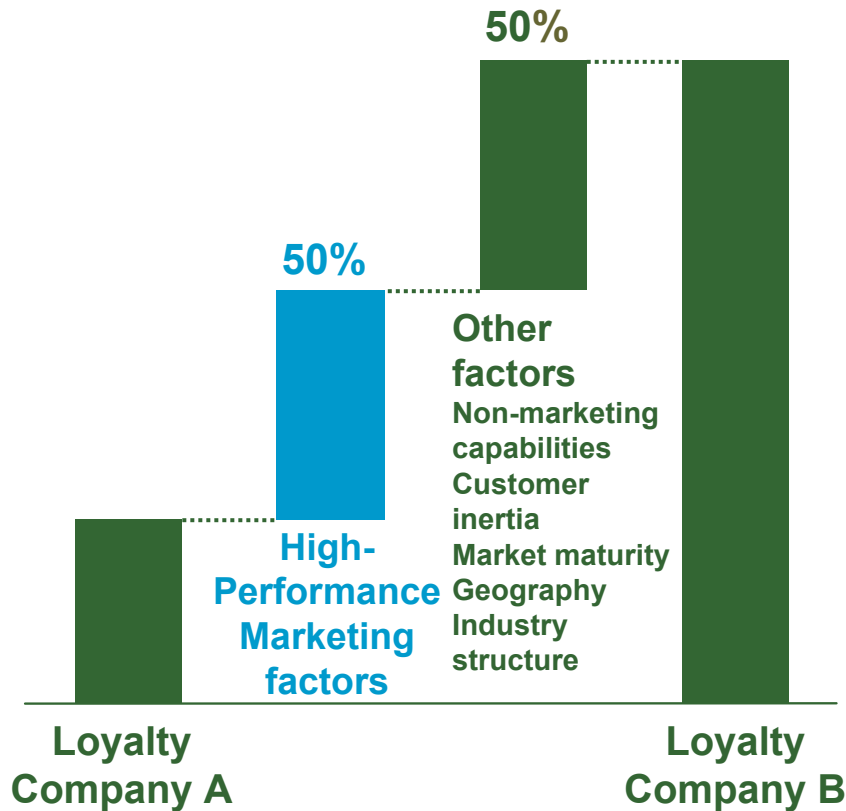
- 1. Leaders think about Marketing & Customer Management differently**
- 2. Leaders excel across five key performance factors**
- 3. Leaders undertake transformational drive to support excellence**

Leaders focus on building competency across five key performance factors.

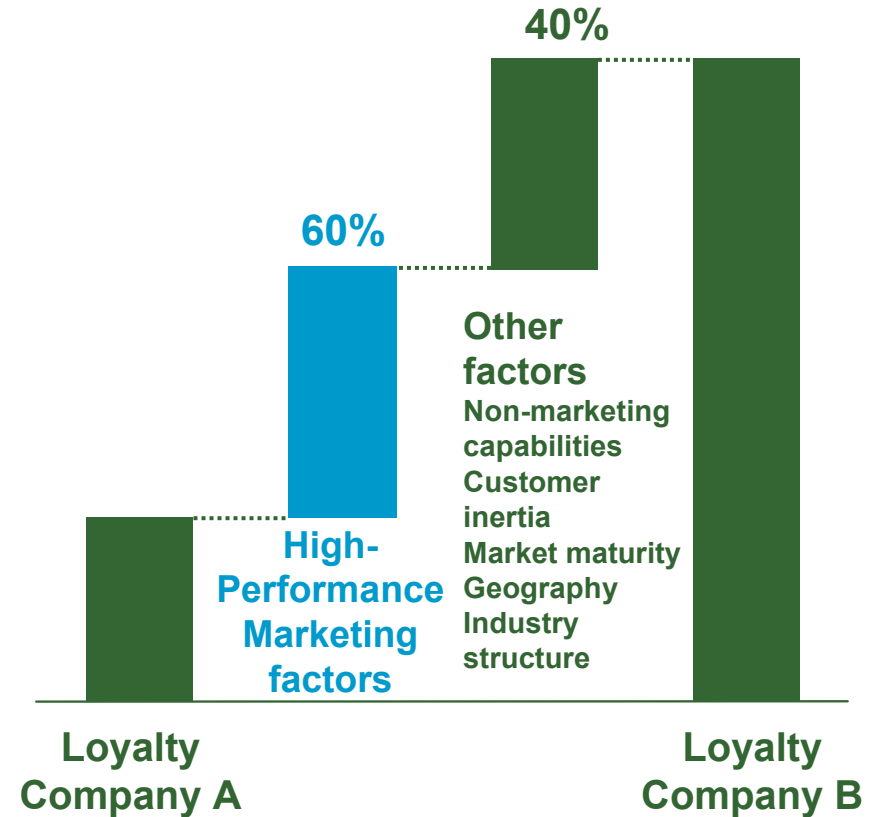


These five performance factors have a direct impact on customer loyalty.

Analysis showed that these factors account for half of a B2C and B2B2C organization's ability to achieve high customer loyalty

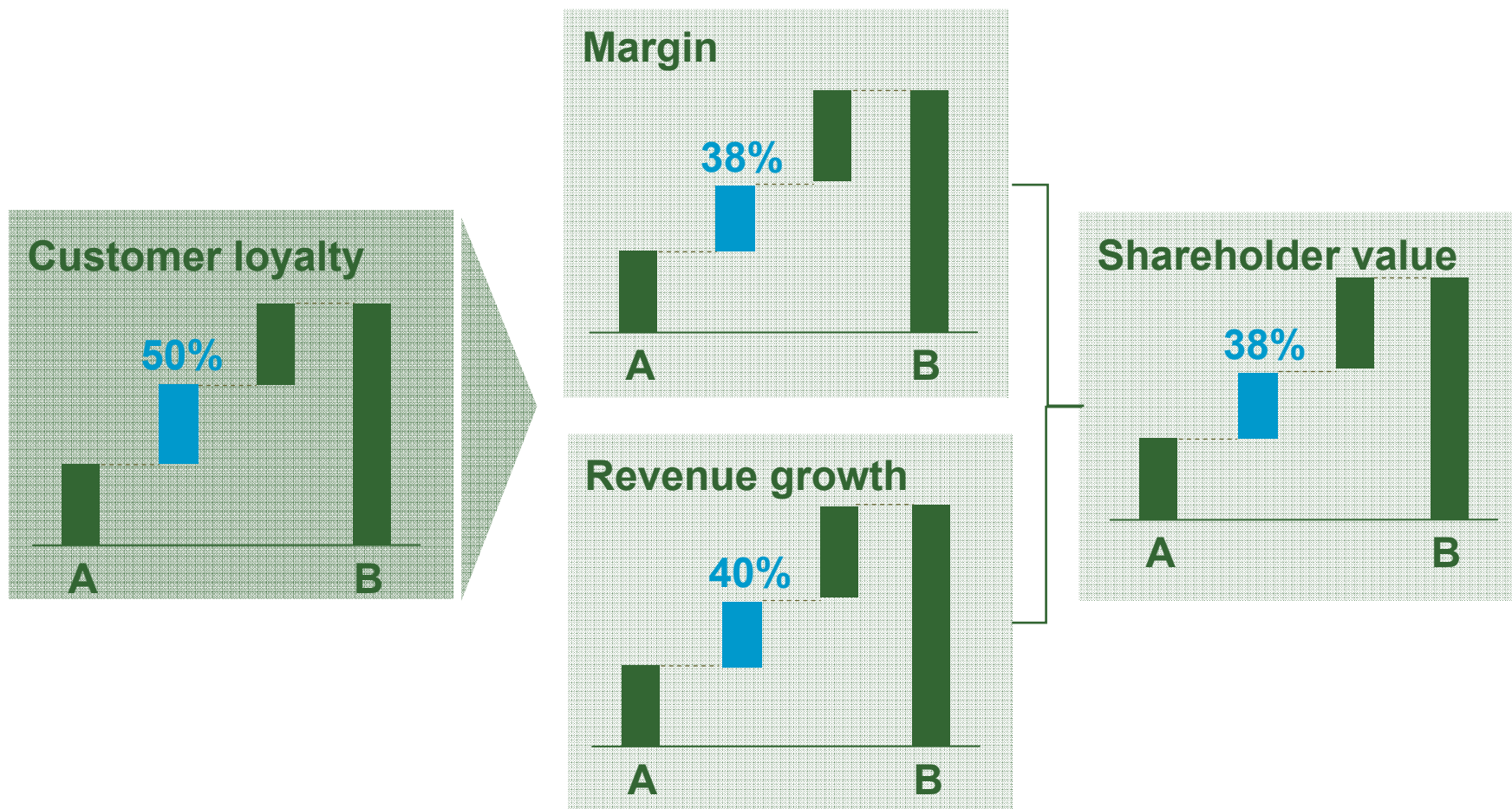


Analysis showed that these factors account for 60% of a B2B organization's ability to achieve high customer loyalty



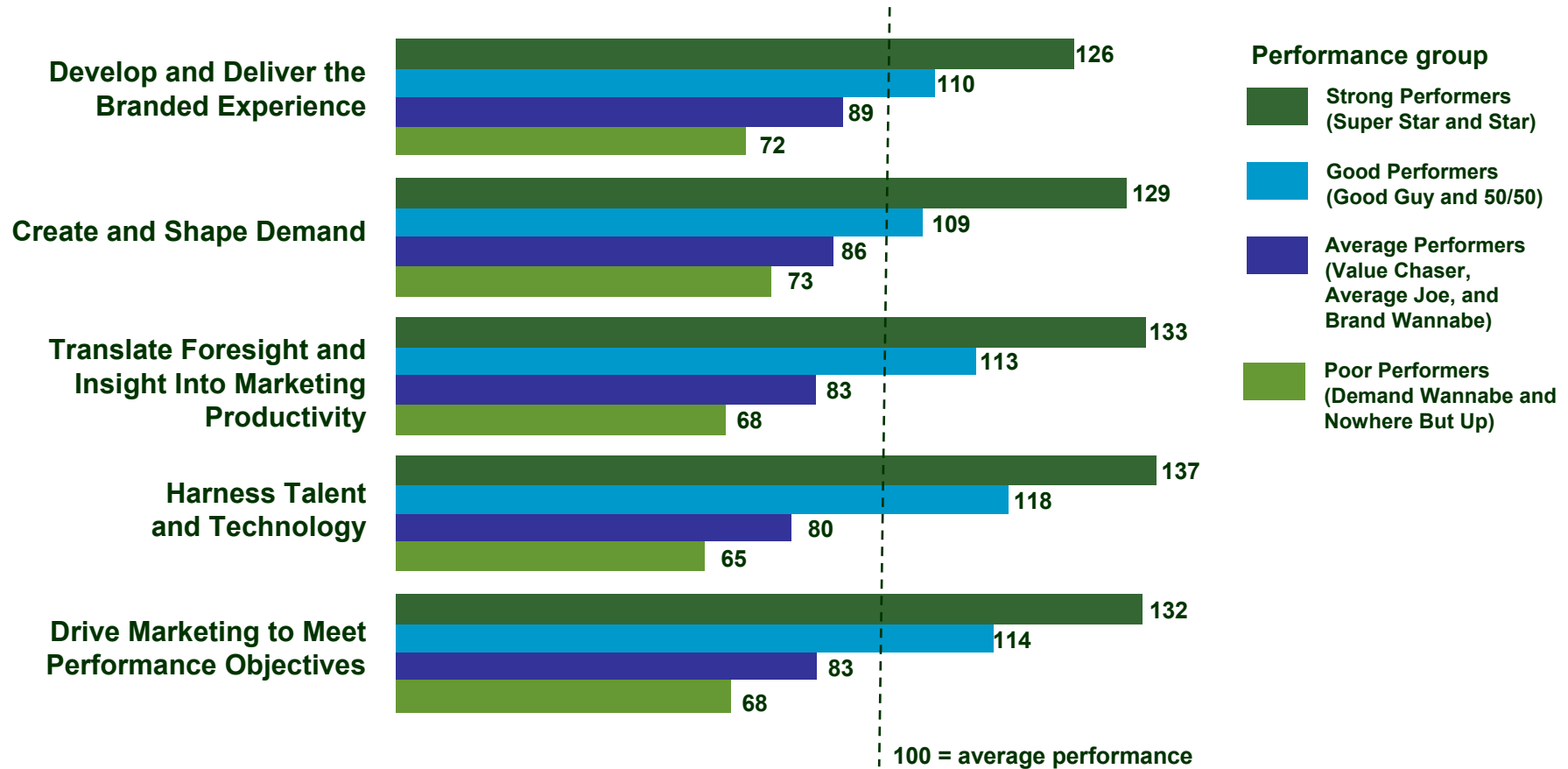
Customer loyalty in turn has a direct impact on value generation.

The ability to create loyal customers contributes significantly to growth, margin and shareholder value



The best companies outperform the rest across the five factors.

Capability mastery by performance groups (cross industry)



How masters develop and deliver the branded experience to drive customer loyalty

Execution is the principal source of value in driving the branded customer experience.

“Develop and Deliver the Branded Experience”

- Focus on High-Potential Segments
- Deliver Brand Promise Consistently
- Manage Brand for Value
- Take Broad View of the Brand

What do the masters do?



How masters create and shape demand to drive customer loyalty

Passion for innovation is key to creating and shaping demand

“Create and Shape Demand”

- Execute Pervasive Innovation Agenda
- Expand Into New Markets
- Use Leading-Edge Research Into Future Needs
- Use Channels Strategically
- Create High-Margin Products/Services
- Leverage Global Marketing Best Practices

What do the masters do?



De Beers



Microsoft[®]



Cadillac[®]

How masters harness enabling capabilities to drive customer loyalty

Insight application and strong people make the difference

“Harness Talent and Technology”

- Manage, Train, and Retain Best Talent
- Employ Leading Marketing Processes and Technology
- Source World-Class Marketing Talent

“Translate Foresight and Insight Into Marketing Productivity”

- Extract and Apply Value-Adding Insights
- Use Customer Data Strategically

“Drive Marketing to Meet Performance Objectives”

- Ensure Senior Executives Have and Use Marketing Savvy
- Track Performance vs. Objectives
- Use Organization Structure to Enhance Performance

What do the masters do?



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P&G

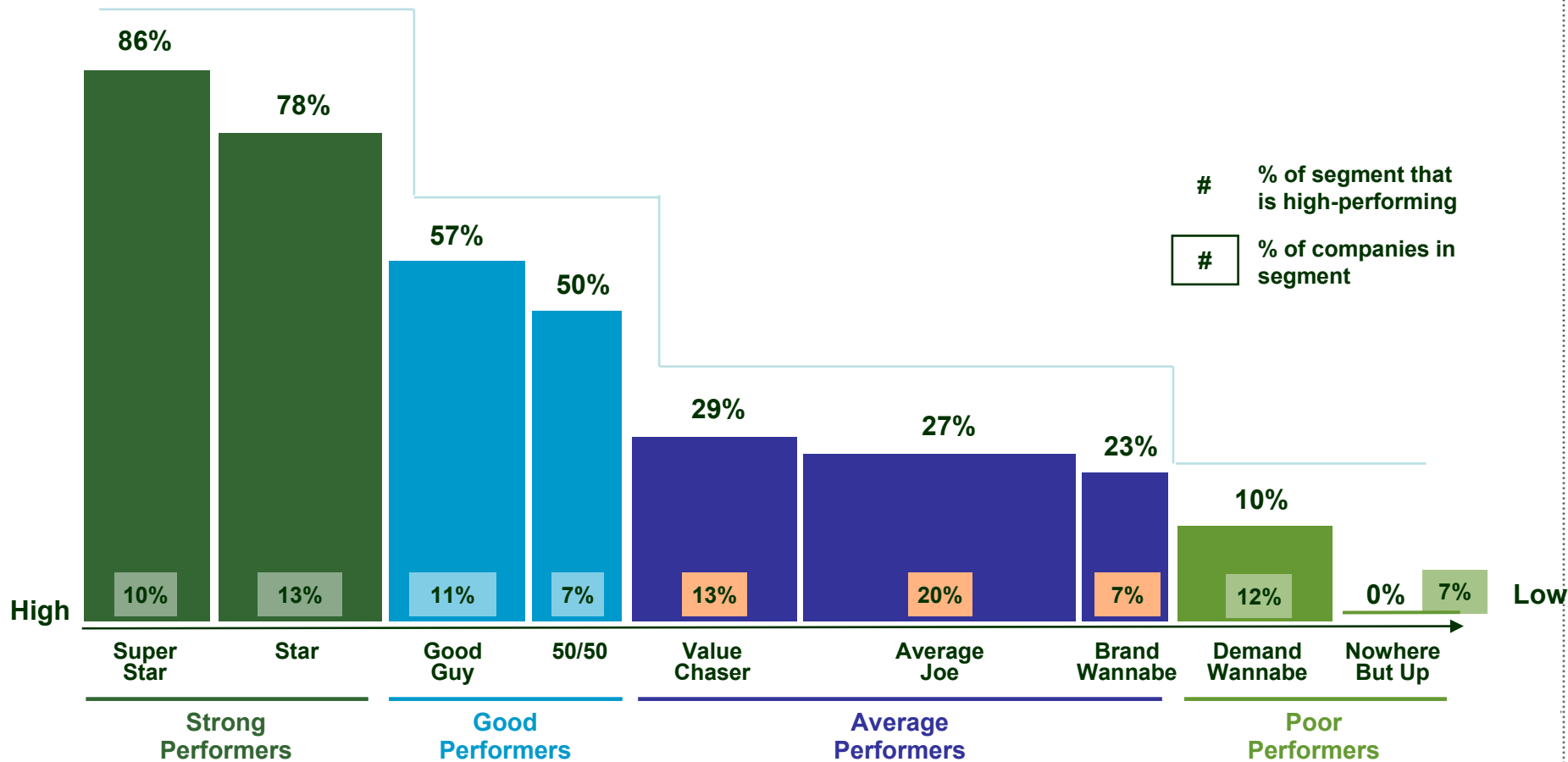
TESCO



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Leaders understand that transformational change may be necessary to achieve/sustain excellence.

Distribution of cross-industry companies across performance groups



Leaders believe that achieving marketing excellence enables them to outperform their competition.

Belief that achieving excellence allows companies to outperform competition (cross industry)

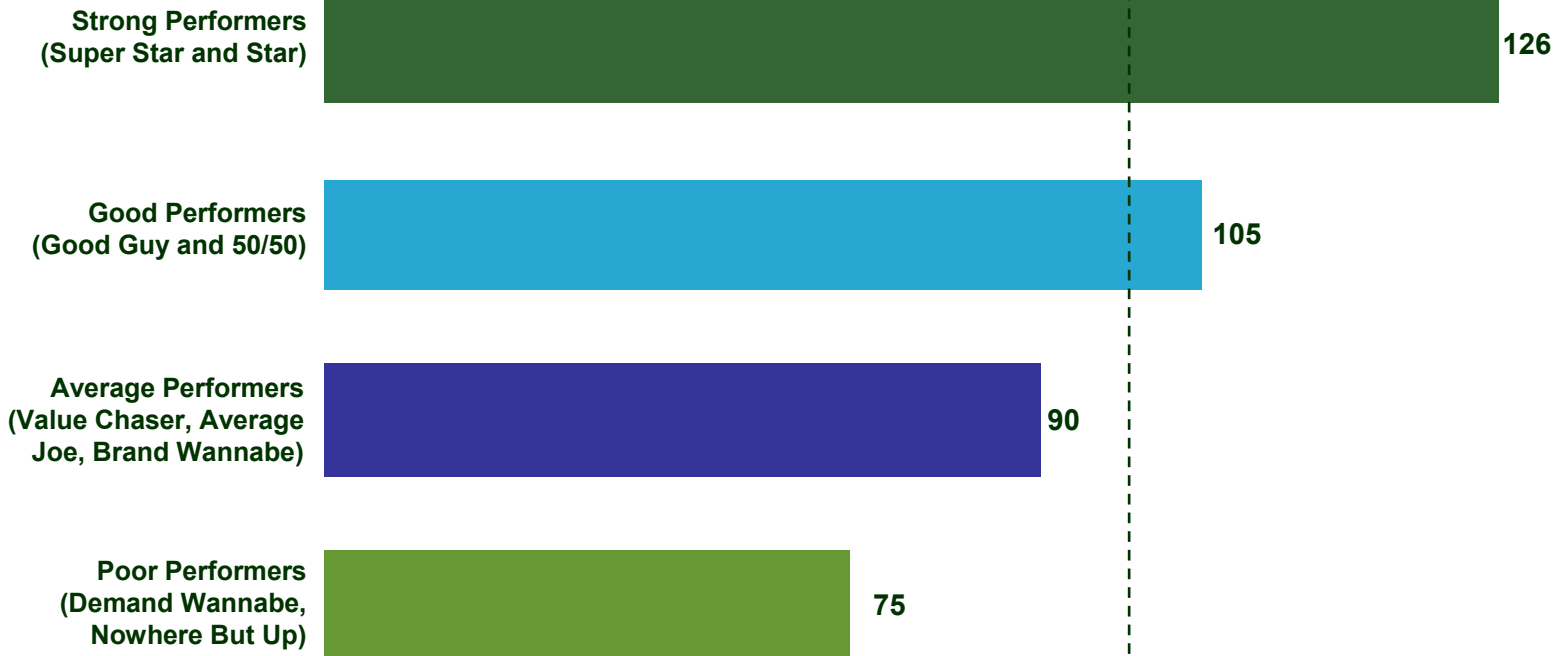


Note: Average score across all 5 capabilities

Leaders recognize the importance of investing to master all 5 capabilities.

Spending relative to competition (cross industry)

Performance group



100 = average score

Note: Average score across all 5 capabilities

Leading companies leverage organization and culture to support excellence.

ORGANIZATION CHARACTERISTICS

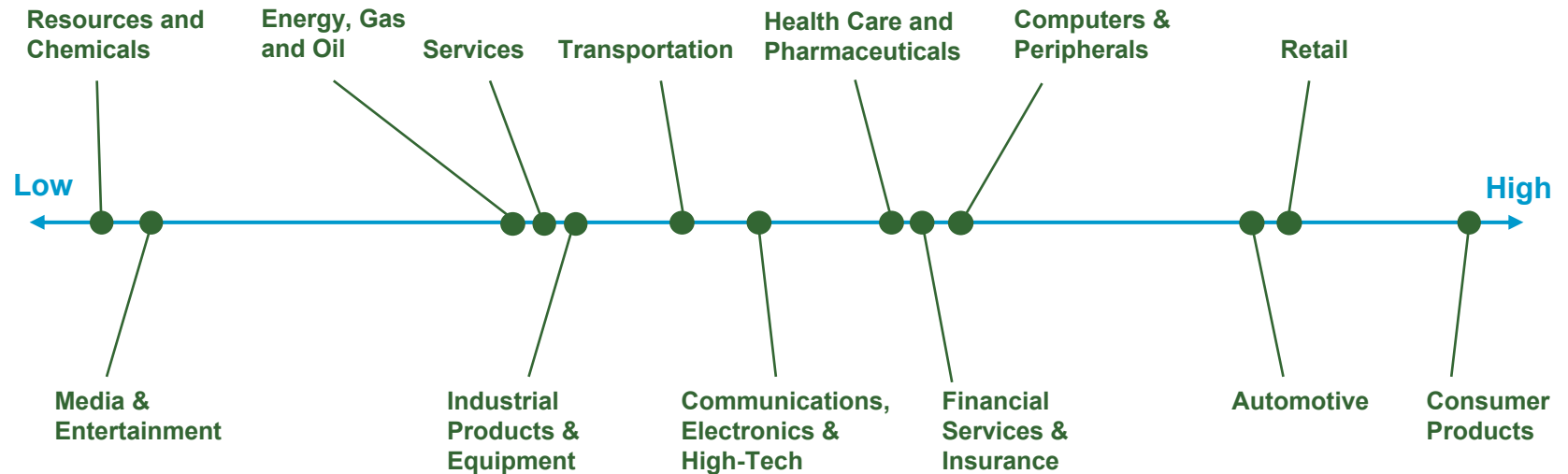
1. Organize around the customer
2. Tight integration across marketing / sales / service
3. Balance 'centers of excellence' with competency deployment
4. Make extensive use of cross-functional teams
5. Institutionalized innovation
6. Understand which capabilities belong in-house versus out sourced

CULTURAL CHARACTERISTICS

1. Reward risk taking but not afraid to cut their loses
2. Commitment to facts and measurement
3. *Invest in the Best* (people) and commitment to employee training
4. Visionary leaders
5. Performance oriented – value outcomes over activities
6. Broad vision – look across industries for leading practices

Mastery of the performance factors varies widely across industries, but every industry has leaders and laggards.

Average performance scores by industry

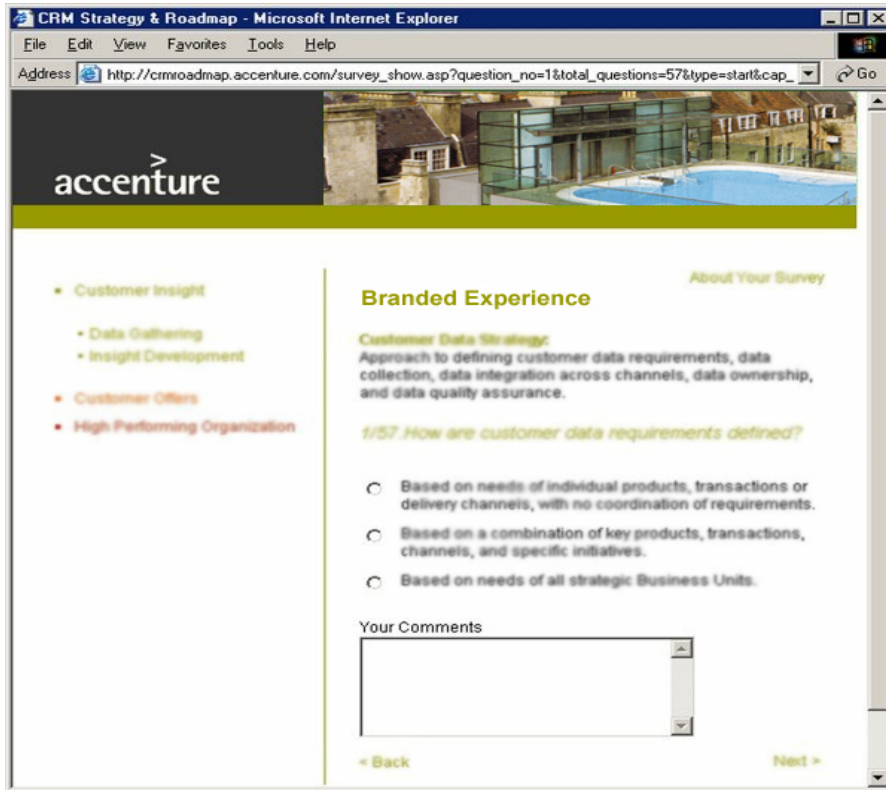


Notes:

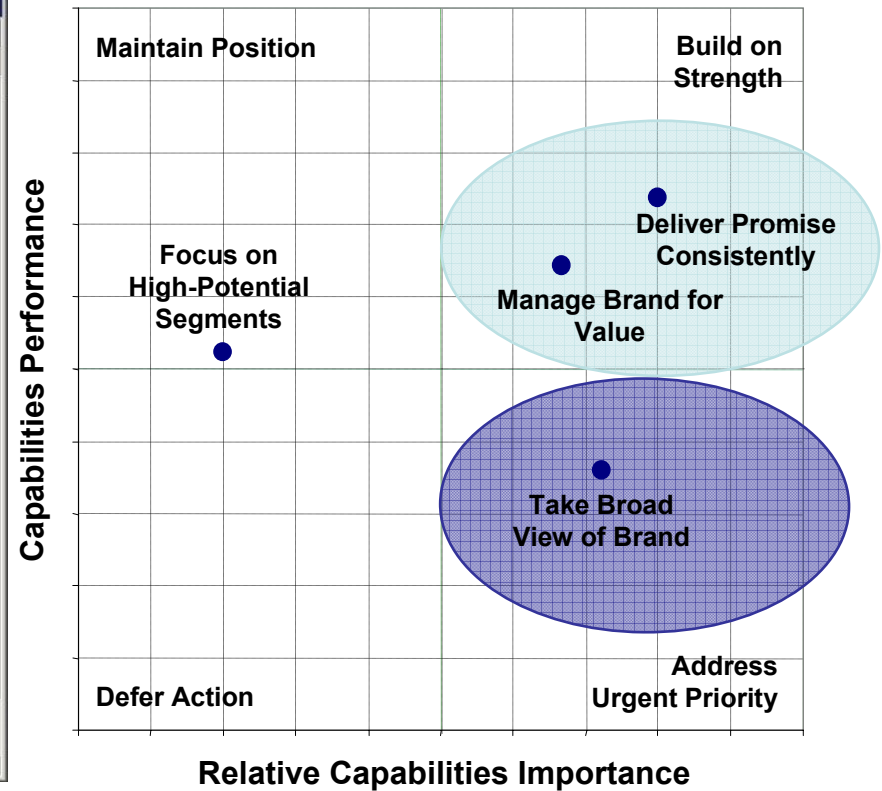
1. Industry positions derived from a performance-driven segmentation, with individual companies weighted by performance category, to remove industry-specific bias toward upward or downward self ratings
2. Cross-business model sample: B2C, B2B AND B2B2C

Participate?

Our research provides the foundation for a web-enabled diagnostic of mastery of Marketing capabilities that will locate strengths and improvement priorities.



Illustrative



The background of the slide is a photograph of a green grass field. A single, tall blade of grass stands out prominently on the right side, reaching towards the top of the frame. The sky is a pale, clear blue.

accenture

Questions?

Please visit us in the Accenture booth in the meeting area.