





# BUILDING BLOCKS

## Ten key roles of B-to-B corporate marketing

By Atlee Valentine Pope and Ralph A. Oliva

**S**everal months ago, a senior marketing executive from a global B-to-B corporation shared the following experience: *“Over the last year, I have brought three good ideas forward to our company leadership council—each founded on fact-based market research and strong customer insights—and yet, these ideas just didn’t get any traction. Each time the idea was received with lukewarm interest and summarily relegated to a parking lot. In fact, my favorite concept fared so poorly that it was relegated to long-term parking! I believe ignoring marketing contributions like these will ultimately put my company at a great disadvantage. I know marketing can make a difference to our organization. I just don’t know what to do to get our voice heard, get a buy-in to our ideas and, ultimately, have a greater impact.”*

**T**HE EXECUTIVE'S LAMENTATION is not uncommon. For many years, we have heard similar stories leading to similar concerns. How to address these concerns is not straightforward, because marketing leaders in B-to-B firms deal with complex customers in complicated markets. As chief marketing officer (CMO) at Emerson Electric Co., Katherine Button Bell said, "While it's our job in marketing to demand that the voice of the customer is heard when developing strategy, not a lot of B-to-B people understand how to get the magic out of these customer messages."

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**F**urthermore, not all B-to-B executives recognize the potential contributions marketing can make to the firm's bottom line. B-to-B corporations that have historically enjoyed great success due to their engineering prowess, manufacturing competencies, or scientific heritage often allocate their time, talents and scarce resources into these areas—rather than into marketing initiatives. Al Saltiel, CMO at Navistar Inc., explains that, "the SG&A [selling, general and administrative expenses] crunch comes whenever a firm faces tough times, and very often the marketing group's budget becomes a major source for these cuts."

Most marketing leaders, nevertheless, aspire to build state-of-the-art marketing expertise for their company that can have a positive bottom-line impact. Furthermore, many know that this expertise must be in place both at the corporate level and at the business-unit level. Even knowing how to allocate the roles and responsibilities between these two levels can be confusing. Rick Carpenter, vice president and CMO of Briggs & Stratton Corp., explains: "I believe that it is the corporate marketing executive's job to understand what functions and skill sets should reside centrally vs. locally or regionally. This [corporate marketing role] is different for each company and may be different depending on where the company is in its organizational development."

Across the many B-to-B corporations with which we have worked, we observe that, in general, marketing professionals at the business-unit level are responsible for delivering market and customer research, analytics, insights, plans and go-to-market strategies that are specific to their business unit. In contrast, CMOs (or their equivalent) aspire to have their corporate marketing organization be the firm's center of marketing expertise and to take on roles and responsibilities that allow the business-

unit marketing leaders to become more productive—and consistent.

Over the years many B-to-B executives have asked: "What is 'best in class' when it comes to the corporate marketing function in a B-to-B firm? And, more importantly, how can a superior corporate marketing function help us fuel our company's growth and ensure that we are a world-class leader?" To accomplish this goal, these corporate marketing organizations must have superior marketing competencies and capabilities that require time, investment and patience to acquire. Building a best-in-class B-to-B corporate marketing function is a dynamic journey, involving a continuous improvement in attitude and philosophy. It doesn't happen overnight.

According to John Jacko, CMO at Kennametal Inc., marketing is becoming less about communications and more about leadership. "Depending upon the size of the company, marketing should lead the development of company strategy and own the strategic planning process. It belongs here vs. in finance where it can quickly become tactical strategy. There is a big difference between walking back from a desired future state and incremental growth from the current state. Marketing should also take the lead [on] enabling the company culture in support of the mission and brand definition. In other words, [lead the company to be] open to innovation, productive risk taking, investment outside the core business and incubating new business models."

Our research and observations have identified 10 best practices that are the building blocks for a best-in-class corporate marketing organization that can deliver the contributions cited by the executives we've quoted.

### **1. DRIVE MARKETING PLANNING.**

Corporate marketing drives a systematic approach for

developing company-wide marketing plans. In close collaboration with business-unit colleagues, the corporate marketing leaders direct the approach to engineer the planning process, and build the tool sets to support the marketing planning effort. As Bell suggests, “Corporate marketing needs to give everyone lines on the road,”—a framework for great marketing initiatives. It involves an understanding of how to address various planning options, including decision “rights” at various levels of the organization, expectations as to the level of detail that is required, promulgation of the tools to be used within the corporation.

Corporate marketing will, ultimately, be judged on how well the plan is developed and how effectively it works with the business units. The organization must display flexibility to accommodate a broad variety of business-unit planning requirements and bring expert marketing competencies to the table so it can make recommendations and drive the discussion and decision processes. Once the plan’s framework, processes and tools are developed, corporate marketing must take responsibility for training business units on how to use these tools. At Emerson, Bell observes, “teaching and training marketing principles were key, because 90% of the population were engineers and had very little understanding of marketing.”

**2. BE THE BRAND STEWARD:** Corporate marketing is the custodian of the corporate brand. Custodianship begins with clearly articulating what the firm wants its corporate brand to mean, and building the tools, techniques and training to communicate this to all constituent audiences. In today’s B-to-B environment, the brand is reinforced and maintained through many employees of the firm. Bell says, “My job is to simplify the company, to make it easier to understand outside and inside.” Corporate marketing must not only establish the meaning of the brand, but also explain the importance of brands and teach business units how to create customer experiences in such a way that the brand promise is met. This is particularly important in the B-to-B environment, where many general managers have had minimum exposure to marketing discipline and little real understanding of the power of brands in B-to-B.

Beyond setting corporate brand direction, corporate marketing also involves setting the ground rules on the use of the corporate brand, nurturing and protecting the master brand, and providing overall quality control, brand architecture and decision making relating to building the corporation’s brand equity. This includes creating frameworks for how to handle brand transitions (for new product development, for acquisitions, for sunseting

brands, etc.), as well as for measuring and monitoring brand equity (e.g., brand assessments, customer satisfaction, etc.). This role goes far beyond being the “logo cop.” Instead, it is a role that effectively establishes the principles for brand stewardship and helps the business units create their own policies for brand management. In today’s world, marketers need to understand the rules of the road for managing the brand

across a multitude of venues, from the traditional arenas (such as packaging and building signage) to new arenas (including social media and apps). Satiel, whose background includes executive positions at Ford, where brand discipline is well understood and established, observes that most B-to-B firms are “struggling to unify their brands under one well-understood brand architecture.”

**3. ENSURE THAT VOICE OF THE CUSTOMER (VOC) INFORMS BUSINESS STRATEGY.** When corporate leadership decides to update, rethink or re-establish the fundamental strategy of the business, corporate marketing should be deeply involved. Marketing represents the voice of the market and customers, as business strategies are developed, goals are set and opportunities for growth—both organic and inorganic—are discussed. This can include the creation of a clear and genuinely differentiated statement of the mission and vision of the firm—but marketing goes beyond that.

The VOC championed by corporate marketing should be viewed by executives as crucial to helping build market-driven differentiated strategy. Bell put it most

## BRIEFLY

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succinctly in the context of contributions to product development: “Listening to the customer has to be the ‘0’ gate in the product-development process.”

In the B-to-B environment, listening to customers requires a deep understanding of the customers’ evolving needs, emerging opportunities and criteria for the future. Additionally, this understanding must come from not just the direct customer, but also from all the participants down the customer chain—including end customers and intermediaries, such as distributors, dealers, value add resellers and others. In firms we’ve observed, VOC is a term that is loosely applied to a variety of processes from customer-satisfaction measures to sitting in on sales calls. A few firms have developed real skills in this area, building on the work of Abbie Griffin of the University of Utah, who coined the term “voice of the customer” and does research in this area. Adding to this process, leading firms include surveys that explore technical aspects of product and service features, and other tools specifically tailored to the B-to-B environment.

**4. TRAIN AND DEVELOP MARKETING TALENT.** Corporate marketing must partner with human resources to recruit, hire, train and develop career paths for talented marketing professionals. These marketing leaders establish career paths that enable marketers to have a well-rounded view of the company. And they bring a marketing point of view—and marketing talent—into key positions throughout the firm. These companies aspire to have a marketing career ladder, similar to the “technical ladder” where senior technical people can move to a higher level of responsibility and impact as individual contributors.

Many firms that fall short of the level of world-class B-to-B firms sometimes “park” executives in the corporate marketing role if they have no other logical place to go. Stronger organizations recognize that a person with an engineering background,

but with no particular skill, talent or understanding of marketing may not always be the right person to be slotted into a senior marketing role. Progressive companies include marketing positions as one of the must-have stepping stones for fast-track managers.

**5. DEPLOY SPECIALIST TEAMS.** Marketing specialists can run the gamut, and some organizations create enterprise-shared services. Saltiel explains, “To get synergy, we have established centers of excellence in order to build internal competencies. Our internal teams are experts on everything from collateral design to film to digital communication.”

Other marketing organizations have built SWAT teams that are deployable resources with strong, practical marketing competencies. These teams are often sought by business-unit leaders to solve strategic problems or address special opportunities that might arise, and they are called in routinely to assist with growth challenges that the business leaders face. They are trusted advisors who can see past obstacles, take a broader view and provide a focused team of talented professionals—beyond what a business unit may be able to find (or fund) in the normal course of business. These issues can range from expansion

into adjacent markets, to growing faster than the market, to repositioning a brand that is facing a crisis.

This team is not empowered to simply be the arms, legs and extra resources for the business unit; instead, its goal is to give the whole corporation a leveraging effect by working with business units on the big issues that can yield positive ramifications across the entire company. Jacko of Kennametal’s mention of the role of “incubating new business models” is a key element of the competencies that such teams can bring to business units. In the



B-to-B environment, these teams are harnessed to explore opportunities beyond the current status quo. Unlike their marketing peers in B-to-C corporations, these marketing leaders are frequently challenged to focus beyond programs that improve the marketing communication effectiveness of the corporation's existing business model.

**6. TEACH AND COMMUNICATE.** Corporate marketing must seize the opportunity to bring a common language of the marketing discipline to their firms. In B-to-B firms, very often the whole concept of "marketing" is quite misunderstood. It's not uncommon, for example, to find that people across the organization in different job functions use similar marketing terminology, but have vastly different interpretations. For example, the term "brand" to one person can be interpreted as the promise, expectation and relationship with external constituents. To another person in the same organization, "brand" can simply mean the company's logo, tag line, etc. Corporate marketing must facilitate common language and learning across the company, and take accountability for communicating what marketing is about.

The success of most messaging programs begins with the company's own employees and close-in stakeholders. They are responsible for ensuring that their colleagues know of corporate-wide changes taking place, whether they are fundamental changes in the firm's business model or changes related to new corporate marketing communication efforts. Providing information about the changes allows for internal build buy-in to the new directions. They help employees answer questions from customers and suppliers, because as most B-to-B marketers know, third parties are most likely to first turn to employees to get answers. While managing messages to the external world is always important, best-practice organizations make sure that messages to the internal organization are given equal priority.

**7. DRIVE INTERNAL INTEGRATION.** Corporate marketing must also create cross-functional integration, which is absolutely essential in executing marketing plans. They understand that good marketing plans are not developed and then "handed off" to other functions. Good marketing plans involve tight integration with many functions across the corporation—most especially the sales function—as they're developed. Marketers receive input from finance, manufacturing, research and design, engineering, corporate communications and other functions as plans are developed. They are vigilant in linking marketing plans to the key functions that will implement or execute those plans.

Furthermore, best-in-class marketing functions un-

derstand clearly that the sales function does not execute marketing plans, it executes sales plans. The translation of a marketing plan to a sales plan doesn't just happen; it requires tight coordination with sales management.

Lastly, corporate marketing also understands how to facilitate a link to the chief financial officer's (CFO's) office and ensures that a member of the CFO's team is part of its team—at least as an adjunct member. Jacko's comments about the "tactical strategy" that emerges from the financial function represents a good piece of guidance; whether the plan is executed or not often depends on the translation from marketing to finance (and other business functions). Learning the language of the CFO and how it relates to marketing is important.

**8. COMMUNICATE DURING A CRISIS.** Along with the public relations department, corporate marketing owns the responsibility for the company's communications during a time of crisis. This role is often shared or tied to public affairs, whose responsibility is to communicate with various stakeholders including investment analysts, local communities and sometimes employees. But since crises often impact customers, suppliers, distributors and other constituents, it's critical that a well-coordinated crisis communication plan, with protocols and practiced processes, is in place well in advance of a crisis. Marketing helps to plan, design and resource this process, and is a key player on the crisis team when a situation arises. In some organizations, we have noted a trend toward aligning the market communications and public affairs groups to foster an "integrated strategic communications" function.

**9. INTRODUCE NEW-TO-THE-WORLD TRENDS AND TOOLS.** Companies that are passionate about deeply understanding new trends, ideas and tools rely on corporate marketing to bring this learning to the table in a balanced and actionable way. These topics can include understanding global changes, assessing the economic outlook, addressing technology trends, thinking about the implications of new business model concepts, keeping abreast of changes in the competitive environment, etc. From recent social networking phenomena to the economic global shifts underway in the 21st century, corporate marketing must create a forum so that this information can be leveraged and shared throughout the corporation, and help businesses grapple with concepts that might first appear to be "out in left field," but which, in truth, can profoundly affect future success.

In recent years, many B-to-B marketing leaders have been found at the forefront of testing, developing and instituting new innovation for their firms. These

innovation efforts are often initially incubated by corporate marketing and later shifted into the company's mainstream business. For example, the emergence of a variety of value-added services from inventory management to operational audits have been introduced by B-to-B firms where corporate marketing has taken the lead in defining the opportunity, developing the value proposition for these services, prototyping the business model and launching pilot programs.

**10. UNDERSTAND MARKETING FUNDING AND MEASUREMENT.** Corporate marketing functions pass through a variety of maturity levels as to how they're funded and how their success is measured.

If the funding model for the corporate marketing function involves ongoing cycles of justification with business units, all of which contribute to the corporate marketing function budget, the real leverage of this function is highly limited. While this methodology does ensure ongoing contact with the business units, this model can often lead to ongoing wasteful discussions and a corporate function with a fate that rises and falls with the state of the economy and business-unit-specific politics. It is organizations in this category that are subject to the "SG&A crunch" that Saltiel described. In general, in such organizations, tactical imperatives will often outweigh longer-range, more important strategic efforts.

**A**s corporate marketing organizations mature, they typically have a mix of funding—including a corporate-funded budget, separate from business-unit budgets. In world-class organizations, these resources are not spent on projects created by the corporate marketing function itself, or on unfocused experiments. In a situation where corporate funding is in place, the corporate marketing "client" is the CMO's peers in the C-suite, and the investment is focused on initiatives recognized as critically important to the success of the entire firm. In this situation, the success of the corporate marketing function is tied to the success of specific projects, as well as their performance in helping business units achieve specific,



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high-level objectives beyond the day-to-day performance of their functions.

From an aspirational point of view, corporate marketing functions sometimes have a special "corporate matching fund," which are budgets used in tight collaboration with the business units. This enables the corporate marketing function to identify and work in partnership with business-unit leaders on initiatives "above and beyond ordinary practice." Jacko's suggestion that corporate marketing play a role in higher-risk innovation programs would represent an example of such an opportunity for

collaboration with business-unit leadership. Such activities enable a special level of learning, exploration of an opportunity or mobilization of a high-level of resources to allow for rapid capitalization on an opportunity that might arise.

When a corporate matching fund is deployed well, it enhances connection between the corporate and business unit functions, greases the skids of execution and can result in healthy synergistic relationships. When this takes place, the success of the corporate marketing function is measured by how well the business-unit leaders support the function, and by the bottom-line results that have been mutually achieved and reported to the CEO and CFO. B-to-B corporate marketing can have a seat at the executive table and make a positive bottom-line impact. To do so, marketing leaders must consider embracing the 10 key roles we've outlined.

In the B-to-B environment, corporate marketing must elevate superior competencies, stronger processes, crisper language and brand direction. The journey toward world-class corporate marketing takes time and investment, but involves a path that does not detour into the long-term parking lot. By focusing on the top 10 best practices described here, a corporate marketing leader can begin a journey toward contributing enormously to the enterprise's goals. **MM**

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