

Creating the Big
Marketing Idea
in an Era of
Process and
Cost Control

A roundtable
perspective from
leaders of the
Atlanta Chapter
of the American
Marketing Association

June 2010

Background

In the spring of 2010, the Atlanta chapter of the American Marketing Association (AMA) convened its Executive Advisory Board for a roundtable discussion.

The AMA wanted to know what these top marketing executives were viewing as the most significant challenges facing marketers today.

The panelists included the following AMA advisors:

Heather Foster
VP Marketing
Control Scan
President, AMA Atlanta

Moira Vetter
CEO
Modo Modo Agency
President-Elect, AMA Atlanta

Jon Anderson
Andersen Law Firm
Treasurer, AMA Atlanta

Jo Ann Herold
CMO
TopRight

Henna Inam
Chief Marketing Officer
CIBA VISION

Matt Lohman
Director of Marketing
Cortera

Tom Lowry
Head of Industry, Technology
Google

Paul McKeon
President
The Content Factor

Tim Palmer
VP Marketing
Kodak

Dan Vargas
President and CEO
Vargas & Amigos

The Most Significant Challenges Facing Marketers Today

The panelists identified a number of challenges, some age-old and ongoing (e.g. proving the value of marketing, defining the relationship with sales) and other more topical concerns (the fall-out of the economy and use of new tools and media).

Most of the issues fell into three areas:

Budget/ROI Issues

- How to decide what to cut when your current budget is cut in half
- How to determine return on marketing investment (ROMI)
- Understanding marketing analytics and proving ROI

Organizational Issues: Roles/Relationships

- How to retain marketing's "seat at the executive table"
- The changing role of the CMO
- Sales and marketing alignment
- Who owns the customer

Current Events

- The role of social media in marketing
- The challenges presented by globalization
- How to manage through a tough economy and stay focused on long term objectives
- The benefits of diversity marketing

But the challenge that panelists viewed as most urgent to address and transcending all the above was:

How to maintain an environment where the big idea and big opportunity are valued and utilized in the marketing mix—while existing in a process-driven, cost-conscious environment.

Panelists believe that there are two major impediments to "creating 'concept-friendly environments' that foster creativity and value new innovations."

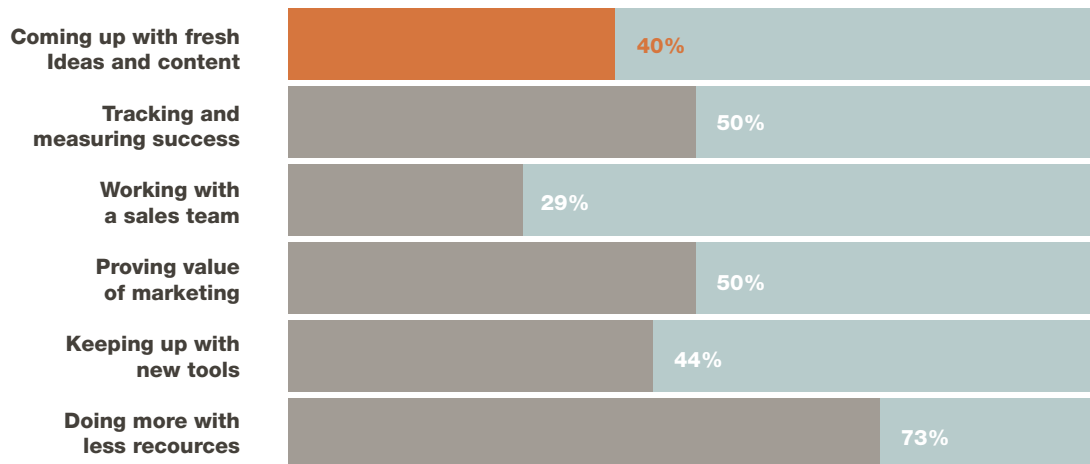
- **A short-term mentality of "prove it this quarter"** that disregards the realities of buyer behavior (i.e. it takes at least six months to a year for a program to change buyer behavior).
- **A shift in marketing from a highly creative** (qualitative) to highly analytical (quantitative) endeavor.

The Big Idea is the Big Issue for Many Business Leaders

The issue of how to create fertile ground for big ideas is at the top of many business leaders' lists of key challenges.

A recent survey of B2B marketers (cosponsored by Genius.com and *BtoB Magazine*) showed that, "coming up with fresh ideas and content" was viewed as one of the top five most difficult aspects of their jobs.

What is the most difficult aspect of your job?



Source: Genius.com B2B Marketing Skills Survey, 2010

A just-released study by IBM of 1,500 CEO's from around the globe showed that, **creativity** is the number one leadership competency of the successful enterprise of the future — **more than rigor, management discipline, integrity or even vision**. Why? "Eight in ten CEOs expect their environment to grow significantly more complex but only 49 percent believe their organizations are equipped to deal with it successfully – the largest leadership challenge identified in eight years of research. CEOs are confronted with massive shifts – new government regulations, changes in global economic power centers, accelerated industry transformation, growing volumes of data, rapidly evolving customer preferences – that, according to the study, **can be overcome by instilling 'creativity' throughout an organization.**"

Quoted in *Fast Company* magazine, Steven Tomasco, a manager at IBM Global Business Services, expressed surprise at this key finding, saying that it is "very interesting that coming off the worst economic conditions they'd ever seen, [CEOs] didn't fall back on management discipline, existing best practices, rigor or operations. In fact, **they [did] just the opposite.**"

Frank Kern, senior vice president, IBM Global Business Services, had a different perspective: "Step back and think about it...**this is entirely consistent** with the other top finding in our Study — that the biggest challenge facing enterprises from here on will be the accelerating complexity and the velocity of a world that is operating as a massively interconnected system."

Creativity: Invitation or Solution to Chaos?

These observations present two apparently conflicting views — View A. Creativity is the best response to an increasingly complex, interconnected and fast-paced business environment. And View B: Creativity is the opposite of management discipline, best practices and rigor. In this conflict lies the challenge that our panelists identified:

Big ideas are needed more than ever, but companies need to embrace creativity and find a way to institutionalize idea generation – to create structure and processes with measurable efficiency and effectiveness – such that idea generation is more reliable and predictable.

SUMMARY of RECOMMENDATIONS

Innovation and creativity must be valued at the top of the organization.

CEOs must encourage innovation—and allow for creative discoveries and incent employees to try new things.

Make it Part of the Fabric of the Company

Creativity is not an output of the marketing department: it should be a company-wide enterprise.

Google is an often-cited example of a company that has baked creativity into its way of doing business. Here are some of the ways they demonstrate that:

- Developed a corporate vision to organize the world's information
- Accepted that the pursuit of this vision requires breakthrough thinking and learning
- Institutionalized the requirement to innovate
- Became absolutely intent on adding new lines of business to keep their engine running. Standing still is not an option
- Demanded hard data on new products without shooting the messenger if the data conflicted with “what they want to hear”

Encourage Failure

IBM's Thomas Watson, Sr. was quoted as having said, "The fastest way to succeed is to double your failure rate."

In a special edition of the *Harvard Business Review* focusing on "The Innovative Enterprise." Richard Farson and Ralph Keyes wrote an article entitled, "The Failure Tolerant Leader" about leaders who, "...through their words and actions, help people overcome their fear of failure and, in the process, **create a culture of intelligent risk-taking that leads to sustained innovation.** These leaders don't just accept failure, they encourage it."

Google is another company known to encourage failure: they accept that creativity and risk taking often result in failure, and that failure is good because it means you are trying new things and taking risks.

Google gives employees 20% of their time to work on what they want and to evaluate new ideas

Provide Time to Think

Research has shown that, under most circumstances, time pressure causes people to think less creatively. To create a fertile environment for fresh thinking, companies need to provide time to think and ideate.

Google gives employees 20% of their time to work on what they want and to evaluate new ideas.

Make the Company a Safe Place for Ideas to Grow

New ideas can be fragile things. Often they emerge not fully formed and are dismissed because they're not recognizable as a complete solution or they're so unexpected that they make people uncomfortable. To keep potential big ideas alive:

Train people on how to recognize and nurture the germ of a big idea. Take a lesson from improvisational artists – each idea, good or bad, can be handed-off, built upon and transformed.

Create a Learning Organization

Companies that embed learning into their way of doing business are better prepared to adapt to change and more likely to generate fresh thinking.

- Generate and test hypotheses and measure results
- Chronicle learning from each experience
- Debrief on what worked, what didn't and record lessons learned
- Share knowledge throughout the organization
- Stimulate thinking:
 - o Bring in outside experts; go on site-visits, conferences, etc.
 - o Provide food for thought – bring in news/information on bigger trends/new ideas in other fields. What can be learned from other categories or creating a broader/deeper picture of your consumer

Design a Disciplined Approach

A disciplined approach that includes using data and analytics to measure the success of implemented ideas increases the organization's comfort zone around creativity.

Craig Wynett, Chief Innovation Officer at P&G, believes that many people erroneously view creativity as “voodoo, alchemy, a black box, a ‘Eureka moment’” and that acts of innovation happen “in spite of company systems.” Many business leaders think differently. P&G believes that creativity can and should be turned into a “systematic capability”.

As management guru Peter Drucker said: “When all is said and done, what innovation requires is hard, focused, purposeful work. If diligence, persistence and commitment are lacking, talent and ingenuity are of no avail.”

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Make the Work Meaningful

As Daniel Vasella, the Chairman and CEO of Novartis, said, “One way we try to foster innovation...is to align our business objectives with our ideals. Doing so reaches people's intrinsic motivation.”

Conclusions

The group concluded that the reality of business for the foreseeable future dictates that creativity and analysis co-exist. As reviewed here, when analysis and data can be used to spark creativity, to reinforce it and to champion it, great ideas can grow on their own without the need for protection. To continue being relevant as a discipline and as an organizational role, marketing must learn to balance these realities and must also have the judgment to know which is most important for the idea to succeed. When marketers display this judgment and leadership unapologetically, their seat at the executive table is justified and more likely to endure.

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