

## Six Types of Marketing Organizations: Where Do You Fit In?

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# Six Types of Marketing Organizations: Where Do You Fit In?

Is your marketing approach in sync with your company's needs? Here's how to figure that out.

by Edward Landry, Andrew Tipping, and Brodie Dixon

**W**hen Eric Kim became Samsung's executive vice president of global marketing in 1999, he found a marketing organization unsuited to the task at hand and a company not ready for the proactive approach Samsung needed from its marketing team.

Earlier in the decade, Samsung had made the decision to transform itself from a low-cost producer of electronics, sold primarily under the brand names of its OEM customers, to a manufacturer of high-end digital products. Quickly enough, management realized these electronic goods would reap higher margins if they were sold under Samsung's own brand. Industry icon Sony had made much the same transition years earlier. Yet the marketing organization Mr. Kim inherited was not equipped for such a marketing-driven push.

Samsung's brand message was fragmented, and marketing budgets were generally driven by short-term programs such as price promotions, according to a case study prepared by John Quelch and Anna Harrington of Harvard Business School. Mr. Kim explained in the report: "Our managers believed that good products sell themselves, that marketing was nothing more than selling, and that selling was only needed when you had a me-too or weak product."

This type of resistance is nothing new. However, for a company that needed a more active marketing effort, it was a major problem. Mr. Kim eventually did solve it at Samsung. Indeed, we believe solutions to all such problems require a common approach. Marketers must work to understand (1) what type of marketing organization they have in place, and (2) what type of organization the company actually needs.

To help marketers meet those goals, Booz Allen Hamilton and the Association of National Advertisers have joined together to examine the types of marketing organizations that commonly exist today and their best paths of evolution to keep up with the companies and industries in which they live. Our examination identified six distinct types, or profiles, of marketing organizations. All have unique strengths, and each is appropriate to particular types of companies in certain competitive circumstances.

**Growth Champion.** This organization is highly valued within the company for its ability to drive revenue. It is considered as important as other major departments, such as finance and sales. It drives the company's priorities and leads product innovation and new business development.

**Senior Counselor.** Functioning

as a high-level advisor on marketing strategy to the chief executive officer and the individual businesses, the Senior Counselor leads major advertising, promotion, and public relations campaigns. Unlike the Growth Champion, however, it does not typically drive company-wide strategy.

**Brand Foreman.** Above all, the Brand Foreman is an efficient provider of marketing services, ranging from communications strategy to creative output and campaign execution, in support of the company's key brands. It serves as the central manager of agency relationships, and is considered among the company's most important support organizations.

**Growth Facilitator.** The Growth Facilitator has the authority and skills to develop and lead large, company-wide marketing efforts and helps set the business's overall priorities. This marketing organization coordinates with other major functions, such as sales and product development.

**Best Practices Advisor.** The Best Practices Advisor works with the individual businesses to identify internal and external best practices and incorporate them into all marketing activities. This organization's goal is helping the businesses achieve maximum effectiveness and efficiency, and it has expertise across all ele-

ments of the marketing toolkit.

**Service Provider.** This organization supplies marketing services such as advertising, promotion, and public relations at the request of the company's brand and product teams. The Service Provider is effective at executing specific tasks and is responsive to time-sensitive requests.

Although many marketing organizations profess to fulfill most or all of these functions, they tend, in practice, to gravitate into only one of these roles. Knowing which type of marketing organization exists within a company is thus a critical first step. Then, the challenge is to understand where the company is heading and make sure the marketing team is configured properly.

Underlying these categories is a set of cultural and organizational "building blocks" that determine the type of marketing organization prevalent in each company. Our research found that the nature of the marketing organization derives from four key elements:

**1. Scope.** Scope is the range of responsibility — the playing field — in which a marketing organization operates across the company. The scope of a marketing organization can run the gamut from executive-level jurisdiction, working hand-in-hand with the CEO on a daily basis, to purely functional, with responsibilities solely for brand management and agency relationships.

**2. Decision Rights.** "Decision rights" refers to the authority, or autonomy, that the marketing organization has within the company. For example, can marketing approve large, growth-oriented investment decisions such as positioning, channel strategy, pricing,

and communications?

**3. Capabilities.** Some marketing organizations may have high-level general management and leadership skills, whereas others will focus more on creative expertise or technical, analytical, and administrative skills.

**4. Organizational Linkages.** This element looks at significant relationships, such as whether central marketing is proactive in providing advice and services to the individual businesses or whether it serves more as an advisor on marketing strategy to the CEO.

To pull this all together, we have created the Booz Allen/ANA Marketing Profiler. Anyone who works with, or within, a marketing organization is invited to try it. Simply go to [www.marketingprofiler.com](http://www.marketingprofiler.com) and spend a few minutes taking a short test. Find out which profile your organization has today and what migration path, if any, is recommended for your organization. Readings and resources tailored to your profile and migration strategy will also be provided.

Samsung's Eric Kim made a similar analysis on his own and spent half a decade building his marketing organization into one that closely matched his company's aspirations. The result? Samsung has climbed to No. 21 in *Business Week*/Interbrand's 2004 ranking of the world's most valuable brands. *Business Week* wrote, "No longer known just for undercutting the prices of big Japanese brands, the Korean consumer-electronics dynamo is suddenly cool." Perhaps even more impressive for Mr. Kim, Samsung now ranks just one spot behind Sony (No. 20). +

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