

# **Driving a Marketing Vision Using Project Management**

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## **Introduction**

Most marketing professionals do not consider project management as part of their work. MSIG USA, the small U.S. based subsidiary of Mitsui Sumitomo Insurance of Japan, successfully used project management to develop its marketing strategies and then execute each part of its strategy as a project. The results show some of the strengths and pitfalls of using project management for marketing projects.

The deliverable-oriented nature of marketing work made it well-suited for project management, yet marketing employees were initially reluctant to treat marketing efforts as projects. By adopting marketing language, the project managers were able to overcome that resistance and successfully use traditional project management techniques for marketing campaigns and other marketing work.

## **Overview of Marketing at MSIG USA**

MSIG USA is a 300-employee subsidiary of Mitsui Sumitomo Insurance. Although MSI is a major property and casualty insurer in Japan and in Asia under the Aviva name, it has a small market share in the United States. This case study focuses on the US operations of the company.

Traditionally MSIG USA has focused on selling US insurance to companies that already have purchased insurance through MSI in Japan. Marketing efforts focused on maintaining and developing relationships with Japanese companies' US managers and risk management professionals. Marketing staff include a mix of Japanese and US citizens.

In 2004 MSIG USA began exploring ways to increase its presence in the US insurance market. The company identified business opportunities outside of its traditional Japanese book of business and considered marketing a key tool to reach those new companies. MSIG USA had started using project management as a way to monitor and develop its strategic plan in 2003 (Brown, 2006), so the new marketing strategy was launched using project management techniques.

In the course of this effort, one of the leaders was appointed to be Chief Marketing Officer. There had been no CMO at the company before this time, and the change raised the visibility of marketing in the company. In early 2006, the CMO left the company and marketing efforts have refocused on Japanese companies and select US opportunities. Throughout this time, though, project management helped guide executive decision-making about marketing efforts. This case study will focus on this period between 2004 and 2006.

## **The Marketing Plan Project**

The first marketing project launched was the Marketing Plan. The purpose of this project was to develop goals and plans for the marketing organization. MSIG USA marketing staff worked in several regional offices across the US, and each office had different ideas about the top marketing priorities. This project's goal was to set a common list of goals and projects, and to prioritize that list. The recommendations of the team would then be presented to senior management for their approval.

This project was launched with the help of a consulting group, Kerr Systems International (KSI), that helped develop the project management processes at MSIG USA. KSI helped establish the Strategic Planning Office that would oversee the Marketing Plan project (Brown, 2005; Brown 2006). The project was launched with the Japanese

Chairman as sponsor and the future Chief Marketing Officer as project manager. KSI provided technical advice to the project manager. From the start, the team was committed to using project management techniques. The Chairman, project manager, and KSI all supported the new project management approach to planning and implementation of business initiatives.

## **Planning the Project**

Although there was strong support for project management in the team leadership, the team lacked experience managing a marketing effort as a project. Debates erupted around the right way to create task lists. The basic concept of assigning work to key team members was universal and understood by everyone. How to organize the work was a topic of debate.

Some people experienced with Information Technology (IT) projects felt that the project should be run like a software development project. The project deliverable would be the final recommendation, just as a software project delivers finished software. They recommended using project phases in the Work Breakdown Structure (WBS) such as requirements gathering, development, review, and approval. These were like the requirements, coding, testing, and deployment phases of software projects.

Ultimately the project team used a different approach. The project manager created a table of contents for the recommendation and organized the work breakdown structure around the table of contents. Each section was a major deliverable. These deliverables included a current-day assessment, future vision, list of recommendations, and detailed proposals for each recommendation. Each deliverable had key activities and assigned staff, and they were developed sequentially with critical target dates for each item. Each deliverable was named after a common business planning or marketing technique, so the team understood what they needed to deliver.

## **Advantages of Deliverable-Based Project Plan**

The advantages of a deliverable-based project plan became obvious very quickly. The team was developing a marketing plan, with long-term implications for the company. It was critical to quickly complete each item and get it to executives for review and approval. If too much time was spent on a single area, the whole project could have failed. As time passed, recommendations became obsolete. Having clear target dates for each deliverable kept the team motivated and focused. As each part of the recommendation was reviewed and approved, the team used the comments and corrections delivered in the approval meetings to help guide the later parts of the recommendation and to settle disagreements over how to proceed. A phase-based plan would not have delivered the final recommendations until the very end, and the team could have gotten lost in debate more easily.

Phase-based terms like “requirements gathering” had little meaning to the marketing professionals assigned to the project. Many were confused at the initial team meetings and were unsure of how they could help. With the deliverable-based plan, though, they understood their assignments better. In their day-to-day work they had prepared current-day assessments, overviews of expected future business, and senior-management proposals. They could understand the terms used in their tasks and in the project plan, and they worked to deliver the items assigned to them.

Organizing the work by deliverable also helped to control the scope of the work. The marketing teams were excited by the corporate focus on new business. As they uncovered ideas and researched possible opportunities, many people wanted to start developing the ideas immediately. It was difficult to discuss ideas like competitive analysis and new product development without taking the next step and starting work on them. The project manager used the project plan and list of deliverables to control that energy. He made clear that the team needed to develop the proposals first. He pointed to the final phase where the prioritized list of proposals would be approved. As a small company, it would not be possible to start all these marketing projects at once; the approval and prioritization work was critical to success. Having an plan helped the team focus on coming up with recommendations instead of jumping directly into the execution of these ideas.

## **Outcome of the Project**

The team identified and prioritized 15 different initiatives. It took several meetings to get consensus among the team about which items were most important. In the end the team delivered an overall recommendation, despite a few

areas of minor disagreement. The initiatives included a marketing campaign, customer satisfaction survey, and a customer relationship management (CRM) system. Some would be very inexpensive to implement, while others required significant investment in software, money, and time.

The project leadership presented the recommendation to the senior management team, including the chairman, CEO, and President of MSIG USA. All 15 initiatives were accepted as presented. The only changes were to raise the priority level of a few of the items and lower the priority level of others. Overall, the executive team was very enthusiastic about the proposals, and the project manager had to caution them not to make all the items “top priority items.” Only limited resources were available to work on each item, and setting a clear set of priorities was important to focus the company on a few items that it could accomplish.

## **Results of the Marketing Plan**

The company quickly launched several high-priority projects, including a marketing campaign and a competitive analysis. In 2006, however, the company decided to focus on a narrower set of target markets, and delayed starting many of the ideas in the Marketing Plan. While some might consider this situation a signal that the Marketing Plan was unsuccessful, it is important to understand that business changes drove these management decisions. The Marketing Plan helped senior management to provide clear instructions to staff about how to react to these business changes.

Many useful lessons and results came out of the projects. Senior management was able to deliberately plan and prioritize its marketing investments as its business strategies changed, in part because the Marketing Plan had clearly defined so many of their options. Project management controls also helped avoid starting up projects that did not serve current business needs or that lacked the support needed for successful completion.

### **Marketing Campaigns: A Good First Marketing Project**

One of the first marketing projects launched was a marketing campaign. Senior management approved revenue and new-business goals, including incentives for marketing, operations, underwriting, and loss control teams. Because these teams included both Japanese and US staff, there was some debate about how to reward the teams. US sales incentives are typically “winner takes all” incentives focused on individual performance. The movie and play *Glengarry Glen Ross* gives an example: “We’re adding a little something to this month’s sales contest. As you all know, first prize is a Cadillac Eldorado. Anybody want to see second prize? Second prize is a set of steak knives. Third prize is you’re fired.” (Mamet 1992) These incentives emphasize individual accomplishment, with the winner receiving a very valuable prize and the runners up receiving little or nothing. These incentives typically encourage strong competition between salespeople. Japanese staff were very uncomfortable with any type of individual incentives, and competition between MSIG USA staff was discouraged. The project team agreed on team-based incentives that encouraged teamwork while still providing incentive to achieve and surpass certain key goals. The initial campaign might very well have failed if a formal project team had not been formed and given the responsibility to resolve this critical issue.

Once it was launched, the campaign followed a project schedule very naturally. The scope of the project was the length of the campaign. The end date was fixed by the end of the campaign. The schedule was marked by the monthly progress reports. The project ended with the final report, awards celebration, and post-project review. The team felt that having a pre-planned schedule for the campaign helped to set discipline for the campaign. In the past, sales campaigns had been less well organized. Progress reports appeared too late to give the team incentive to work harder in the past. Having a schedule for the whole campaign from the start helped to drive each marketing team to better results, and encouraged the people running the campaign to produce progress reports regularly. A second marketing campaign was launched as part of the project, to attempt to improve on the results of the first campaign and to learn from the lessons of the first campaign. The second campaign focused even more heavily on communication issues, printing posters and e-mail reports of the results, and generated more excitement within the company. As a project, these communication tasks became explicit tasks in the plan; in the past, without project structure, these communication tasks were rarely done.

## Competitive Analysis

Another key marketing effort was a study of the MSIG USA competition. This report gathered information about other Japanese insurance companies in the US market, and compared them to MSIG USA. Information about these competitors was scattered throughout the company and in publicly available data stores. The project's goal was to create one document with all this information, so that everyone could benefit from this market intelligence.

The team initially struggled with how to organize the project. The team was large and spread across the US. The project manager adopted the same strategy as for the Marketing Plan project, defining a table of contents for the completed analysis and assigning people to complete each section by a certain date. Because this created a WBS with marketing-oriented terms and clear dates for delivery of each section, it worked well. Each team worked on their assignment, and the project manager worked with a core team to integrate all the information they gathered into a single document. Organizing this effort was much easier, because the team could apply the lessons learned from the Marketing Plan effort.

One of the key benefits of project management for this effort was that the final deliverable of the project was defined at the very start. Senior management agreed that they wanted to review and approve the final document, and that it should then be placed on the company intranet. Anyone from within marketing, underwriting, and other departments that need this competitive information would be allowed free access to it.

Towards the end of the project, there were delays getting final agreement on the content of the document and getting the final executive approval. Everyone felt urgency, because the project schedule showed that the final goal, the publication of the final document, was falling behind schedule. This fact was tracked and reported, and eventually the team did resolve the open questions, get executive approval, and publish the results. It is easy for a company to begin a competitive analysis, but it can be very difficult to complete it. There is no end to the amount of information that staff can collect, compare, and analyze. Disagreements and questions about the company's own capabilities and the capabilities of competitors are natural and frequent. For MSIG USA, running this effort as a project helped to keep the team focused on publishing the document. The team used the time available, created a useful document, and got it published.

## Decision to Delay Some Marketing Projects

Not all the marketing projects ended with approval for the next steps. Some people may say that these projects “failed,” but I believe it is more accurate to say that they “ended with a decision to not proceed.” “Failure” implies that the results of the project was not useful. The decision not to proceed is a valuable business decision that helped focus the company on more important work. By following project management techniques and by using a disciplined approach to marketing investments, the project team came up with good proposals and brought them for executive review before unnecessary money was spent.

One of the most dramatic examples was a project in corporate branding. Senior executives approved forming a project team to work for several months, to create a request for proposal, to interview several marketing firms, and to recommend a marketing firm. This firm would create a brand strategy for the US company. MSI of Japan has experience with branding and advertising, but MSIG USA had little experience in this field, so senior management did not know what to expect in terms of costs and time for this type of work.

The result of the project was the recommendation of a a marketing firm, and a proposal for the time and cost of the next steps. While the project was selecting its firm, MSI of Japan marketing began work on a worldwide branding initiative under the “MSIG” name. The team brought its recommendation to the senior executives, but because of the cost, because of changes in the US strategy, and because of the Japanese worldwide marketing initiative, the recommendation was not approved.

The team was disappointed, but for the company the outcome of the project was positive. The executive team learned how much a branding effort for the US entity might cost, and the executive team was able to halt the spending on this effort quickly. If the branding effort had been done under the sole control of a marketing executive, he or she might have continued to spend money up to their department's authorized budget before seeking further approval. Instead, the project plan dictated that senior management must approve any work beyond a certain point.

Other projects ideas were never even started, because of changes in the industry and the company's marketing strategy. Senior management kept control over what was and was not started, in part through the company's developing capabilities in project portfolio management. Because the company has an official list of all project ideas, these documented ideas will not be lost. Any future MSIG USA employee can see these proposals and build on them for future marketing proposals.

## **Other Lessons Learned**

Certain lessons were found consistently through all the marketing projects described above:

- Organize the work by marketing deliverable
- Do not borrow phase-based titles from software projects
- Use marketing language in the activity list, so the team understands their assignments

Some less-obvious lessons were also learned:

- Teams must learn to accept failure
- The increased documentation demanded by the project process had long-term usefulness
- Plans have to change frequently

## **Accepting Project Failure**

Many of the marketing projects investigated a market opportunity. Sometimes the desired result of the project was not achieved. Although the project failed to achieve the desired results, the team often abandoned its original goals for good business reasons. Changes in the insurance marketplace or changes in the corporate strategy would often make the initial project goals obsolete in the middle of the project. Many marketing projects are experimental by their nature, and it is important to gain value from them, even if they do not achieve their goals. MSIG USA was able to identify key information about the competition, about the company's own capabilities, and about the marketplace from such “failed” projects. Documenting lessons learned at the end of all projects, including those that ended before achieving their objectives, helped make sure that this information was not lost.

## **Increased Documentation Can Be Useful**

Many marketing professionals avoid documenting policies and procedures, seeing their work as primarily creative. At MSIG USA, the teams initially resisted the written project plans. By the end of the projects, however, teams often said that the project documentation helped them keep them focused. The key to success was to define the objectives and deliverables without constraining the creative aspects of the marketing process. For instance, a project might have the objective of delivering a series of ads or mailings. At the start of the project, the team will not know the message they will deliver. The content of the message cannot be specified in the project objectives. Leaving the message to the creative talents of the team focused their work but left them room to be creative. Tasks like “define the message” and “write ad copy” could appear in the task list, providing focused dates and structure to the work. The work was well-known even when the content and the results were unclear.

Many of these projects resulted in policies and procedure documents for the marketing department and other staff. By planning a marketing campaign in detail, the team created a repeatable process for running future campaigns. The company will not use project management methods for all campaigns, because the team developed policies and procedures to guide future campaigns. Future campaigns can be organized and run with fewer formal processes by the marketing department. These types of documents provide lasting value to the marketing staff.

## Plans Change Frequently

Marketing projects must be creative and unpredictable at times to be successful. The form, direction, and results of a marketing effort are sometimes hard to predict, and a good marketing professional will often try high-potential, high-risk ideas. Project management processes must be adapted to allow for such risk taking.

At MSIG USA, the team created task lists and schedules, but they knew that there was a strong possibility that they would change by the end of the project. For some projects, key milestones were set rigidly, to force the creative team to work to a schedule. For other projects, dates were allowed to shift depending on the results of each step in the project. The project managers found that they would often plan work at a high level, using larger tasks than they might use for a well-specified project. Using larger tasks helped to avoid unnecessary change requests and gave the marketing staff the creative freedom they needed.

The team often requested changes to the work plan and schedules, and many of these requests were approved. For a creative project like a marketing effort, it is important to allow time for risk management activities and to expect many change requests. Change must not be considered a problem, but rather a normal part of running such a project.

Executives and project sponsors commented that they found the plans and schedules helpful, despite the fact that they were changed as the project progressed. They understood the goals and objectives of the team better at the start of the project, because they had a plan that showed all the work required. They also appreciated getting notification that the plans have changed mid-way through the project, through the project change control processes. The change requests often lead to helpful discussions between the team and sponsors about the true goals of the project and how to handle changes that the team could never have predicted or controlled at the start.

## Conclusion

Project management offers many potential benefits to marketers. Marketing and project management both focus on temporary endeavors to create unique, valuable deliverables for a customer. Unfortunately few marketing organizations have recognized the value of project management.

In upcoming years I hope that more marketing organizations will see the value and natural fit of project management for their work. A sales or marketing campaign easily fits the definition of a project, and can benefit from project management discipline. I also hope that more project managers will be willing to abandon traditional engineering and construction-oriented terms in their Work Breakdown Structures and other project planning tools, instead using marketing and sales terms when planning marketing and sales projects. At MSIG USA, our marketing leaders embraced project management and found that its planning discipline improved the results of their work.

## References

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