

Modular Marketing Management

Building block approach for the realignment of the marketing function

► Executive Summary

- Growing market saturation and internationalization, in combination with evermore demanding customers, are leading to an increase in competition. The focus is on the improvement of customer satisfaction and on the establishment of a long-term, comprehensive customer orientation and loyalty.
- Against this backdrop, the marketing function needs to be transformed gradually: the orientation to a more strongly individualized marketing approach implies the accurate, mass depiction of all possible customer requirements in the marketing planning, and also in the subsequent implementation.
- The aim is to address the more demanding, more extensively informed customers about the variety of communication channels, and to satisfy their requirements.
- In a market environment that is undergoing such changes, marketing management finds itself increasingly confronted with the challenge of increasing marketing efficiency against sinking marketing budgets, reducing costs, and sustaining marketing successes.
- On the basis of interviews with international marketing managers, and case studies, this article presents a building block concept with which managers can identify weak points in marketing and address these specifically. The systematic integration of the various building blocks forms a stable foundation for successful marketing management.

► Building Blocks of Strategic Marketing Management

1. Challenges and proposed solutions in strategic marketing management

If the marketing models are analyzed in detail, it becomes clear that these have changed considerably over the course of time. Into the sixties, entrepreneurial marketing activities followed the mass marketing model, that was replaced in the seventies by a target-group oriented approach in the form of direct marketing. After database marketing concepts, with their strong focus on databases and analysis systems, an approach to comprehensive customer management has been discussed and implemented since the beginning of the nineties. Facilitated by modern information technologies, this approach is referred to as "Customer Relationship Management" (CRM). Whereas in traditionally defined marketing, the tendency was towards short-term oriented sales generation, market share, and the unidirectional information of the customer, in the relationship-oriented approach, the focus is on the establishment of long-term business relationships, the knowledge of individual customers, as well as the (abundant) interaction with individual customers (Strauß/Schoder, 2001). The reason for the increasing focus on the customer lies in the knowledge that, in the majority of cases, dissatisfied customers are irretrievably lost and can also leave negative signals on the respective sales market. The retention of satisfied customers, on the other hand, necessitates considerably lower costs than new customer acquisition and opens up cross-selling potential.

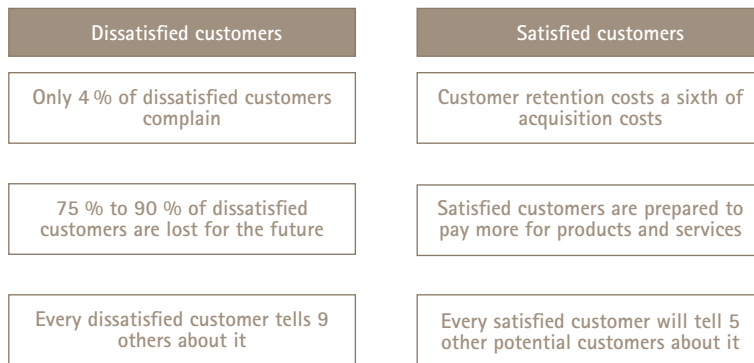


Fig. 1: Comparison of the effects of satisfied and dissatisfied customers (Tiwana, 2001)

Project examples, as well as numerous empirical studies, show that the reasons are complex for inadequate efficiency and target group precision within the scope of existing marketing activities. In addition to wrong forecasts within the scope of the marketing analysis, even companies with international marketing organizations and high volumes of investment cite conceptual and strategic challenges. For example, the discussion arises as to whether certain campaigns could be target-oriented, often with regard to the tactics that are to be conducted, such as mailings or events (Fig. 2). After a decision on a particular tactic has been reached, the strategy, target group, or even the content that is to be communicated, are determined. Answers to fundamental strategic questions – for example, with regard to the communication objective – are often overlaid by tactical discussions. Inadequate customer data systems make a target-group specific approach additionally difficult, and display a customer profiling (attribution) that is defined strongly by company-internal perspectives. With the increasingly international orientation of the marketing organization, experience shows that these types of effect mechanisms intensify. The challenge in marketing management lies, therefore, in overcoming a procedure that is rather more tactically defined, in favor of a thoroughly methodical and strategically secured approach that is specific to the target group.

In the following, means and ways are shown (in the building block concept) in which companies can address the most important challenges in the marketing function in a systematic and target-oriented manner – within the framework of a strategically orientated and conceptually based market communication. Nevertheless, the modular structure of the building blocks should not disguise the fact that marketing is primarily an integration task that needs to be actively shaped and managed. The emphasis here is intentionally on "marketing management": this is intended to underline that the success-oriented implementation and use of all potentials necessitates an active and decision-oriented design with the support of all affiliated functional areas. Case studies and interviews with marketing managers in the German-speaking and Anglo-American regions show that at least five specific and tangible activities lend themselves to operationalization and practice-relevant implementation (Fig. 3):

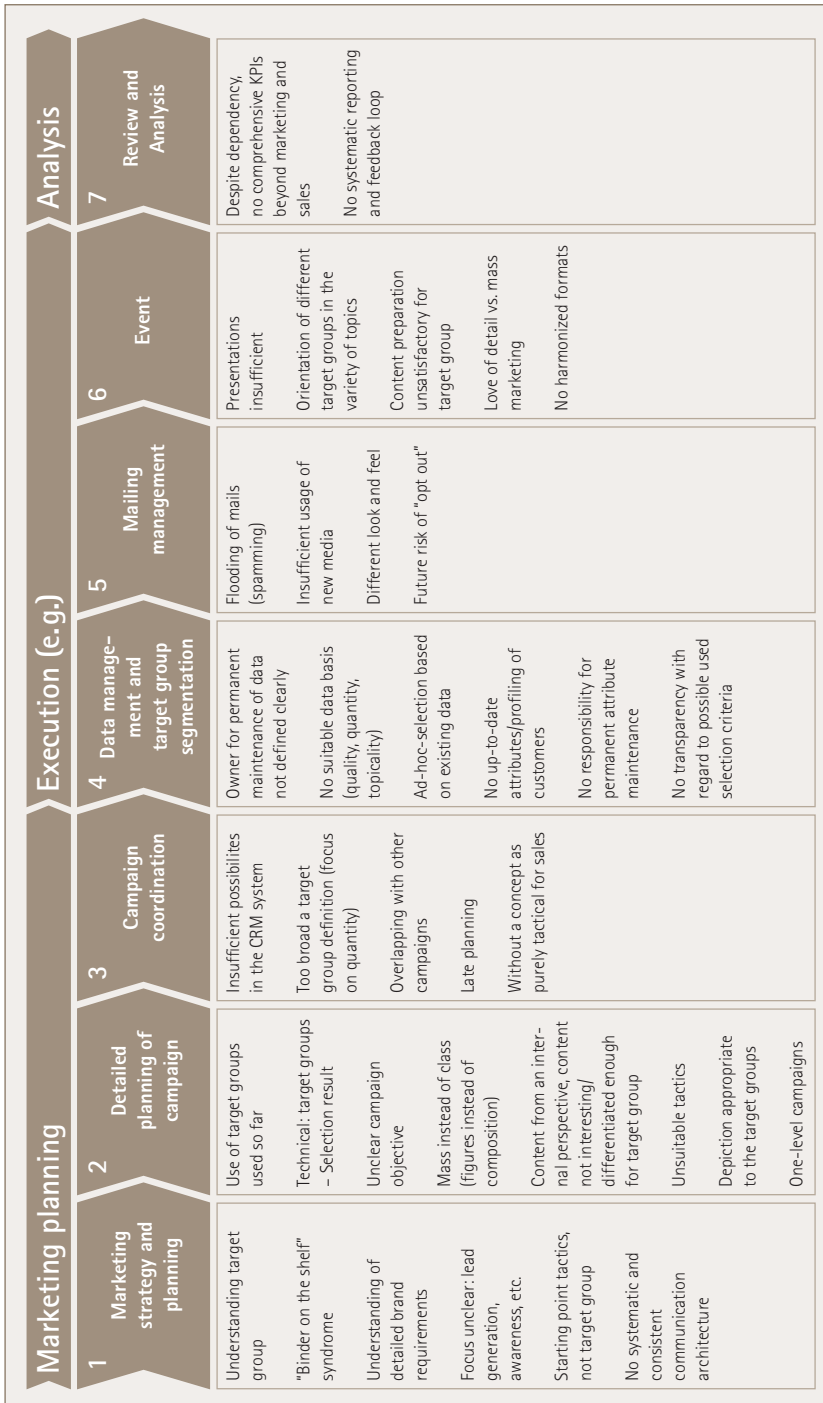


Fig. 2: Illustration showing examples of challenges along the market value creation chain

Marketing strategy and planning	Data quality	Analysis and KPIs	Campaign execution	Organization
Planning process	Attribute definition	Campaign scorecard	Mailing and event guidelines	Specialist career @marketing
Sales and marketing strategy	Fundamental adjustment	Marketing dashboard	Campaign pre-testing	Team structures
Planning template	Maintenance process	Campaign objective definition	Target group inventory	Campaign coaches
Infocube (collision matrix)	Review mechanism	Marketing balanced scorecard	Presentation rehearsal	Project management
Brand strategy	IT Systems and tools	Contact lead mgmt. process	Agency management	
		Lead calculator		

Fig. 3: Building block concept for marketing transformation

- In the area of marketing planning, the focus is on the planning process, including the marketing strategy, the harmonization with sales planning, as well as the detailing of planned campaigns, through to how frequently the target group is approached with different and possibly conflicting content.
- Data quality embraces areas of action such as the fundamental data adjustment and the integration of all existing customer data systems, as well as the establishment of loops for data maintenance, and the control mechanisms to ensure that data-related processes are adhered to once they have been established.
- Necessary prerequisite for the monitoring of campaign objectives (analysis and KPIs) is the establishment of a contact lead management process that spans sales and marketing. This also permits the depiction of all customer interaction in the IT system, as described below.
- Within the framework of campaign execution, complex methods for ensuring the quality of the implementation, and also the consistency of the market presence, are conceivable, such as communication guidelines or the definition of particular communication formats.
- The implementation is to be ensured by accompanying measures in the area of organization, such as through the development of highly team-oriented structures. An essential element is systematic and continuous project management.

The building blocks shown here overlap in many places. Their full potential is often opened up by their combination with other building blocks. For example, the clear identification of customers and associated user profiles within the framework of customer data management forms the (necessary) basis for a subsequent individualization within the framework of marketing planning. The building block concept thus deliberately depicts heterogeneous categories as being equal, and foregoes taking overlaps and interactions between the individual problem areas

and building blocks into account. Here, within the framework of a transformation process, it is important to observe all building blocks as a whole, where possible, and within the framework of an integrated perspective, to holistically reflect on all marketing activities beyond national boundaries. Practical examples in various European countries, for example, show that often up to 40 different building blocks have to be taken into account within the framework of such a transformation approach.

2. Factors of strategic marketing management

2.1 Marketing strategy and planning

The basis of marketing strategy is the analysis of the existing, as well as the future market environment, and the appraisal of the company's own core competences and resources. In the first stage, the focus is on the external market, competition, and customer analysis. In addition to the analysis of existing market structures, it should also be examined which customer segments, and with which requirements profile and sales potential, come into question for which offerings. Here, both classical market research procedures, as well as "share of the wallet" analyses, are used in the framework of the market potential analysis. The competition analysis ultimately focuses on the business models, the positioning, as well as the offerings of competing market participants. The attractiveness and the average profitability of a market segment can be described by factors such as competition intensity between companies, barriers to entry, the existence of substitution products, supplier and customer clout, as well as the availability of complementary products. In the most favorable case, the various analyses already show potential market niches and positioning options in the respective industry segment.

In addition to the classic, mostly quantitative analysis procedures through direct surveys, qualitative survey designs such as morphology and semiometry are lending themselves increasingly. Whereas in semiometry both today's and the desired market positioning from a customer point of view are elicited using more than 200 attributions, in the scope of morphology, the attempt is made to ascertain the real motives of a customer. The focus here is on the issue of the actual motives within the framework of deeply psychological interviews – beyond socially desired answers.

For the determination of target and actual positioning of a brand and the subsequent brand strategy, rational and emotional brand levels are analyzed, for instance, in the framework of SWOT workshops to assist the rational brand evaluation, of the brand value creation chain (brand funnel), or of the emotional brand level (via a semiometric approach). Through the discussion of various positioning spaces, a target positioning can be developed that manifests itself in a guiding principle for the brand. This reflects the desired positioning, and serves as a shift mechanism for the transition to the target positioning, through consistent alignment of the entire brand communication. Building on this, a campaign architecture is developed, within which every campaign has its own idea. All campaign ideas are developed under the guiding principle of the brand, and must contribute to and work for the overall guiding principle of the brand. Every campaign thus receives a specific and also an overall brand task. Together with the marketing and communication strategy, detailed campaign formats can be subsequently defined. A missing or insufficiently operationalized brand strategy leads to inconsistent market communication, and reduces the evaluation of individual campaign elements to the personal intuition of the decision-makers. The operationalization of the brand strategy ideally ends in binding communication guidelines that help to secure the alignment of all marketing activities in conformity with the brand.

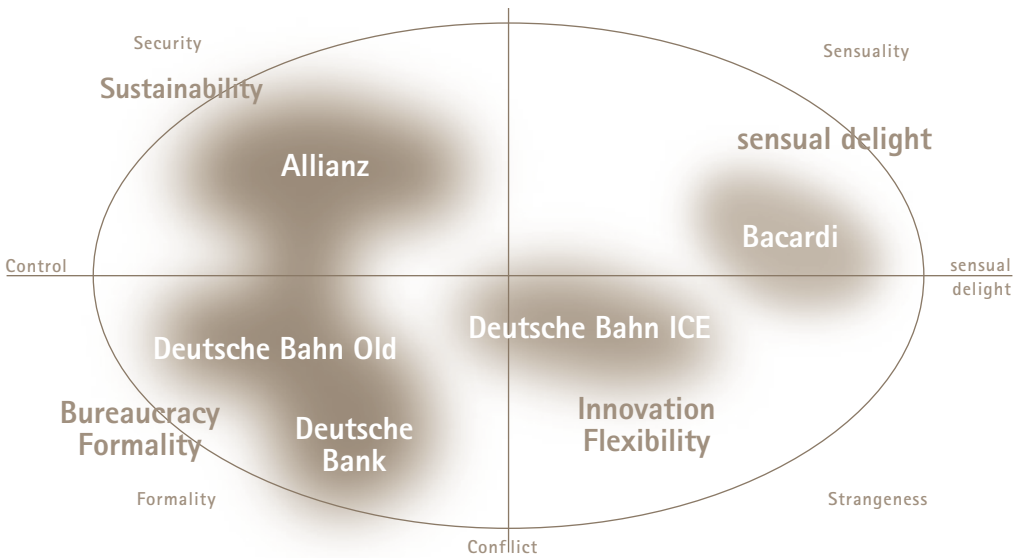


Fig. 4: Example of an illustration of brand perceptions in the framework of semiometry

In addition to the market analysis, a comparison needs to be carried out, among other things, between existing sales, the profit margins or even the sales structures. In the majority of cases, tangible business potential can already be identified or described further on this basis. The exact determination of this business potential opens up the possibility of discussing positioning options in a detailed way, including the respective target group segments that are to be addressed, sales channel strategies, organizational implications, as well as potential strategic partnerships (Strauß/Schoder, 2001).

The process for developing the marketing strategy, and also that of the subsequent planning, is thus based on complex multi-layered content. Differentiated analyses of market potential, typologies, roles in the decision process, and preferred communication channels are also included in the overall company strategy as the basis and prerequisite of the marketing strategy. In individual cases, the coordinated and target-group specific market approach is ensured by a planning workshop for discussion of the marketing plans across all industry and topical areas. Joint workshops lend themselves to the synchronization between sales and marketing planning, within which the detailed bottom-up sales planning is developed, and specific sub-target groups and their respective preferences are discussed. The actual marketing planning is conducted in an extensive "planning workbook," within which all fundamental parameters based on strategy, focus topics, specifications on the preferences of different target groups, through to the planning of all tactical activities, are covered. The inclusion of all campaigns, divided according to industry segments, functions of the contact persons, and topics, permits a differentiated analysis of how often target groups, in which segments and functions, and with which content, are to be addressed over a particular period of time. In practice, the use of a "collision matrix" (Fig. 6) has proven its worth. Within the framework of the campaign coordination, this permits a simplified overview of all planned campaigns, and enables improvement potential (contact strategies) to be elicited early on ex-ante in the approach frequency of individual

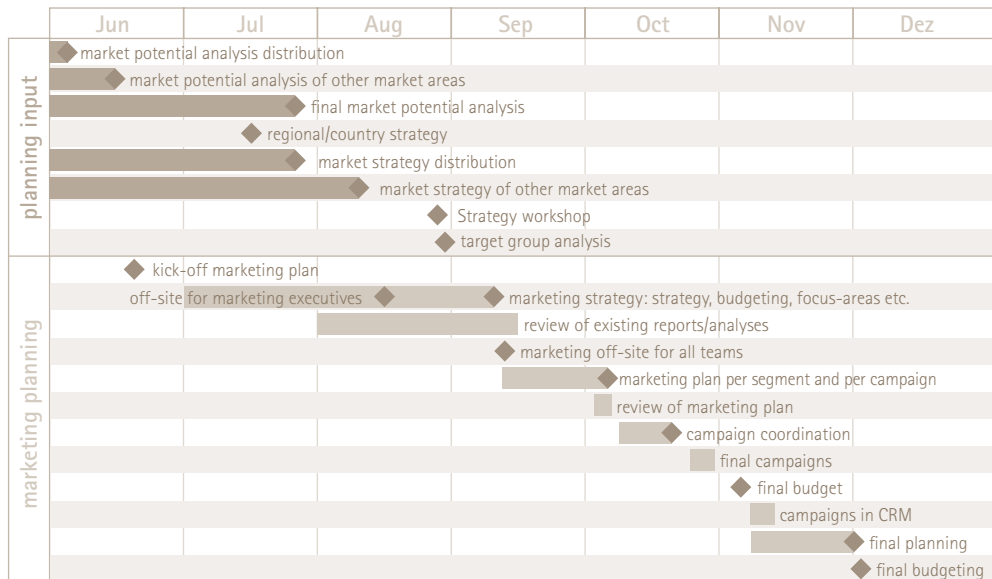


Fig. 5: Example of the procedure in the framework of the marketing planning

target groups. The focus on marketing and campaign planning is on the development and subsequent monitoring of operationalized target specifications and performance indicators (such as an "increase in the brand perception by x percent" or the "y leads in a particular target group for a particular solution offering").

2.2 Data Quality

Case studies and projects show that, in the majority of cases, a systematic survey and maintenance of individual customer data in many companies fails for the same reasons (Strauß/Schoder, 2001).

- Lack of data collection: often, customer data is systematically collected neither passively (for instance, tracking of the customers on the web site), nor actively (direct survey).
- Lack of data aggregation: different sources of information across various functional corporate areas are seldom merged (for instance, technical hotline, ordering service, online behavior).
- Lack of profiling: insufficiently differentiated attributes prevent the profiling of customers according to requirements and/or segments.

At the heart of customer data management lies the merging of the customer data inventories, spread across several corporate divisions, applications, and systems, into one standardized data resource that is accessible across the company. In addition to customer master data (such as the address) and socio-demographic features, action data (for example, marketing activities of the company), reaction and transaction data about the effects of these activities, as well as any eventual potential data, are aggregated here. In addition to the company-internal data sources, customer data can be enriched with external information from address publishing houses, list brokers and market research institutes, behavioral patterns, as well as product preferences. On the basis of these data resources, forecasts can be conducted on the status within the customer life cycle, or aggregated customer values, for instance.

Übersicht ToDo's Suchen Reports Logout CRM-Datenimport

Ansprachen pro Mastercode im Zeitraum von Monaten ab

Anzeigen der Top Kombinationen

Kritische Schwelle ab Ansprachen

Tabelle der "Alle"-Kriterien anzeigen

Monat	Fkt. - Abt. \ MC	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	17	19	20	21	22	23	27	28	29	30	31	32	33	34
01.2005	Summe	6	5	4	6	5	7	4	8	4	6	8	3	6	4	4	4	4	5	5	5	6	4	4	5	4	4	4	4	
	Abteilungsleiter - EDV-Organisation(IT)	3	3	3	4	3	4	3	4	3	4	6	2	4	3	3	3	2	3	3	3	4	3	3	3	3	3	3	3	
	Gruppenleiter - EDV-Organisation(IT)	3	3	3	3	3	4	3	4	3	3	5	2	3	3	3	3	2	3	3	3	3	3	3	3	3	3	3	3	
	Abteilungsleiter - SAP Systembetreuung	3	3	3	3	3	3	3	3	3	3	5	2	3	3	3	3	2	3	3	3	3	3	3	3	3	3	3	3	
	Gruppenleiter - SAP Systembetreuung	3	3	3	3	3	3	3	3	3	3	5	2	3	3	3	3	2	3	3	3	3	3	3	3	3	3	3	3	
	Bereichsleiter - EDV-Organisation(IT)	2	2	2	3	2	4	2	4	2	3	4	2	3	2	2	2	2	2	2	2	2	3	2	2	2	2	2	2	
02.2005	Summe	9	8	7	9	7	8	7	9	8	8	8	5	7	7	7	5	4	5	5	6	6	7	5	5	5	8	5	7	
	Abteilungsleiter - EDV-Organisation(IT)	6	5	5	6	5	5	5	5	6	5	5	4	5	5	4	3	4	4	5	4	5	4	4	4	4	5	4	5	
	Gruppenleiter - EDV-Organisation(IT)	6	5	5	6	5	5	5	5	6	5	5	4	5	5	4	3	4	4	5	4	5	4	4	4	4	5	4	5	
	Projektleiter - EDV-Organisation(IT)	6	5	5	5	5	5	5	5	6	5	5	4	5	5	4	3	4	4	4	5	4	5	4	4	4	5	4	5	
	Abteilungsleiter - SAP Systembetreuung	6	5	5	5	5	5	5	5	6	5	5	3	5	5	5	3	2	3	3	4	3	5	3	3	3	5	3	3	
	Projektleiter - SAP Systembetreuung	6	5	5	5	5	5	5	5	6	5	5	3	5	5	5	3	2	3	3	4	3	5	3	3	3	5	3	3	
03.2005	Summe	9	9	6	10	7	10	5	11	7	6	8	6	8	6	7	5	8	5	8	6	5	4	4	3	7	7	4	4	
	Abteilungsleiter - EDV-Organisation(IT)	5	6	6	8	5	7	5	8	6	6	6	7	5	6	6	7	5	7	4	5	6	5	5	4	3	7	5	4	
	Abteilungsleiter - SAP Systembetreuung	5	6	6	7	5	6	5	8	6	6	6	5	6	6	4	5	4	4	5	5	5	4	3	3	7	4	4		
	Gruppenleiter - EDV-Organisation(IT)	5	6	5	7	5	6	5	7	5	6	6	4	5	5	4	5	4	4	4	5	5	5	3	3	5	4	4		
	Projektleiter - EDV-Organisation(IT)	5	6	5	6	5	6	5	7	6	5	5	4	5	5	4	6	4	4	4	5	4	5	3	3	6	5	4	4	
	Gruppenleiter - SAP Systembetreuung	5	6	5	7	5	6	5	7	5	6	6	4	5	5	5	4	5	4	4	5	5	5	3	3	3	5	3	4	

Fig. 6: "Collision matrix" in the framework of campaign planning

In this context, a systematic database management is faced with two essential challenges. Firstly, due to relocations, name changes and the like, every data resource finds itself in a permanent state of updating, that affects 20 percent and more of a data resource within a year. This gives rise to the necessity for constantly ensuring that the data is up to date. Secondly, the duplications that occur in the customer data resources, such as the supplementation with third party addresses and more detailed qualification criteria, necessitate continuous comparison procedures to clean up the addresses. Practical experience shows that, without standard classification facilitated by the same entity (key identifier), the comparison of customer data belonging to different data owners causes considerable problems in the use of automatic matching procedures. In this case, the automatic allocation quotas can sink to just a few percent of the stored data. Accordingly, applications for data cleansing are provided such as:

- Flexibility: possibility to specify tolerance limits of the calibration procedures (degree of focus) for the similarity check.
- Phonetic validation: validation not only of faulty letters, but also of addresses that sound similar, with free parametrization per data field.
- Validation across several data resources: several different data stocks can be synchronized among themselves, whereby different priorities should be given per data field (such as data stock A is leading in the address, data stock B is leading in the name, etc.).
- Fuzzy logic procedure: automatic consideration of different criteria in the classification, dependent on the level of consistency. After an initial verification, additional evaluation criteria are gradually and automatically supplemented within the synchronization, so that the system can adjust itself with an increasing number of cycles, and adapt to the requirements of the data stock currently being verified.

Permanent changes to stock and transaction data, the necessary adjustment of the procedures for data synchronization, as well as the conducting of an advertising performance check, necessitate the establishment of an independent database marketing process. Once the data has been extracted and analyzed, the results of the marketing activities are to be retained permanently in the database, so that all customer experiences can be taken into account for further data analysis and for the activities that build on this analysis (Fig. 7). The attributing of the customer data must fulfill two opposing requirements here: on the one hand, the attributes should be able to depict the true customer requirements as selectively as possible. On the other hand, however, to ensure a pragmatic use, they should be limited in number and, for their maintenance, should be equally understandable across various corporate function areas. A necessary prerequisite is the establishment of a clear "data authority."

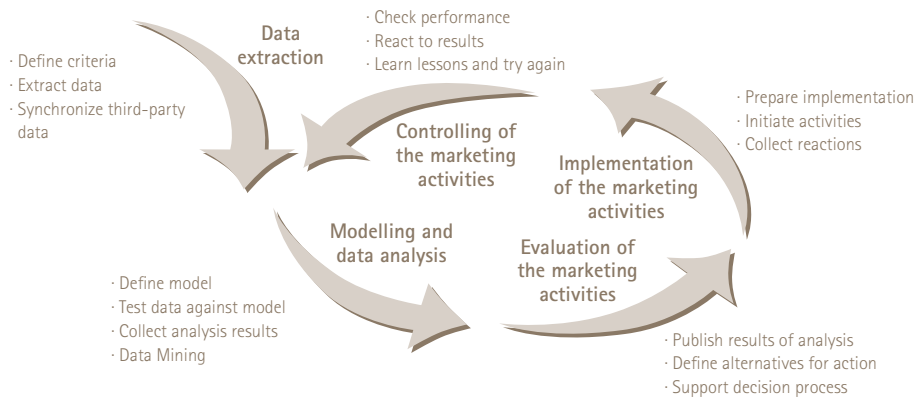


Fig. 7: Database marketing loop

2.3 Analysis and KPIs

Increasingly, marketing managers are faced with the problem of having to accurately prove the value of each activity. Through clearly defined key performance indicators (KPIs), the success can be verified and evaluated. The Balanced Scorecard (BSC) has established itself as a multi-dimensional control and analysis instrument that works with a manageable number of measurable key figures. In doing so, for example, financial performance measurement systems (such as the number of generated leads) can be supplemented by a customer, process, or development perspective. Cause-effect chains between the different perspectives permit the analysis of causal connections (Fig. 8). Deviations from the target can trigger tactical adaptation measures, or contribute to the continuation and/or revision of the adopted marketing planning.

In practice, a campaign scorecard has proven itself to be a specific version of the Balanced Scorecard. This is where all relevant KPIs, such as the number of contacts, leads, and opportunities, are recorded per campaign, up until the figure in the respective contract. Concentrating on a manageable number of KPIs can be supported by a so-called marketing dashboard. In an analogous manner to the dashboard of a car, it shows all the key figures of a BSC that are permanently updated. The necessary requirement for the monitoring of the KPIs is a continuous contact lead management process across all cooperating functional areas. The overall process ensures that, on the one hand, the workflow for processing customer inquiries unfolds without breaks in media and processes. At the same time, the syntactical and semantic standardization of the key figures used is ensured. The objectives of individual areas can be determined within the framework of the marketing planning, for example, through a

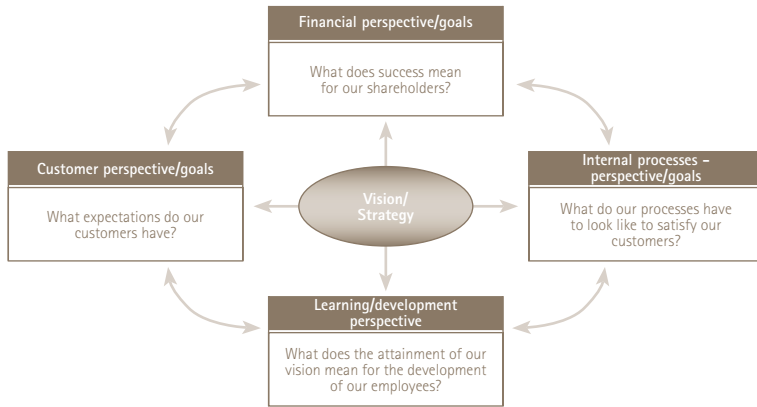


Fig. 8: Perspectives of the Balanced Scorecard

lead calculation for the whole year, that subsequently can be broken down into individual campaigns. Ideally, the objectives of a respective campaign are already defined in advance with the assistance of "conversion rates" and sales figures (for example, "generate 2000 contacts by 20 leads and 4 contracts"). Analogous procedures lend themselves to non-lead oriented campaign objectives (such as the increase in the level of recognition, etc.).

2.4 Campaign execution

The classical advertising campaign has long been supplemented by events and sponsoring, by Internet campaigns and one-to-one marketing – and this differentiation creates a new marketing problem: ensuring the uniformity of communication is becoming increasingly difficult. Accordingly, the necessity of clear and binding guidelines is growing. These can embrace the entire market communication or have a reduced focus, such as mailing and event guidelines. To control the transfer from guidelines that maintain identity, to campaigns that attract great attention, advertising media can be subjected to pre-testing before it goes live. By having new campaigns assessed by a representation group of test users, under laboratory conditions, breaks in the brand perception are identified – and can be prevented by revision of the advertising media and/or the entire customer sales approach.

In the area of events, there are outstanding examples of how the quality of live communication can already be considerably enhanced by simple presentation rehearsals. In this case, all speakers are asked to give their respective presentations beforehand, in front of a selected (company-internal) audience, and to include their feedback in the presentation and/or the presentation style. Where necessary, the speakers are to be offered media trainers.

Over and over again, the planning of individual campaigns is problematic, as it is conducted for target group segments of sizes that do not really exist. For example, campaigns are designed for the target group of "human resource managers" with a circulation of 2,000 contact persons, whereas in the course of the data selection in the company-internal data resources, only 100 contact persons in the target segment are encountered. The insufficient qualification of existing data resources leads to a delay in execution as additional data qualification measures or even the revision of the campaign concept are necessary. In this case, the use of a target group inventory can prove itself to be worthwhile. Through a target group inventory, the currently available data resources

can be analyzed early on in a simple search inquiry with regard to the criteria sought, and then allows either the concept of the campaign to be revised and/or the additionally required qualification measures to be taken into account in the scheduling.

In order to execute an optimally harmonized campaign for every target group in international marketing, agency management is becoming a key activity for marketing departments. Whereas only larger agency networks can offer the infrastructure required for an international campaign, a highly specialized local agency can deliver better results with special tasks, particular media or target groups. The advantage of internationality, and the broader experience spectrum of agency networks, is often contradicted by less flexibility, less target group orientation and the use of standard tools. Experience shows that agency commissions are suitable for gaining transparency about the quality and services, for verifying conditions, and for redefining and/or recompiling the agency pool, where necessary.

2.5 Organization

The following emerge as the most important requirements and design principles of the marketing organization:

- Flexibility: the safeguarding of a sufficient organizational flexibility for adaptation and speed in reaction to high market and competition dynamics. With regard to employees, this mostly means making working time, work content or qualifications more flexible.
- Culture: the substitution of formal organizational structures with distinctive team-oriented organizational cultures, both internally (intra-marketing, internal partners such as Sales), as well as externally (for example, service providers and agencies).
- Innovation speed: as preparation for prompt reaction to changing market conditions and, associated with this, a rapid revision of existing campaigns or services offered.
- Teamwork: ability to cooperate with changing tasks in different roles (Neck/Manz, 1994).
- Integration of functions: horizontal and vertical integration of functions for integrated task processing, for example, by taking over tasks not only in the planning, but also in the execution of campaigns.
- Learning organization: establishment of a learning organization as the permanent continuation of individual know-how, the sustained provision of the competences acquired in the entire organization, as well as the permanent adaptation of the "organizational knowledge" to changing environmental and competitive structures (Daft/Huber, 1987; Strauß, 1996). This can be supported, for example, through team structures, multi-layered marketing training, topic coordinators or also campaign coaches.
- Self-organization: a high degree of self-organization amongst employees and the organizational structure, with great freedom of disposition; associated with this is the formation of a "trust organization" through delegation of responsibility, where possible, to operational levels (Hackman, 1986).

The successful implementation of these design principles requires a high degree of own responsibility from all members of the organization along the value creation processes, and is always accompanied by a high level of organizational decentralization. Linked to this is the prompt formation of teams and interaction across hierarchical levels and functional areas, and the necessity for a culture that permits errors (Schein, 1994).

With regard to the competences available in the company, new areas of competence emerge:

- Competences in innovation management ensure the implementation of the differentiation strategy that the

company is striving for in relation to its competitors. At the heart of innovation management lies the establishment of a standardized process for the systematic development and integration of product and process innovations, for example, innovative customer sales approaches.

- At the same time, the professional selection and monitoring of high-quality content, external service providers and partners requires know-how in alliance management. Alliance management is the permanent analysis of the market with regard to attractive partners (for example, for co-marketing), the development of possible partnership concepts, as well as the permanent maintenance of acquired alliance partners.

In contrast to this, hierarchical forms of coordination often necessitate the overloading of higher-level instances and formal official channels, that hampers the possibilities for coordination of the value creation processes and/or makes them time-consuming. Furthermore, too much third-party organization prevents the perception of requirements on the part of employees with regard to autonomy at work, self-responsibility, and self-realization. The formal framework is provided by defined paths for realizing a specialist or management career, including competence and function profiles that are aligned to the requirements of a marketing department.

To be able to agree very complex, cross-functional and/or international campaigns, that are difficult to agree upon, companies often shape the role of a campaign coach or manager in their marketing organizations. In the role similar to that of a project manager, he or she is to ensure that all the areas involved carry out their tasks, which have been defined beforehand, on time and in accordance with a project plan. The basis for this is often formed by a temporary project organization without direct hierarchical authority of the project manager. This results in:

- the implementation and operationalization of the strategy being ensured across different campaigns and countries,
- the process requirements that occur between these campaigns being optimally aligned with one another in terms of time and content,
- a high degree of transparency about the status of all projects,
- risks and tasks being consolidated and actively managed across different projects,
- the optimal deployment of employees in accordance with their competences being ensured within the framework of all campaign projects,
- a continuous and consistent market sales approach being ensured (Strauß, Schoder, 2001).

► Process & Implementation

Practical examples in European and American companies show that the implementation of the building block concept for strategic marketing, as outlined here, ideally also follows a classic project approach. After the detailed analysis of existing weak points in strategy and concept, the building blocks concept needs to be adapted and/or supplemented accordingly. The development of the individual building blocks and fields of activity should be done within the framework of workshops with all divisions that need to be involved in the framework of the marketing value creation chain. After the building blocks concept has been adopted, individual topic areas should be handed over to the responsible specialist divisions for implementation. The early involvement of all functional areas affected ensures that both the proposal solutions developed and the subsequent implementation are carried out in the necessary detailed depth of content, and at the same time, that those affected are involved from the start in the necessary change process.

Reference examples, both in the German-speaking and Anglo-American region, demonstrate that projects like these are normally done in three stages:

- 1st Phase: after a short analysis and concept phase of around eight weeks,
- 2nd Phase: approximately one year is needed for the second phase. For this, a permanent program management is necessary, that is ideally carried out by an external consultant. He or she monitors the implementation in accordance with the project plan set up at the beginning, and ensures that the concepts are not softened in day-to-day business once they have been set up.
- In a 3rd phase, the change processes need to be further monitored for at least another year by use of review weeks and checklists.

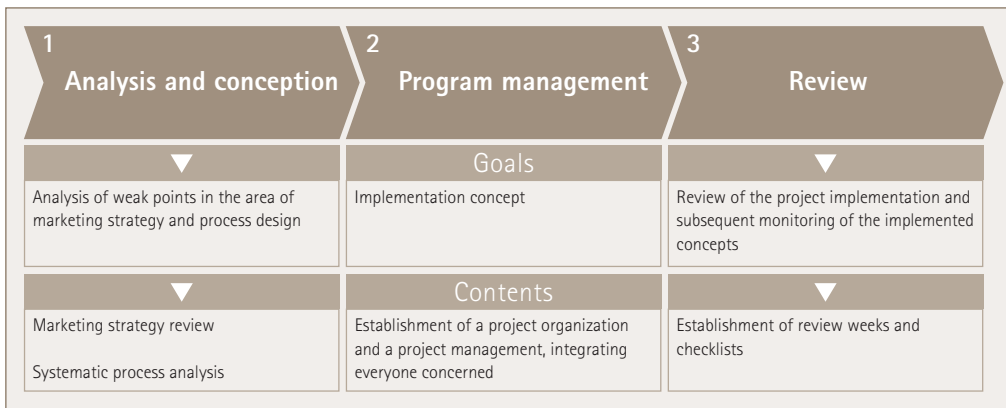


Fig. 9: Marketing management process

► Practical Guidelines

- Use the building block concept as a checklist to localize problem areas in the marketing of your company.
- Do not get lost in reflections about the two-way interrelationships between the individual marketing elements; in the majority of cases, starting with individual building blocks is more promising.
- Align the marketing strategy and the marketing planning as early as possible with the market analysis, sales planning, and brand strategy.
- Understand and conduct the improvement of data quality as a continuous process.
- Use the possibilities of the analysis and KPIs systematically to analyze your marketing success and document it as best practice.
- Select the respective optimally suitable agency for the campaign execution – sometimes one with a lot of resources and operating on a global level, sometimes highly specialized and regionally established. Communication guidelines help with a strict implementation.
- Organize your marketing consistently as a learning department that strengthens teamwork and is tolerant of errors.

The Author

Dr. Ralf E. Strauß

Dr. Ralf E. Strauß is Head of Marketing at SAP in Germany and EMEA Central. After earning his degree in Business Administration at Passau University, he completed his doctorate in telematics at Freiburg im Breisgau University. He is a specialist author of more than 50 publications, projects and project management in the area of telecommunications, new media, one-to-one marketing, e-business, Customer Relationship Management, and networked company structures. Dr Ralf E. Strauß has several years' professional experience in consulting, focusing on the telecommunications and media sector, as well as on e-business. He is also the author of three of the largest and most representative surveys in Germany and Europe on the topic of e-business. His book "e-Reality – Auf der Suche nach Spitzenleistungen im e-Business" was published by the FAZ-Verlag in October 2001.



Literature Recommendations

- D. A. Aaker, E. Joachimsthaler**, "Brand Leadership", New York 2000
- S. L. Brown, K. M. Engelhardt**, "Competing on the Edge", Boston 1998
- R. L. Daft, G. P. Huber**, "How Organizations Learn: A Communication Framework," in: Ditomaso, N.; Bacharach, S. (Hrsg.): Research in the Sociology of Organizations, Vol. 5, 1987, S. 1 - 36
- J. R. Hackman**, "The Psychology of Self-Management in Organizations," in: Pallak, M. S.; Perloff, R. O. (Hrsg.): Psychology and Work: Productivity, Change, Employment, Washington 1986, S. 89 - 139
- A. Kieser**, "Fremdorganisation, Selbstorganisation und evolutionäres Management," in: Zeitschrift für die betriebswirtschaftliche Forschung, 46. Jg. (1994), Heft 3, S. 199 - 228
- P. Kotler, F. Bliemel**, "Marketing-Management: Analyse, Planung und Verwirklichung," 10. Aufl., Stuttgart 2001.
- M. Krafft**, "Der Kunde im Fokus: Kundennähe, Kundenzufriedenheit, Kundenbindung - und Kundenwert?," in: Die Betriebswirtschaft, 59. Jg., Nr. 4, 1999, S. 511 - 530
- C. P. Neck, C. C. Manz**, "From Groupthink to Teamthink: Toward the Creation of Constructive Thought Patterns in Self-Managing Work Teams," in: Human Relations, Vol. 47, Nr. 8, 1994, S. 929 - 952
- W. Pepels**, "Darstellung und Bedeutung des Kundenlebenszeitwerts im Business-to-Business Marketing," in: Helmke, S.; Dangelmaier, W. (Hrsg.): Effektives Customer Relationship Management, Wiesbaden 2001a, S. 49 - 84
- D. Peppers, M. Rogers**, "The one to one future", New York 1993
- F. T. Piller**, "Mass Customization," 2. Auflage, Wiesbaden 2001
- R. T. Rust, V. A. Zeithaml, K. N. Lemon**, "Driving Customer Equity", New York 2000
- E. Schein**, "Innovative Cultures and Organizations," in: Allen, T. J.; Scott Morton, M. S. (Hrsg.): Information Technology and the Corporation of the 1990s, New York 1994, S. 125 - 146
- P. Schnäbele**, "Mass Customized Marketing", Wiesbaden 1997
- P. B. Seybold**, "The Customer Revolution", New York 2001
- R. E. Strauß**, "Determinanten und Dynamik des Organizational Learning", Wiesbaden 1996
- R. E. Strauß, D. Schoder**, "eReality. Das e-business-Bausteinkonzept. Strategien und Erfolgsfaktoren für das e-business-Management", Frankfurt am Main 2002

R. E. Strauß, D. Schoder, T. Hummel, The Learning Laboratory – Supporting Learning Organizations with Agent Systems, 1996 IEEE Annual International Engineering Management Conference: "Managing Virtual Enterprises: A Convergence of Communications, Computing and Energy Technologies", Vancouver, August 18 - 20, 1996, Kanada, Januar 1996, S. 611–615

A. Tiwana, "The Essential Guide to Knowledge Management", Upper Saddle River, 2001