

# The 4 Actions of High-Growth Marketing Teams

2021 Planning, Budgeting, and  
Measurement Benchmarks



# Executive Summary

Marketing's crusade to measure revenue impact has been ongoing for the last 20 years. With the rapid shift to digital marketing approaches and more advanced measurement techniques, marketing teams have been enabled to better analyze and understand what drives results. There is little doubt significant progress has been made.

However, as we head into the 2020s, the playing field has changed. Marketing organizations in high-growth companies have embraced the progress they have made in revenue accountability and moved their focus to the operational, or back office, part of their department. Through intentional investment in planning and budgeting processes, they have not only been able to drive efficiency and excellence within their own organizations, but have developed strong relationships with finance, which in turn helps them protect and increase budgets—even in times of uncertainty. By looking at what separates these marketing teams from the rest, we can identify a recipe for building that operational muscle and firmly establishing marketing as a growth driver for the business.

## Key Takeaways

Marketers who are part of high-growth organizations share four key characteristics.

- **They plan for plans to change.** These organizations acknowledge change is inevitable and have set up a structure that allows marketers to be agile and flexible throughout the year.
- **They have an advanced data strategy.** These organizations have focused on systems and processes that enable them to measure multiple aspects of their strategy, including but not limited to ROI, to evaluate success.
- **They look at the full ROI equation.** These organizations have invested in making their budget and spend data—or the “I” in ROI—a priority in their data approach.
- **They partner with finance.** These organizations have learned to speak the language of finance so they can build trust and ensure full alignment with that department.

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## Introduction

Even before the global pandemic spurred by COVID-19, companies were asking their marketers to do more, deliver better results, and clearly show their impact on organizational goals. To do so, marketing leaders must transition from thinking of themselves as functional leads to thinking like business owners. This means not only evaluating the results of their programs and campaigns after the fact, but proactively identifying and tracking plans, goals, budgets, and spend.

The importance of this shift has never been so obvious as in the wake of global changes in response to COVID-19. We surveyed 256 senior level marketers in the United States and Canada about their marketing planning and budgeting activities. We conducted the survey in October 2020, when the significant impact of COVID-19 allowed us to examine not only what helps marketing organizations thrive in “normal times,” but what happens when marketing must pivot substantially—and what factors protect marketing during times of extreme stress.

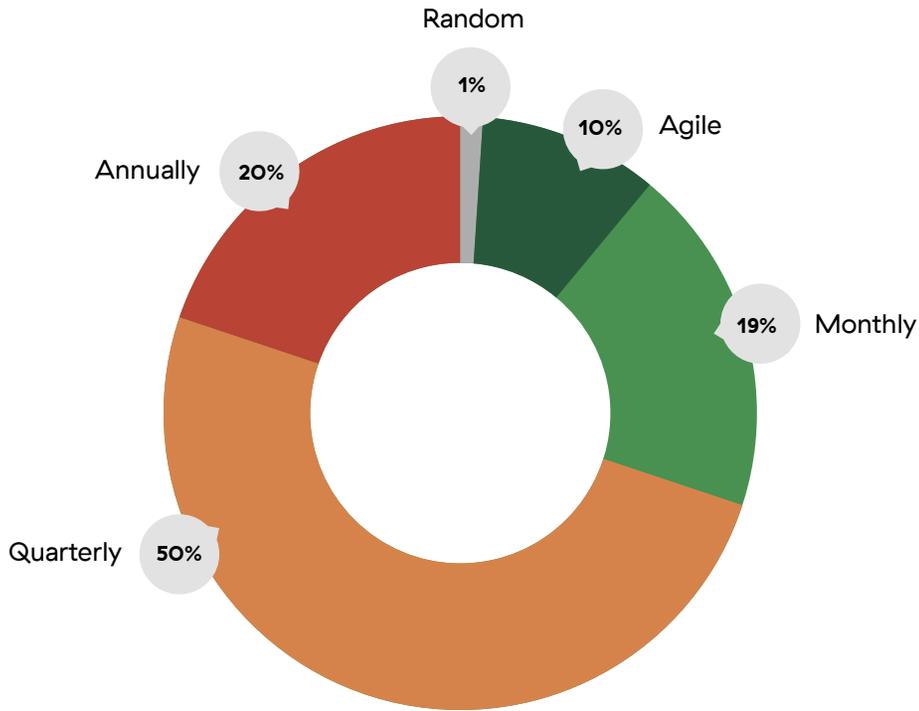
We found that marketing organizations that have invested in better planning, budgeting and measurement are not only more likely to be part of high-growth companies, but were also more likely to preserve and increase budgets post-COVID.

What follows are four actions shared by these high-performing marketing organizations, and key steps marketers can take to grow this operational muscle within their own organizations.

## Action 1: Enable a continuous planning process.

A hallmark of mature planning processes is the understanding that even the best laid plans are likely to run into roadblocks and dead ends. We found that high-growth companies are more likely to have marketing organizations that create multiple scenarios as part of their planning process. These organizations essentially plan for the need to change their plans and create a culture that fosters continuous marketing planning. Because they have considered the potential tradeoffs of numerous scenarios already, they can make faster, better decisions when they need to change course. And, because they are already in the habit of communicating regularly and effectively about their financial plans, they can make more confident decisions and take the kinds of informed risks that are necessary for growth.

To understand how marketing organizations are approaching planning, we asked about their use of multiple scenarios and planning technologies, and the frequency and visibility of their planning processes.



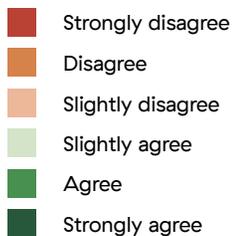
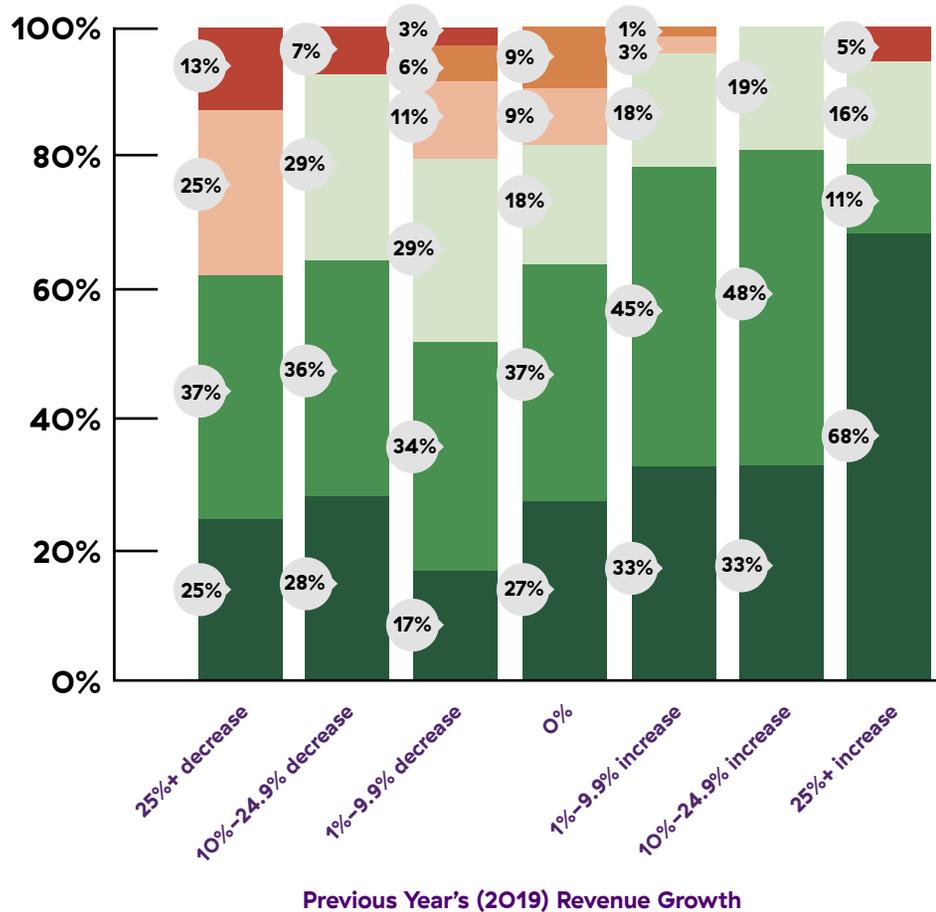
### Frequency of adjusting global plans.

Ad hoc/random throughout the year	1%
Agile approach throughout the year	10%
Monthly	19%
Quarterly	50%
Annually	20%

### How often do marketing organizations revisit their plans?

The majority of marketing organizations adjust their global plans quarterly, with 20% operating on an annual cadence, and only 10% employing agile processes that allow them to pivot quickly as market and internal forces change.

During planning, marketing creates multiple scenarios around activities and budgets.

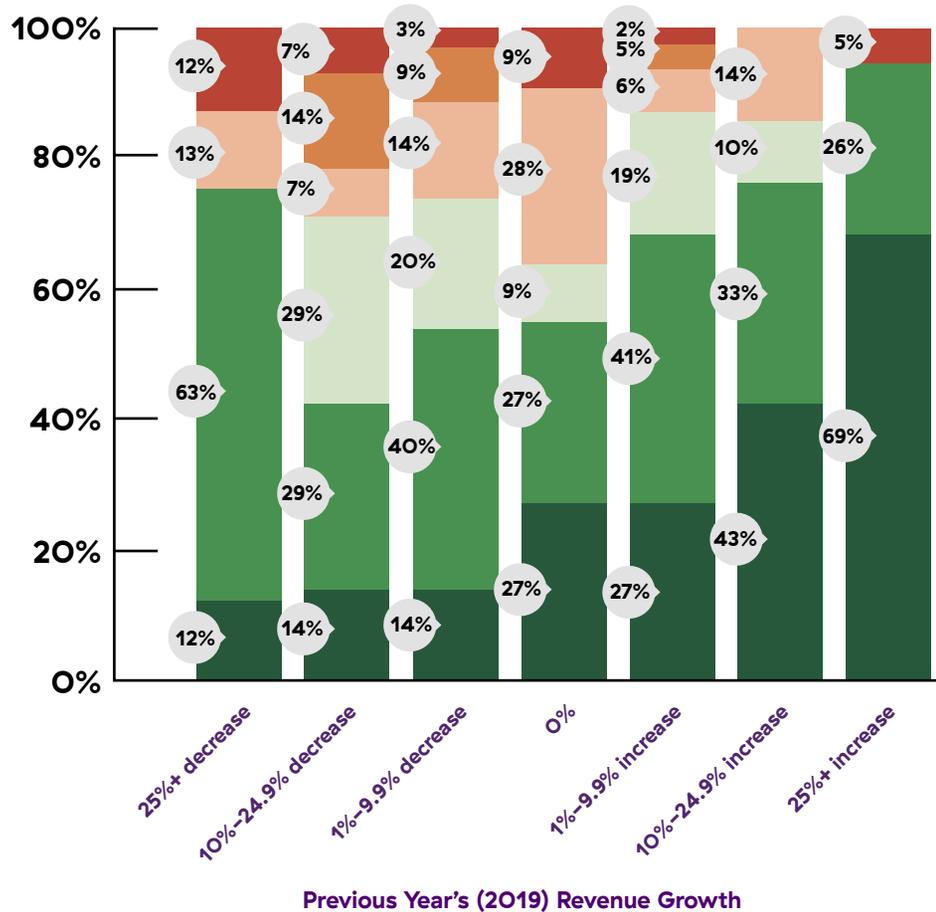


Scenario planning is a way of business for the highest growth organizations. 50% of organizations whose revenue increased 10% or more strongly agree that they create multiple scenarios around marketing budgets. Only 27% of marketing organizations whose budgets decreased 10% or more said the same.

**Organizations that create multiple scenarios around activities and budget also generally:**

- Have a set process for planning that spans beyond leadership
- Communicate goals across the marketing organization
- Connect plans and goals to objectives, activities and budgets

## We actively use artificial intelligence (AI), machine learning, and/or robotic process automation (RPA) to drive efficiency into our marketing planning processes.



- Strongly disagree
- Disagree
- Slightly disagree
- Slightly agree
- Agree
- Strongly agree

## Use of advanced planning technologies

Beyond scenario planning, the best organizations leverage advanced technologies, such as AI and machine learning, to supplement their planning approach. 57% of those organizations reporting 10%+ budget increases post-COVID strongly agree they use advanced technologies in planning, whereas only 22% of those who had budget cuts report the same.

**Organizations that grew more than ten percent or more were 4x as likely to strongly agree that they use advanced technologies to drive efficiency into their marketing planning processes vs those organizations where revenue decreased.**

## Why is this important?

Once marketing has trained their people and honed their planning process, the best organizations then leverage technology to automate cumbersome manual processes and remove the potential of data entry errors in tools like spreadsheets. The advantage is not just time savings, but more accurate data to help make better decisions.

## Actions to Take

While there was a movement toward agile planning before COVID-19, for most marketing organizations, a truly iterative planning process was still a long way off. In response to COVID, most, if not all, marketing organizations had to throw away their plans and adjust quickly. This exercise should not be a once and forgotten one; rather, marketing organizations should learn from this process and build iteration into their planning process going forward.

### To do this, marketers should:

- **Allocate a percentage of budget for testing and iteration.** By creating a line item for testing and iteration, experimentation becomes a sanctioned part of the organization's culture; without this explicit allocation, teams are less likely to take risks that can push the organization forward.
- **Create specific guidelines for upcoming activities, and more general ones for those further out.** The further away the activity or spend, the less stringent and specific you need to be. Don't waste time and effort on details that will likely change, but do put general guidelines in place and have a process that ensures you revisit them and add specificity as the time gets closer.
- **Frequently review plans and iterate from learnings.** As we saw in this survey, those companies that create scenarios in their plans are higher performing. But doing this once a year or quarter is not enough. To be truly responsive to internal and external forces, organizations must keep building scenarios and adjusting throughout the year.

## Action 2: Focus on data strategy & a sound measurement approach.

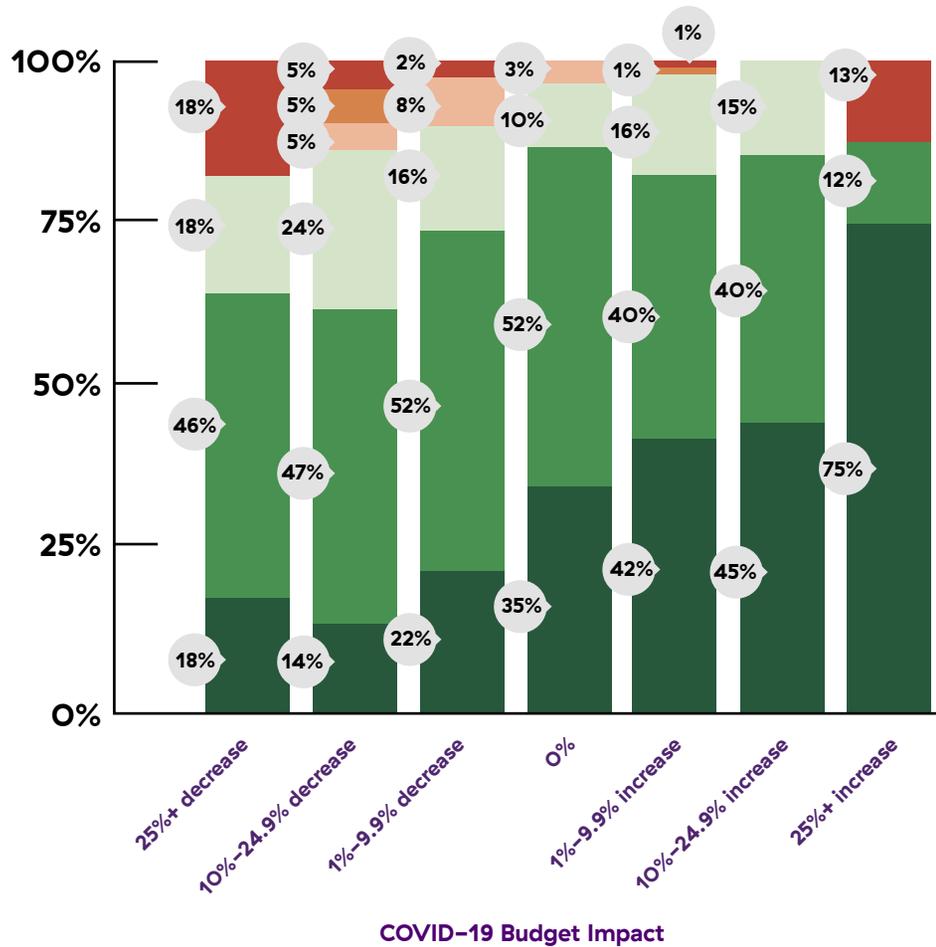
Data strategy refers to the processes and tools you have put in place to measure the effectiveness of your marketing efforts. We define a mature data strategy as one that produces multiple levels of measurements (ROI and beyond) that support your marketing organization's goals. To achieve this, your marketing organization must determine data structures and processes for connecting disparate data in a meaningful way. We found that marketing organizations that have prioritized their data strategy were more likely to be part of high-growth organizations. More notably, we found that maturity in this area strongly correlated with an increase in post-COVID budget.

The best marketing organizations deeply incorporate three aspects of data strategy and measurement:

- **Define their metrics and goals up front.** Companies with the highest increase in budget post-COVID were more than 4x as likely to have clearly defined metrics that were also connected to their marketing goals than those with the largest decrease in budget.
- **Automate connections between data sources.** 100% of companies in the 25%+ post-COVID growth category had automated the connection between investment data and marketing results. By comparison, fewer than half of the companies that lost budget post-COVID had done the same.
- **Layer on advanced analytics—once the data foundation had been built.** Those that layered advanced analytics, such as attribution, on top of their ROI data were more likely to be part of high growth orgs and were more likely to see increases in budget post-COVID.

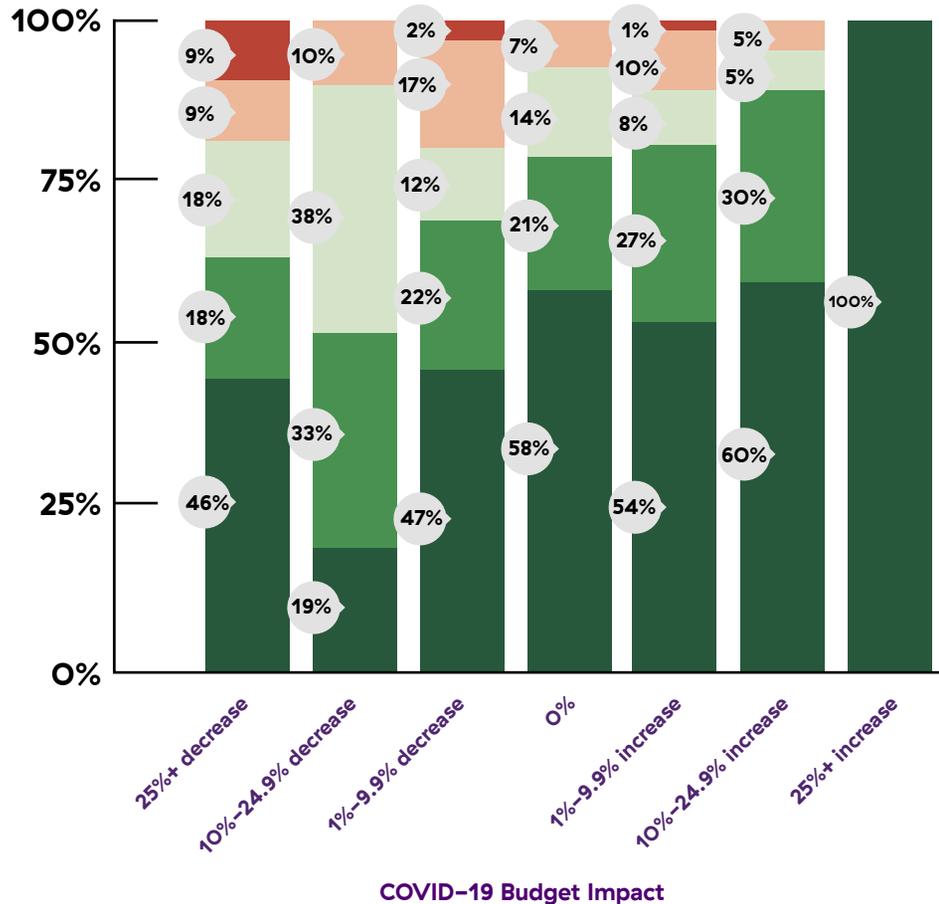
Marketing has clearly defined measurements and metrics and has connected them to goals.

45% of companies where marketing budgets increased post-COVID strongly agree they have clearly defined metrics aligned to goals.



- Strongly disagree
- Disagree
- Slightly disagree
- Slightly agree
- Agree
- Strongly agree

**Marketing results and investment data are automatically connected to create ROI measurements.**



- Not being considered
- Being considered for roadmap
- On roadmap
- In progress
- Yes

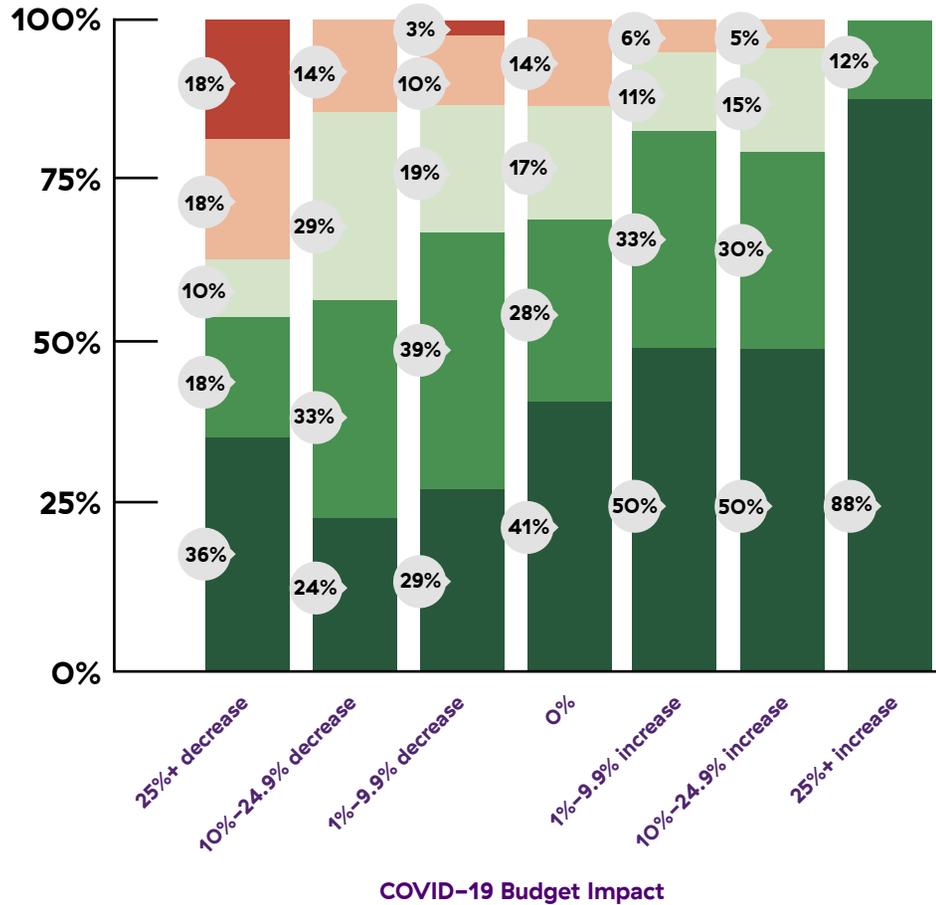
**71% of companies where marketing budgets increased ten percent or more post-COVID strongly agree they have automated ROI measurements. Only 28% of marketing teams that lost ten percent or more budget post-COVID were likely to say the same.**

**Why is this important?**

Automating data connections significantly reduces errors and provides additional real-time views of marketing performance—which, in turn, increases trust in the accuracy of marketing data. In fact, 63% of the companies in the 25%+ post-COVID growth category strongly agreed that they trusted the accuracy of their data, while only 18% of those with a loss of 25% or more of their budget had similar faith in their numbers.

When automating data sources and technologies, designate 1–3 systems as the “source of truth.” Make sure all necessary integrations run through these systems, and all sources of data meets specific data cleanliness standards.

Advanced analytics (e.g. attribution models) are layered on marketing ROI measurements.



Marketing organizations whose budgets increased ten percent or more post-COVID were 2x more likely to layer on advanced analytics to their ROI metrics than marketing teams that lost ten percent or more budget post-COVID.

- Not being considered
- Being considered for roadmap
- On roadmap
- In progress
- Yes

## Actions to Take

Data strategy efforts are not isolated actions. Rather, these projects build upon each other to create a clear, trusted picture of the effectiveness of an organization's marketing activities. When done correctly, your data strategy and measurement approach positions the marketing organization as integral to creating growth—and mandatory to be funded correctly—during uncertain and difficult times.

### **Prioritize clean data**

Marketing actively invests in quality data and creates a culture that prioritizes developing data that will be a strategic asset.

### **Connect KPIs to goals**

With strong data quality, organizations can quickly define and create metrics that support their overarching goals.

### **Automate data connections**

By moving away from the error-prone and time-consuming manual processes, these organizations are able to access accurate data in near real time, and make decisions accordingly.

### **Confidence in data**

With efficient, trustworthy data processes, marketing can not only tune its activities for success but can demonstrate that its activities are tied to growth—resulting in more trust from finance.

### **Protected budget**

Companies that have faith in marketing's approach and results turn to marketing to help them sustain growth—during good times and rough.

## Action 3: Prioritize investment data as a strategic asset

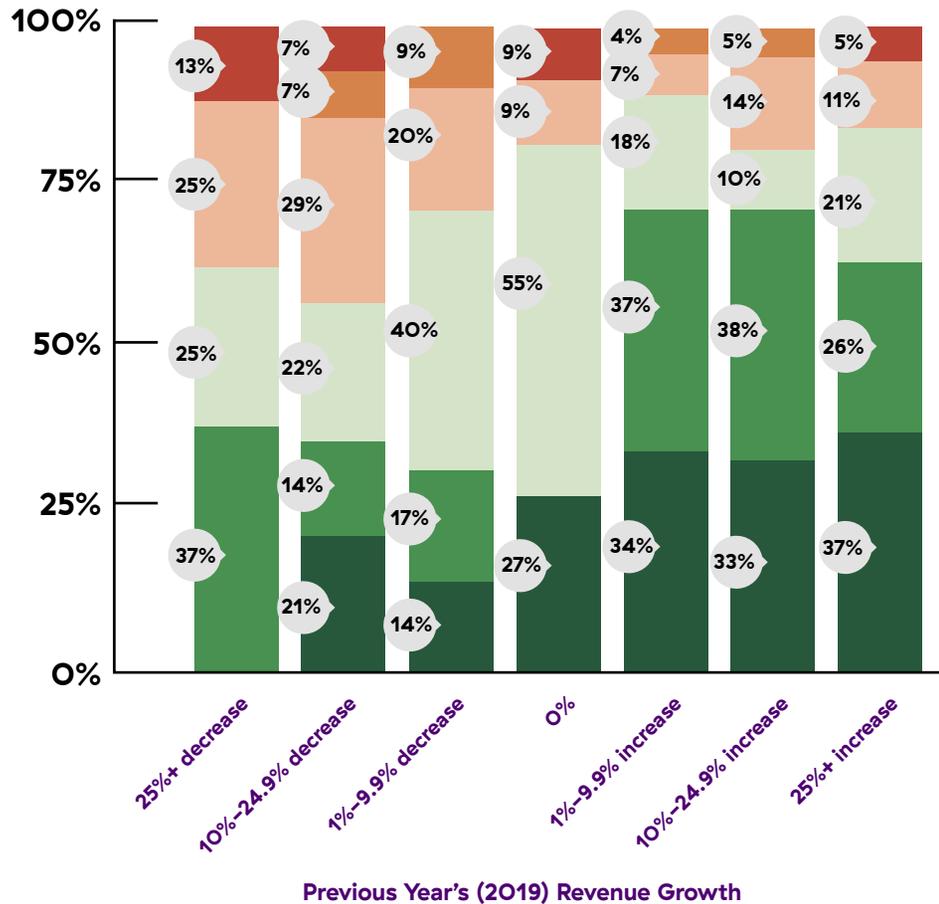
While data on its own is important, going beyond the “R” in ROI enables the measurement and evaluation of investment data. The resulting visibility into budget data—including current spend—allows marketers to confidently answer questions about where dollars are going, and shift budget quickly as priorities change. Our survey findings reinforce this—we found that those organizations that prioritize and invest in budget and spend data see more growth and saw larger post-COVID budget increases than those that don’t. We looked at two key areas of investment data strategy: the granularity of reporting on marketing budget and spend and the executive team’s access to real-time financial information for the marketing organization.

### Do you need to advance your investment data strategy?

These challenges are signs that evolving your investment data strategy can have a significant impact on your marketing organization’s security and efficacy:

- Broken, undefined, and complex processes that create spreadsheet chaos around spend management
- Lack of visibility into where marketing dollars are forecasted to go and where dollars have already been spent
- No way to view spend and forecasted spend across strategic pivots
- An inability to shift dollars quickly

Reporting on marketing budget and spend across any segment, such as different territories, verticals, teams, or geographies, is easy and intuitive.

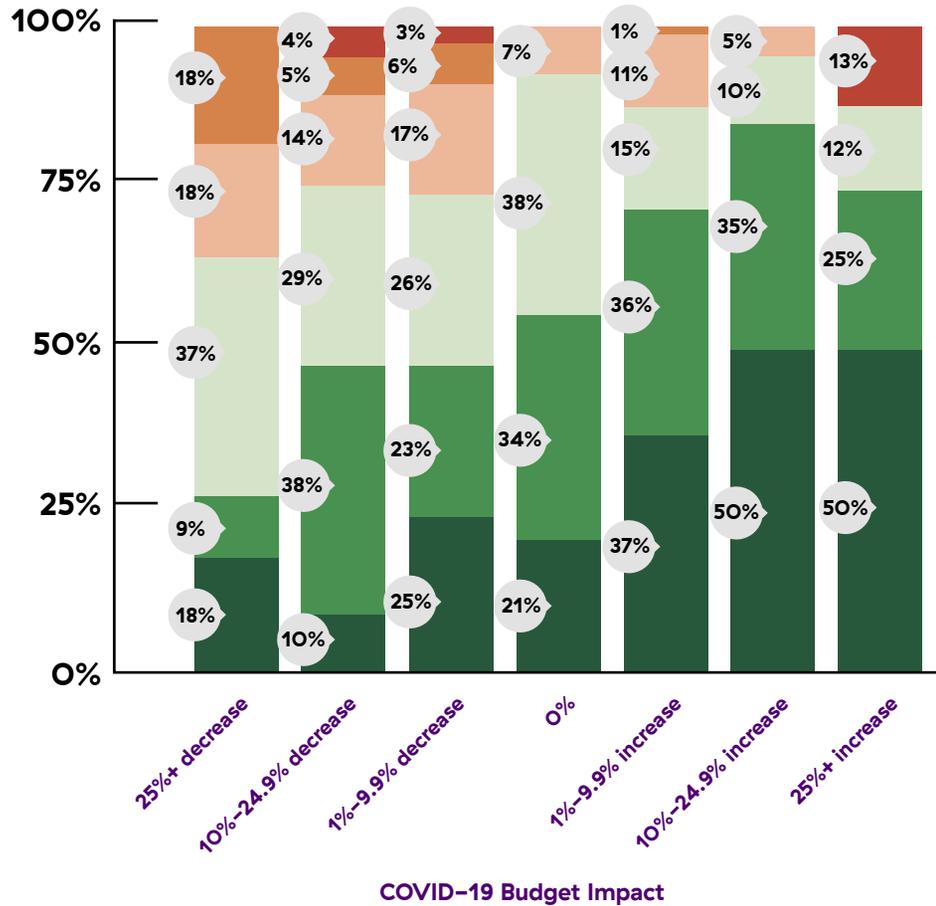


Marketing organizations that are part of companies growing at more than ten percent annually are 2.5x more likely to easily report on budget and spend across multiple areas than those marketing teams that are at organizations that are declining in revenue by ten percent or more.

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- Disagree
- Slightly disagree
- Slightly agree
- Agree
- Strongly agree

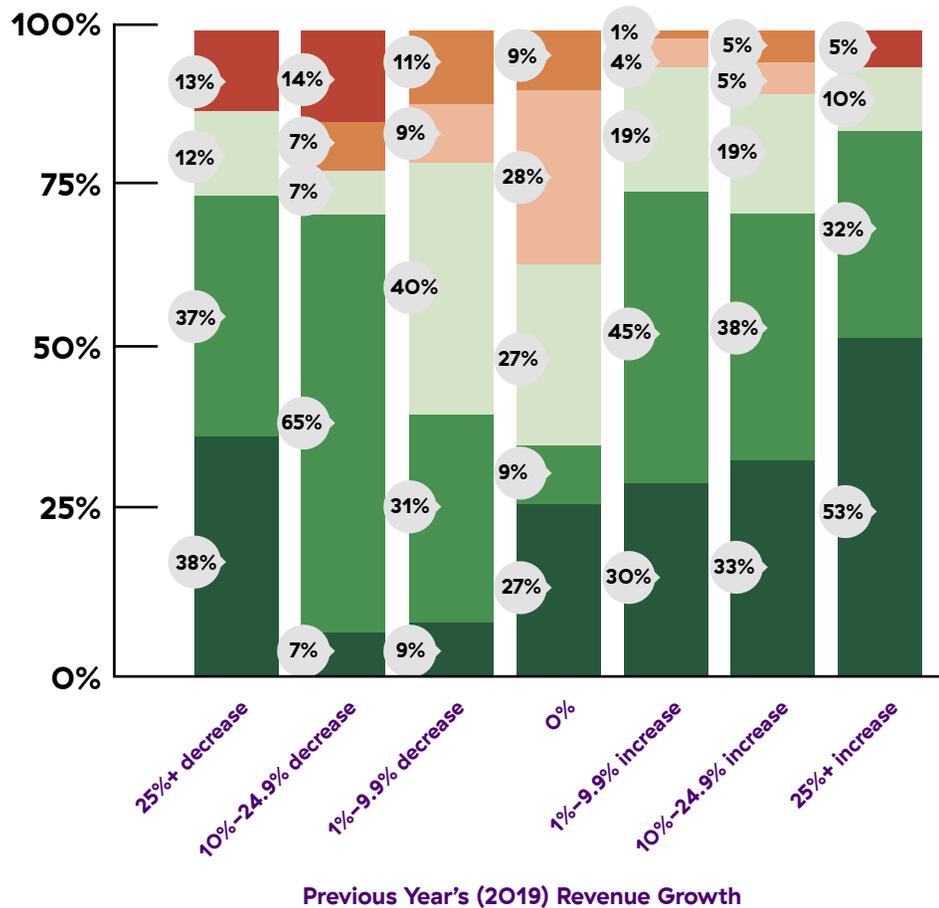
Reporting on marketing budget and spend across any segment, such as different territories, verticals, teams, or geographies, is easy and intuitive.

89% of marketing organizations who saw a budget increase post-COVID said they could easily report on marketing spend across their organization.



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- Slightly agree
- Agree
- Strongly agree

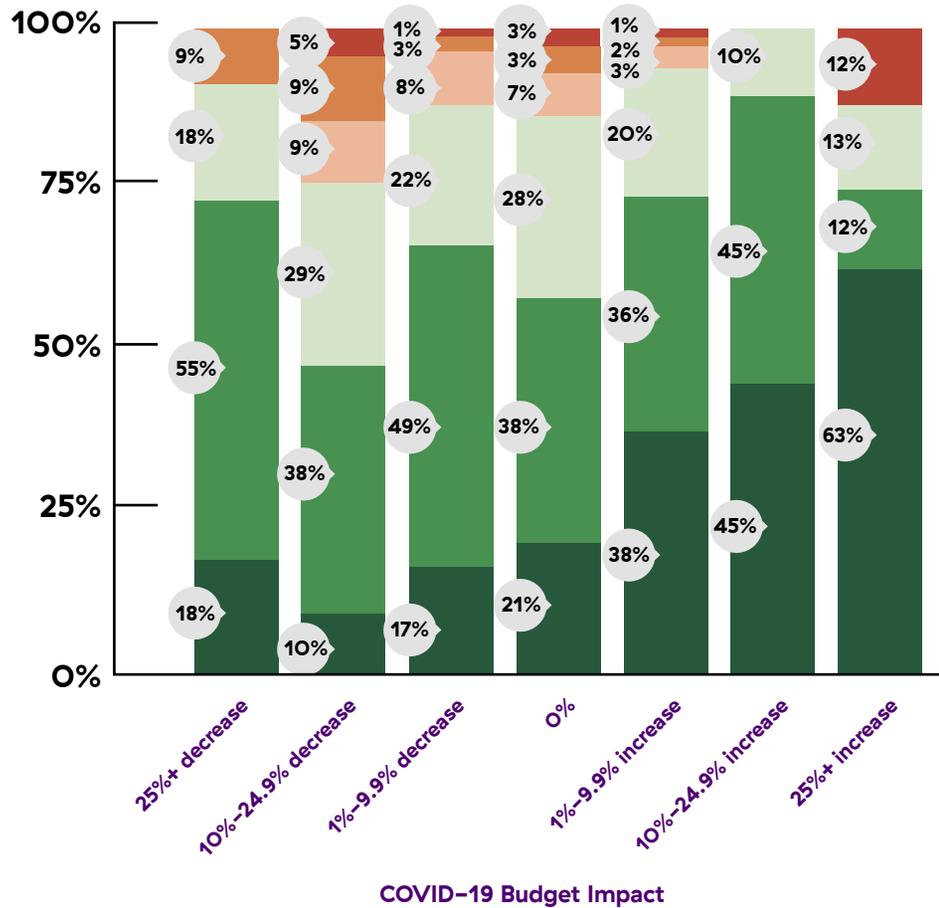
Our executive team is highly satisfied with the real-time access they have to the financial performance of the marketing organization.



We found a strong correlation between the executive team's ability to access information about the financial performance of the marketing organization in real time and revenue growth. Organizations where the C-suite was highly satisfied with their real-time access to this data were also more likely to see budget increases post-COVID.

- Strongly disagree
- Disagree
- Slightly disagree
- Slightly agree
- Agree
- Strongly agree

**Our executive team is highly satisfied with the real-time access they have to the financial performance of the marketing organization.**



- Strongly disagree
- Disagree
- Slightly disagree
- Slightly agree
- Agree
- Strongly agree

**50% of organizations that saw a 10%+ increase in marketing budget strongly agreed that their exec team is highly satisfied with real-time access to the financial performance of the marketing team. Only 13% of organizations that lost 10% or more of their budget said the same.**

## Actions to Take

Measuring and tracking the performance of marketing tactics can provide insight into whether marketing's efforts are reaching their goals. However, unless the marketing organization is also evaluating its budget and spend, these metrics are not enough to demonstrate marketing's impact on growth—leaving marketing vulnerable to cuts when executives are looking to scale back. To offer the most protection against cuts, make sure your investment data offers:

- **Fine-grained visibility.** Marketing organizations that know exactly where marketing dollars are being deployed can more easily adjust budgets and shift spend to where it can have the most impact—whether they are responding to poor local results or unexpected global changes.
- **Real-time access.** When executives have the right investment and spend data at their fingertips in real time, they can make better, faster decisions. Real-time data also helps executives justify why they are spending in certain areas.

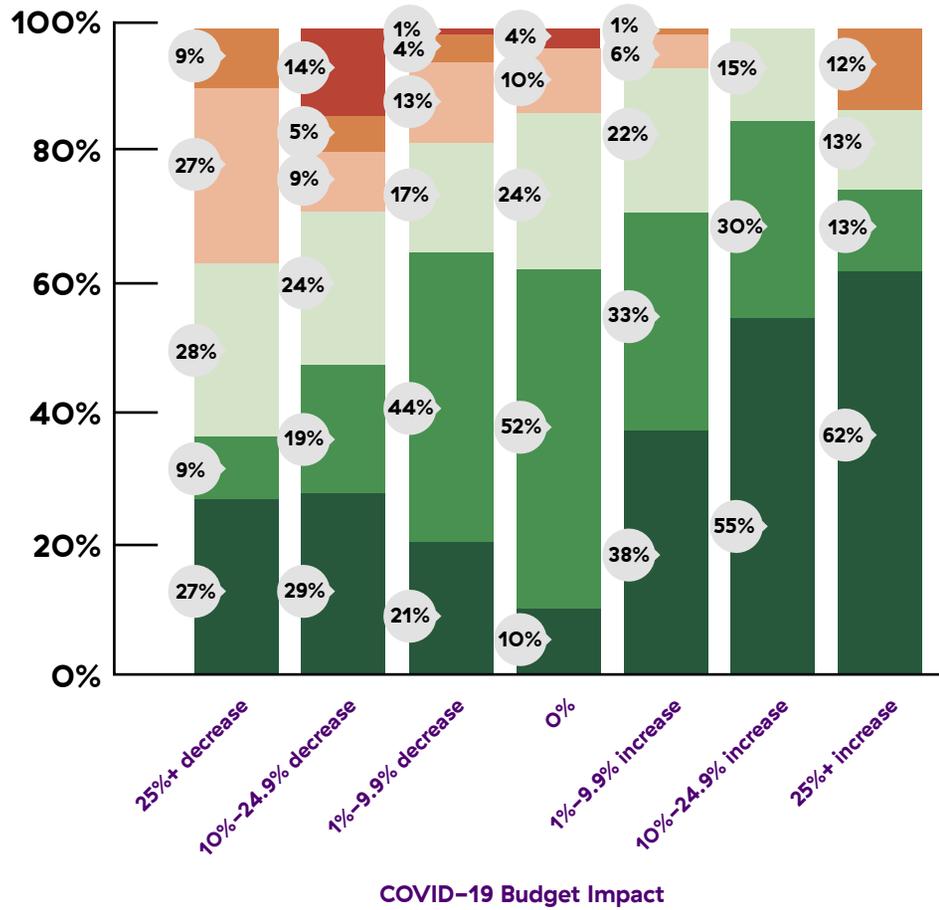
## Action 4: Invest in the marketing and finance relationship

When marketing organizations invest time in aligning processes and creating joint accountability with finance, they enjoy greater trust from that department. When finance has confidence in marketing, they will also typically be a strong advocate of marketing to the rest of the leadership team. The data in this survey reinforces this notion and demonstrates that increasing maturity in this area has tangible benefits on the marketing organization's budget—especially when faced with disruptive and unexpected changes. We found not only that this alignment was a key indicator of whether a marketing organization received a budget increase post-COVID, but that marketing organizations that were seen by finance as a strategic department saw more post-COVID budget increases than those who were not.

**96% of those who saw a 10% or greater budget increase post-COVID agree that finance saw marketing as a strong partner.**

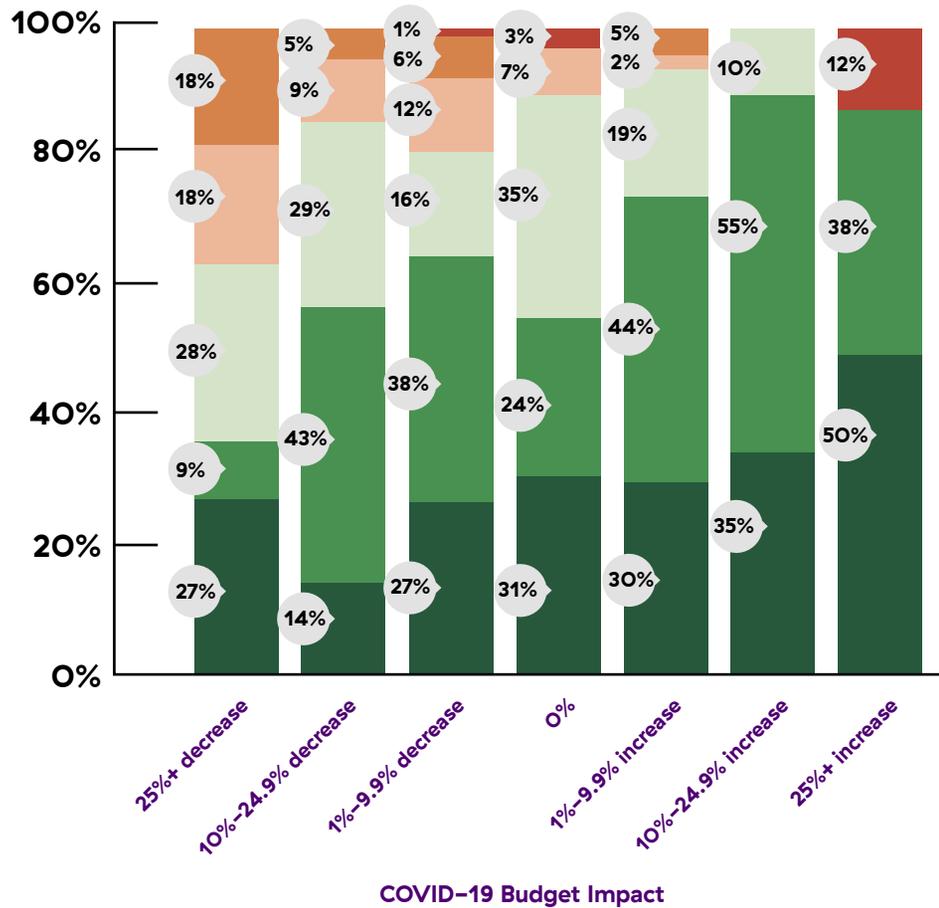
To investigate the impact of marketing/finance alignment, we asked about three key areas: shared agreements on KPIs, alignment on budget targets, and how finance viewed the marketing team.

Marketing and finance have a shared agreement on the key performance indicators (KPIs) and metrics used to evaluate marketing performance.



- Strongly disagree
- Disagree
- Slightly disagree
- Slightly agree
- Agree
- Strongly agree

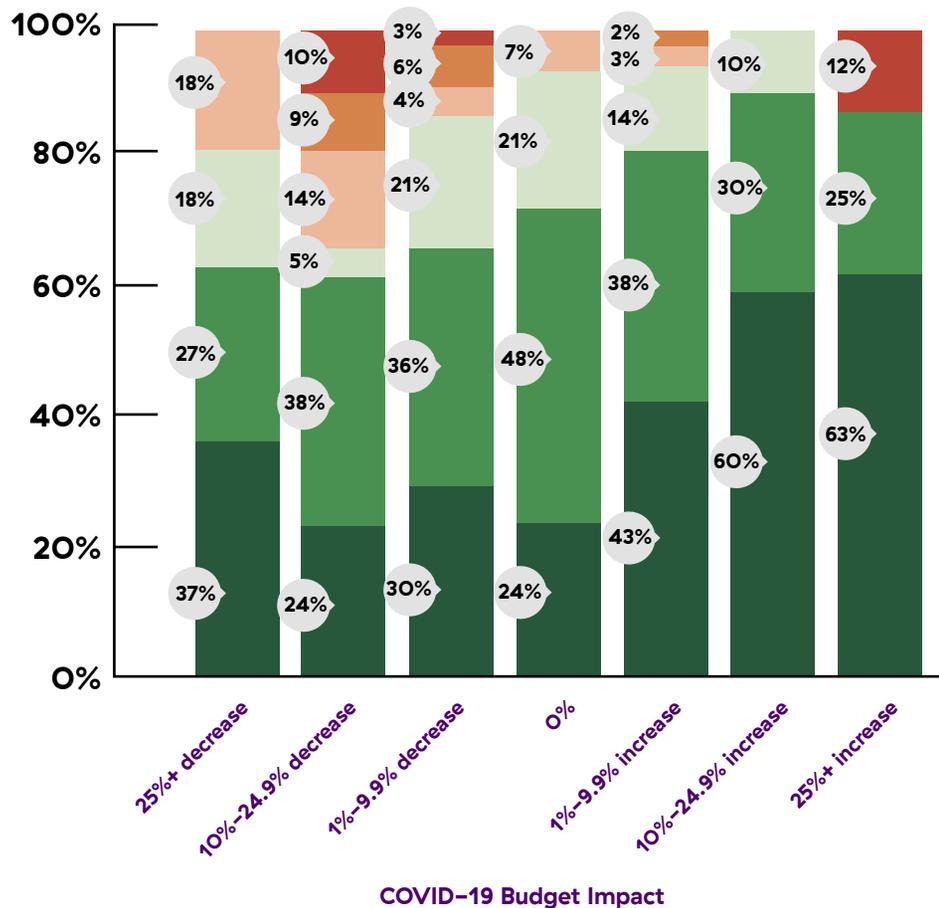
Marketing and finance have a shared agreement on the key performance indicators (KPIs) and metrics used to evaluate marketing performance.



89% of marketing teams that received a 10%+ increase in budget post-COVID agree or strongly agree they have shared agreement on quarterly budget targets with finance. By contrast, only 50% of the marketing teams whose budgets decreased by more than 10% said the same.

- Strongly disagree
- Disagree
- Slightly disagree
- Slightly agree
- Agree
- Strongly agree

**Finance sees marketing as a strong partner and agrees it is a strategic department.**



- Strongly disagree
- Disagree
- Slightly disagree
- Slightly agree
- Agree
- Strongly agree

**61% of marketing organizations whose marketing budgets increased ten percent or more post-COVID strongly agreed they had a strong partnership with finance. Only 30% of marketing teams whose budgets decreased said the same.**

**Why is this important?**

We saw earlier that marketers who paid attention to investment data were more likely to enjoy a budget increase post-COVID. Here we can see why: when marketers speak the language of finance, finance trusts marketing more.

Despite the clear benefits of creating a strong relationship with finance, only 5% of marketers we surveyed ranked this as their top strategic marketing priority. We see this as a huge opportunity for marketing organizations to establish their relevance in 2021.

## Actions to Take

While alignment with sales is a key goal for most marketing organizations, partnering with finance is grossly neglected. But marketers must remember that ultimately they don't "own" their budget; rather, budgets are lent out by the CFO and CEO who, like any other lender, are looking to get the best return on their investment. Marketers who bring finance into their planning process will ultimately earn the respect of this most important department—leading to opportunities for more budget.

To build confidence with finance, marketers must align in two areas:

- **KPIs and metrics.** Marketing must create a shared agreement with finance about performance targets, just like they do with sales. Precision is key here—make sure to discuss and document how KPIs will be calculated and what system(s) teams will measure from. For example, will you use the financial calendar or the rolling 12-month average as your base?
- **Quarterly budget.** In addition, marketing must agree to, and regularly track, budget targets with finance. Important here is to ensure alignment on budget categories and subcategories, which may look significantly different for both teams.

## Key Advice

Our survey results tell a clear story of the connection between a strong relationship with finance and a healthy marketing budget. So why is it that marketers struggle to make this happen?

**Frequently to marketers is not frequently enough.** The first characteristic of high-performing marketing organizations is they continuously plan. However, our study shows that only 29% of marketing organizations revisit their plans on a monthly or more frequent basis, or employ agile processes that allow them to pivot quickly as market and internal forces change. True continuous planning involves gaming multiple scenarios to prepare for inevitable changes; organizations that only revisit their plans quarterly or even less frequently have neither processes nor the information they need to pivot quickly when change hits.

**The right tools are necessary to implement the right processes.** The second characteristic of high-performing marketing organizations is they prioritize their data strategy and measurement approach—yet McKinsey reports that just 40% of marketers have the right tools to demonstrate the quantitative impact of marketing spend. While it is imperative to define a strong measurement process, organizations must not overlook investing in the tools that will enable them to standardize and enforce that process. [McKinsey, Top Ten Results From The CMO Survey — August 2019]

**Advanced budgeting is a new skill set for marketers.** The third characteristic is prioritizing investment data as a strategic asset, but a Gartner spend survey found that nearly half (47%) of CMOs still depend on basic budgeting methods that roll last year's budget into the next financial period. To truly prioritize investment data, marketers must learn and use the methods of finance, rather than the tools they have typically used within the marketing department. [Gartner, 2017–2018 Gartner Spend Survey Highlights Demand for Results]

**Marketers don't yet understand the value of the marketing/finance relationship.** The final characteristic of high performing marketing organizations is they invest in the marketing and finance relationship. Given that only 5% of marketers we surveyed ranked this as their top strategic marketing priority and 21% as a top 3 priority, we can surmise that most marketers do not recognize the impact of this relationship on marketing budgets and, ultimately, marketing's ability to drive growth.

**To make the shift to running marketing like a business and earn the respect and trust of the finance department, marketers must step back and honestly assess how they plan, manage spend, and measure. Only then can marketing departments build a better relationship with finance, driving marketing excellence, and earning more marketing budget to help drive growth.**

# Methodology

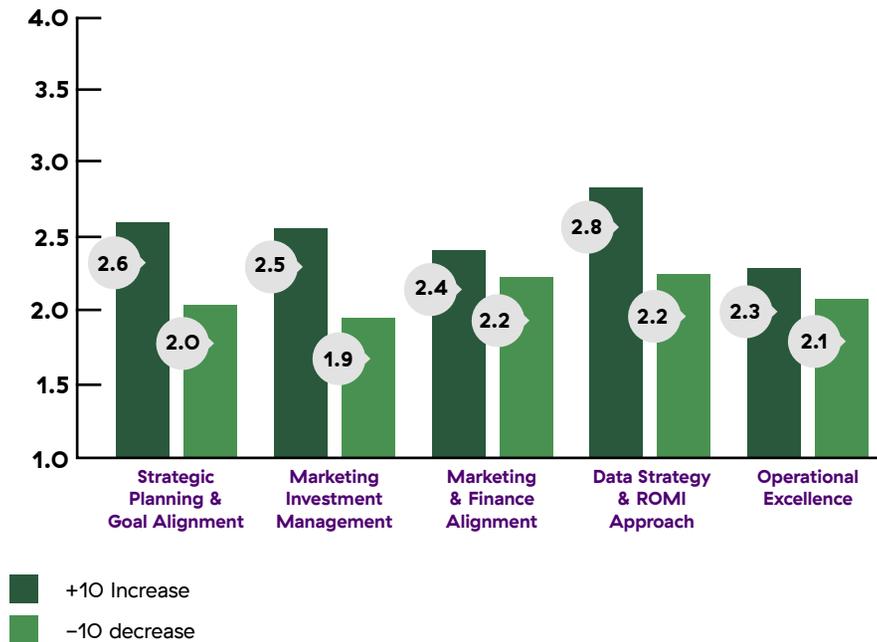
Despite a plethora of technologies designed to increase marketing efficiency and excellence, there is a significant delta between the performance of the best marketing organizations and the rest. If every marketing organization is focused on becoming fact-based and data-driven, what's driving the divide between high performing and low performing teams? Are marketing organizations that revisit their plans throughout the year more effective, and if so, by how much? What's the actual impact of better budgeting? To better understand these questions, Allocadia and Iron Horse commissioned a survey to explore how marketing teams plan and budget. We surveyed 256 marketing professionals in Canada and the United States across seven industries and with revenues ranging from US \$50 to greater than US \$10B.

Country		Industry		Seniority		Revenue Size		Type of sale	
USA	79%	Technology/software	30%	C-level	23%	US \$50M-\$99M	17%	B2B	16%
Canada	81%	Retail	16%	SVP	12%	US \$100M-\$249M	20%	B2C	26%
		Financial services	16%	VP	14%	US \$250M-\$499M	20%	B2B & B2C	58%
		Business services	11%	Senior director	9%	US \$500M-\$999M	17%		
		Manufacturing	10%	Director	19%	US \$1B-\$9.9B	16%		
		CPG	10%	Manager	17%	Greater than US \$10B	10%		
		Healthcare	7%	Team lead	6%				

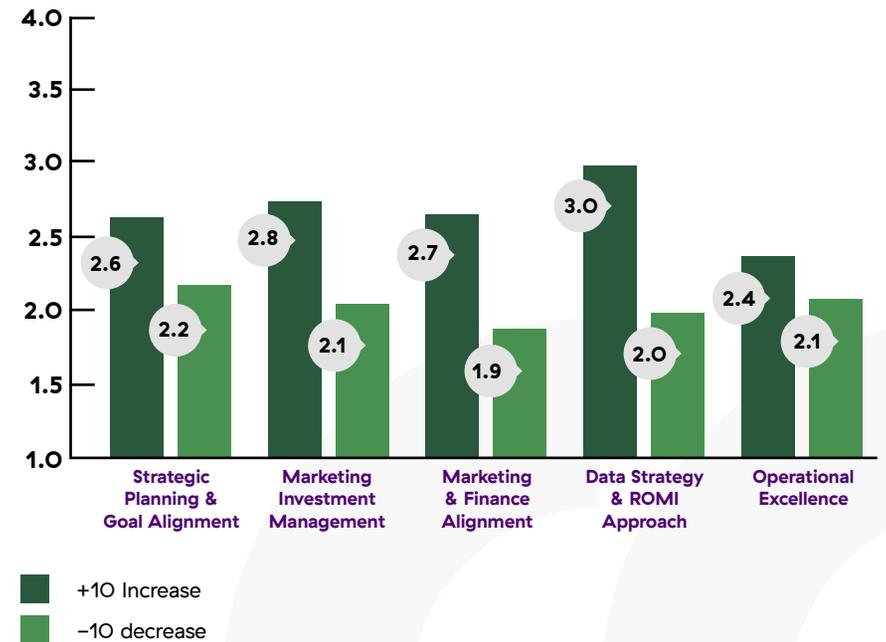
# Allocadia's Marketing Performance Management Maturity Model

The basis of this survey is Allocadia's Marketing Performance Management (MPM) Maturity Model, a framework developed in collaboration with dozens of marketers to help organizations prioritize, assess, and action where they need to improve their overall approach to marketing excellence. When we overlaid the survey findings on the maturity model, we found a direct correlation between maturity and growth. Organizations that scored higher on the maturity model grew faster and more predictably and were more likely to have received a budget increase post COVID.

**Maturity Model Score by Category  
Previous Year Rev Growth**



**Maturity Model Score by Category  
COVID Budget Increase**



With data reports and surveys one question is often, “what can I do next to action this data?” In this instance, the ideal follow up is in this playbook and self-guided assessment. Download the Allocadia Marketing Performance Management Maturity Playbook to determine your organization’s maturity level and build your own action plan.