

ISBM Educators' Consortium 16th Meeting

Meeting Summary

February 8, 2006—Atlanta, Georgia

Featured topics

- Members' roundtable discussion of key issues, observations and new developments.
- Brian Berg of The Timken Company presents a Member Insight: "Marketing Looking Forward: Tracking the Results."
- Dave Kurlan of Objective Management Group discusses sales force competency measurement and training.
- Merry Elrick of DataDriven MarCom discusses tracking marketing ROI.
- Fred Wiersema discusses driving customer growth via a new ISBM workshop.
- A discussion of the Marketing Excellence Survey Certificate Program Plan and MES Tracking Report by Roger Best of the University of Oregon.

Discussion: Members' Roundtable Key Points

Attendees comment on new developments, biggest training issues, innovations, and topics to address at their companies.

Strategic issues

- We are expecting to drive growth through new products, and by bringing marketing into the new product development process—to spot new opportunities and develop for customers whose needs change.
- Having reversed our downturn and better controlling costs, we're ready for a marketing renaissance and a reconstructed value proposition for customers.
- We're working on the definition of "partnership," recognizing that it's more than just agreeing with the customer on price.

Marketing and Sales Tools

- We're seeking new tools to organize competitive intelligence data and make it usable.
- We see growing use of Six Sigma as a marketing process tool.

Marketing training

- A big challenge: getting marketing people to look beyond research and get in front of the customer.
- We spent the last year developing a baseline for marketing performance measurement. Our big challenge: getting marketers to think differently, think humanistically.
- To align innovation with customer needs, we're training technical people in marketing, part of an effort to get the whole company to recognize the importance of customer needs.
- In our drive to achieve growth by whatever means possible in 15 semiautonomous business units, we've stressed measuring and improving marketing and sales competencies and training.
- Business marketers need "action learning" training to link price and profit metrics with the softer, qualitative information we generate. Few are doing that now.

International expansion

- China and India are becoming major market targets for our \$4.4 billion operating division.

- Our expansion into China, Russia, and Australia involves sizeable facilities. We are encountering language problems, however, and the challenge of cultural factors as we teach country marketing teams. We also stress building transnational teamwork where needed.

Sales competency training

- Our challenge: overcome the notion that selling is telling; teaching that selling is aligning our offerings with customer needs through more face-to-face dialogue. We want selling to move off stressing a solution, unless the solution solves a real customer problem.

Member Insight

Marketing Looking Forward ... Tracking the Results

Brian Berg

Global Marketing Manager
The Timken Company
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Timken @ a glance

- \$5.2 billion sales (2005); 26% outside U.S.
- 26,000 employees in 26 countries
 - Seeking international growth.
 - Challenges include transferring skills from U.S. & Europe to China
- Timken market positions
 - Bearings
 - #3 Global
 - #1 North America
 - #1 Global Tapered Bearing
 - #2 Global Needle Bearing
 - #2 Global Industrial Aftermarket
 - Steel
 - #1 Global Seamless Mechanical Tubing
 - #1 Global Steel for Bearings
- Timken vision: "We are dedicated to improving our customers' performance by applying our knowledge of friction management and power transmission to deliver unparalleled value and innovation all around the world."

Marketing Leadership process

- CEO's support is critical for maintaining our program.
- Process steps
 - Strategic visioning: What makes us important? What makes us different? Why are we profitable?
 - Integrated planning: Process to provide the details of the products and services, and the markets and customers the company will address.

- Managing performance: Getting the organization and its people to live up to the promise of the Strategic Vision and the Integrated Plan.
- Marketing controllership: Performance monitoring to be sure the plans are being achieved.
- Accomplished so far
 - Measurement: Management wanted to measure the marketing function; we wanted to measure marketing staff capabilities via an MES (Marketing Excellence Survey) assessing marketing knowledge and marketing attitudes.
 - Knowledge
 - Strategic Marketing
 - Market Analysis
 - Marketing Profitability
 - Marketing Fundamentals
 - Attitudes
 - Customer Focus
 - Competitor Orientation
 - Team Approach
 - Pricing Orientation
 - Profit Orientation
 - Training & Development
 - Marketing Strategy for Business Markets – 5 sessions
 - Competitive Intelligence – 1 session
 - Value Pricing – 1 session
 - Process
 - Developed Market Planning Templates
 - Pockets of “Transfer”
 - Execution & Accountability
 - Focus Plans measured by key performance indicators.
 - Marketing Dashboard
- Training is working
 - Improved MES scores.
 - Significant improvement in targeted areas
 - Limited to no improvement in areas with no focus
 - Need to drive Transfer and Results
- Training the right people?
 - Each must be evaluated on skills and potential.
 - You can teach skills but not a sensitivity to customer needs: e.g. a manager who cannot understand value propositions can, however, be good at details in managing a program.
 - We will have to adjust to going outside to secure certain skills.
 - We will relocate people dropped from marketing. Firing them is not part of the company culture.
 - We will begin evaluations once we complete agreement on what constitutes marketing competence.
- Proposed training in Marketing, Product Management, Sales Management
 - Q2 2006: Strategic Growth in Business Markets (growth projects); Stew Bither – Penn State

- Q4 2006: Value Proposition Development; Jim Anderson – Kellogg
- Q2 2007: Value Marketing through the Channel; Bob Thomas – Georgetown
- Q4 2007: Profitable Innovation; Robert Spekman – Darden

Marketing Leadership continuing

- Develop the same set of deliverables worldwide.
- Execution & Accountability
- Need to develop consistent Focus Planning metrics/KPI's across the Marketing function
 - Ensure initiatives/objectives are in Market Manager Focus Plans
 - Drive Tactic tracking and execution reviews
- Marketing Dashboard refinement
- Marketing Excellence Survey review
- Outline next steps – continue to drive Marketing as a Core Competence
 - Continue Training initiatives
 - Drive Marketing Metrics into Focus Plans
 - Support consistent Market Planning Process development
 - Incorporate Market Plan and Product Plan reviews in Leadership Team activity

Presentation highlights: New Tools & Insights

Sales Force Competency Measurement And Training

David Kurlan

Objective Management Group, Inc.
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Consulting and sales force assessment tools

- An expert in field salesperson assessment, I developed my own program in 1989 after being frustrated with the tools existing at the time.
 - Most recent book: *Baseline Selling: How to become a sales superstar by using what you already know about the game of baseball* (Bloomington, IN: Author House, 2006).
- Training is one component of Sales Force Development (SFD).
- The core SFD task is differentiating between salespeople who can sell and those who actually do sell.
 - Some could sell but cannot actually execute, for various reasons. (See my book, *Mindless Selling*, and my white paper available on request: "The Modern Science of Salesperson Selection.")
 - Our data, based on testing more than 250,000 salespeople, 95% business-to-business, over the last 14 years, strongly suggest that 74% of all salespeople are average to weak.
 - A distinct combination of criteria can accurately and consistently identify the other 26%.
 - SFD is not a static process, but is actionable daily.
- Guidance for existing sales organizations
 - Assess if expectations are reasonable
 - Can people execute the strategy? Does the strategy need revamping?
 - How well does the lead pipeline qualify opportunities and predict the future success of the business?

- How well is the sales force managed?
- Assess how well salespeople handle scenarios, confront prospects, close, etc.
 - What are an individual's best skills? (e.g. Jason has an easy business laying golf and maintaining legacy accounts.)
- Guidance for building a sales force and candidate screening
 - Most companies do it poorly.
 - We achieve 96% accuracy with Web-based assessment tool.
 - The first 90 days of the sales training process are critical.
- 1- to 2-week analysis process; cost about \$500 per rep.
- Web-based software for screening: 1-year license based on number of salespeople hired.

Marketing Communications ROI

Merry Elrick

DataDriven MarCom, Inc.
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Proprietary database service and lead tracking/analysis software

- See www.datadrivenmarcom.com.
- "DDMCmax," our full-service program, manages all the metrics business-to-business marketers need to track and demonstrate marketing communication return on investment.
 - Following an initial marcom program assessment, DDMCmax clients input raw data to the service's Web site. DDMC provides regular reports and the database is always available for real-time queries.
 - Assistance with lead qualification, lead program organization, analysis and budgeting is available.
- "DDMCbasic" option provides access to the database tool for managing one's own account.
 - Price of this a la carte service is \$5,000 the first year, then \$1,000 per quarter, reflecting a 20% discount to ISBM members.

Driving Customer Growth

Fred Wiersema

Customer Strategy Group LLC
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New ISBM two-day workshop

- Check ISBM.org Web site for course dates and locations.
- Aimed at general management level digging deeper into the changed business-buying process, how customers seek value and how marketers can prioritize opportunities and growth initiatives.
- An action-learning program to develop a customer-growth mindset, better knowledge of customer decision-making, marketer self-assessment, and marketing execution prowess.
- Workshop leader, noted business strategist Fred Wiersema, is the author of bestseller *Discipline of Market Leaders* and its sequel, *Customer Intimacy*.
- Course outline:

1. Sizing up your growth challenge and determining your “sweet spot.”
2. Understanding what customers want: tapping into the stated and unstated needs.
3. Motivating customers to grow their business with you: getting them to embrace innovation.
4. Creating organizational buy-in and traction.

Marketing Excellence Survey

Ralph Oliva leading discussion for **Roger Best**

University of Oregon

Tracking Reports and Benchmark Certification

- Two new features of the Marketing Excellence Survey program
- MES Tracking Report: pre-post training-effectiveness survey.
 - Monitor organizational change
 - Track the aggregate of individuals' improvement
 - Evaluate marketing education courses
 - Pinpoint areas needing more work
 - Refocus marketing education efforts
- MES Benchmark Certification
 - Optional feature, to recognize the competence of individual managers
 - For those achieving above-benchmark score in overall marketing knowledge, and above-average scores in all four core areas of marketing knowledge.
 - Build professionalism and more legitimacy for managers
 - Motivate personal and organizational development
 - Challenge individuals and organizations to achieve excellence

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