

COMMERCIAL ENGINEERING or else, “as they used to say”, MARKETING MANAGEMENT

We submit the last of articles from free series about marketing of the future which you had an opportunity to read last year on pages of “Pharm Business Magazine”. The article content is devoted to what a marketingly competent and developed enterprise should deal with – i.e. the **management of marketing processes and their efficiency**. As much as the word “*process*” sounds “empty”, pedantly, or even, vulgarly, it is the expression of a developing stage of an enterprise, of what relation the managers have thereto and how they are able to comprehend and utilize such processes.

Long are passed times when the marketing management was easily handled as a result of an intuition and charismatic eloquence of marketing directors. Also long gone is the time when processing management represented a synonym of conservation, stillness or impossibility to enforce a dynamic and flexible solution. The opposite is true today in advanced enterprises.

Commercial processes structure:

Despite the fact that in marketing departments of strong and successful enterprises we can speak about tens of processes taking place at the same time, some of them are much more important than others. Such important processes are those applicable to the following activities:

1. Strategy creation
2. Brand management
3. Communication processes management (C-mix, incl.)
4. CRM and CVM
5. Marketing reporting/planning

Relations among the foregoing key processing areas, logical succession and a link to how things should be generated and managed in marketing is well expressed on a processing *map of commercial management (commercial or marketing engineering, if you like)*. It is good for anyone to understand the marketing hierarchy. It is also good for managers not to be working inconsistently. Such a map is a benefit due to the fact that it is a map and not SOP, or just a manual or handbook. It is great for the marketing processes not only to be in order but also carried out diligently.

Processing map definition:

The processing map of Commercial Engineering (CE) is a picture and description of a standardized and comprehensive system of marketing and commercial (business) activities of an enterprise expressing continuities in dynamic commercial processes connected to and independent on each other.

The following example of the CE processing map is a map of a marketingly competent enterprise at the global level. It gives a picture of 50 “hard” commercial processes in 5 key areas.

Tab. 1. "CE 50" Processing Map - Summary, HMCgroup, 2007

STRATEGY	BRAND MANAGEMENT	COMMUNICATION PROCESSES	CRM & SALES	MARKETING PLANNING
MARKET RESEARCH	BRAND BRIEF	PUBLIC RELATIONS	SYSTEM PARAMETRIZATION	MARKETING PLAN OF BUSINESS UNITS
SITUATIONAL ANALYSIS	BRAND EQUITY ASSESSMENT	MEDIA RELATIONS & ADVERTISEMENT	DATA COLLECTION MNGMT.	CORPORATE BUSINESS PLAN
TREND ANALYSIS	CREATING BRAND IDENTITY	PUBLIC AFFAIRS & EVENT MNGMT	CRM DATA INTERPRETATION	MNGMT. OF CUSTOMERS IMPULSES
KEY „COMPLEX“ SEGMENTATIONS	PLANNING BRAND ARCHITECTURE	DIRECT SALES COMMUNIC. PLANNING	DEVELOPING TARGETING MODEL	MANAGINS MIS (MARKETING INFO SYS)
CSF – KFS ANALYSIS	CREATING BRAND POSITIONING	SYSTEM AND CONTENT OF B2B COMMUN.	CREATING CRM REPORTS	BUDGETING PROCESS
BENCHMARKING	BAM (BRAND ASSET MNGMT) SYSTÉM	CREATING OFFICAL DOCUMENTS&OFFERS	MANAGING PROFITABILITY ON CRM	MANAGING BUDGETS ON Q-BASIS
COMPETITIVE ASSESSMENT	MEASURING BRAND PERFORMANCE	MANAGEMENT OF PORTALS CONTENT	CRM & SELLING SKILLS TRAINING	MKT.CONTROLLING PROCESSES
STRATEGIC SCENARIOS	LIFE CYCLE / BRAND EXTENSION PLANNING	PROMO MATERIALS	CRM MARKETING CAMPAIGNS	ROI OF MARKETING PROGRAMS
STRATEGY FORMULATION	INTERNAL COMMUNIC. OF BRAND	STYLISTICS & EDITORIAL PROCESS	MANAGING EXTRANET CHANNELS	COMMERCIAL REPORTING INTL.
STRATEGIC DOCUMENT-PLAN	CRAFTING BRAND BASED MODEL	INTERNAL COMMUNICATION	CUSTOMER&PARTNERS CALL CENTER	DEVELOPING MKTG. COMPETENCE (HR)

A seemingly primitive visualization (it is only a part of the map) shall get appreciated namely by those who have knowledge of the fact that various participants in certain commercial processes have no idea whatsoever about what the processes are all about in another part of the same enterprise, have no knowledge of even a basic terminology and are unable to generate even a nucleus of the truly team efficiency and synergy. A typical example is a passive relation of product managers to CRM, marketing nihilism and ignorance of marketing systems on the part of sales managers, or even a quite bizarre incompetence of the globally recognized communication agencies in the area of brand management.

The personal conflicts and managerial lobbies are then a visible expression of such a processing impotence of marketing as a managing system; less visible but, therefore, worse is then a lack of efficiency (**inefficiency**) on the part of so incongruous, and quite often, overworked or burned-out people. Overall, if you do not know what to expect from the other party and what a result should be, you expect for sure something else than what you receive, and so you get dissatisfied.

The crown at such a situation is then put on by efforts of personnel managers and other people in charge by attempting to solve the situation through a team building, coaching, leadership and

attempts to “get people together”. All this without any results, guaranteed. Primarily, the processes must “be put together” at first.

The second type of the processing map table deals with one of the processing areas and describes fundamental outputs of different required processes and their carriers. This determines what is expected to be created. Until this is done, the processes and work of people in another area have no logic but only a chronic content.

Tab. 2. – Processes applicable to the Area of Strategy, “CE 50”, HMCgroup, 2007

	STRATEGY	OUTPUT DESCRIPTION	TYPICAL FREQUENCY	GUARANTOR	LOCATION
1	MARKETING RESEARCH	STANDARDIZED RESEARCH REPORT ON A SOLVED ISSUE	AD HOC OR PANEL	SENIOR RESIDENT CONSULTANT	IN-HOUSE/OUTSOURCE
2	SITUATION ANALYSIS	DESCRIPTION OF THE MARKET AND ITS FUNDAMENTAL INITIAL RELATIONS	1X A YEAR	JUNIOR MARKETER	IN-HOUSE
3	TREND ANALYSIS	DESCRIPTION AND QUANTIFICATION OF TRENDS HAVING INFLUENCE ON MARKET BEHAVIOR	2X A YEAR	JUNIOR CONSULTANT	IN-HOUSE/OUTSOURCE
4	HYBRID OR COMPREHENSIVE SEGMENTATION	DETERMINATION OF KEY SEGMENTS OF THE MARKET FOR MARKET ENGAGEMENT OF AN ENTERPRISE	1X A YEAR	SENIOR CONSULTANT	IN-HOUSE/OUTSOURCE
5	Q-KFS ANALYSIS	DETERMINATION OF FACTORS OF THE FUTURE GROWTH IN SEGMENTS AND COMPETENCES APPLICABLE TO SUCH A GROWTH	1X A YEAR	SENIOR CONSULTANT	IN-HOUSE/OUTSOURCE
6	BENCHMARKING	SUCCESSFUL SEARCH FOR MODELS APPLICABLE TO PROCESSING EXCELLENCE	ON ONGOING BASIS	JUNIOR MARKETER	IN-HOUSE
7	MONITORING THE COMPETITION	MONITORING COMPETITOR ACTIVITY AND SYSTEM OF COMPETITION ASSESSMENT	ON ONGOING BASIS	JUNIOR MARKETER	IN-HOUSE
8	STRATEGIC SCENARIOS	BASIC ALTERNATIVES OF ENGAGEMENT IN KEY SEGMENTS	1X A YEAR	SENIOR CONSULTANT	IN-HOUSE/OUTSOURCE
9	DETERMINATION OF FINAL STRATEGY	DETERMINATION OF BASIC STRATEGIC GOAL IN SEGMENTS AND ITS QUANTIFICATION	1X A YEAR	SENIOR CONSULTANT	IN-HOUSE/OUTSOURCE
10	STRATEGIC DOCUMENT-PLAN	STRATEGY STANDARDIZED DOCUMENT	1X A YEAR	JUNIOR CONSULTANT	IN-HOUSE/OUTSOURCE

Work with CE Processing Map in managerial practice (basic examples of utilization):

1. **Mirror Method** – a comparison of processes structures in the CE map and the reality in an enterprise, evaluation of the situation (creation of an index of the existence and quality of CE processes applicable to different areas/total index).

2. **Signal Method** – an indication of processes by means of indicators, i.e. green – yellow – red, prior to/at the time of the commercial (business) strategy realization, with determination of critical spots or areas with the necessity of a jump increase in the processing competence.
3. **Enterprise Structure Planning** – an allocation of applicable processes into a new structure of the commercial (business) or marketing departments – “to whom and why”.
4. **Outsourcing/Out-partnering Planning** – a definition of strategic (in-house) processes, definition of processes with an option/the necessity of externalization.
5. **Competence Management** – a strategic emphasis at a commercial development of managers is given on competences relating to strategic processes (priorities of development and education are determined upon a situation indicated on the processing map).
6. **Intercompany Identity, Managerial Education** – by means of the processing map, it is possible to clearly and efficiently comprehend a benefit generated by different departments and managerial activities in order to bring in an added value (this applies, including, without limitation to, knowledge of commercial processes - strategy, communication, branding).
7. **Effective Investments into Development of Enterprise Competences and Processes** – a justifiable, structured activity with a clear objective by means of monitoring the processes situation on the CE map over time.
8. **Controlling and Benchmarking** – the CE map permits to maintain and manage (control) the commercial (business) enterprise processes on the basis of standard defined outputs, their structure and quality, including a comparison of the enterprise with the existing level of commercial processes in general.

Believe it or not, there are places on Earth where the foregoing works great. The fact that it is quite work-demanding, is more than clear. The implementation of the quality processing management and marketing and accomplishment of high efficiency in marketing activities (above-average market share, value of a brand, loyal and stable clientele, decrease of a risk of the commercial model, and so forth) is a work for 3 to 5, and even more, years. For a number of the Czech pharma-managers such an “eternity” is beyond any imagination. In addition, it seems to be unnecessarily complicated from the “processing” point of view.

Believe it or not, the management of basic 50 commercial processes and their relations is roughly 1 000 times easier than an arrangement of several synapses in a honeybee brain. If the honeybee brain would not so be arranged, the honeybee would not fly even one meter in distance. Its advantage is the fact that its “processing” development takes place over millions of years, while the lifecycle of the synapse of your marketing gets counted most likely only as far as the first merger.

Despite all the foregoing, after 20 years our enterprises’ appearance processing-wise shall be completely different than now. And in addition to technologies, people also shall be of a help to make such a difference. So try then also for yourself to set and manage; certainly, you will do better in many respects than your predecessors. Good luck to you...

HMCgroup Marketing Team