Marketing at the speed of agile

A CMO's guide to applying agile methodologies to transform marketing

Agile transformation

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Introduction

Marketing campaign planning and execution is being redefined by the quickening pace of business and the need for executives to respond to larger forces shaping business. Programs that take months to build and budget for can be rendered irrelevant before they even launch, doomed by a sudden shift in market conditions or a new competitor with an innovative business model.

According to the PwC's 2014 Global CEO Survey[1], only 36 percent of US CEOs believe that their marketing and brand management organizations are prepared to respond to transformative changes. At the same time 72 percent currently have or are planning significant change programs in customer growth and retention to capitalize on global trends they believe will transform their business. Major change is coming. Marketing leaders need to move now to get in front of the action.

The rapid evolution of new customer-engagement techniques and technologies and the innovation they inspire put complacent businesses at risk of being passed by more nimble competitors and new

market entrants. Increased choice and competition, combined with the mainstream adoption of digital technologies, has changed corporate relationships with customers, not to mention suppliers and employees. Evolving expectations among all

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these constituents require that CMOs transform the processes – and cultures – of their marketing organizations to become more agile, adaptive and connected.

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Applying the principles and methodologies of agile software development to marketing can help CMOs move past similar traditionally

rigid planning and execution processes – to create teams that are customer-centric, have clearly defined roles and responsibilities, are fully accountable for their performance, and can adapt quickly to unexpected changes. Quick responses need to be rooted in a commitment to test and refine marketing messages that enable a cross-functional team to move rapidly when opportunity emerges. In a world of rapidly changing customer and market demands accelerated by digital, agile helps teams keep pace.

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1 PwC's 17th Annual Global CEO Survey, 2014

A History of Agile Development

The agile software development movement dates back to 2001, when a group of 17 thought leaders in the software industry met to discuss an alternative to traditional documentation-driven development processes.

The group, which dubbed itself The Agile Alliance, gathered to fix traditional project-development frameworks that were rooted in the "Dilbertesque" cultures and mindsets of many organizations.

At the time, software development generally followed waterfall-style techniques, in which a project is broken down into four discrete steps: requirements, design, coding and testing. Each step occurs in sequence, with no overlap, making it difficult for development teams to adapt to changing requirements. Waterfall methods also can create natural silos because of the functional nature of the discrete steps, with "throw-over-the-wall" behavior common between product managers, architects, developers and testers.[1]

"This isn't merely a software development problem," Agile Alliance member Jim Highsmith wrote in 2001. "This type of situation goes on every day – marketing, or management, or external customers, internal customers, and, yes, even developers – don't want to make hard trade-off decisions, so they impose irrational demands through the imposition of corporate power structures."[2]

The Agile Manifesto defines four primary values:

• Individuals and interactions over processes and tools

• Working software over comprehensive documentation

• Customer collaboration over contract negotiation

• Responding to change over following a plan

Over the past decade, agile software development has grown in popularity. A 2012 survey of software developers found that 84% of organizations were practicing some form of agile development.[3]

Some marketing organizations—primarily in the software industry—began experimenting with agile methodologies in the mid-2000s. These marketers realized that agile's core principles were relevant to a marketing landscape that was being disrupted rapidly by digital technologies.[4]

1 "Accelerating embedded software development via agile techniques," PwC Technology Institute, June 2013, http://www.pwc.com/en_US/us/technology/publications/assets/pwc-agile-embedded-software-development.pdf
2 "Manifesto for Agile Software Development," Beck et al, 2001, http://agilemanifesto.org/history.html
3 "The 7th Annual State of Agile Development Survey," VersionOne, 2013, http://www.versionone.com/pdf/7th-Annual-State-of-Agile-Development-Survey.pdf
4 "Agile Marketing for Conversion Optimization," Scott Brinker, March 2010, http://searchengineland.com/agile-marketing-for-conversion-optimization-37902

Moving from a linear to a connected experience

The way businesses traditionally connect with customers has been linear, defined by a purchase funnel. In reality, however, the path to purchase can be anything but linear, as customers interact with networks of people, conversations and technologies across, adjacent and within an organization. Consumers follow your brand through social channels. They ask for help in a support forum. They download software or other digital content from your website. They share their opinions – good and bad – about your products or services on their own social networks.

This new paradigm – call it the connected experience – has fueled many disruptions in the customer-brand dynamic. People are more informed and therefore make decisions that lead to better personal outcomes, which influence their business decisions. Social listening tools and crowdsourcing offer significant advances from traditional voice-of-the-customer mechanisms such as focus groups and surveys.

As a result, customers are redefining – directly and indirectly – the very notion of value and how it is delivered to them through a single, consistent brand experience.

The connected experience is "always on" and inherently measurable. Customers are leaving behind a trail of data that can be captured and analyzed for insights. The continued improvement of tools and techniques to mine data for insight can help marketing leaders deliver a truly

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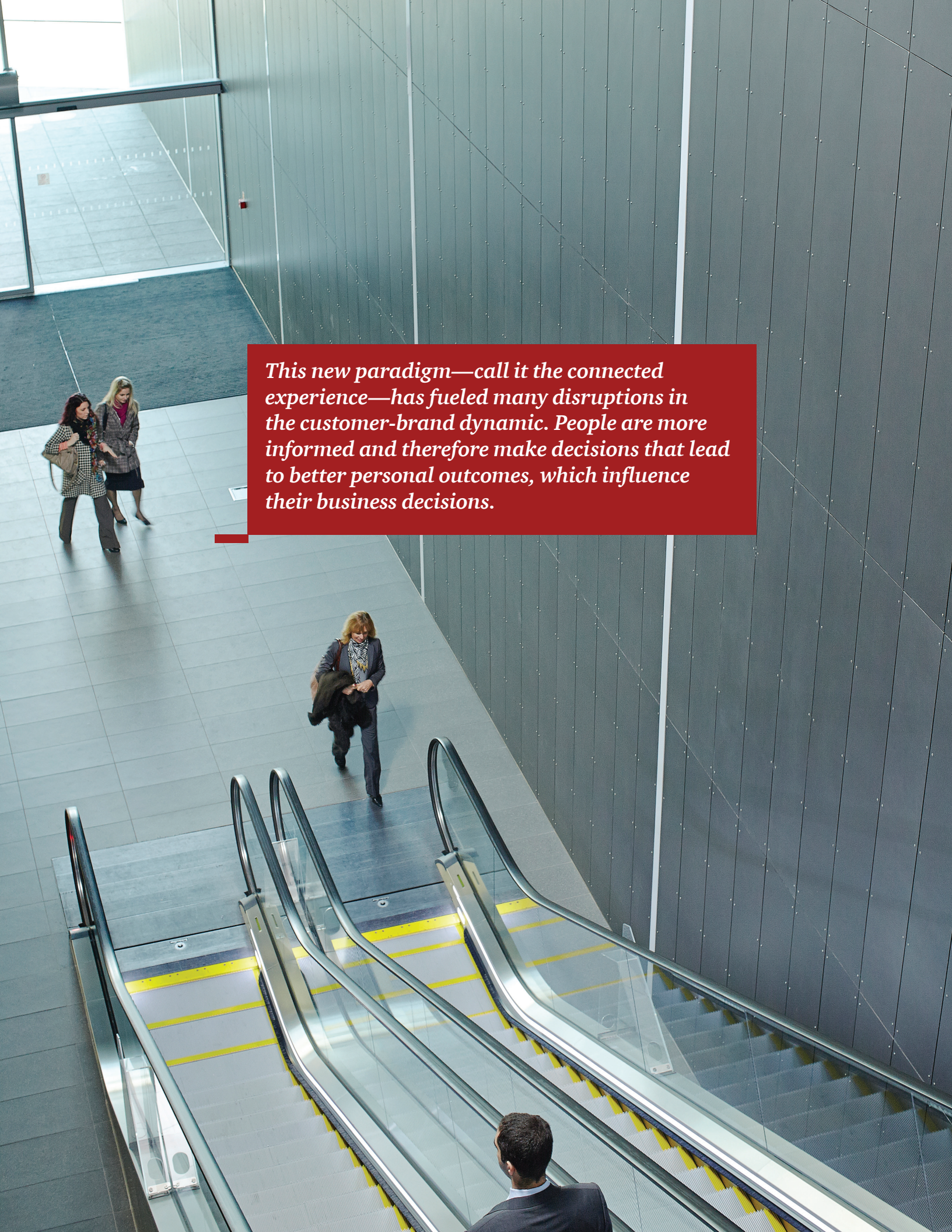
exceptional customer experience, one that can drive sustainable, profitable organic growth.

Most businesses, however, are still not organized around the new expectations that arise from a connected experience. Despite the preponderance of data and the emergence of sophisticated analytics,

many marketing teams remain tied to traditional models and methods for planning, executing and measuring their programs. Bringing together different departments, divisions, and business units into one connected experience for the customer – with the ability to adapt – is the key to building brand equity and the greatest value a CMO can bring to an organization.

A business tied to outdated methods may present several troubling symptoms: inflexible strategies cannot be easily modified to reflect ever-changing environments; extended planning cycles delay action and testing; resources to deliver programs are often in conflict and create tension with marketing; and limited cross-functional collaboration results in an inconsistent customer experience that can de-value the brand.

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Building a foundation for change

Many CMOs are acutely aware of these symptoms and the underlying causes. Transforming marketing into an agile, more collaborative organization, however, is a significant challenge. Agility requires a strategic mix of standardization and flexibility, enabling leadership teams to efficiently anticipate change, execute quickly , and create value not just for a single experience, but for the company as a whole.

The good news is that a blueprint already exists for this transformation. Many IT organizations have adopted agile methodologies to give structure to previously chaotic software development processes. Agile has become a well-known methodology and is widely used in highly complex organizations. It is supported by a passionate community of practitioners who have created volumes of documentation, best practices, and case studies.

Why should CMOs consider agile? First, it places customer voice and response to customer needs at the heart of all operations – driving home a customer-centricity that many organizations are striving to achieve. Sharing customer insights across marketing groups and the greater organization provides a clear line of

measurement as an afterthought, or, worse, a justification tool. A cadence of feedback and measurement enables continuous refinement, allowing marketing leaders to measure business impact devote resources to the programs and activities delivering the greatest return.

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sight into measuring progress toward customer objectives and ensures that the business is nimble enough to adapt to evolving customer needs.

Second, agile relies on continual measurement, creating a much-needed rhythm and precision for operations that are used to treating

Third, agile can transform culture, not just process. The framework is designed to value the contribution of the individual, but in the context of the team. It encourages empowerment, collaboration, and thoughtful risk-taking. And it enables creative people to be creative. Team members will see broader career opportunities as they increase their impact on the business.

Backlog: An ever-evolving list of product requirements, prioritized by the customer, that conveys to an Agile team which features to implement first.

Persona: A fictional character with individual needs, goals and habits, created by an Agile team as a representative user, to serve as a reference point for usability during product development.

Product owner: A member of the team who represents the customer and can offer a complete grasp of the requirements and business value of the product. The product owner is also responsible for prioritizing work for the team to ensure that it meets the customer's goals.

Retrospective: A meeting held at the end of a sprint or a release in which the team examines its processes to determine what succeeded and what could be improved.

Scrum: The most widely recognized Agile framework, Scrum is comprised of a series of short iterations–called sprints–each of which ends with the delivery of an increment of working software.

Scrum Master: A Scrum Master facilitates the team and product owner by removing barriers, encouraging creativity, and keeping all parties informed about the team's progress.

Stand-Up Meeting: A short, daily all-hands meeting in which members of an Agile team address three key questions: What did you get done since the last stand-up? What will you do before the next stand-up? What impediments stand in your way?

Sprint: Also called an iteration, a sprint is the uninterrupted period of time during which an Agile development team performs work, most commonly one week to one month in length, at the end of which the team delivers a "potentially shippable" product.

User Story: An Agile requirement, stated as a sentence or two of plain English. A user story is often expressed from the user's point of view, and describes a unit of desired functionality.

Velocity: The rate at which an Agile completes work, used not to measure progress per se, but to accurately estimate the team's capacity for future iterations and guide the team and product owner in planning upcoming iterations.

The Agile Journey

Although an agile marketing transformation will look and feel different for each marketing organization, the common goal is to build a framework for addressing large, complex issues and breaking them down into smaller, more manageable pieces. A successful framework generally follows four key steps.

1. **Assess the current state.** It's important to clearly define the state of core marketing functions, including processes, techniques and tools for marketing planning, execution and measurement, along with the structure and skills of the existing team. Questions that are helpful in defining the current state include the following:

   - How easily can we capture customer insights? Who owns customer data? Is it consolidated or kept in silos across the organization?

   - Are our customer experiences consistent or fragmented?

   - What is our marketing planning process? How much flexibility do we have to adjust strategies and budgets throughout the year?

   - How do our metrics compare with the rest of the organization? Are we measuring the same things as finance or other functional groups?

   - Do our teams work collaboratively or independently? How much do they compete for resources?

This assessment will be used as the basis to create a series of user "stories" – collaborative narratives that describe an item of value for the customer. A story is a way to organize teams around specific tasks to deliver a quality experience for the customer.

2. **Organize for success.** A key element of agile is the use of cross-functional teams who are given time-bound windows – known as "sprints" – to plan, execute and deliver defined tasks. It's important to begin with a core group of cross-functional stakeholders (including adjacent processes and departments, such as sales, operations and finance) who can understand the process and will serve as advocates to the broader team. Executive sponsorship is critical for buy-in among the rest of the team.

Team members will have specific roles and responsibilities that fall into three general categories:
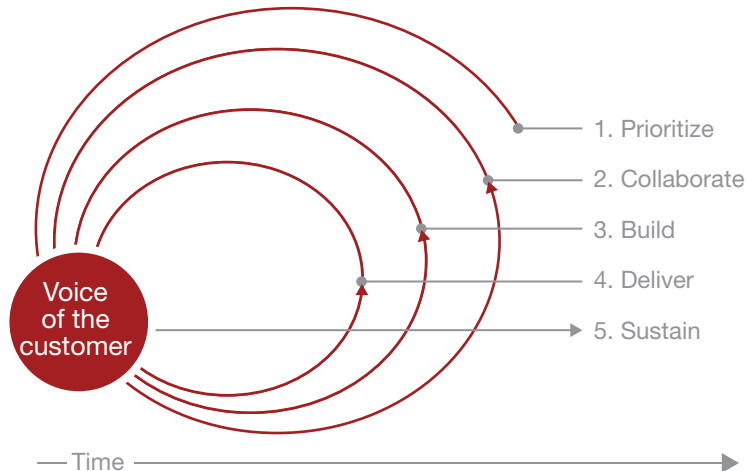
   - The product owner represents the customer voice at the team level, drives story workshops, owns the project backlog, and determines the releases of "sprint" items.

   - The "scrum master" tracks the overall budget and progress of the project, runs planning and other meetings, and removes "blockers" that inhibit team progress. The scrum master will generally conduct introductory workshops to train participants on agile practices.

   - The delivery team consists of the remaining members, who are responsible for executing the tasks

These teams are not separated by function – most may in fact be cross-functional, focused on accomplishing the objectives of each sprint. Members will likely still attend regular departmental meetings and other aspects of their "day jobs." But at this operating level, there are no silos.

Traditional "waterfall" project plan

Phase 1

Phase 2

Phase 3

—— Time ——————————————————————→

Agile projects maintain a customer focus and use rapid iteration across disciplines to complete the development of a better campaign in less time

1. Prioritize

2. Collaborate

3. Build

4. Deliver

5. Sustain

Voice of the customer

—— Time ——————————————————————→

Agile management iteratively sprints toward goals with cross-functional participation throughout.

Frequent return to the customer's point of view enables the direction of the campaign to be re-set along the way to reflect changing trends and market forces.

3. **Design and test.** The biggest challenge for marketing teams may be adapting to Agile's rapid, iterative project cycles. Each sprint is designed to achieve specific outputs over a defined time frame – generally two to four weeks. A sprint is often structured around six phases, each with its own output:

- **Planning:** identify the scope of work and commit to the plan.

- **Standup:** provide visibility into what is happening in the sprint.

- **Grooming:** provide the team with visibility into upcoming stories and get their feedback

- **Demo:** show stakeholders the completed work and obtain their feedback

- **Review:** Review project deliverables and where improvements can be made

- **Retrospective:** Reflect on the process of working together – what went well and what changes are required to improve collaboration

4. **Refine and scale.** Each sprint informs the next, as the team captures project insights from the build-and-test phase. Gathering feedback from various stakeholders helps ascertain gaps that can be addressed in the next sprint.

This process of continuous refinement must be sustained as agile rolls out across the broader organization. Teams demonstrating tangible progress against specific objectives are viewed differently within the organization, thus helping to refine the current corporate culture. The key is to realign based on feedback and changing objectives – that's where the agility comes into play.

Agile in Action: A Case Study

A marketing team that does not represent the voice of the customer is destined to squander valuable resources on ineffective programs. At one Fortune 500 organization, a lack of customer centricity fueled several issues for the marketing team, including unclear objectives, an underutilized digital strategy, and dwindling innovation, all of which were contributing to a growing morale problem.

The VP of the group – which spanned brand, web, social, operations, media and advertising – attributed the problems to a silo'd organizational structure. But the root cause was actually a flawed operating model. In other words, it wasn't where people sat – it was how they worked together.

Many team members were skeptical when the leadership team decided to launch an agile initiative. While they were well-versed in the concepts of agile software development, the marketers did not see its relevance to marketing. As a result, the leadership team decided to launch two pilots to help the team develop a better understanding of agile and its benefits.

One pilot was built around mobile marketing – a strategic initiative that previously had gained little traction. The second involved internal planning and structure, which targeted the leadership team to develop some critical buy-in up front. These participants would become advocates for agile to the rest of the team.

The pilots followed a typical agile framework – plan, build and deliver – plus two additional phases: prioritization (at the front end) and sustainability (at the conclusion). A two-day workshop introduced the pilot teams to the fundamentals of agile. Next, cross-functional teams were formed – the mobile pilot, for example, combined mobile developers, data analysts, campaign managers and others – as a way to encourage more collaboration. Two-week sprints were mapped out with specific milestones.

In the absence of existing customer research, pilot teams used persona mapping to define the voice of the customer and identify pain points and interests. Teams brainstormed ways to address customer needs and prioritize solutions, broke solutions into smaller pieces of work with stories and tasks, and identified acceptance criteria and constraints.

During scoping, pilot teams discussed the stories and identified the specific tasks associated with the work, including relative sizing and estimating. The team then reprioritized stories, committed to the plan and communicated the plan to all stakeholders.

Standup meetings were conducted every week at the same time for about 15-30 minutes – kept short intentionally to keep the group focused on action. During standups, team members were encouraged to share impediments – any obstacle prevented the delivery team from completing a task. The most common obstacles during the pilot period continued to be time.

Both pilot teams implemented a task board to reflect the status of each task as well as progress and work remaining on each story. Task boards provided a visual "single source of truth" on the overall story.

At the end of each sprint, pilot teams held a science fair-like demonstration to stakeholders and interested parties showcasing work. In both sprints, the product owner reviewed the "definition of done" with the team, decided whether to accept the project as complete, and queued up work for the next sprint. Applying learnings from one sprint to the next in an iterative fashion is a fundamental step.

Each pilot resulted in several key outcomes. In the mobile pilot, the team created a baseline for mobile metrics, a set of clearly defined roles for cross-functional collaboration, and a much faster cycle for launching new mobile initiatives. For the integrated planning pilot, the most important outcome was the documentation of roles and responsibilities across the team – providing clear accountability.

A few of the initial skeptics were convinced of Agile's benefits. "This is such a better way to work," said one. "We're all operating with the same customer goal in mind."

Next steps

Are you ready to begin an agile transformation? First, answer the questions in this Agile Diagnostic to determine your starting point:

Agile Diagnostic
Answer these 10 questions to determine how well you're adapting to changing customer needs

Signal	Yes	No
We hear, internalize and respond to our customers' needs	☐	☐
We are able to attack problems head-on and show progress quickly	☐	☐
Our vendors integrate well with the internal team and are aligned to our objectives	☐	☐
We are able to take action on our metrics, consistently improving our programs	☐	☐
Our term is highly effective and unleashes its true talents	☐	☐
Our clear focus on customer needs enables us to break down internal silos	☐	☐
Our teams are actively engaged in defining the scope and timing of their work	☐	☐
We learn about our customers' needs quicker with each update to their experience	☐	☐
We learn from mistakes faster each quarter	☐	☐
We can easily prioritize issues as they arise	☐	☐

For each "No" answer, add 1 point.

• **0-2pts:** Your current methods are still meeting your business needs

• **3-5pts:** It might be time to start considering a different way to get work done

• **6-10pts:** Your current processes are not meeting your needs; you may benefit from an agile transformation.

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