



## Marketing's Role in Commercial Recovery

Business recovery from COVID-19 crisis will require marketing-led commercial innovation. A Recovery Situation Room can make that happen

# In this time of crisis, marketing can accelerate commercial recovery. Time to consider a “Recovery Situation Room”?

Successful marketers have always brought the voice of the customer to their companies. Now, as companies emerge from the COVID crisis, that voice may be more needed than ever to guide business recovery. Standing up a “Recovery Situation Room” can make marketing’s voice heard.

The COVID crisis has helped intensify the need for commercial innovation. Companies worldwide are realizing that tried and true methods of doing business may not be enough in our new normal.

We are already seeing a shift when it comes to buying preferences. Consumers are turning to e-commerce, such as grocery delivery, at an even faster rate, and that trend is likely to continue to accelerate. Looking ahead, the conscientious consumer is also likely to seek more information about products and logistics, spend more time and money locally, and prefer contactless payments. In-person sales and service are likely to decline, as those processes increasingly move online.

It’s a similar story in B2B. Customers’ desired channels are shifting. They are increasingly comfortable with, and demanding, remote, digitally enabled content and experiences as an integral part of their relationship with suppliers. Many businesses are embracing “remote everything” as the new design point.

Across both B2C and B2B markets, these new customer interaction preferences often come with new expectations for brands. An emphasis on well-being, fairness, transparency, and caution will define many customer behaviors in the coming months. Customers want to know they are dealing with purpose-driven enterprises who care about and contribute to broader societal well-being.

Commercial demand is going to come back looking different than it was pre-crisis. Not only are different regions recovering at different rates, creating a geographic patchwork with which commercial functions must contend, but the ways in which demand needs to be served have also changed.

This situation presents a unique opportunity for marketing organizations to take the stage to drive the commercial innovation needed for recovery and growth, and at the same time demonstrate the value they can bring to the enterprise. Marketers have long embraced a deep understanding of customer behavior to design commercial strategies and campaigns, positioning their companies to address shifts in the market landscape. Modern marketing, increasingly digital, customer-centric and data-driven, is the function best equipped to guide the company’s commercial innovations. But to do so, marketing should better connect to commercial activity. That’s where the Recovery Situation Room comes in.



## Recovery Challenges

Simply recognizing the need for commercial innovation in the recovery isn't enough; companies face several challenges in making commercial innovation happen pervasively and at scale. The major roadblocks typically fall into four categories.

01

### **Synthesis of the data to drive commercial innovation:**

Current market conditions have both intensified the need for fast data-driven decisions, as well as increased the complexity of gathering and acting on reliable data. Businesses know they should design new commercial tactics to respond, but they often struggle to synthesize the data to do so intelligently. This data should be geo-specific, timely, and integrated rapidly to yield insights that fuel the design of commercial campaigns.

02

**Integration across the enterprise:** Many organizations lack the mechanisms to share best practices and lessons learned across functions or business units, preventing them from identifying new commercial capabilities that can be leveraged by all. Further, there is often limited integration between commercial plans from individual Business Units and those from Corporate. For example, given crisis-era customer expectations, corporate brand should be more closely linked to commercial plans.

03

### **Inconsistent capabilities across the commercial chain:**

Organizations have pockets of expertise across the commercial chain, from source data analysis to campaign execution. In the pre-crisis, legacy commercial model, these strengths evolved to reflect past needs. But there was little awareness of the gaps, or incentive to address them. Now we are seeing many companies wake up to the weaknesses in digital engagement that will be needed in the new environment. Siloed strengths won't likely be sufficient anymore: commercial functions will likely need innovation across the end-to-end commercial chain.

04


**Resistance to centralization:** For years, organizations have experimented with shifting to centralized centers of excellence and agile operating models that draw on centralized services. However, many have seen limited adoption, with business units preferring to work on their own. They have often failed to establish clear roles and decision-rights for the centralized group to support commercial recovery and innovation. Now those processes need to be put in place and the cultural barriers to coordinated, cross-business support overcome.

# Recovery Situation Room – With a Leadership Role for Marketing

We propose a “**Recovery Situation Room**” (RSR) to help enable cross-functional, and customer-centric commercial innovation. In an environment where customers are engaging in omnichannel and increasingly digital ways, and extracting customer insights is increasingly important, a dedicated RSR focused on customer engagement can drive the discovery, development and delivery of the commercial innovations and capabilities needed to fuel commercial recovery and growth.

While the Recovery Situation Room is cross-functional, we envisage an elevated role for Marketing in the leadership of commercial recovery. The voice of the customer, and the new market landscape, should be the dominant drivers of commercial campaigns. All functions should commit to challenging legacy commercial activities in the light of new customer behavior and new market data. The marketing function therefore should assert a leadership role, using its voice of the customer capabilities to influence and align all the commercial teams across Sales, Support, Service and other customer-facing functions.

## The Recovery Situation Room Concept

 **Vehicle:** Set up dedicated “war rooms” to drive commercial innovation and growth. The war room or “situation room” would organize commercial efforts and enable quick reaction to ongoing shifts in the market as it recovers. Bring together “tiger teams” to work in agile sprints to design and implement commercial campaigns that drive growth through the recovery phase of the COVID-19 crisis

 **Governance & Sponsorship:** Create and enable a cross-functional team to connect existing commercial programs to new capabilities such as digital marketing to drive commercial innovation. This can require both executive-level support from across Sales, Marketing, and other functions, and definition of clear roles and responsibilities within the team. A common governance structure is to have region sales leadership partner with both regional marketing and central marketing services such as the digital center of excellence.



**Region:** Identify the most important and most addressable markets that would see large upside from innovating and scaling commercial innovations. These could be regions that are emerging fastest from lockdown or have particularly influential customer bases.



**Products:** Focus on product lines where growth is most sensitive to commercial innovation, for example discretionary purchases that have been paused due to COVID and can now be stimulated by the right customer engagement. Additional products can be determined based on emerging special commercial needs (e.g., shift to all-virtual sales).



## Recovery Situation Room Activities

To identify, develop and deliver capabilities needed to fuel commercial recovery, the RSR should focus on four main sets of activities.

### Demand Sensing

Leverage in-house market research, external research agencies and ecosystem partners capabilities to scan for demand

- **When and Where Demand Emerges:** The RSR can monitor the key drivers and barriers of demand such as changes in lockdown rules and company return-to-work policies. In this way, companies can use demand sensing to provide better short-term inputs to commercial plans and re-prioritize sales and marketing interactions across customer segments.

### Customer Interaction Needs Sensing

Tap into first and third-party data sources to understand how customer engagement has changed

- **How to serve:** Companies should sense new customer interaction needs. What channels are customers using to meet specific needs and which ones are they no longer using? Who are the emerging primary buyers and influencers? Are there opportunities to supplement limited face-to-face interaction with new digital tactics?

### New Commercial Tactics

Use insights from demand sensing and interaction need sensing to design and implement new commercial tactics that catalyze sales recovery

- **Cross-functional Innovation:** Once companies understand new patterns of demand, and new customer needs, teams can design commercial tactics that are targeted at overcoming customer pain points and barriers to buying. This can require collaboration across marketing, sales, service and other functions to help ensure that all customer touchpoints are considered, and existing capabilities are fully leveraged.

### Measure, Learn and Scale

Build and use a Recovery dashboard to track and learn from results

- **Dashboards:** Use real time dashboards to track impact and effectiveness of new tactics, enabling quick assessment and decision making
- **Pilot & Scale:** Capture and assess response, identify successful tactics, accumulate lessons learned. The RSR should formulate commercial best practices from its activities and propose how winning tactics should be scaled-up across the broader commercial model.

## Examples of RSR commercial innovations

Recovery Situation Rooms drive commercial innovations at the field level – meaning in the region in which they are deployed – and at the commercial system level – meaning in the scaled-up changes in the commercial model or system that they generate.

At the field level, we have seen the RSR vehicle drive such commercial innovations as:



### Target different or additional buyers and influencers

– By re-mapping customer buying journeys, RSRs have identified new influencers in the buying process and new stakeholders who are now able to initiate purchase decisions. Companies are finding that with the prevalence of digital buying, new influencers and initiators are often added to the traditional buying processes.



**Virtualize sales motion interactions** – Build virtual ways to mirror and/or complement in-person visits as well as introducing new ways to connect with target audiences.



**Social media connections** – Use on-line/social media to facilitate peer-to-peer connections among buyers and influencers.



**Nudge buyers through digital content** - Deploy high-impact, highly targeted digital content to nudge buyers through their decision journeys.



**Use analytics for precision targeting and personalization** - Synthesize data to identify precise targeting opportunities and ways to increase personalized relevance of messages, content and interaction experiences.



**Offload tasks to self-service** - Use call centers and online portals to bring together and simplify the most common customer requests and queries. These interactions in the past served as barriers to purchase and consumed salesforce time; now they can be dealt with quickly and cheaply.

Beyond the commercial innovations implemented at the field level, RSRs have also yielded systemic improvements in the overall commercial model. By being forced to rapidly innovate commercial tactics based on new market requirements, RSRs have exposed the gaps in their company's end-to-end commercial change. Among the most common gaps are the following:

- **Customer/market insights** across the journey (e.g., buying processes, influencer identification, next best actions, profiles/personas, segmentation)
- **Analytics, measurement and adaptive decision-making** (e.g., closed loop measurement, visualization and reporting dashboards, use of AI/ML, predictive analytics, personalization/targeting capabilities)
- **Content, creative and messaging** (e.g., content supply chain, brand alignment, campaign design/execution, quality and impact of creative, optimization of messaging)
- **Channel portfolio optimization** relative impact of spend by channel, decay curves, channel synergy analysis)
- **Agile, collaborative, sprint-based, test-and-learn working models** (e.g., marketer skills, team incentives, empirical mindset)
- **Technology stack and data** (e.g., CDP, clean/complete data sets, data compliance)

## Recovery Situation Room: Benefits and Impacts

- **Growth and share gain:** Commercial innovation driven through the RSR can allow companies to sense and respond to demand as it rebounds and address new customer engagement needs as they emerge in the COVID-19 recovery phase. The RSR can accelerate that innovation. By responding more quickly than competition, the innovators can drive growth and gain share.
- **Commercial innovation at scale:** The RSR can enable companies to design, test, measure, iterate, adapt and learn from new commercial ideas. They can then identify the winning tactics and scale up from initial pilot implementation to systematic use across relevant parts of their product portfolios.
- **Pioneer operating model for centralized marketing:** The RSR establishes and refines ways of working, relative roles, decision-rights, and other elements of an operating model for how centralized marketing can best support commercial programs. As such, it proved a first proof of concept for how a modern marketing capability could be brought to bear across the business in the steady state.
- **Demonstrate business impact of modern marketing:** The RSR can allow the centralized marketing group to demonstrate the impact associated with its activities. The RSR helps reveal to the rest of the company the business value modern marketing can deliver through:
  - Voice of the market/customer
  - Integration of data/insights into commercial strategy
  - Commercial program/campaign design
  - Delivering marketing-enabled elements of commercial execution programs

## Recovery Situation Room: How to Get Started

Setting up the marketing-led Recovery Situation Room, like anything new, requires a phased approach to help ensure successful implementation. We recommend breaking it down into:

- **Align:** Align key stakeholders from the get-go in order to prioritize and synchronize efforts to use commercial innovation to seize the benefits outlined above
- **Design:** Analyze markets, commercial data and insights to identify the focus areas where innovation could have the highest impact and design how the Recovery Situation Room should operate
- **Run:** Run agile cycles of data synthesis, insight integration, commercial strategy formulation and commercial campaign design
- **Execute:** Execute commercial campaigns, measure and evaluate tests, distill learning, and capture commercial plays for potential scale up
- **Iterate:** Assimilate learnings from execution and market response, adapt and enhance the RSR design and operations as needed

COVID has brought on unprecedented, rapid change impacting all customers. Some customer changes will remain even once the pandemic has subsided. The launch of an RSR can enable the customer-centricity, agility and speed to react to support immediate recovery and future commercial growth. It can also elevate the role of marketing by showing its value in driving commercial innovation.



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