



SAM2Win Period 5 Feedback

Feedback on Period 5

More change at Globalman! Its Group Procurement function has now seized control of the spend on recruitment and outsourcing from the Asia Pacific region. The CPO sees this as the next stage in achieving his cost reductions for the company and it could never be achieved with fragmented spend decisions across all the local business units in Asia Pacific. For all suppliers, this is now a very different DMU for both these services and, of course, the needs of Group Procurement are quite different from those of the Asia Pacific business units.

The good news is that in these difficult times, the demand for Outplacement services has never been higher. This is a nice opportunity for those who are first-to-market here.

Who is riding these waves well and who is being blown towards the rocks?

Read the tips below that are relevant to your current overall profit ranking (you can work this out from the Gross Profits in the Account Totals screen).

Feedback for the teams with the *highest or second highest gross profits*

Issue	Tips for Improvement
Spend	A good start to this final crucial Period. Do not celebrate prematurely though as your competitors will be looking for new ways to overtake you at the finishing line. Knuckle down for the final push and make sure that all threats are eliminated.
Customer Insight	As Globalman changes once again in this final Period, make sure you understand their evolving demand levels and needs.
Strategic Alignment	With just six months to go, see if any final adjustments need to be made to your prioritization of investment. This should be about fine-tuning an already successful strategy.
Superior Value	Ensure your strategy is properly executed in this Period. Defend those opportunities where you are number one for value and make a final attack on those opportunities where you are #2 or #3.
Teamwork	Performing: Your team should now be operating at its best. Think about what final changes you can make to how your team operates that will maintain your great trajectory against improving teams elsewhere.
Final Comments	You are in a great position to win this account. Try to predict what your competitors will do to steal your crown and make sure you have implemented counter measures to stop them.

Feedback for the teams with the *third highest gross profits*

Issue	Tips for Improvement
Spend	We are now in the final Period. What key spend decisions could move you up to gold or silver position? Which opportunities will yield quick profit growth?
Customer Insight	As Globalman changes once again in this final Period, make sure you are tuned-in to any final changes in its demand levels and needs.
Strategic Alignment	With just six months to go, see if any final adjustments need to be made to your prioritization of investment. This should be about fine-tuning rather than wholesale change. Consider exiting your worst segment and using the spend elsewhere will give you the final boost you need.
Superior Value	Ensure your strategy is properly executed in this Period. Defend those opportunities where you are number one for value and make a final attack on those opportunities where you are #2 or #3. Also look for areas of value where you can scale back the investment and still hold your Ranking.
Teamwork	Performing: Make sure your team is now operating at its best. Ensure it is committed, well-organized, with collective decision-making and that everyone is doing their bit. Think about what final changes you can make to how your team operates that will boost your results.
Final Comments	You may still be able to win this game! Whatever your plan is, make sure you implement it thoroughly and vigorously in this final Period. You may surprise a few people!

Feedback for the teams with the *lowest* gross profits (i.e. fourth or more)

Issue	Tips for Improvement
Spend	Be realistic about what you can achieve this year. Maybe your objective is to finish the year with reasonable profit growth. This could be a foundation for more growth in the future. Your account plan might see this year as the Year of Change with the aim of being the most profitable supplier in 2-3 years' time. Think also about who you want to be fighting. Maybe you need to switch to guerilla warfare rather than full frontal assaults. Some competitors will have big budgets to spend. Consider speeding past smaller competitors rather than fighting head-to-head with goliaths. You can also switch your spend from People to more Promotion to give a quicker value Ranking response. Set realistic objectives and prove that you can achieve them.
Customer Insight	As Globalman changes once again in this final Period, make sure you are tuned-in to any final changes in its demands and needs. Look for any small changes that may be overlooked by the dominant teams. Large global suppliers can sometimes be too distant to understand subtle local issues. Make sure you are safe in understanding your key opportunities.
Strategic Alignment	With just six months to go, see if any final adjustments need to be made to your prioritization of investment. This should be about fine-tuning rather than wholesale change. Consider exiting your worst segment(s) and using the spend elsewhere to give you a nice final boost. You could also choose not to spend any savings from exiting bad segments to give your profits a short-term boost. However, note that money invested well, delivers more profit than money not invested at all!
Superior Value	However good or bad your account strategy is, this final Period is an opportunity to out-execute everyone else. Defend those opportunities where you have the highest ranking for value and make a final attack on those opportunities where you can improve your Ranking. Look for surgical interventions with the minimum spend to get the desired result. Also look for areas of value where you can scale back the investment and still hold your position. Undertake a quick risk assessment to assess the highest risks in this Period and take appropriate action where possible. Make any final adjustments to your spend across the opportunities and within the opportunities. If you can achieve an improved ROI in this Globalman account, your leaders will be interested in you teaching the other account teams how to repeat the magic trick in their accounts!

Teamwork	Performing: As we know from sport, a good team (even with a bad gameplan) can still beat a bad team with a good gameplan. So, regardless of your gameplan to-date, make sure your team is now operating at its best. Ensure it is committed, well-organized, with collective decision-making and that everyone is doing their bit.
Final Comments	It may be unrealistic to think you could win this game now but try to score some growth to give the leadership team confidence that the account could be won in the future. Moreover, you could still spring a surprise on the other teams and be the king-maker that decides who will win the game!

Input for Period 6

You now have one final opportunity to make a lasting impact on this account.

While your decisions to date have been all about big picture sales strategies, you now need to focus on the tactics. Make sure you have enough budget for the final six months by reducing your investment in poorly performing sales opportunities. See if you have over-engineered any value propositions anywhere. If you have a large gap over your competitor, can your investment be reduced safely? Then use that additional money to tighten up your value proposition in your chosen opportunities. Make sure you anticipate consumer needs and competitor value propositions so your offer will be distinctive and effective.

In this Period you will need to decide the right emphasis between short-term profit extraction and long-term strategic investment. Note that any unspent budget will go straight to your bottom line – which the CFO and CEO will appreciate this year!

Above all, make sure you use the power of your whole team for your final push to the line.

This final Period is all about implementation. This is a subject area that is often overlooked both in theory and in practice. Many books on strategy add implementation merely as an afterthought. Even books on strategy execution tend to take a mono-dimensional view, based on the experience or interests of the author. There are also relatively few models to help, certainly compared to the vast subject of strategy. Yet, most authors would agree that strategy has little value without good implementation. This is why we set out to write a book on the subject based on research, theory and decades of practice. Below, I have included an extract from *Marketing Navigation* our book on the subject. Although it studies marketing plan implementation, rather than account plan implementation, from our experience working on many different SAM implementation programs, we think the lessons are very relevant to account teams as well.

The final lesson to learn is that implementation is really about *change*. In our experience working with hundreds of real account managers, we can honestly say that the best ones are great at delivering change. This often involves delivering change internally, externally and in the account relationship. We would even go so far as to say that good account managers are good at *managing* change but the great account managers are good at *leading* change. Indeed, our view of a great account plan is that it is actually a solid business case for change. If you have not done so, you should become competent in change management and change leadership. You can get started by buying two books:

- *Leading Change* by John P. Kotter
- *Changing Spots: A Systems Approach to Change Management* by Ian White and Andrew Kearns

You will find the lessons in these books will improve your life both in work and outside it.

Good luck!

The Market2Win Team

Perilous marketing voyages

We spend a lot of time writing marketing plans specifying where we want to go. In the good plans (and some would argue the minority of plans) we also define a clear strategy for getting there. But how often do we implement those plans and get to our desired destination successfully?

To answer this question, in 2011 we conducted a survey of senior executives in 70 different organizations to find out their experiences with implementing marketing plans.²

Our research revealed that very few plans were implemented fully and effectively. In fact, *no one* said they hit their targets *all* the time and only a minority (39%) of respondents said they hit their targets *most* of the time. Most respondents (61%) said they hit them just *some of the time* or *rarely* (see Figure 1.1).

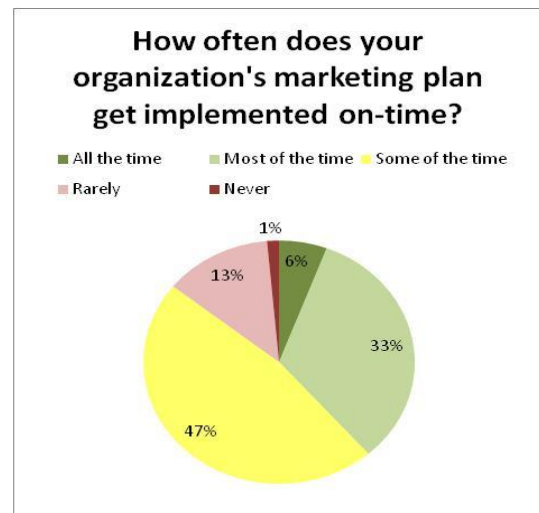


Figure 1.1: Hitting key targets Figure 1.2: Staying on time

Furthermore, implementation is not just about whether or not a plan hits its targets. A plan needs to hit its targets on time and here we uncovered another problem.

As Figure 1.2 shows, few respondents (39%) were able to implement their marketing plans on time (i.e., either "most of the time" or "all the time"). In other words, the majority (61%) of respondents said they do not typically implement their marketing plan on time. A sizeable minority (14%) said their marketing plan "rarely" or "never" gets implemented on time!

The main problem area is revenue goals (*Sales*). The majority (60%) of executives surveyed said they are typically behind schedule in this area. Next, hitting *Market Share* and *Profit* targets on time is a problem for 50% of the respondents. For Market Share, this includes 21% who said they were typically 'significantly behind schedule' in implementation. So it appears that most marketing plans simply fail to deliver the promised benefits on time.

Taking a marketing plan through to implementation is one of the most perilous voyages that anyone can undertake. It cannot be good for your business or your career if your plan repeatedly hits the rocks!

The causes of implementation failure

Why is implementing a marketing plan such a perilous task? Where does it all go wrong? We believe that there are two major factors: commitment and risk.

The significance of commitment

In our survey we named five significant issues affecting implementation and asked how significantly each of these affected implementation. The results are shown in Figure 1.3

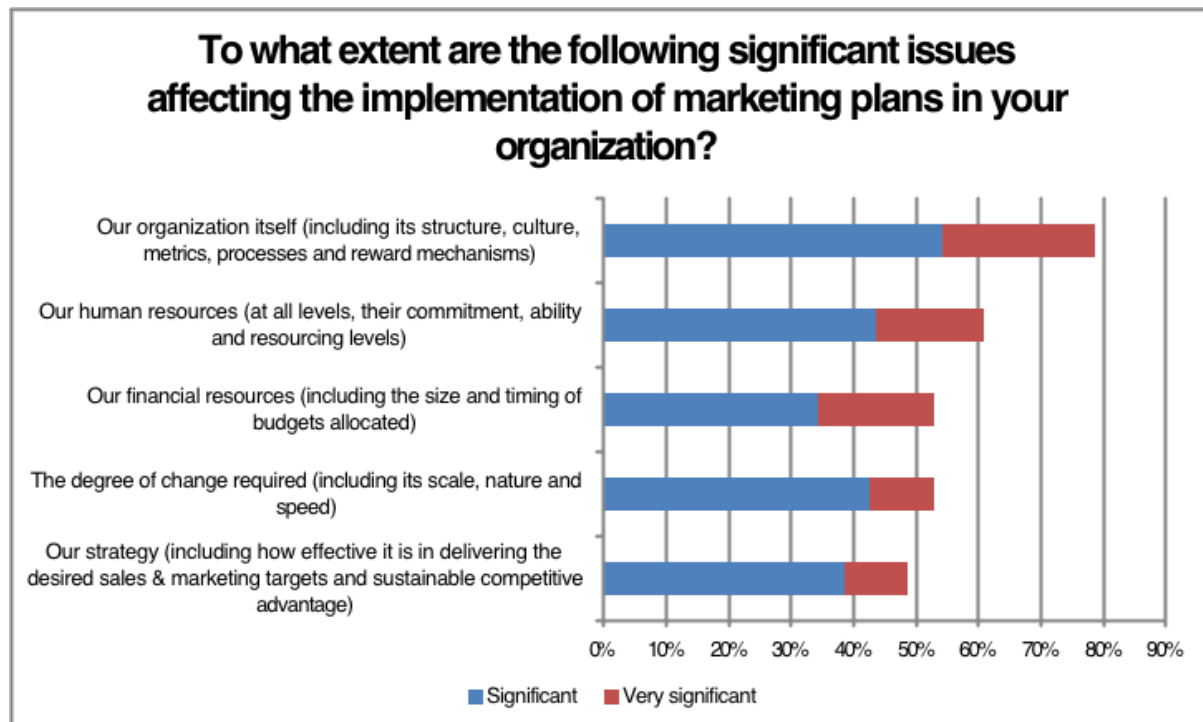


Figure 1.3: The key causes of implementation failure

The talent pool of “human resources,” which includes people’s commitment, ability and resourcing levels, was ranked second in importance with 61% of respondents saying it had either a significant or very significant effect on implementation

Our experience also suggests that most practitioners involved in implementation programs readily report that commitment is key. But what is it?

What is commitment?

Commitment is an interesting concept, often thrown around at meetings and conferences.

Commitment is not something we either do or do not have. It is not a light switch that is either on or off. Marketers often assume they have it when they do not. And even if key stakeholders “approve” a marketing plan for implementation, it does not necessarily mean that they are committed to it.

Commitment is a degree of buy-in, beyond approval, at the higher end of a continuum. In Part 2 we look at this in more detail.

How important is commitment for implementation success?

It is interesting to note that “our organization,” which includes its structure, culture, metrics, processes and reward mechanisms, was overwhelmingly seen as the most important issue affecting implementation. 78% of the respondents saw this as either significant or very significant. Nearly a quarter of them said this was a “very significant” issue.

Furthermore, the *financial resources* required to implement the plan, the *degree of change* required by the plan and the *strategy* within the plan were also significant issues for around half the respondents.

Clearly, there is more to implementation success than “commitment” alone.

Risks

In Part 2 we look at the most common causes of failure and use engineering principles to uncover the real root causes. We treat each of these potential failure points as *risks* that must be addressed. We can summarize these risks as follows:

The risks from an inadequate marketing plan: This is the most basic of risks, as important as having a well-built ship and a solid navigation plan *before* leaving port. Is the strategy solid? Is the market well understood? Are the value propositions compelling? Has the competitive response been correctly anticipated? Are the forecasts realistic? Is the timing correct? Have resource implications been thoroughly considered? With the Marketing Navigation approach, we address this risk *prior to* the implementation phase by providing a marketing plan diagnostic designed to determine whether your plan is ready to be implemented. If the marketing plan itself is not robust, it is certain to end up on the rocks!

The risks related to the external environment: Even a good strategy captured in a good plan can fail if the external environment changes dramatically (see “A £469m Implementation Failure”). For example, the credit crunch storm of 2008-10 threw many implementation programs off course. Without realizing it, many plans were heading towards troubled waters.

The risks related to the internal environment: Even good plans will struggle in a difficult internal environment. This may be an organization that is resistant to change, that is split into many autonomous business units or that does not value marketing. Plans sailing in conditions like these will need a lot of hard work to stay on course.

The risks from inadequate leadership: Poor leadership is a sure way to stall a good plan. It may be a leadership team that does not understand marketing, that spends too much time analyzing the past financials and too little considering the future direction, or that is more interested in new ideas than implementing existing ones. This motley crew will ensure the plan never reaches its desired port. In Chapter 9 we look further at the important part that leadership has to play in overcoming these challenges.

To summarize, we have two major issues to think about:

Commitment to implementing the plan

Risks to implementing the plan

These are the two factors that will underlie much of our thinking.

The end of Dead Reckoning in Marketing

How much consideration do you give to the issues of risk and commitment in your marketing plan? Perhaps you are better at some aspects than others. Maybe you know that these are important issues but are not sure how to deal with them. They are not fixed but change, like the weather, as the plan

goes through its implementation journey. Risks can suddenly appear, rise in importance then fall away as the issue is addressed. Commitment can be gained and lost.

Most marketers are not trained in how to deal with these issues. We tend to rely on experience or “gut” judgment in deciding what matters most and what actions to take. This is the marketing version of “dead reckoning.” Our marketing plan tells us where we want to go and maybe how we are going to get there. But where are we on that journey? Are we on course to meet our objectives? Are we on time? What actions are necessary to keep us on course?

We propose that the underlying reasons why a plan is failing can be linked back to these risk and commitment factors. If these can be identified and managed dynamically, then the success of the plan can be more accurately predicted.

We marketers are like a captain of a ship expecting to see an island at a point in the journey but instead seeing it a day or two later than planned. We know we should have reached that target at that time and are not sure why we missed it.

In some cases, marketers are not concerned about implementation. If this is the case and the plan has been left entirely to another function or team to implement, the marketing department is reliant on the accuracy of the progress reported to them by others. Should we care? It depends on whether we are happy to risk our plan hitting the rocks or not. Without the right navigation aids to give us insight, we are just using the long outdated and ineffective method of dead reckoning.

So when, without good navigational aids, everyone around you reports that things are going fine and we will be reaching our target on-time, just think of Sir Cloudesley Shovell on *HMS Association*.

Implementation is a multi-billion dollar issue

Does all this matter? We wanted to know the impact of poor implementation so, in our survey, we asked what the costs of failure were to the various organizations that responded.

Figure 1.4 shows the estimated profit lost annually due to poor marketing plan implementation.

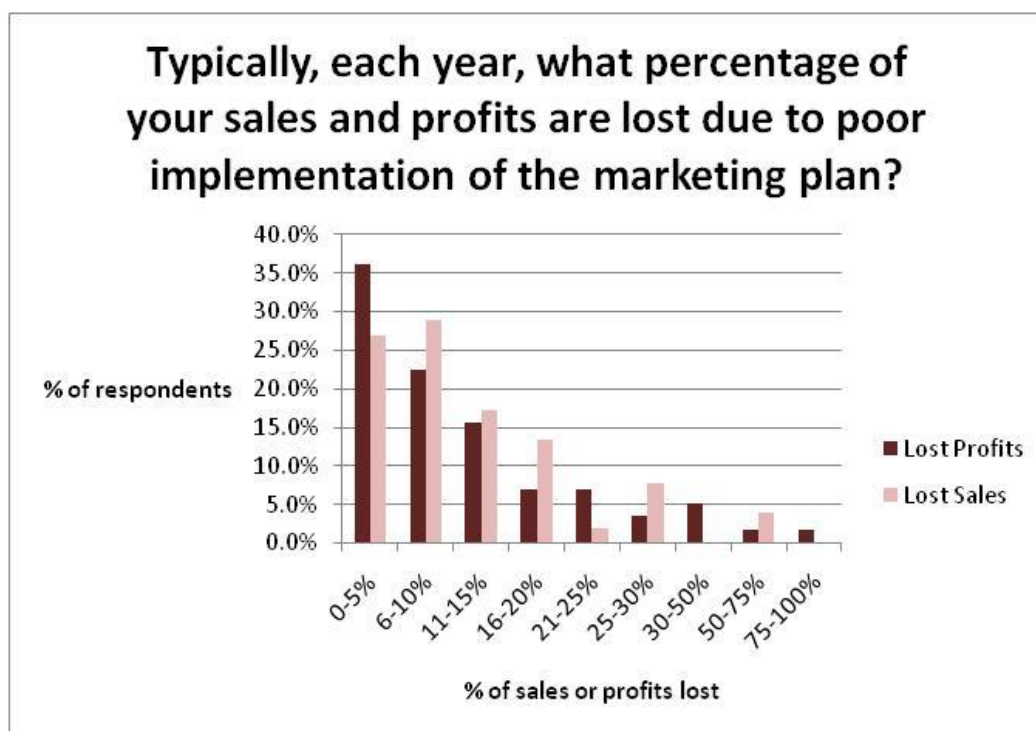


Figure 1.4: Lost profits due to failed implementation

Just over 40% of the responding organizations reported losing 10% or more of their profits, 25% were losing 15% or more of their profits and almost 20% saw an opportunity to increase profits by 20%. On average, nearly 13% of profits are being lost every year due to poor implementation.

This is a multi-billion dollar problem. If we apply this percentage across the Top 50 corporations of America, we estimate the total lost profits from poor implementation to be well over \$50 billion. That is four times the annual profits of Apple!

Add to that the lost profits from the thousands of companies further down the American ranking and repeat it for the other global regions and you can see this is a considerable global goldmine.

Finally, this figure may be significantly *below* the true cost. There are significant invisible costs that we need to consider as well.

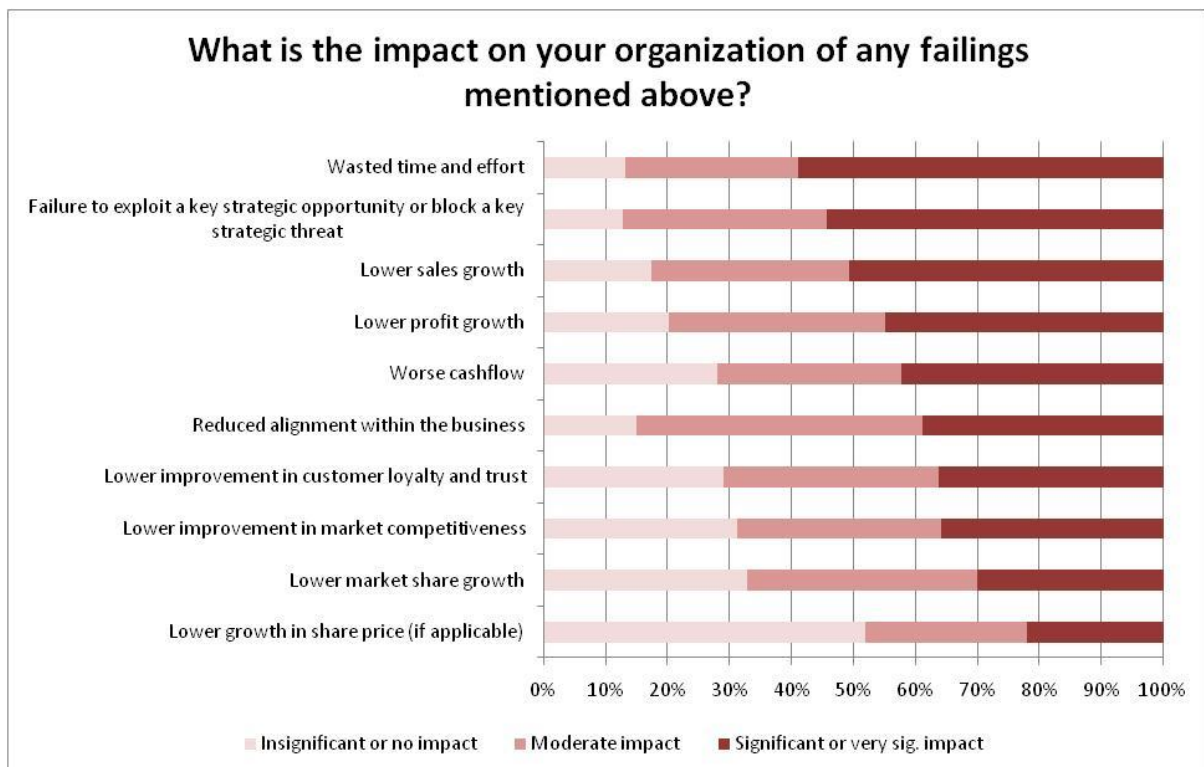


Figure 1.6: The greatest impacts of poor implementation

The top five impact areas (with figures showing the percentage of respondents who said this had a significant or very significant impact) were:

1. Wasted time and effort (59%)
2. Failure to exploit a key strategic opportunity or block a key strategic threat (54%)
3. Lower sales growth (51%)
4. Lower profit growth (45%)
5. Worse cash flow (42%)

This shows the frustration felt by the marketing department when their marketing plans do not get implemented well, the missed strategic opportunity that this represents and its adverse effect on cash flow to the business.

We can conclude that although billions of dollars are lost from poor implementation, like the rocks of the Scilly Isles, the biggest impact areas are dangerously invisible.

Marketing Navigation: a new way to implement your marketing plan

Traditional marketing approaches follow a step-by-step approach to writing the marketing plan yet say very little about how to *implement* it. Typically they follow a “Ready, Steady, Aim, Fire!” approach which roughly equates to gathering information (Ready), analyzing the information (Steady), writing a plan (Aim) and then implementing it (Fire!). This would be fine if implementation were like a bullet: fast, unswerving and small. However, many strategic implementation programs are the opposite: slow, evolving and large.

Implementation is a complex and risky exercise more akin to a ship in heavy seas than a speeding bullet. The plan provides the course that the ship is supposed to take, but the world and weather changes as the plan goes into implementation. The plan must face the changing seas of customer needs, the shifting winds of political, economic, sociological, technological, legal and environmental change, the challenge of competitor ships and the hidden rocks of unexpected events. This means that plans are rarely able to sail on a simple straight course on their way to successful implementation.

This is before we consider possible problems with our own ship: the limited resources on board, the internal competition for the captain’s favor, the motivation of the crew, the limitations of the engine and our slowness in changing course.

In particular, implementation is very context specific. The degree of risk rises with shorter timescales, fewer resources, larger change programs, less clarity, greater customer uncertainty and more competition, amongst other factors.

We have been involved in researching and implementing marketing plans for over 20 years in a variety of businesses, markets and geographies. Over that time, we have found that the solutions to implementation challenges often do not come from within the marketing profession at all. They come from other professions that have had to deal with resolving implementation issues of their own. In particular, we look to the engineering, change management and strategic account management professions for inspiration.

Wherever possible, we have adapted tried-and-tested ideas from outside to be deployed in marketing itself. As David Kord Murray would say, we are “borrowing brilliance”⁴ from outside to find new ways of solving problems inside. We also believe this strengthens the marketing profession itself by filling important gaps in the planning process and raising the skills of marketing managers, enabling them to become successful implementation leaders.

We have also reflected on recent work we have done with large and small marketing programs. In particular, we have seen how the marketplaces of our clients have changed dramatically over recent years and are now far more unpredictable, complex and turbulent. If your marketing plans dealt inadequately with change in the past, they will surely be sunk by the turmoil of tomorrow.

To solve the problem of mediocre marketing implementation in an increasingly turbulent world, we believe that a new philosophy and a new approach is needed, one that gives fresh guidance to marketers on how to break down that big implementation step.

Extracted from Chapter 1 of *Marketing Navigation: How To Keep Your Marketing Plan On Course To Implementation Success* by Edmund Bradford, Steve Erickson and Malcolm McDonald (Goodfellow Publishers).