



FORRESTER LEADERSHIP BOARDS
The CMO Group

Report Brief: Developing And Using Marketing Dashboards

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PREMISE AND BACKGROUND

Dashboards have been a hot topic for marketers over the past few years as pressures to be accountable and measure effectiveness rise. Marketing dashboards offer CMOs a mechanism to better track activities, spending, and results across a wide range of marketing programs. CMOs also use them to drive insight development regarding the effect of marketing on the business. For some, dashboards enable decisions around budget and resource allocation to optimize effectiveness. With a dashboard tool, CMOs can take a large step forward in proving their value to the organization and better managing marketing as a strategic investment for the organization.

However, the benefits of dashboards do not come without hard work. Many dashboards fail to fully deliver these benefits due to a lack of a clear vision or plan. Some marketers may fall into the trap of taking the easy way out and tracking what they already know. For dashboards to provide the desired value, CMOs need to actively participate in the process during development stages and use the dashboard on a regular basis. CMOs also have to keep in mind that dashboards are just one component of creating a measurement-driven culture, which they need to supplement with activities such as measurement championing, selling the dashboard internally, and developing mechanisms to share metrics and measurement insights across functions and geographies.

In the report “Developing And Using Marketing Dashboards,” we examine best practices for CMOs to effectively build and implement dashboards for the marketing organization, enabling a culture of greater accountability and more data-driven marketing decisions. To conduct the research, we interviewed a number of experts in the measurement and dashboard development space, as well as marketing executives from organizations in industries including financial services, technology and communications systems, retail, manufacturing, and consumer electronics. The full report includes eight case study examples, advice for marketers, and action checklists for each stage of the dashboard development process.

This overview provides a glimpse into the content of the full report with some of the highlights of our key takeaways, frameworks, and case studies.

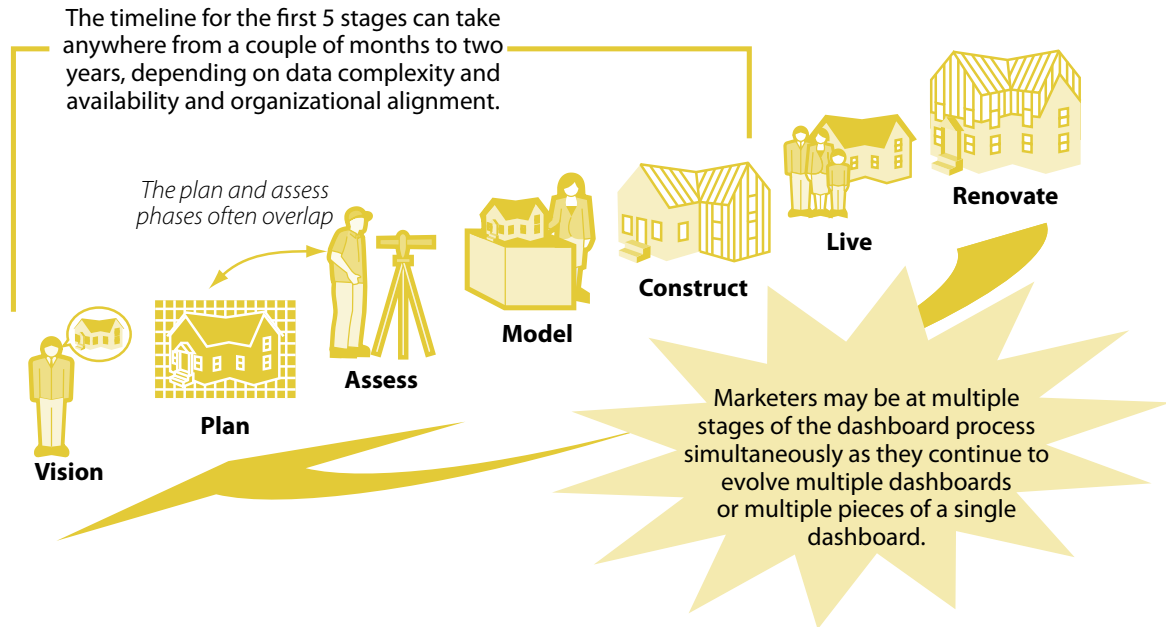
PHASES OF DASHBOARD DEVELOPMENT

As marketing organizations embark on the process of developing a dashboard, CMOs need to set the expectations that dashboard development is not an overnight activity. In fact, the first five stages of dashboard development can take anywhere from a couple of months to a few years, depending on data complexity, data availability, and organizational alignment. Additionally, dashboards are a living, evolving tool that should be continuously fine-tuned and improved as data accuracy improves, more data becomes available, and core objectives shift.

For any dashboard, there are seven key phases of development (see Figure 1).

- **Vision.** Before designing or planning the dashboard, marketers need to have a vision of what insights the dashboard will provide, who will be using it, how it will be used, and its overall goals.
- **Plan.** With a vision in place, marketers then need to plan the blueprints for the dashboard. They first need to understand what they are looking to measure and the types of data that they need; they then need to create a road map for which areas of measurement to address first and how to build from those initial areas.
- **Assess.** In conjunction with the planning phase, marketers need to understand the availability of the data, where the data is located, who owns the data, and how accurate it is. Additionally, marketers need to understand the gaps that exist in data availability and data accuracy and put mechanisms in place to start collecting missing data or improving data quality in critical areas.
- **Model.** Before building an organizationwide dashboard, marketers should test measurement processes, underlying analytics, and data collection processes with a model. The model may only cover a small subset of the end-goal metrics, or it may cover them in a short, defined period of time.
- **Construct.** Using the insights gained in the model stage, marketers are ready to partner with internal or external partners to actually build the dashboard. The complexity of the construction of the dashboard depends on desired end goals and available resources and systems. As the dashboard is being built, marketers should continually engage in usability testing and involve representatives of the key stakeholder groups to ensure that it's meeting their needs.
- **Live.** Once the dashboard is in place, CMOs need to actively use the dashboard and encourage their peers and direct reports to do the same. Marketers need to ensure that mechanisms are in place to regularly review the dashboard results and that the team knows how to take action with regards to the results shown on the dashboard.
- **Renovate.** As business objectives change, marketing goals are adjusted, or data availability improves, the dashboard will require renovation and improvement. Marketers need to be prepared to update the dashboard and ensure that it is flexible enough to deal with changes to the business or marketing organizational structure.

Figure 1 Seven Key Phases Of Dashboard Development

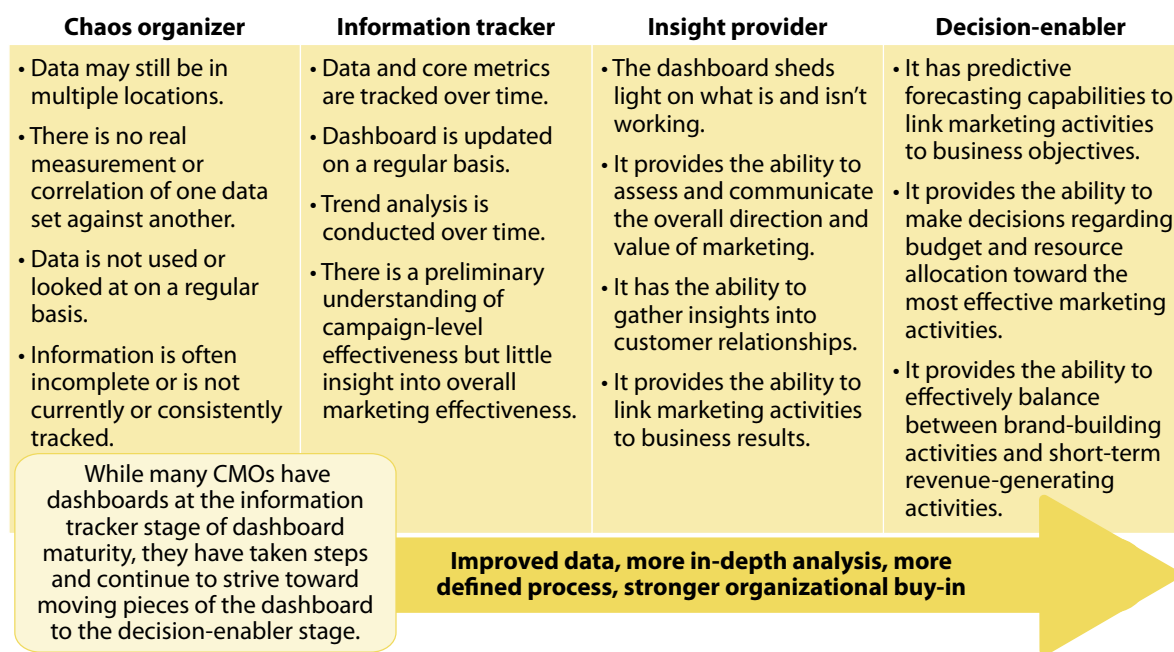


DASHBOARD MATURITY MODEL

Each marketer’s definition of a dashboard is likely to be slightly different. Dashboards come in many formats with a wide variety of goals and purposes. Many marketers feel that they have not yet reached their ideal vision for their dashboards and are continuing to progress along a maturity model continuum.

Marketing dashboards span across four key stages: chaos organizer, information tracker, insight provider, and finally decision-enabler (see Figure 2). Many marketing organizations continue to have dashboards in the “information tracker” stage of the maturity model but are taking steps to advance toward decision-enablement. Marketers are better able to progress along the maturity model with the support of better data availability and quality, more in-depth analysis, more defined measurement processes, and stronger organizational support.

Figure 2 Dashboard Maturity Model



KEY BEST PRACTICES

Regardless of the type of metrics that organizations track, marketers focus on key best practices for both the development and use of dashboards. These best practices focused on areas such as building blocks; standardization; organizational involvement; simplification; business alignment; planning integration; and multiple, in-depth perspectives. Best practices discussed in the report include:

- **Start with the building blocks of marketing measurement.** Ensure that the marketing team has insight into how the lines of business, geographies, or different functional groups are spending marketing dollars and how prospects are progressing down the funnel toward clients as a key first step in measurement.
- **Standardize measurement definitions and processes.** Ensure that the organization has common and consistent definitions for core metrics and agrees on how to measure, act on, and share metric results.
- **Get the organization involved in the dashboard process.** Involve members from finance, information management, and the various business units to make decisions about metrics, measurement processes, and the creation of a plan for both developing and using dashboards.
- **Simplify and target dashboards to the relevant audience.** Keep dashboards simple and easy to use, and tailor dashboard versions and views to the specific needs and end uses of each audience.
- **Stay focused on the business objectives.** Use metrics on the dashboard that link directly to the core business objectives, and gain agreement on those metrics both with peers and members of the marketing organization.
- **Provide a view into the big and small picture.** Use the dashboard to look at the high-level effect of marketing and its alignment with business objectives and specific customer account insights that can help drive improved sales and marketing initiatives.
- **Integrate dashboards into regular communications and planning.** Review dashboards in regular executive meetings, and make them a part of the decision process for budget and resources and part of strategic planning.
- **Go beyond the numbers.** Extend the focus of dashboards, make them a piece of a larger sharing effort to provide insights about what is happening, develop best practices, and benchmark results.

MORE INFORMATION

The full report on “Developing And Using Marketing Dashboards” was prepared for The CMO Group and is available only to the members of the Forrester Leadership Boards Programs. The CMO Group is an executive-level peer knowledge community for marketing leadership. The program strives to help marketers become more effective through a combination of member-driven best practice development and Forrester’s analyses of how the marketing landscape is changing and evolving and what marketers need to do to adapt and succeed today and in the future.

As part of The CMO Group program, Forrester provides exclusive research on best practices covering topics the members select as most important and relevant. Future 2008 reports include, “Building And Executing Effective Green Marketing Strategies,” “Optimizing the Marketing-Sales Relationship,” and “Driving Innovation In The Organization.” CMO Group members also receive access to a broad array of Forrester reports on various topics, including marketing, strategy, the consumer and business landscapes, and technology, as well as structured facilitated interactions with their peers and Forrester’s analyst community.

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