

ISBM Educators' Consortium 19th Meeting

Meeting Summary

August 23, 2007—State College, Pennsylvania

Featured topics

- Webinar update
- Members' Roundtable discussion of key issues, observations and new developments.
- Member case history: "The Marketing Journey at Arkema," Peggy Schipper, Commercial Development Director, Arkema.
- New Products Highlights/Discussion:
 - Update: The New "Decision/Insight with MEXL" Series, Gary Lilien, ISBM Research Director
 - Update: "Leverage Point" Software (R. Oliva)
 - Update: Trends Study Inputs (R. Oliva)
 - Preview – All New Book/Resource: *Value Merchants – Demonstrating and Documenting Superior Value in Business Markets*, James Anderson, Nirmalya Kumar, and James Narus

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Webinar Update (Mary Donato, Associate Director ISBM)

- An opportunity for members to connect with thought leaders and build knowledge for a competitive edge—and a more profitable business marketing practice.
- We welcome your ideas and suggestions on topics and speakers for future events.
- Webinars now run more than once a month, from once per quarter when they started.
- We attract different audiences depending on the topic
- We receive strong feedback from audiences and strong archival demand
- People have been asking for Webinars customized for their firms
- Webinars can be used for practitioner/academic linking
- Webinars are open to the public, but some will be members only. Only members can access past Webinar recordings.
- *Audience comment:*
 - A Webinar appearance by a seminar instructor gives seminar prospects a chance to learn something about the instructor—to "try before you buy."
 - A Webinar helped the Center for Business and Industrial Marketing (at Georgia State University) to market a key account management course.

Members' Roundtable Discussion

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

Discussion highlights:

Organizational issues

- We have to be wary in our company that marketing is not used as a catch all for orphan programs that get dumped

- We're using remote sales people, rather than putting everyone together in the same office, for the first time. They're all road warriors in a manufacturing-oriented company culture, so we have to sell them on marketing concepts and get them to maintain consistent implementation.
- It's hard to build a marketing culture, to market marketing and get people to realize their role in sales.
- We have a CEO with a B-to-C background, so we're learning how to work with him and see how well he can transist to B-to-B.
- We need guidelines on how to sell B-to-B marketing to CEOs with different backgrounds.
- And how does the transformation survive a change at the top, a new CEO?
- How many corporate transformations are actually being led by marketing people? We could research that.

Value marketing

- Teaching the organization to maintain discipline is critical. That worked out well recently when we refused to cut price despite the customer's demands. Once we got the customer's CEO on the golf course and could talk informally about our value, we made the sale at our price.
- It takes process discipline to back your transformation and make value marketing stick, especially when dealing with small customers.

Marketing training/transformation

- We're seeking the best play book for making the transition from a sales orientation to a marketing company.
- One of our challenges is communicating the availability of our marketing tool kit and resources, promoting the value of marketing and getting people to use the tools.
- We need ways to measure how well our capabilities are improving.
- Our expectations for marketing keep changing as market conditions rapidly change.
- Evidence of performance seems to us to be the key to sustaining marketing change.
- We're tracking progress since we ran our Marketing Excellence Survey, and we're seeing skills develop in value marketing and pricing. Still plenty of questions to address, however: centralized or decentralized marketing, local or global control, which competencies do we need where, matching activities to business goals.
- We adapted a comprehensive system from GE/Allied-Signal for mapping competencies and assessing performances. Now we have to fill gaps, with a learning center, using Monitor's Leverage Point software (formerly "World Class Marketing Strategy"). Compliance is the trick now that we have a framework in place. Senior gatekeepers push back, and we have to push back against them.
- Internal consulting set up templates for successful implementation. Now we need an objective function to assess our success. We have plenty of people working on marketing processes, not that many on implementation.

Training needs/competence assessment

- We're hearing that the theories of pricing and segmentation are getting better known, but the problem is becoming one of implementation. Is the goal consistency in behavior by members of the organization against some sort of standards?
- People need to get beyond the notion that marketing is marketing communications and sales support. When we see when those missions reign supreme is marketing "dumbed down."
- We've set up a global center for excellence, starting an inventory of marketing skills. Sales planning and strategy is handled at headquarters, but execution takes place in the field.

International marketing

- Now we're looking for small wins globally to promote the impact of our common tools for marketing and sales.
- A good book on this subject is George S. Yip's *Total Global Strategy*

Sales competency training

- We need to train better listening skills in order to sell value.

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Member case history

The Marketing Journey at Arkema

Peggy Schipper

Marketing Excellence Board Leader

Arkema, Inc.

Peggy.schipper@arkemagroup.com

- *Key takeaway:* How a group of volunteers lead the marketing transformation at a giant global industrial firm.

The company

- Arkema spun off from France's Total petroleum in May 2006.
- €5.7 billion 2005 sales; 18,400 employees in 40+ countries
- \$1.7 billion North American sales; 2,200 employees
- Three business segments in an integrated portfolio: vinyl products, industrial chemicals, performance products (innovative downstream industrial chemical applications).
- Strong R&D: R&D spending 3.3% of sales (2005); portfolio of 5,700 patents; 33% of R&D budget spent on process improvement

Marketing

- We can make anything, but we hadn't known what to make or how to sell it.
- Arkema has struggled to grow its top line for the last decade
- Management Group identified sales and marketing as two key opportunity areas for improvement
- Team Sales formed, and Team Marketing and Innovation formed as one team

Becoming market driven

- MDM, Hlavacek training, over 140 people trained (2003, 2004)
- Now ready for the next step; should it be more training?
- Decided to step back and reassess next step with our goal in mind before jumping to an answer
- Our goal is to grow the top line by becoming a market-driven company. Main purpose was to lay out a plan to become more marketing driven

- Draft mission: To transform Arkema into a market driven company leading to sustained top line growth—a noticeable step-change improvement.
 - Accomplish by applying marketing best practices
 - Provide an educational forum & training for marketing/business unit managers
 - Modify marketing goal setting
 - Raise & address complex marketing issues
- Steering Team Formed
 - Group Presidents
 - VP R&D
 - Provide the direction and support
 - Steering Team Liaison
 - Interface with Steering Team and Working Team
 - Participate as Working Team member, represents his BU
 - Help to keep us aligned, direct link to Steering Team
- Working Team Formed
 - Group Leader – Head of Public Relations
 - Steering Team Liaison (Group President)
 - Director or above level representing Arkema's best - 6
 - Consultant
 - Working team goals: Recommendation and a plan to achieve:
 - Become more market driven leading to growth in sales.
 - Definition of “market driven”; how to know if working
 - Possible training curriculum and process
 - Role of senior managers
 - Identify the gaps and how to close them
 - Set goals and how to prioritize them.
 - Give Executive Committee options: High cost/low cost; ways to accelerate; pros and cons; BUs to decide

Forming the Marketing Excellence Board

- “Passionate volunteers” working on MEB in addition to their “day jobs.”
 - It's a branded effort in the company, with its own logo and slogan



- Representation from each business unit
- Volunteers, but best and brightest chosen
- A way of going around an organization that won't fund a 'marketing journey.'
 - To speed up progress in a closed society, expand involvement and drive the culture
- MEB mission: “Transform Arkema into a market driven company in a way that leads to aggressive profitable sustained top line sales growth” The team will accomplish this by:
 - Outlining basic marketing core skills

- Improving the quality of Arkema marketing professionals
- Ensuring business units are applying marketing best practices
- Providing an educational forum & training
- Modifying marketing goal setting
- Establishing awards & measurement
- Raising & addressing complex marketing issues
- As of end of 2006:
 - Retirement of Steering Team Liaison
 - Polled MEB members on how to make group more effective
 - Need to have someone in charge with some “skin in the game”
 - Appointment of MEB Leaders
 - Education - Leader: 2 Members (expanded to 7 in 2007)
 - Assessment – Leader: 2 Members (expanded to 5 in 2007)
 - Communication – Leader: 2 Members (expanded to 9 in 2007)
 - Recognition – Leader: 1 Member (expanded to 7 in 2007)
- Task Force involvement now 12 core members and 28+ new members.

MEB Education Team

- “Training (10%) plus application or practice plus coaching and mentoring plus incentives will develop competency and improve performance”
 - Mission: Achieve a cultural change focused on the profitable growth of Arkema that is based on a set of core marketing competencies, common marketing process, language, tool set and attitudes
 - Strategy
 - Create a process for communicating the marketing competencies desired and provide guidance to the training, resources and tools to improve the skill level in those competencies
 - Establish the building blocks for performance measurement and career paths. Integrate the competencies into the company’s performance management process
 - Focus of working team
 - Define the core marketing competencies for Arkema, Inc.
 - Identify, evaluate and recommend learning approaches, courses, resources, mentors and tools for each competency
 - Collaborate with the Assessment Team to measure Arkema’s level of individual and collective marketing competency and develop actions for continuous improvement
 - Collaborate with the Recognition team to recognize achievements of individuals and teams. Use recognition program as a means to communicate (teach) best marketing practices and foster open communications among marketing professionals across business unit boundaries.
 - Recognize action that produces success and advances the cause
 - Recognize failure that teaches a valuable lesson, what to avoid in the future and supports trying new things, new approaches, higher risk sorts of things
 - Will not reward inactivity, lack of change, lack of adoption of new approaches
 - Collaborate with the strong Communication team to publish information: Move Arkema to a market-focused culture by providing information that supports our company becoming excellent at B-to-B marketing.

- MEB ANNIE site will promote ISBM/Arkema course offerings (on-line registrations and approvals)
- MEB ANNIE site will include valuable links (Stock web sites, Seth Godin, Fast Company, ISBM)
- Web-based audio and e-book libraries
- Modeling and mentoring (internal marketing mentors, marketing plan templates)
- Volunteer opportunities to help
 - Writers: Articles for ANNIE and case studies (internal or external) related to marketing competencies
 - Writers: Creating content for ANNIE on the competencies and the curriculum
 - Surveyors: Identify useful marketing practices that can be documented and published on ANNIE
 - Website designers: Interface between Education team and Communications team to manage content on ANNIE
 - Course evaluators: Attend marketing-relevant courses and provide input to MEB on their value to improving marketing competencies and how to incorporate into the curriculum
 - Mentors: Publish your name on ANNIE and help others at Arkema in your areas of expertise
- MEB Marketing Community Directory
 - Electronic communications
 - facilitate internal communication
 - encourage work on cross-functional teams
 - maximize Arkema's marketing knowledge
 - familiarize people at all locations with their Division's Marketing Professionals
 - publicize Arkema's marketing personalities (Publicizing recognition award winners can backfire. Some don't want their awards publicized, fearing colleagues' ire.)
 - Directory shows where to go to get expert help
 - Company CEO thinking of setting up a similar directory for the whole company.
- Special projects
 - Cross-business unit effort in identified strategic markets. Top management understands the importance
 - MBA Leadership Rotational Program, recognizing our need to upgrade marketing talent.

Moving ahead

- Lots to do still
 - New Website Rollout (early September) including a sales toolkit
 - Resurvey (MES in late September)
 - Marketing Community Meeting (early October)
 - Recognition Program Pilot (Q4)
 - Competency Mapping to Job Descriptions
 - Creating a Marketing Career Ladder
- Evidence of progress
 - Culture shifting (hear it in people's vocabulary & enthusiasm). Theory behind the "buzz words" is believed to be important!!
 - New talent being hired—awareness of the importance of diversity

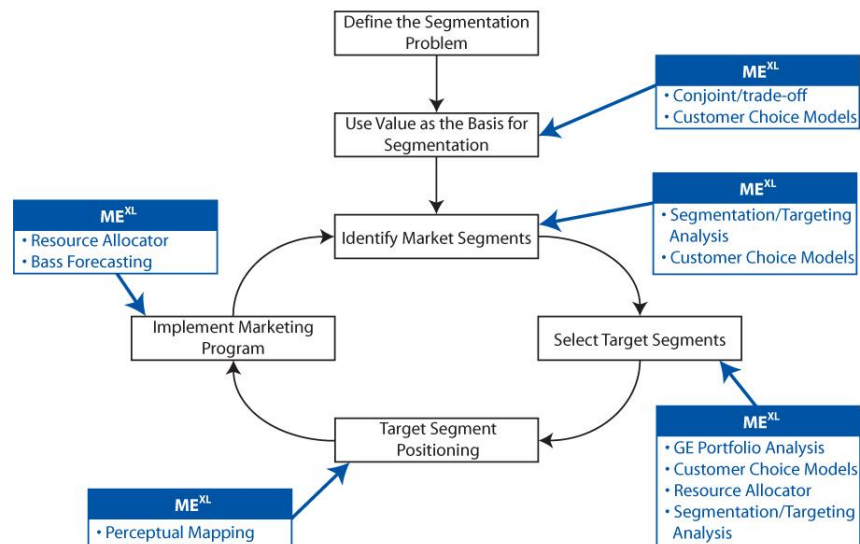
- Existing marketing talent developing to a higher level
 - Marketing competencies defined and targeted training has been effective
 - Seen via numerous examples of “unique approaches” with quantifiable bottom line results
- “You can teach an old chemical engineer new tricks”

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New Products Highlights:

Decision/Insight with ME^{XL}

Update by Gary Lilien, ISBM Research Director



ME^{XL} user benefits

- End User Friendly/Quick and Dirty
- Judgments (Tribal Wisdom) PLUS Data
- Excel Add-in Friendly
- Process Generates Key Value
- Combined with Training, Teaches Basic Systematic Approach to Marketing

ME^{XL} for ISBM members

- Fast start program \$10,000 (next slide) +\$500/attendee software fee
- One day hands-on workshop (open: \$1,750/attendee? First offer..Philadelphia, 30 October
 - **Or**—On site \$12,500 +\$500/attendee software fee
- 2-day workshop: STP with MEXL (open \$2500 each or onsite \$25,000++\$500/attendee software fee)
- Book + software only: ISBM member price: \$750 (50% off) Introductory....\$500ea through September

- “Decision Insight” Fast-Start Team Package Custom Webinar: \$10,000 for ISBM members only.

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Leverage Point Marketing Strategy **An Online Tool Suite by Monitor Group**

Update by Ralph Oliva, ISBM Executive Director

Special offer for ISBM members

- Interactive learning tool—“The best product I have seen in the category” of marketing planning tutorials.
- Enterprise-level ERP software for marketing, complemented by other ISBM offerings
 - ME^{XL} for calculations
 - MarkPlan for marketing plan construction
- \$50K annual site license price for ISBM members, or presented as part of a corporate coaching engagement.
- Perhaps we can build an ISBM course around Leverage Point.
- More information at www.leveragepoint.com

The software

- Online Learning-to-Action performance support system that speeds learning by up to 75% through an innovative blend of ...
 - Simulation
 - Games
 - Storytelling
 - Interactive scenarios
 - Case-based learning
 - Performance and decision support tools
 - Live and embedded expertise
- Integrated tools move teams from learning to doing
 - Build a bridge from learning to doing
 - Guide the user through each step of the framework
 - Provide a common platform for teams to brainstorm, record work, experiment, and generate solutions

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Trends Study Input

Update by Ralph Oliva, ISBM Executive Director

Latest biennial study

- “Top of Mind” inputs just in from the field
- Key marketing leaders (academic researchers/practitioners)
- Critical challenges and key capabilities that marketers must address, along with benchmark examples over the next 2 - 3 years.
- Process ...



Preliminary topline

1. “Sensing”, Finding, Clarifying and Assessing new opportunities for organic GROWTH (37)
2. METRICS, measurement and accountability in B-to-B marketing – proving ROI (23); Selling the “C-suite” on impact of marketing (8)
3. Understanding computation and pricing to VALUE – mobilization of new approaches for communicating/harvesting value (24)
4. Improved/more disciplined approach for testing new offering ideas/improving “hit rate.” (22)
5. Creation of totally integrated brand/customer experiences in B-to-B/Relationship Marketing (21)
6. Innovation in deploying new media tools: Web, blogs, wiki’s, widgets, networked “word-of-mouth.” (21)
7. Facing and navigating global competition and business issues driven by “China” (20)
8. Stronger analytics applied to B-to-B marketing (19)

Benchmark firms



[Book Preview:](#)

***Value Merchants – Demonstrating and Documenting
Superior Value in Business Markets***

by James Anderson (Kellogg),
Nirmalya Kumar (London Business School)
and James Narus (Wake Forest)

New, research-based field manual

- Newest techniques for assessing customer value
- Creating “Resonating Focus” value propositions
- Keys/Tips/Tricks for “Spirited Implementation”
- Featured topic for Winter Members Meeting Feb. 26-27, 2008
- Special features
 - Loaded with real case examples
 - Real “Tricks of the Trade”
 - Techniques for Overcoming Objections:
 - Internal
 - External
 - Special approaches for “spirited implementation” – beyond theory to getting it done!

Authors' statement

- “Our intent in this book is to transform businesses, and especially, their sales forces into value merchants. Doing business based on demonstrating in documenting superior value is, indeed, a rare commodity. It doesn't have to be so rare.”
- “...specifically, readers of our book will learn how to:
 - Assess customer value and practice
 - Craft value propositions that resonate with customers
 - Achieve spirited implementation for superior profits

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