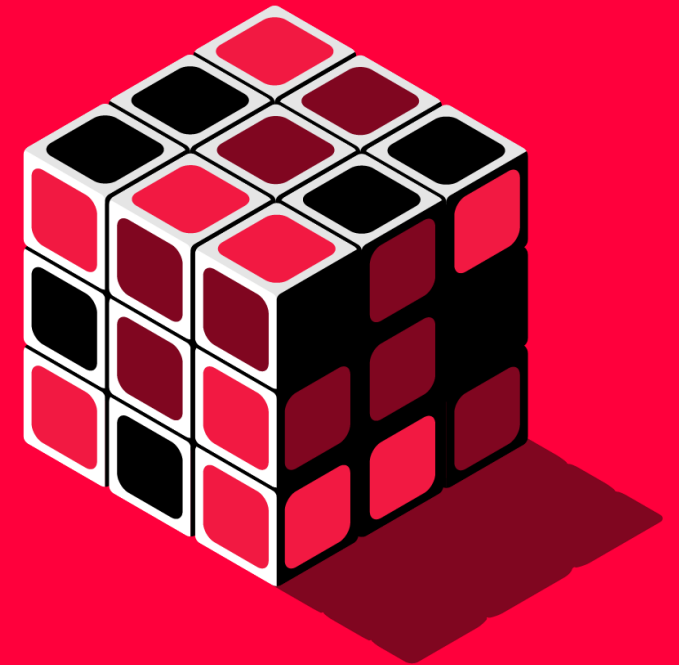


WFA Spotlight

Marketing Transformation

Delivering the future-fit organisation

February 2021



Introductions



Nick Broomfield

Executive Director and Global Client
Lead, Dentsu SCHEMA



Matt Green



Ioana Danila



Hanne van de Ven



 ^
Mute


Chat


Raise Hand


Q&A

Leave Meeting



We've been discussing, researching and writing about 'transformation' for several years

Blueprint for Transformation

Led by the HQ Media Team, a cross-functional, international team, consisting of senior experts from various departments within the headquarter and the most important European market, Germany, started working together, developing a Technology & Data vision and strategy. Launched in 2014, the Telekom Digital Blueprint was the first phase of the Media Transformation Journey and focused on aligning behind a unified, integrated approach to managing data and technology in the paid media ecosystem.

Phase 1/The Telekom ad tech stack - Digital 'Blueprint'

The Telekom Digital Blueprint defined the landscape (tools, software and technology) we wanted to implement to take control of data-driven marketing and sales. The Blueprint was first introduced in 2014, remains iterative and continues to evolve in line with market developments.

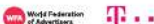
Cloud-solutions and Software as a Service (SaaS) have made this possible: the suppliers were selected through formal pitch processes, the contractual relationship is owned and managed by headquarters with the actual implementation happening on a local level by the markets/countries. Full data ownership and full data access (including strict safety and security rules) are guaranteed, meaning we are in charge and can audit the partners in terms of data usage, privacy and security. Naturally, a lot of the actual work ("hands on keyboards") remains the responsibility of the service partners and agencies.



The implementation of the Blueprint highlighted issues and led to many discussions around data and technology internally and significantly increased the in-house collaboration. It allows us to strengthen our competitive advantage in the telecommunications category by enabling smarter, data-driven and fact-based decision making through ownership and better utilization of technology and our first-party customer data. It also provided the foundation for the second phase of the journey: the conceptualization of a new model for managing the services related to paid media across the Deutsche Telekom Group: the Telekom Media Operating Model (TMOM).



See WFA's report on Data-Driven Marketing 2016 to understand how other brands are changing their approach to data and technology.



Royal Philips is a leading health technology company focused on enabling better outcomes across the health continuum. Philips is committed to improving the lives of 3 billion people by 2030, ranging from aiding healthy living and prevention, to diagnosis, treatment and home care.

Headquartered in the Netherlands, the company is a leader in diagnostic imaging, image-guided therapy, patient monitoring and health informatics, as well as in consumer health and home care.

Approximately **77,000** employees

Sales and services in **+100** countries

Background to the company



Background to the transformation



This is aimed at upskilling marketers and getting them ready to embrace the digitally enabled ecosystem through a series of certification courses. In parallel, we were shifting our media budgets away from traditional channels, thereby staying ahead of the curve compared to industry benchmarks and competition. This resulted in the majority of our spend already being committed to digital touchpoints by the end of 2017.

Over the past five years, Philips has been incrementally leveraging the changing media and consumer landscape to improve where and how it connects with its consumers. The company then laid the foundation for a company-wide digital-at-scale program.



While Philips was leveraging emerging media, data and technology, the team realized that most of these activities were done on an ad hoc basis and were disconnected from each other. In addition, these activities were heavily reliant on external partners.

Media effectiveness was only occasionally maximised as a consequence, and visibility into exactly what was being done and how was partial at best.

What's more, despite the best of intentions, our agency partners were not being able to keep pace with the changes all around. The business demanded a certain level of proximity to drive ongoing optimization of investments and success.



The biggest change that the team therefore initiated was to take control and ownership of its own media set-up.

The tech-enabled and data-fuelled eco-system not only provided us with the right opportunities, but in a way demanded this approach for us to enable a consumer-centric approach to drive business success.

In order to transform our media capabilities, the global media team developed a strategy consisting of three pillars:

1. Building a Philips-relevant ad-tech stack with direct partnerships
2. Shifting towards in-house media buying for bid-dable digital touchpoints
3. Setting up a rigorous internal system to optimize digital campaigns on the go

Outline of the changes



Our #1 priority is to build an agile, inclusive, and responsive digital culture that can accelerate marketing transformation and ecommerce adoption.



Most organisations know what they have to change, but not HOW to do it



This study is based on a survey of WFA members conducted in Summer 2020.

- 56 respondents, from 51 member organisations (across 15 sectors)
- All respondents were in senior leadership roles, with 63% in global roles
- In-depth CMO interviews were conducted to shape and inform the quantitative research.

The report outlines a range of recommendations for organisations to maximise the chances of transformation success

1. Delivering Transformation

- ✓ *Leadership, People & Culture*
(5 recommendations)
- ✓ *Organisation Structure & Ways of Working*
(10 recommendations)
- ✓ *Data & Technology*
(3 recommendations)

2. Barriers to Change

3. Conclusions & Actions



Patricia Corsi

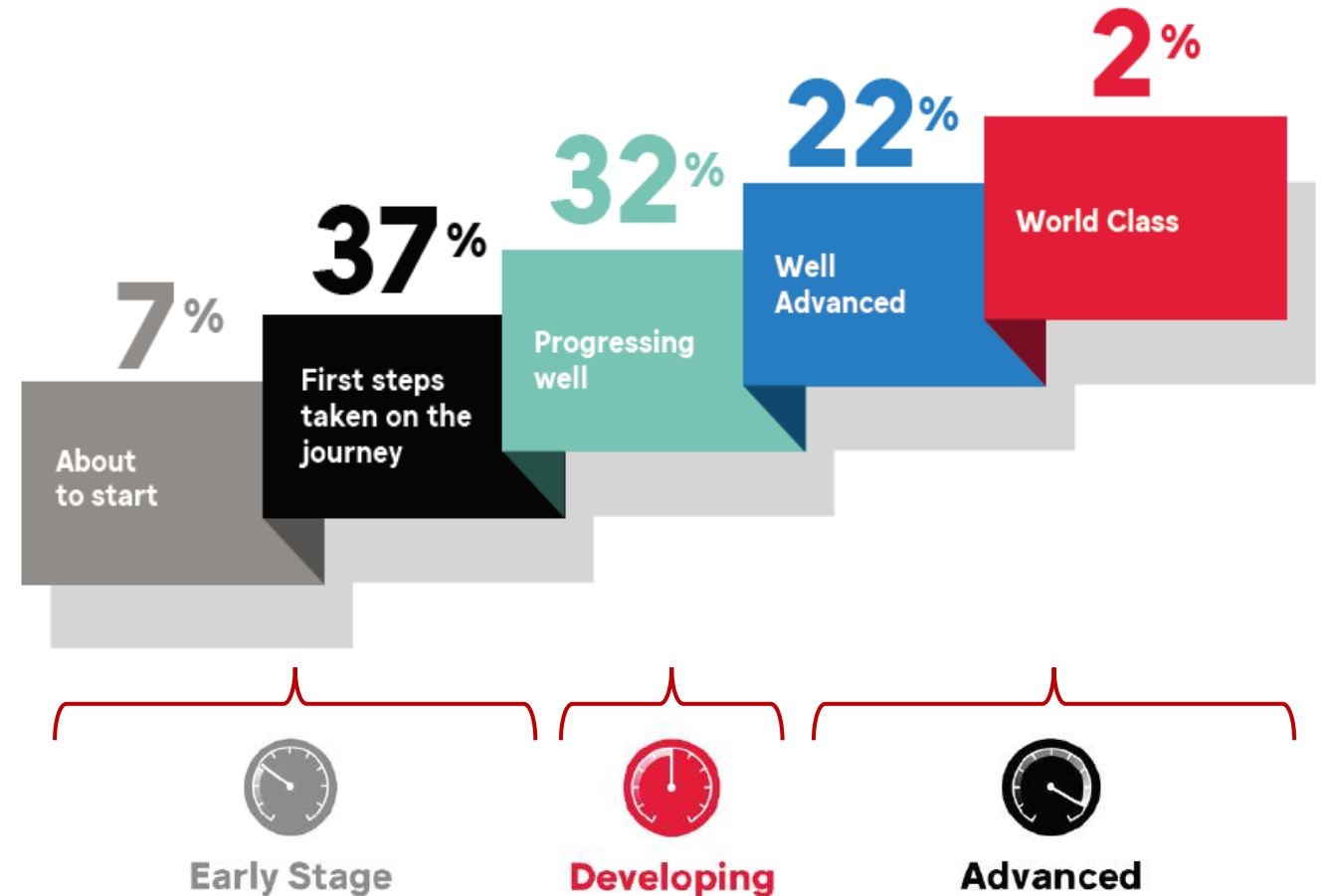
Global Chief Marketing & Digital Officer, Bayer

“ Successful transformation is a balance of magic and logic – exciting and inspiring people as well as re-developing key processes. ”

Respondents ranged fairly equally across 'first steps' and 'progressing well', with 22% claiming to be 'well advanced'

The 'ideal' transformed organisation:

*'A digitally mature organisation is one that benefits from **agile ways of working enabled by digital technologies and capabilities**, has a **flexible and collaborative operating model, effective go-to-market business models** and enjoys **deep and talented capability** right across the organisation. Together, these attributes are **proven to drive sustainable incremental profitability**'.*



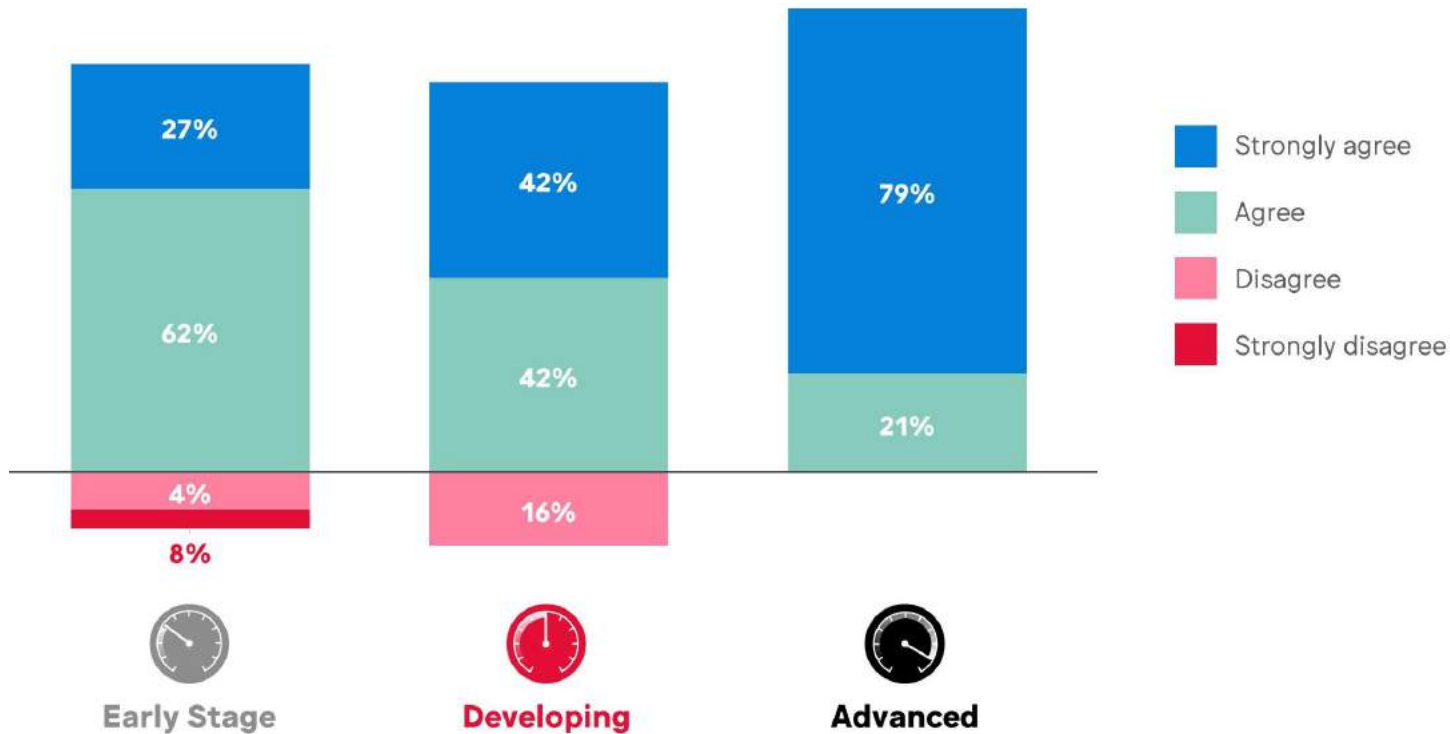
Q. Please give an indication of the maturity of your transformation journey in comparison to the ideal definition:

SOURCE FOR ALL CHARTS: WFA Survey on 'Transforming the Marketing and Media Functions' in partnership with Dentsu SCHEMA, June-August 2020; Base: 59 respondents from 51 companies

Ensure you engage and mobilise active c-suite support for the Marketing transformation program

Leadership,
People
& Culture (#1)

Q. To what extent do you agree: 'There is full and unequivocal recognition at an Executive level (wider than Marketing) of a clear, commercial need to fundamentally transform Marketing'



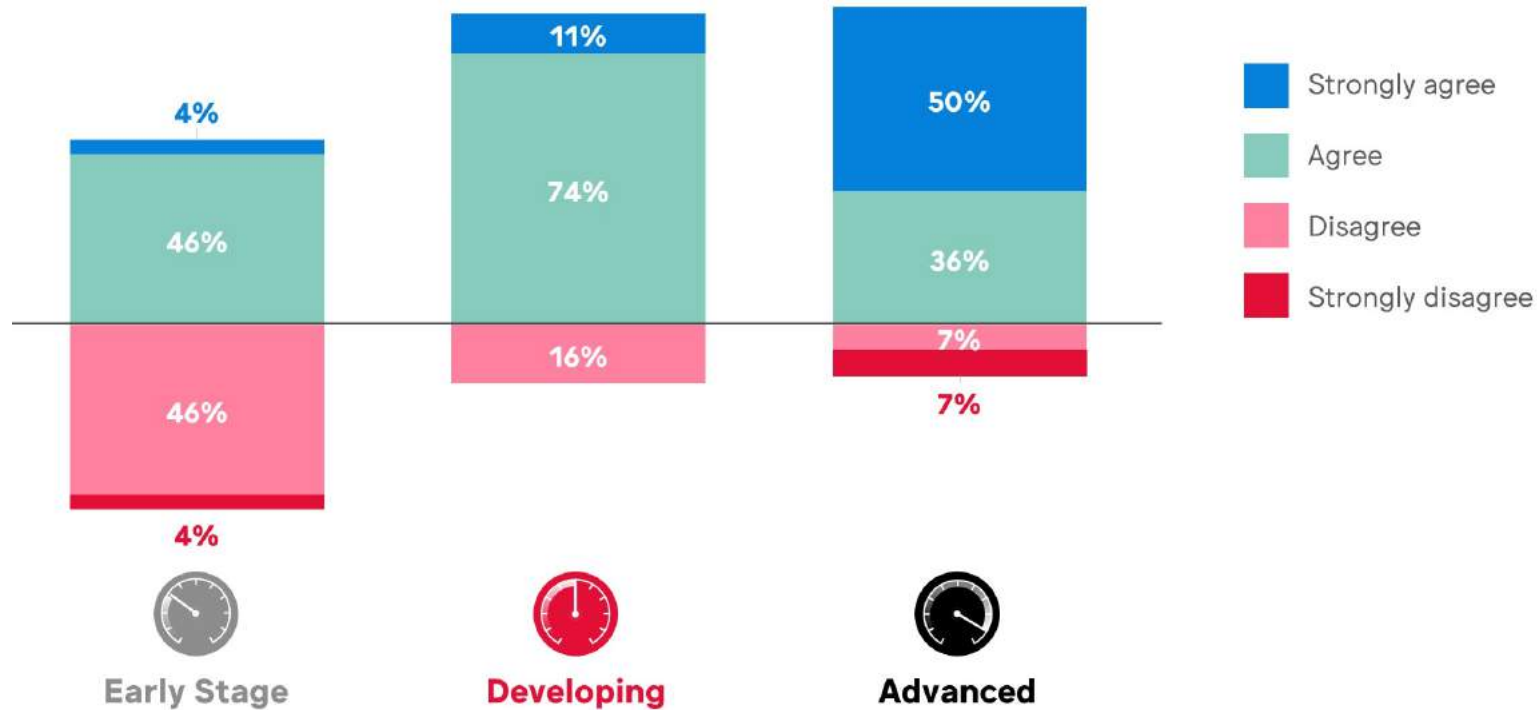
Juan Manuel Hoyos

Global Marketing Divisional General Manager
Brand and Engagement, Nissan

“ The most successful transformation plans need ALL people engaged across the organisation, driven by strong leadership with clear KPIs and success measures. ”

Within mature organisations, leaders across functions actively support the planned changes in Marketing

Q. To what extent do you agree: 'All key and influential stakeholders and executives across functions actively support the planned changes in Marketing'



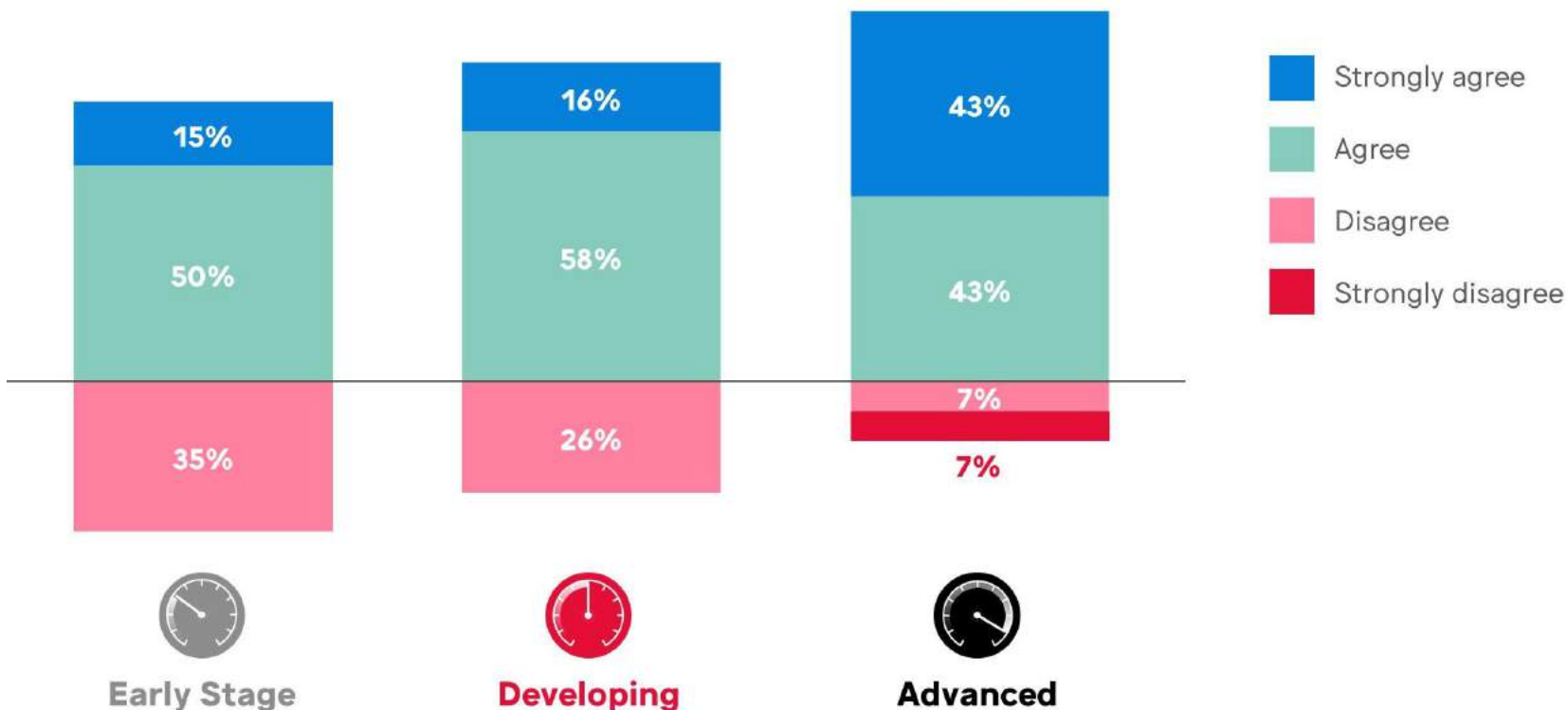
Jodi Harris

Global Vice President,
Marketing Culture & Capabilities, AB InBev

“ The #1 transformation success factor is clear vision and purpose from the Exec acting as a rallying cry for how transformation will support the wider organisation...without engagement of the total team around this vision, the program will fall apart/fail ”

Transformation leaders are far more likely to view Marketing as an investment and proven driver of growth

Q. To what extent do you agree: 'Executive leadership views Marketing as a proven driver of growth and marketing budgets as an investment in the future success of the business'



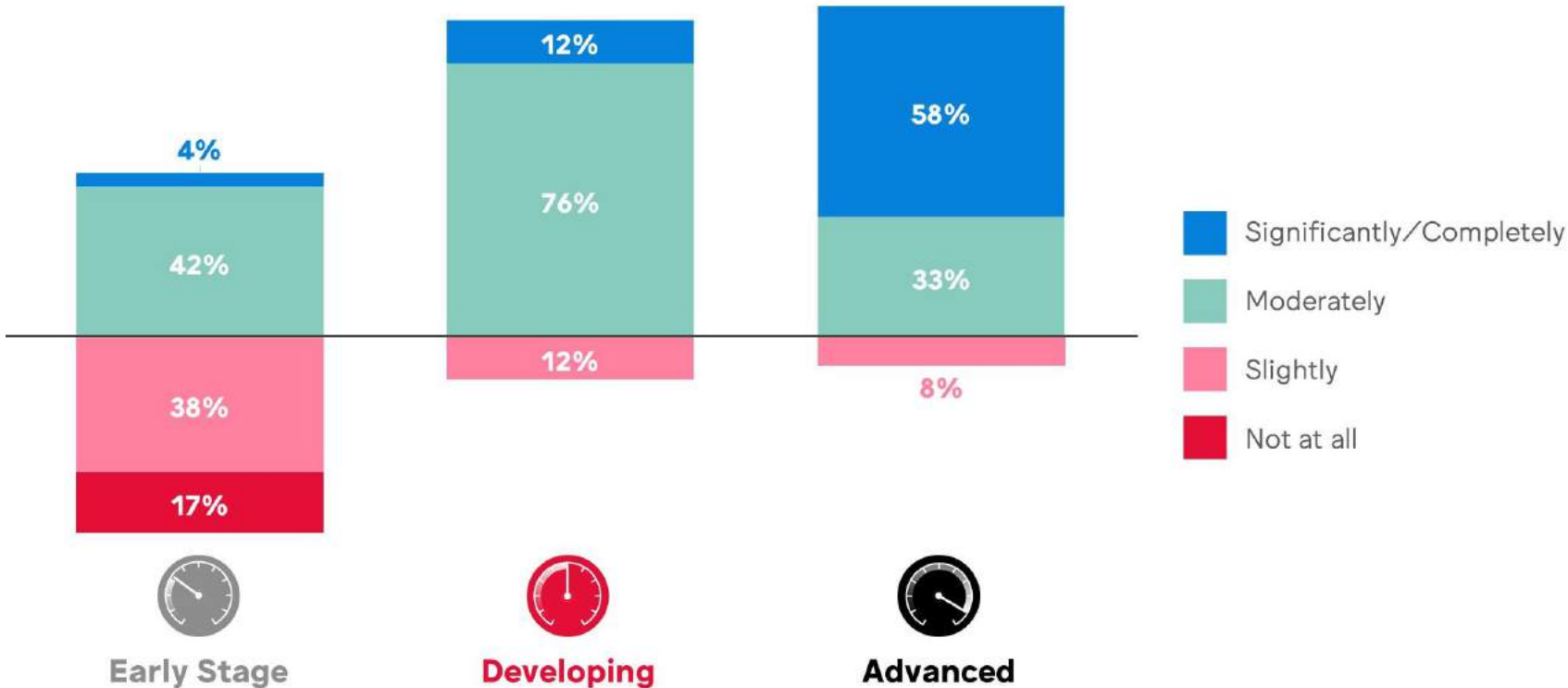
Paul Bennett
Global Brand Director, AXA

“Transformation is fundamentally not just about processes and technology but about culture and people. (...) Marketing must lead the transformation agenda as it is the only way to guarantee true customer led change.”

Invest in the right skills and capability to drive success

- Mature organisations carefully balance recruitment with training

Q. To what extent does your organisation possess Skills & Talent (i.e. the right number with the right skills) needed to make a success of your transformation vision?



Zena Srivatsa Arnold

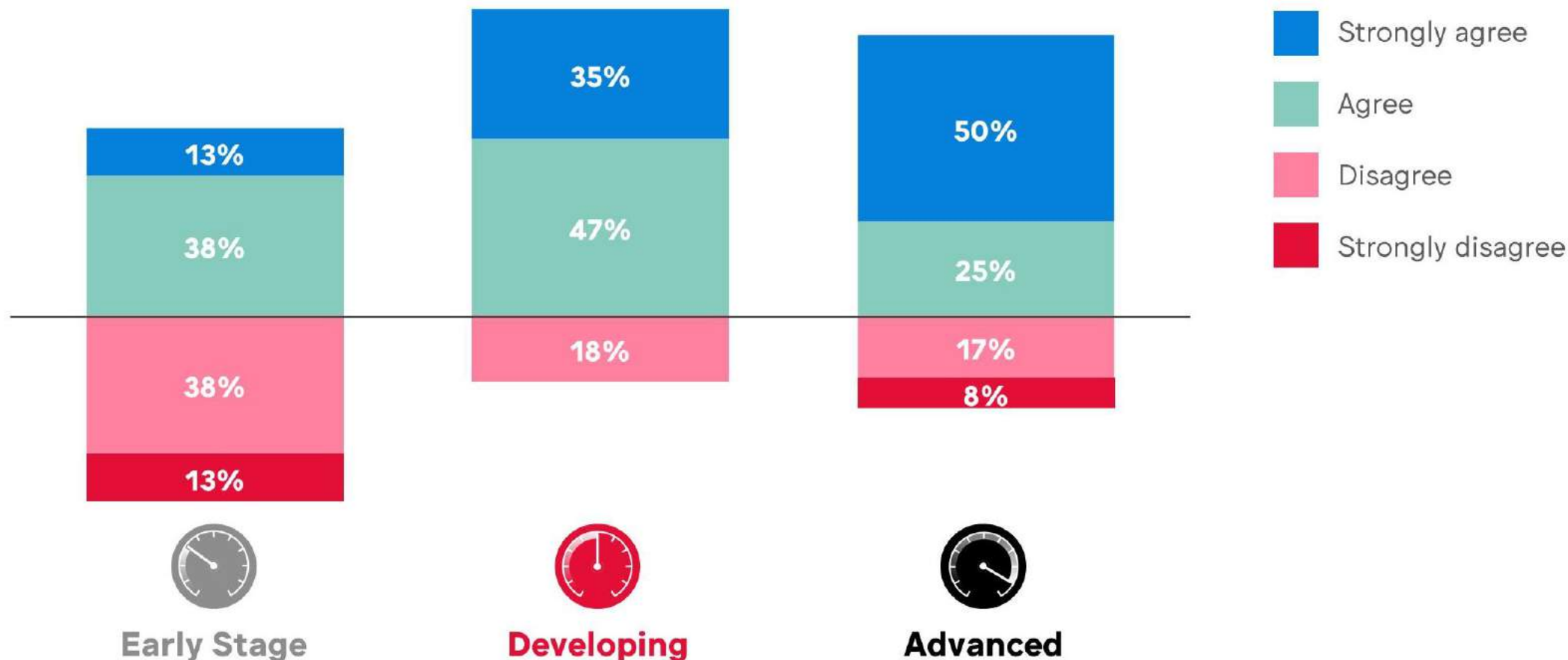
Chief Digital & Marketing Officer, Kimberly-Clark

“Organisations need a greater focus on real-time marketing skills and behaviours - more ‘hands on the keyboards’ when it comes to delivery.”

Create capacity for change within your organisation

- Training is key, but resources need the time and remit to deliver change

Q. To what extent does your organisation possess Capacity (i.e. Leaders and key staff can devote sufficient time to the Marketing transformation), needed to make a success of your transformation vision?

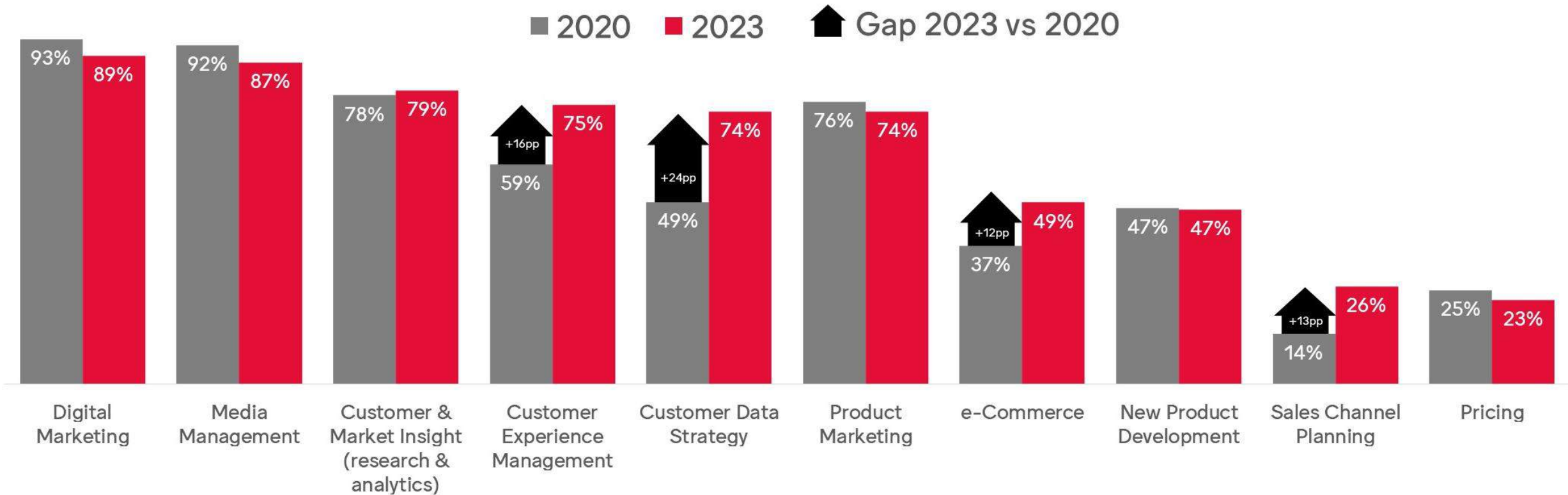


Focus on ALL the areas where Marketing can add value

- 3 areas show a marked increase in being led by Marketing by 2023

Leadership,
People
& Culture (#3)

Q. Which activities currently sit within your Marketing function, and which of them you expect to be managed by Marketing in 2023?



Legacy operating models can severely inhibit transformation

- View digital as a mind-set, not just a department or CoE



Steve Axe

Chief Marketing Officer, Nomad Foods

“Transformation needs to be a constant... you have to always encourage a healthy dissatisfaction with the status quo...always believe we can do better”

Our current Marketing operating model and structure is inhibiting our ability to succeed in the digital economy*



Integrate Digital and Marketing transformation into a single program



Juan Manuel Hoyos

Global Marketing Divisional General Manager
Brand and Engagement, Nissan

“ Splitting digital and media transformation to be separate from Marketing transformation is old school thinking – the business needs one program. ”

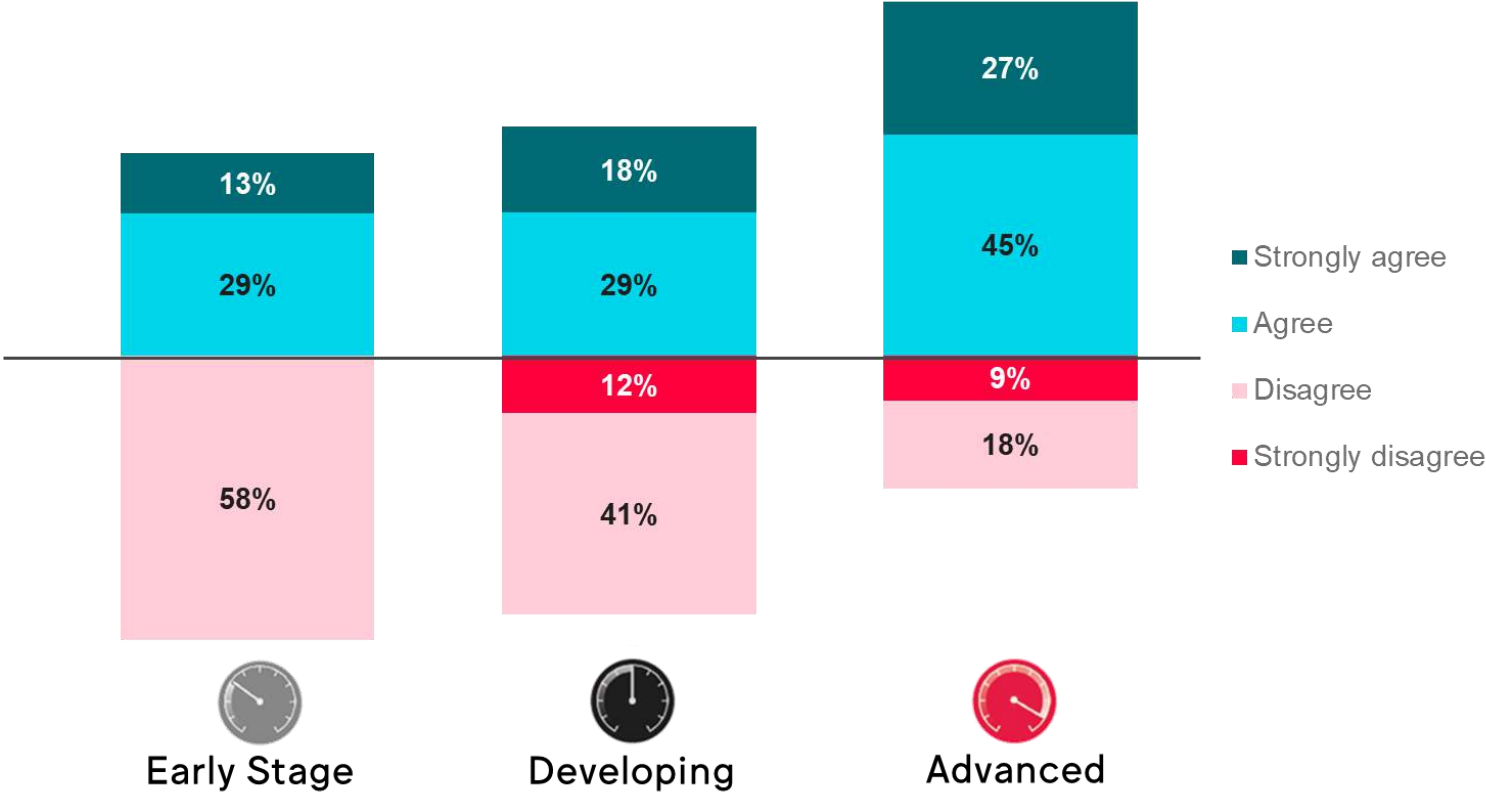
Digital transformation and Marketing transformation are the same thing in our organisation *



Centralise key parts of the transformation strategy

- 'freedom within a framework' models are most likely to succeed

Q. To what extent do you agree: 'Marketing strategy is defined, and all key decisions related to Marketing function transformation (including technologies) are taken centrally'



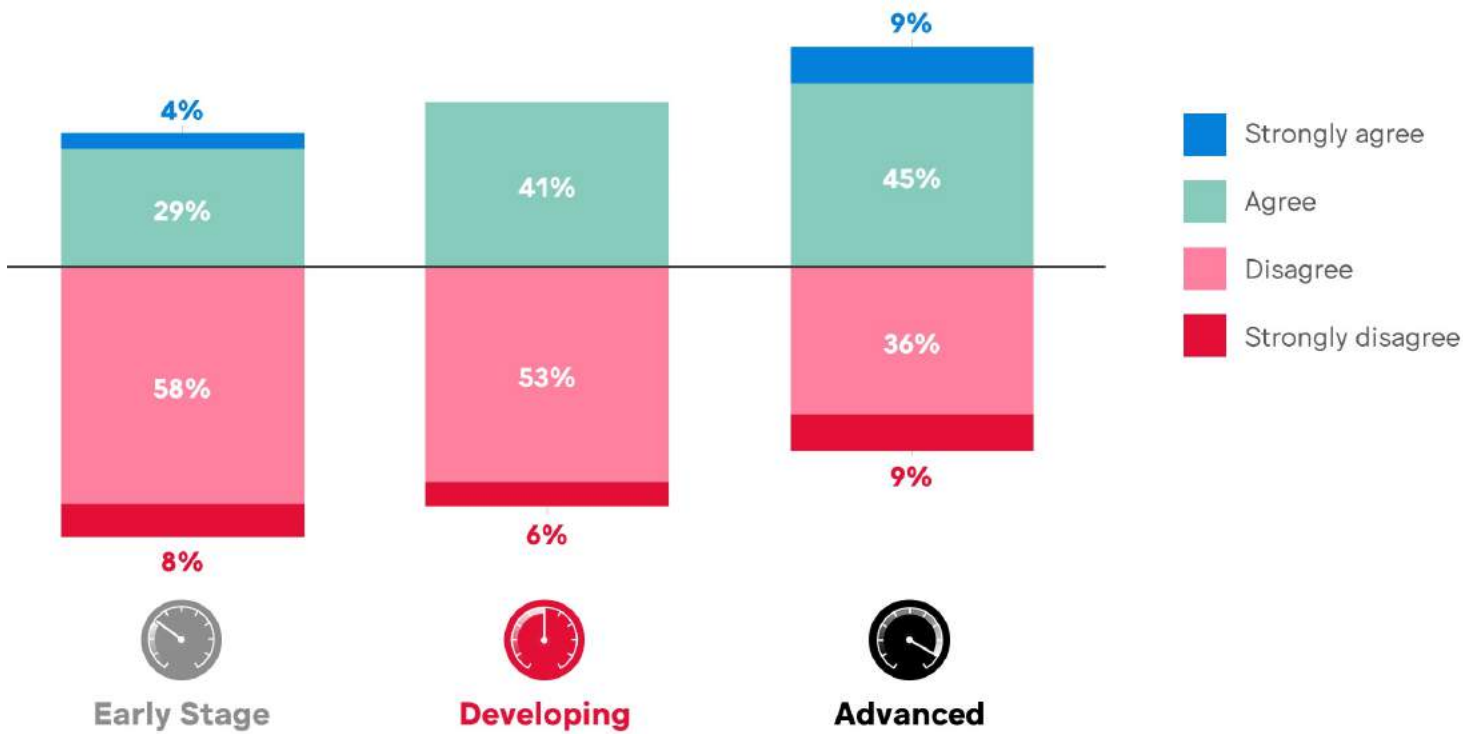
Patricia Corsi
Global Chief Marketing & Digital Officer, Bayer

“ When it comes to local vs global, we need to change the ‘versus’ to a ‘plus’ – it should be about people working together, and not about the structure (inhibiting value creation) ”

Deploy a managed approach to test and learn

- Critical to accelerate proofs of concept and eradicate repeating of errors

Q. To what extent do you agree: 'Our organisation has a structured and managed approach to learning that effectively identifies winning ideas and rapidly scales them across the organisation'



Patricia Corsi
Global Chief Marketing & Digital Officer, Bayer

“ We need to transform the thinking that mistakes equal failure, into mistakes equal learning opportunities...and we don't repeat them. ”



Steve Axe
Chief Marketing Officer, Nomad Foods

“ We are deploying an agile pilot based approach to test and learn....and where things don't work it enables a fail cheap and fail fast model. ”

Find the right balance between in-house and out-sourced skills

- Start simple and strategic and mature carefully over time

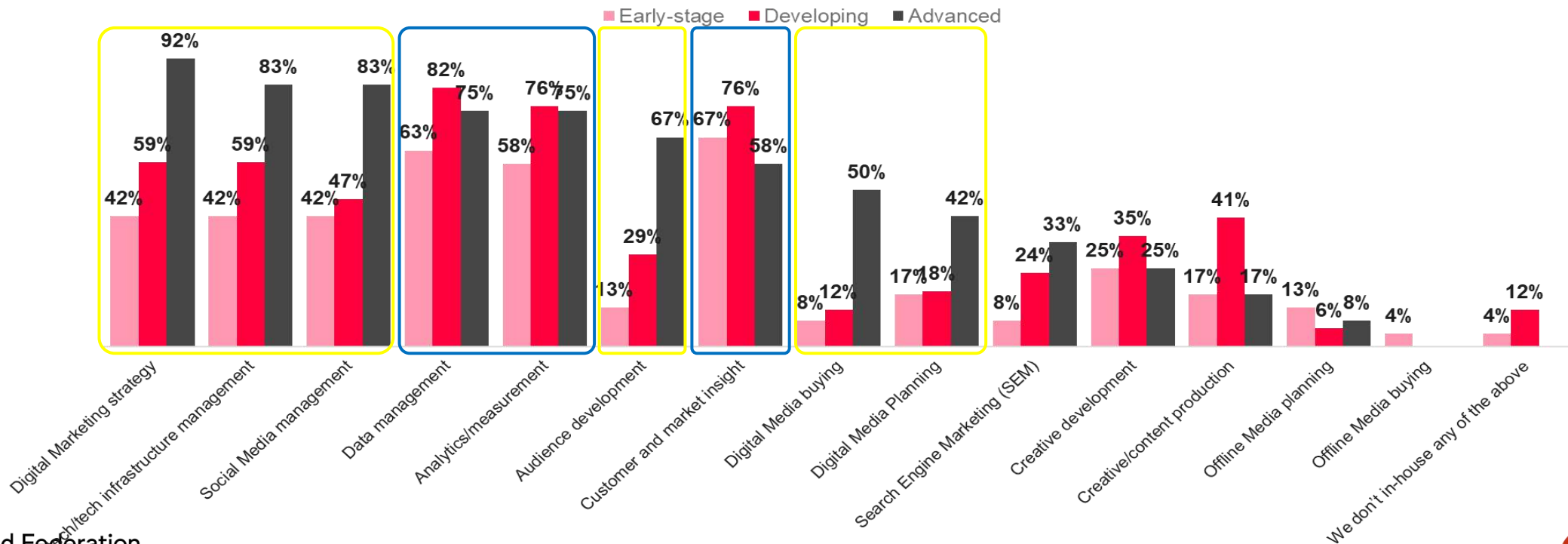
Q. Which of the following activities are managed in-house TODAY?'



Richard Kanolik

Head of Programmatic, Vodafone

“ Advertisers can underestimate what’s required to bring programmatic in house - hence the hybrid model. ”



Be crystal clear about the ultimate purpose of in-housing

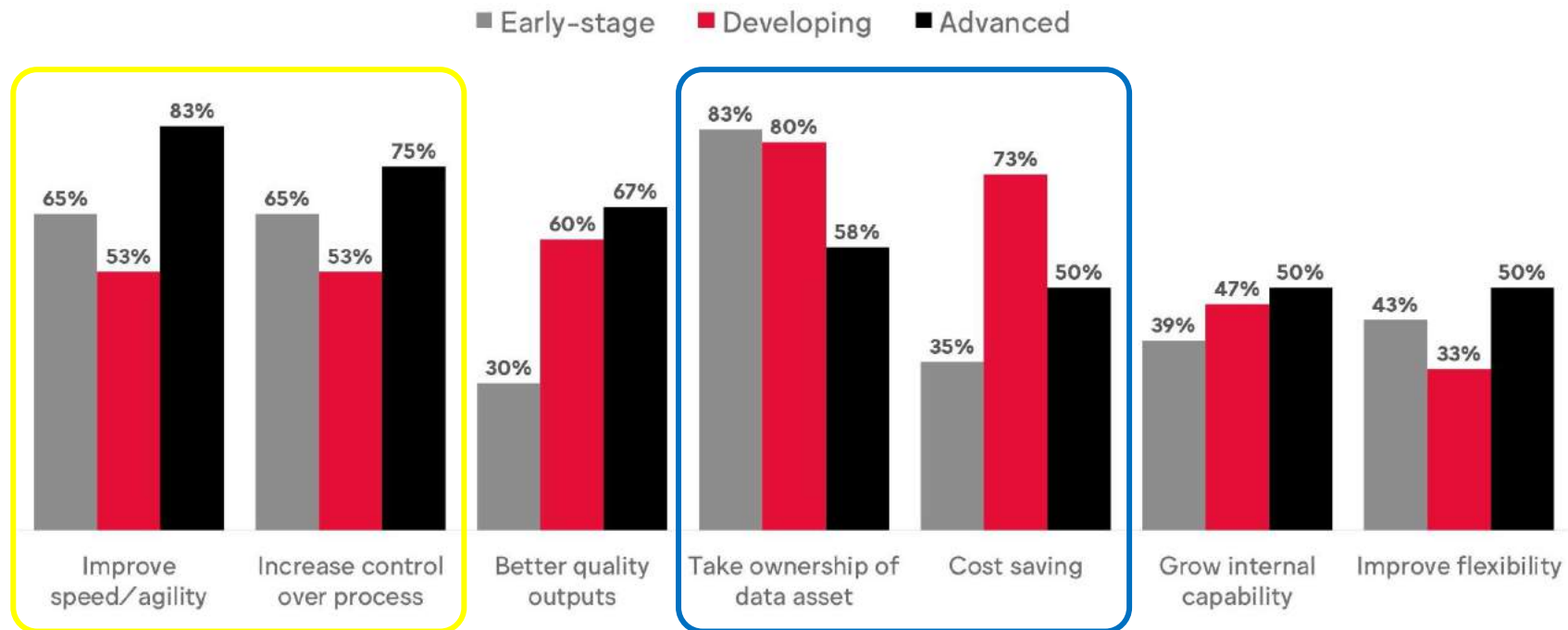


Juan Manuel Hoyos

Global Marketing Divisional General Manager
Brand and Engagement, Nissan

“ Having cost savings as the priority objective will not deliver competitive advantage – but a focus on improving agility will do and in turn this will ultimately lead to significant cost savings. ”

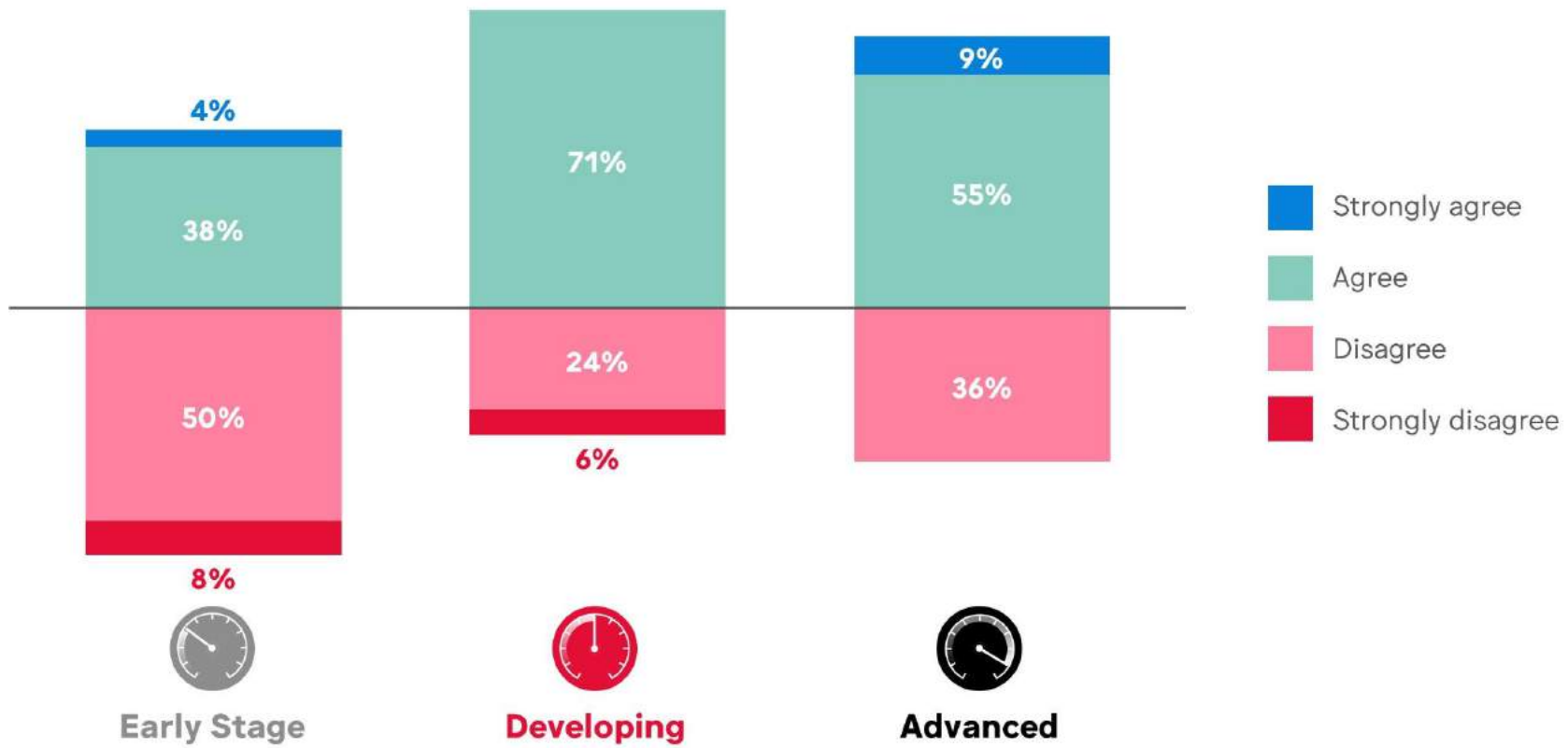
Q. What are your primary reasons for your in-housing?



Enable & encourage 'radical collaboration'

- focus on removing conflicting performance objectives & metrics

Q. To what extent do you agree: 'Teams and functions across the business work in a highly collaborative way with each other'



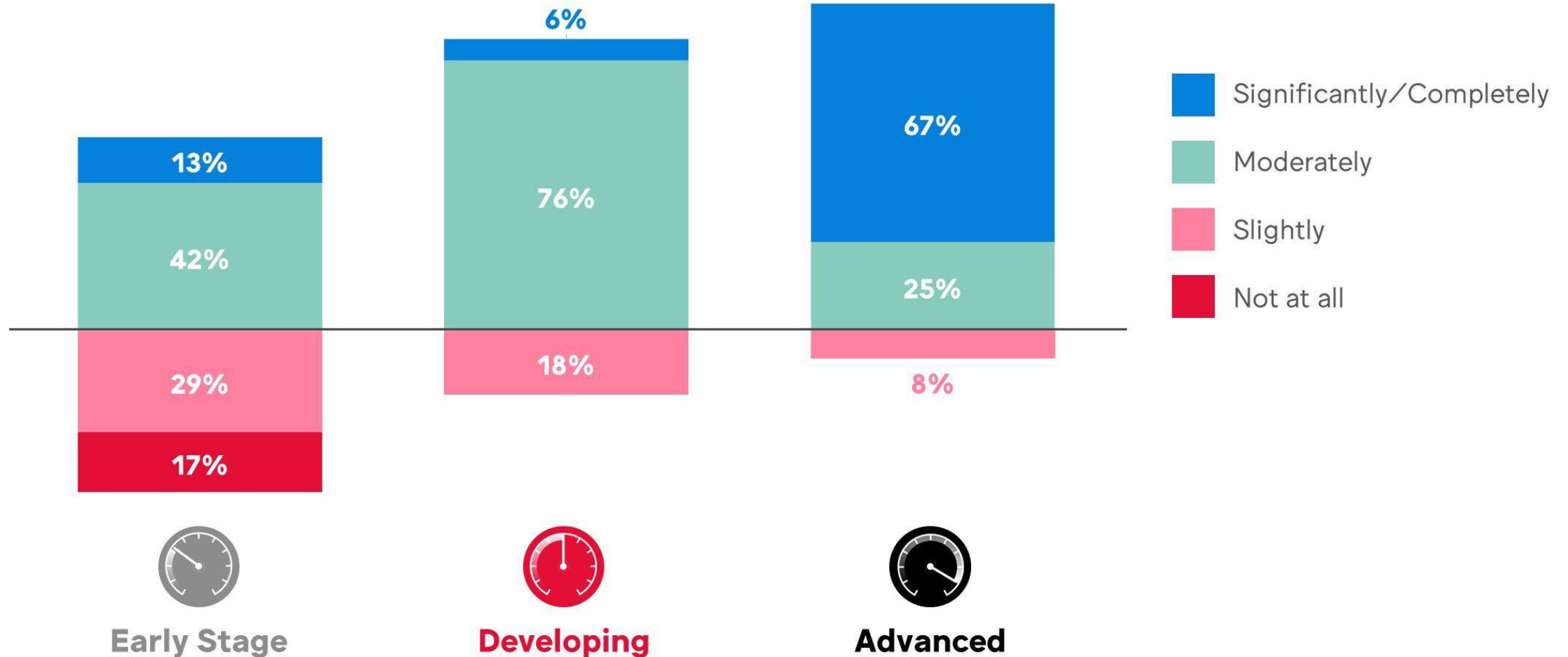
Toby Whitmoyer
Global Marketing & Innovation Officer, Bacardi

“ Although humans collaborate naturally, corporate structure is not set up for collaboration – this needs to be actively addressed to create the conditions for transformation success. ”

Review and re-engineer critical Marketing processes

- empower people for rapid decision making and allow for agile WoW

Q. To what extent does your organisation possess the Processes (i.e. agile and flexible ways of matrix working) needed to make a success of your transformation vision?



Be realistic about the time it will take to transform Marketing

- Invest the time in set-up and planning to deliver lasting change (beyond a CoE)

Jodi Harris

Global Vice President,
Marketing Culture & Capabilities, AB InBev

“ Marketing transformation success has to be measured in terms of commercial business results – building this proof takes time and businesses need to build that time into their plans. ”



The organisation is pragmatic about the length of time the required change will take to implement and complete*



Whatever you do, define and embed a transformation roadmap!

- Change must be based on a clear, prioritised and actionable plan

“A critical enabler of success is having an aligned and actionable change roadmap with crystal clear objectives and KPI’s to steer and guide the transformation” ”



Paul Bennett
Global Brand Director, AXA

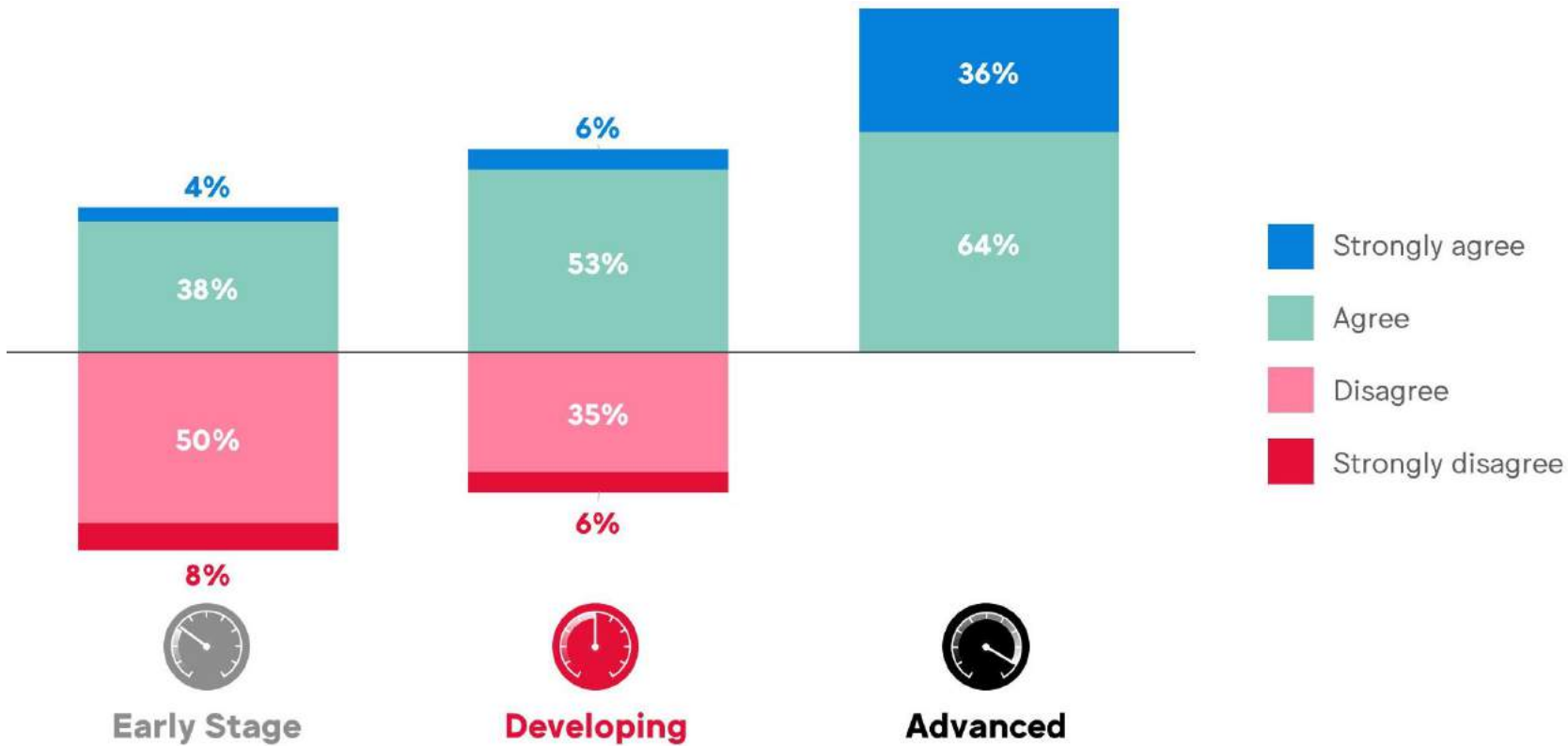
*We have a clear and concise roadmap that lays out precisely what needs to happen, when, how and who is responsible for doing it**



Define clear business requirements before you define the stack

- Major issues persist (even now) with assuming the 'Ferrari' solution is best

Q. To what extent do you agree: 'Our technology stack and architecture are fit for Marketing purposes as it has been designed based on business requirements and pre-defined use cases'



Juan Manuel Hoyos

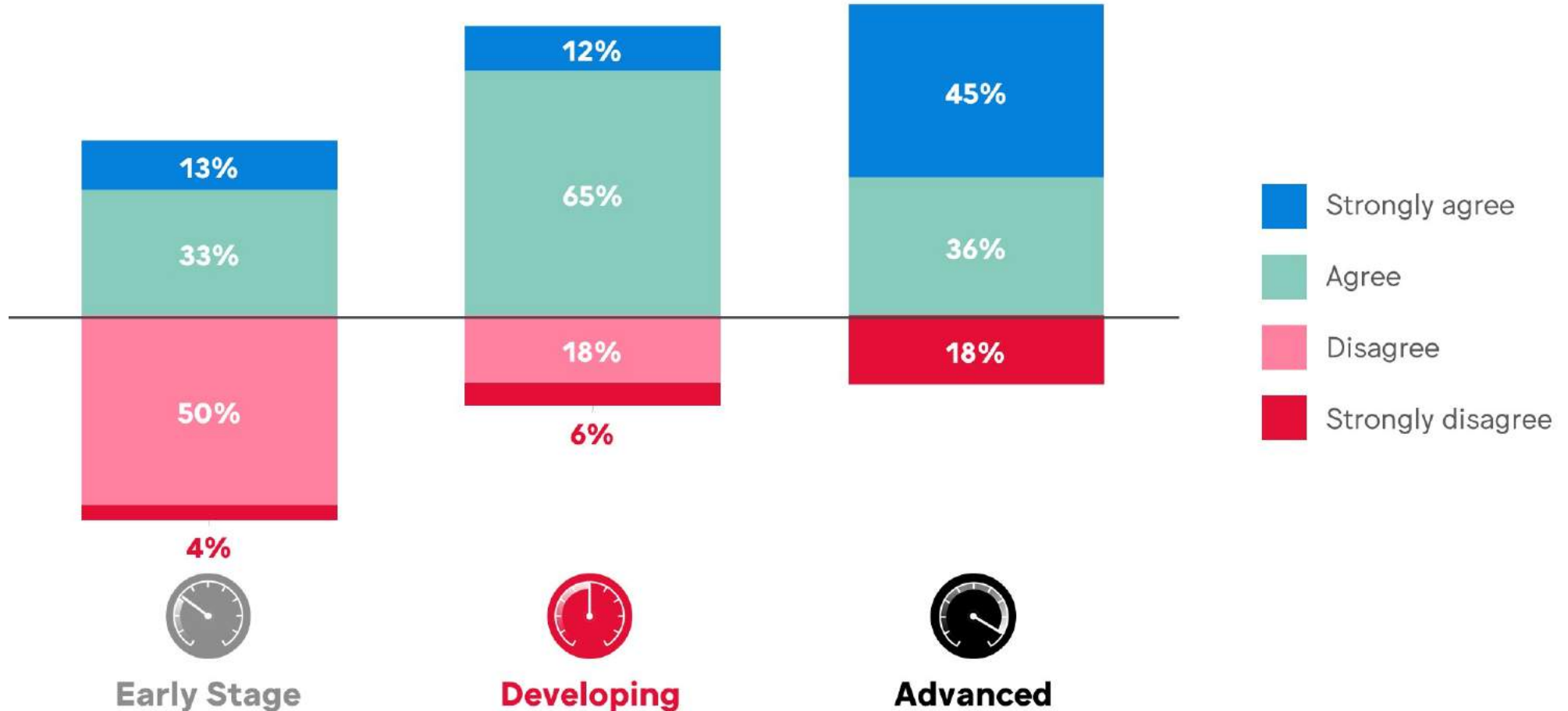
Global Marketing Divisional General Manager
Brand and Engagement, Nissan

“Technology is just a tool. People are the key and they will need the right mindset to be able to adopt and use the appropriate tech properly.”

Develop a data strategy and analysis capability to turn data into action

- treat data as a strategic asset and invest in appropriate insight processes

Q. To what extent do you agree: 'Customer data is managed as a strategic asset to add commercial value to the business'

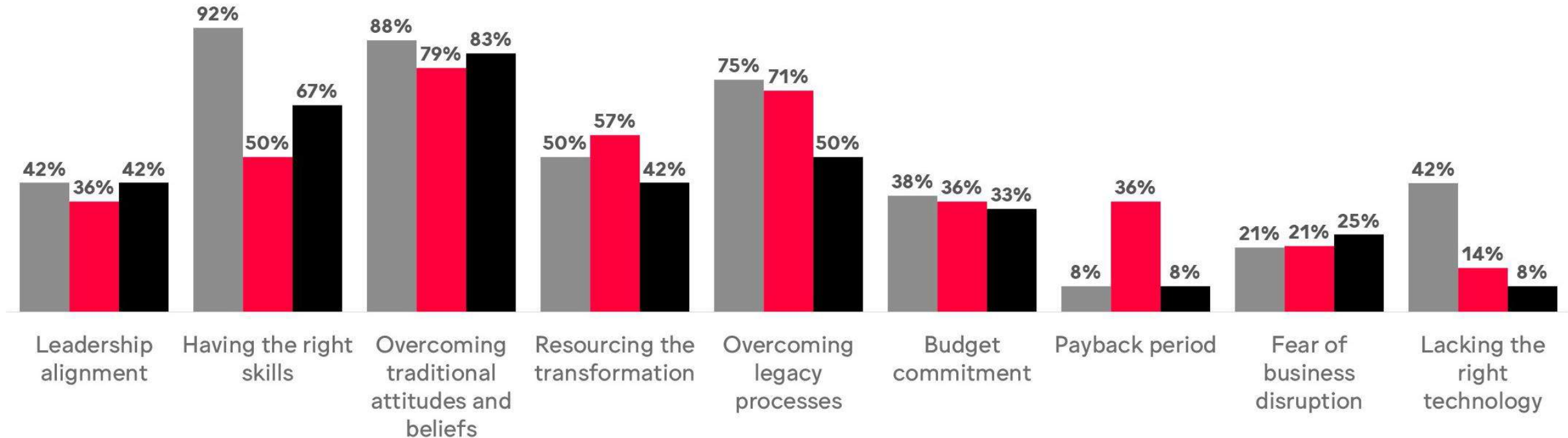


BARRIERS TO CHANGE

- All levels of maturity agree the main barriers relate to attitudes, skills & ways or working. It is clear where attention needs to focus...

Q. What are the biggest challenges with delivering a successful transformation in your organisation?

■ Early-stage ■ Developing ■ Advanced



Successful Marketing Transformation must be built on 4 key pillars

- In the 2010's, Marketing transformation was concerned with digital, data and technology.
- In the 2020's, technology has moved on, but the **people** using it, the **processes** they employ and the **legacy structures** they operate in are the real barrier to meaningful and lasting change



Review the report to see Dentsu's proven 10-step transformation model





Nick Broomfield
Executive Director & Global Client
Lead, Dentsu SCHEMA



Andy Green
COO & Global Client Lead,
Dentsu SCHEMA