Introduction

Let’s face it. Many marketing plans fail to get implemented. They either fail to get implemented fully, thoroughly or in a timely manner. The great expectations set out in the marketing plan too often get relegated to small successes by the end of the year.

According to Morgan et al, “The global business landscape is littered with expensive, well-intended strategies that failed in the implementation phase. … Studies have found that less than 10 percent of effectively formulated strategies carry through to successful implementation.”¹

Of course this is bad for the people who invested so much time in writing the plan, bad for the customers who need the marketing improvements recommended in the plan, bad for the employees of the company who need a successful employer and bad for shareholders who have missed out on the profit improvement programs defined in the plan.

There is plenty of evidence to show how useful marketing plans are to organizations² so it is of some concern that they fail so often.

Indeed, it is our experience that the problem is not confined by industry, country nor size of company.

Implementation issues and examples

Note: All the examples described are based on real events.

An international engineering business

A multi-million pound manufacturer had just finished their strategic marketing plan. They were a strategic business unit within a larger manufacturing group.

This plan was desperately needed as their quality was not as good as the dominant German competitor and their prices were not as good as the new Chinese competitor. They had a long history of global exports but the last 20 years had seen a steady erosion of their market share. Now they were stuck in the middle with no real competitive advantage and significant spare manufacturing capacity.

The strategy seemed fine: focus on their key markets, rationalize the product lines, get to understand their key customers and use their deep skills to develop new innovative products and services that address their customers unmet needs. The plan would take three years to implement and was forecast to halt the decline in market share in year one, add a couple of percentage points in year two and add another 5% in year 3.

This was written into the marketing plan which was duly approved. One year later, the business was put up for sale by the parent company and most of the team was made redundant!

What went wrong? The plan was clear and the strategy was fine.
Firstly, the CEO and CFO of the parent company, although approving the plan in principle, were not good with marketing strategy. There was plenty of discussion about the cost savings from the product rationalization program and how this could lead to the closure of some manufacturing sites. But there was no discussion about the marketing strategy needed to hit the sales increases written into the plan. These were accepted by the Board as simple stretch targets.

Moreover, although not communicated to the business unit, the CEO and CFO thought the business needed to be sold as it was perceived to be in terminal decline. The cost savings would improve short-term profits and help to dress up the business for sale. The proceeds from the sale would be used to invest in more strategic business units within the Group.

It so happened that over the first year of the plan, the British Pound appreciated sharply against the Euro, putting the UK products on a par with the German ones (which were, of course, of a superior quality). This hit the UK sales exports and the overall sales targets were missed four quarters in a row.

**Why do so many marketing plans fail to get implemented thoroughly?**

Many different reasons are given, these typically include statements like:

- “The company was not really committed to our marketing vision (or goal or objective).”
- “The company supported our vision but did not really support our marketing strategy for getting there.”
- “The company supported what we were trying to achieve and how we were trying to achieve it, but we did not have the resources to do it properly.”
- “As a company, we were all committed to the plan but the implementation of it was lousy.”
- “It was so much work and took so long that the company simply lost interest and other items became more important.”
- “Other things cropped up which required urgent attention and we simply never got back on track.”

Within these statements there is a mix of issues regarding understanding, support, timing, resources etc. This is a complex area where any one or more of the above could kill the plan.

Furthermore, not all of these problems are causes of failure. Some are outcomes, some are symptoms and some are problems. Even those that are causes of the problem are not the root cause.

To understand this, let’s go back to the above case example. Clearly, there was a failure to get commitment for the marketing plan from the CEO and CFO. But this lack of commitment is an outcome. It is a result of something else going on in their minds. Why did they not support it? They did not support it because they did not buy into the marketing vision and strategy. They did not even discuss them! The poor buy-in to the strategy is still not the cause of failure. It is a symptom of a deeper issue.
One of the deeper issues was that there was clearly a problem with misalignment of goals. The plan had a three-year time horizon while the CEO and CFO were working on a one-year horizon. The plan also had market share growth as its primary goal while the CEO and CFO were focused on profit. This is why the plan was not discussed. It was not important to the overall goal of dressing up the business for sale.

Another problem was the quality of the marketing plan itself. The rise in sterling was forecast by many economic experts but it had not been factored into the plan. Why? Well, there was clearly a poor assessment of external risks. This poor risk management was a cause of a key weakness in the marketing plan (over ambitious sales targets). But it was not the root cause.
Commonly reported reasons why implementation fails
The following are a list of commonly reported reasons for marketing plan implementation failure.

Failure to get and maintain the necessary commitment to the plan
There is no doubt that commitment is a key issue in implementation. Most presentations that we have witnessed regarding strategic implementation programs have concluded that “Executive Commitment” is a key success (or failure) factor. In essence, excellent commitment reduces the risk of failure and poor commitment increases the risk of failure.

Failure to control the plan
However, although it is commonly cited by practitioners, “commitment” is not the only risk. Even with strong commitment, plans can fail. This may be because key implementation programs were badly managed. Or, it may be that a senior executive loved one of the ideas in the plan so much, they went away and implemented their own version of it! Either way, this is a failure to control the approved plan.

Failure to mitigate the other risks to the plan
There are also a wide range of events, outside the implementation team’s control, that could derail implementation. For example, unexpected external events (like exchange rate movements, competitor moves, customers changing their buying behavior, new disruptive technologies) and unexpected internal events (like missed new product development deadlines or the loss of key staff) can make the original plan more difficult or impossible to implement.

However, here we need to distinguish between unexpected events and unforeseeable events. All the above examples of unexpected external events are actually foreseeable with good marketing intelligence, contingency planning and risk analysis. In other words, the failure of the plan here is a result of not understanding the key risks and not having prevention and risk mitigation mechanisms in place.

This is not just restricted to one-off events that should be foreseeable. In ‘When Growth Stalls’, Matthew Olson, Derek van Bever and Seth Berry discuss how market-leading companies like Levi Strauss, 3M, Apple, Banc One, Caterpillar, Daimler-Benz, Toys “R” Us and Volvo all suffered growth stalls because they failed to appreciate the changes happening in both their external and internal environments. Indeed, they concluded that only 13% of root causes of growth stalls were “outside management’s control.”

Failure to adapt the plan to shock events
Helmuth von Moltke the Elder, Chief of the Prussian Army from 1857 to 1887 famously said, “No plan survives first contact with the enemy.” The reason is that even with the best intelligence and risk assessment, some events are almost impossible to foresee and are genuine shocks to everyone.

All organizations face these shock events which may be external or internal by nature. Two of the authors of this book attended a large international conference in April 2008 on the global economic outlook. The conference concluded with the view that there would be an economic slowdown in the West but not a recession. Five months later, Lehman Brothers were bust and the worst economic
crisis since the Great Depression in the 1930’s enveloped the world. Bank crises, natural disasters, political upheaval, terrorist attacks are examples of external shock events that are hard to predict.

There are also internal shock events that can wreck a marketing plan. BP’s blow-out in the Gulf of Mexico in 2010 severely tarred its brand image and has put at risk its US government contracts. Also in 2010, the brake problems suffered by Toyota vehicles severely dented their reputation for building high quality vehicles. In 2006, Cadbury had to recall seven leading brands of chocolate due to salmonella contamination. All these risks would probably have been dismissed as impossible even if they were thought of in a formal risk assessment exercise – yet they happened.

It is futile to continue implementing a strategy that has been overtaken by events. Yet organizations are often slow in sensing shocks, communicating them, agreeing a new course of action and implementing that new course. Large organizations, in particular, are prone to the difficulty in “turning round the oil tanker.” Their large global size means that many customer relationships are distant and so they can be slow to sense a major event unfolding; their size also means that the event is handled by the local business unit and HQ (including the Chief Marketing Officer) does not get to hear about it until it is too late; they find it difficult to pull together all the global staff quickly to discuss fully what should be done about the event; and once the new strategy is agreed, it is difficult to get the necessary support quickly from all the required global resources to implement it.

Even though there needs to some rapid re-planning and fresh executive commitment sought for the new plan, many companies cannot adapt their plans quick enough.

Digging a bit deeper
We could summarize the issues as follows:

1. Poor executive and management support to the plan

2. Poor execution of the plan

3. Poor business response to change

1. Poor executive and management support

A marketing plan can fail because there is insufficient support for the planned journey. This can mean disagreement about where we are now, where we need to get to, how we are going to get there, when we need to get started, how long the journey will take, how much it will cost and what we will find when we get there!

In other words, it can fail even before it gets started because not all your fellow travelers are bought into your business situation assessment, your marketing vision, goal or idea, your marketing strategy, when to launch the marketing projects and how long they need to last, their (or their team’s) ability to complete the planned transformation and/or your ROI calculations.

Let’s consider these one by one.

Insufficient support to the marketing vision/goal/idea: Your marketing plan may contain a very clear summary of the vision for your company. It may say you need to stop competing on price
across all your markets and focus more on value in a few chosen segments. That may be entirely correct from a marketing view but is seen as entirely wrong from an operations point of view. The COO does not want to cut back his/her empire anywhere. Moreover, the CEO says he supports the idea but also mentioned that it will not curtail his desire to grow the company to be the largest in its industry and will certainly not slow down their rate of acquisitions – whichever segments you tell him are the best!

Or maybe you have developed an idea to improve the profits of an existing service by selling directly to consumers. The Board is right behind you on this as the third party agents whom the company has traditionally used are widely regarded as getting too much of the sale for doing too little. However, the agents have a lot of power with consumers and were not too impressed when they heard about your ‘scheme’ to cut them out. They subsequently sent their customers to your competitors.

We may think we have a good logical marketing vision which surely is a “no brainer.” However, whatever people say in the Board room, the reality is that the level of real committed support to the vision/goal/idea is too often nowhere near enough.

**Insufficient support for the marketing strategy:** Let’s say you have worked hard to share your Big Marketing Idea with the executive team and they are totally bought-in to your vision for the company. However, your strategy of partnering with other industry leaders is causing a lot of concern to the COO. “Heck, some of these leaders are also competitors to us! Great vision, shame about the strategy” is the way he sees it. However, despite his reservations, the plan was approved by the Board as a whole. We now have an approved plan but with a powerful blocker to its implementation.

**Insufficient support for the implementation costs:** “The CEO loves your vision and strategy,” says the CFO, “and with her support the Board approved your plan. But I think you have seriously underestimated the budget to implement it properly. It will take longer and harder than you anticipate. I have never been a great believer in fancy marketing anyway so when you screw up on this, I will be able to downsize your team and save this company some wasted expenses.” Sometimes, asking for too few resources can be as damaging as asking for too much.

**Insufficient support for my/our ability to change:** The B2B marketing strategy is clear. It requires us to migrate from selling our traditional high volume, low value products via distributors, to co-developing a new range of systems solutions with our key customers. These will be high value, low volume items sold directly to senior executives. The strategy is logical and needed. However, the whole company is geared around bashing out simple parts and letting distributors do the selling. Although not openly stated, many of the Board and middle managers are unsure whether they and their departments will be able to make the transition to the brave new world.

**Insufficient support for the required speed of change:** The marketing plan calls for a new CRM system to be implemented within the next 12 months. This will be very helpful to the company in dealing with customer issues effectively. The problem is that the IT department is already running at full capacity implementing other improvements called for by operations, finance and new legislation. Even though the plan has been approved and the money is there, the CIO sees it as a lower priority.
than completing the existing projects. Whatever is in the plan, as far as IT is concerned, it will have to be pushed back to next year.

Last year, the plan called for prices to be raised 2% half-way through the year (to coincide with some important product modifications). The CFO thought this was too cautious and persuaded you to put prices up 2% in the first quarter and another 2% when the new products came out. Unfortunately, the first price rise came exactly at the same time as competitors ran some keen cut price promotions and killed the sales volumes in the first quarter. The sales never recovered enough through the rest of the year and you missed your sales numbers by a fraction.

If the planned implementation is seen to be either too fast or too slow, it will be seen to fail.

**Insufficient support for the change strategy:** The Board was fully behind the plan when it was presented. The company needed to focus on its key customers and develop closer relationships with each of them. “But why,” asks the COO, “were we going out to large global clients and raising expectations about how much better we are going to service them in the future? And why did I get an angry voicemail from the COO at Global Inc telling me they had been deselected as a key customer?” The marketing strategy was fine but the way the change was being implemented was lousy.

2. **Poor execution**

A marketing plan can fail because implementation is poor. Even if the plan is fine and fully supported by the Board, good implementation is still required to get the changes in place. Symptoms of poor implementation typically involve the following:

**Poor delivery of the plan:** Everything looked fine at the start of the year. The marketing plan had been approved, the budget was good and all the stakeholders were up for the change. However, when the taskforce was established, it was clear there were problems. The taskforce leader was more of a politician than a project manager. The stakeholders were kept sweet but major milestones in the project were missed early on. Moreover, there were too many creative people in the team and not enough doers. Eventually, after the CFO raised concerns over the achievements of this team, the team was disbanded and the implementation divided up between the business units. That was when the whole cross-company plan collapsed.

**Poor motivation to deliver the plan:** Everything was going well in the early stages of implementation. The whole business bought into the ‘One Company, One Team’ idea where customers would be served by a single global team pulled together from the relevant business units. Implementation was going well with a new global account infrastructure already in place including global account plans, teams and shared IT systems. The problem was that everyone was paid by their local business unit and appraised on their local performance. If a global marketing project or global key customer did not affect the local business, it was simply not a priority, even when the customer’s global HQ was round the corner!

3. **Poor business response to change:**
**Poor response to external change:** The implementation work was going well. The executive commitment was there and the implementation team was working well in getting the planned cross-country client servicing model in place. Then Lehman Brothers collapsed and the whole industry was turned upside down. Suddenly, developing long-term client relationships was off the agenda and the Board was consumed by the immediate issues of falling sales and the need to cut costs. Rather than using this opportunity to develop deeper relationships with clients who were also going through pain, accelerate implementation and out-smart the competition, the work stalled. Eventually, matters were made worse when a key client was lost because a key decision influencer was overlooked.

**Poor response to internal change:** A few months into a major marketing implementation project, a new CEO arrived. It soon became clear that he wanted a major reorganization and the business unit leading the implementation work was at risk of being sold off. Focus was diverted from satisfying the customer to personal survival. The taskforce leader left the company and the MD who had sponsored the work became embroiled in a possible management buy-out. The project soon stalled and the only a fraction of the planned changes were implemented.

Visible as all these may be, something caused them to happen. Executives do not come to work with a pathological dislike of new ideas, implementation teams are not formed with the purpose of failing and people prefer to be agile in the face of change.

So, what are the underlying problems?

**Problems**

These are the deeper problems that drive marketing plans to fail. They cause the lack of buy-in, poor implementation and poor responses described above. They are as follows:

**Poor recognition of the need for change:** The IT consulting division had just had its best year. There was a huge growth in the demand for IT outsourcing, the internet was shaking up traditional business models, new technology meant new data warehousing projects, disaster recovery was all the rage and Y2K had everyone concerned about system integrity. No wonder there was such a shortage of demand for IT consultants. So when the Marketing Manager tried to implement his new long-term strategy to target more stable segments, there was universal apathy. The whole business strategy was geared around “agility” i.e reacting to demand in the short-term better than any competitors. There was no need to be proactive in the long-term. This was only a year before the .com crash and the Marketing Manager’s strategy was correct. However, he failed to convince the other partners that there was any need to change their current strategy.

**Poor capability to change:** Fiona had been the Commercial Director of this energy company for 18 months. During this time she had become exasperated at the lack of dynamism within her team. She wanted to install a passion for serving customers well and a much greater sense of ownership of resolving customer problems. However, the company had only been privatized a few years ago and her customer service team still had the 9–5, do-the-hours-and-collect-my-paycheck mentality. All the executives agreed that the company needed to serve customers better in the newly freed-up energy market but this was going to be a major upheaval for her staff. Yet, a few months back, the
new pricing policy was implemented surprisingly easily. It seems they and their IT systems were well used to this sort of tinkering in the past.

**Benefit not aligned with key goals:** The implementation team had made good progress in developing the infrastructure required to look after their strategic accounts more effectively and the first round of account plans had been produced. These were consolidated into an overall sales forecast for all the strategic accounts and presented to the Board. The CEO and CFO were not happy. The sales growth was just too slow and the payoff too far out. Their share price was being hit hard by analysts' reports about their industry and they needed to get some good sales numbers reported this quarter. The whole strategic account management project was now being questioned about its suitability at this time. The benefits of the programme were just not aligned with the commercial goals of the business.

Elsewhere, the Chief Marketing Officer had convinced the Board to outsource their internal logistics function. This was responsible for a lot of customer complaints about poor delivery and a radical solution was needed. However, the COO was a personal friend of the Logistics Director and they were both keen not to lose a portion of their empire. An implementation team set about sampling the shipments over a month to form the basis of a request for tender document. However, The COO and CFO would not release staff to audit the shipments and were quick to point out the failings of the suppliers. Eventually, the exercise was scaled back to emergency shipments only and the internal function survived. The benefits of the exercise were not aligned with the personal goals of a key stakeholder.

**A poor marketing plan:** All the above analysis assumes one thing: we have an approved good marketing plan in the first place and the issue is now firmly in the implementation box of our marketing planning process. Unfortunately, there is much evidence to say that marketing plans are neither written well nor approved in the right way.

If we have a badly approved, poorly written plan, the chances of good implementation are low before we even get started!

**Unforeseeable shocks:** We mentioned earlier how shock events like the collapse of Lehman Brothers and the subsequent credit crisis were difficult to foresee. These events fall outside any risk assessment because they have no recent precedent (and therefore have not been considered), their severity is underestimated or their occurrence is seen as low.

The sudden eruption of the Icelandic Eyjafjallajokull volcano in April 2010 caused havoc with European flights. The airline industry did not seriously consider this risk to their commercial operations and were ill-prepared for the event. There was no recent precedent and it was assumed that if a European volcano erupted it would have only a localized impact (in that country) for a short period of time. However, according to Siim Kallas, the European Transport Commissioner, the ash cloud that disrupted Europe's air traffic cost the air industry around €200m each day it was shut down in April.4

When these occur, they have seismic consequences for the whole organization and can cause the failure of key aspects of the original marketing plan.
Causes
These are the components of implementation. If they are designed and built well, like a finely tuned supercar, the implementation vehicle will be in good shape to deliver the marketing plan swiftly and efficiently. If they are built badly, like an old Eastern European car, implementation will move slowly and faltering.

Poor Culture: A hostile culture is a powerful barrier to implementation. Culture can be defined simply as “the way things are done round here.” Examples of cultures where marketing plans will struggle to get implemented include: risk-averse culture, tribal culture, product-led culture, sales-led culture, accounting-led culture, highly devolved or centralized culture, short-termist culture, blame culture or a bureaucratic stifling culture.

Poor Organization: Most organizations are divided either by function, by geography or by product (or some combination). Very few are organized around the key customer-based segments they serve. Consequently, getting anything done across these artificial borders is fraught with difficulty and it is often nearly impossible to implement cross-company marketing plans in such an organizational structure.

Poor Reward framework: There is an old phrase that “people do as they are rewarded by.” Consequently, if the company is driven by short term bottom line results, there is not much room for long-term marketing strategies. If large bonuses are handed out to the sales team and small rewards left for the delivery team, it says much about the real importance of implementing customer satisfaction projects.

Poor Processes: If the process for bringing a new product to market is complicated, bureaucratic and slow, it really does not matter what is in the marketing plan. Unless the process is changed, customers will just have to wait longer. Marketing relies on processes working quickly and efficiently in order to listen and respond quickly to market changes.

Poor marketing Strategy: The marketing plan is only as good as the strategy that has gone into it. Unfortunately, there is plenty of evidence to suggest that marketing strategies are poorly based, thought-through and captured in plans. We only need to look at the recent banking crisis to see how a combination of a very effective selling machine with a very poor marketing strategy can ruin businesses fast.

Untrue assumptions: In their study of 500 corporations over 50 years, Matthew Olson, Derek van Bever and Seth Berry\(^3\) identified one primary cause of stall points in company growth: poor assumptions.

“One culprit in all our case studies was management’s failure to bring the underlying assumptions that drive company strategy into line with changes in the external environment—whether because of a lack of awareness that the gap existed or was widening, or because of faulty prioritization.”

They identified many reasons why assumptions pass from analysis to orthodoxy and then become ingrained in the way the company does its business. Once they are ingrained, they become accepted as true and are difficult to challenge. Although they should be challenged at least once a
year during the annual marketing planning process, the assumptions exercise becomes an afterthought in the plan and “is generally treated as a pro forma exercise rather than an occasion to go deep.”

**Poor Strategic Management:** By Strategic Management we mean the ability of executives to keep the wheels of strategy formulation and implementation turning. That means their ability to work to the defined procedures in “planning, budgeting, organizing, staffing, controlling and problem solving” matters of marketing strategy. These include five key management areas: marketing management, decision management, project and change management, relationship management and risk management.

**Poor Metrics:** These are the key performance indicators that tell us how well our strategy is being implemented. For example, if the strategy calls for more client intimacy (e.g. by getting to know more C-level executives in the client) but our metrics only measure sales, no one is going to know if the strategy is being implemented well. Any changes in sales can be caused by dozens of different factors including changes in exchange rates, the customer acquiring another business, changes in prices, new ordering patterns etc – all unrelated to client intimacy.

**Poor Information:** Poor information leads to poor decision-making. For example, if your sales are rising faster than your targets, you will probably think you are doing well (and may even get a nice bonus as well). However, if you do not know that the market is rising even faster and that therefore your market share is actually shrinking, how will you know where and know how much to invest? Sales figures are poor indicators of missed sales opportunities and tomorrow’s different opportunities.

**Poor Talent:** Having competent employees across the organization is key for good implementation. Each implementation program will have critical ‘implementation hot spots’ which will cause the whole implementation to succeed or fail based on the quality of the teams working on that key task or location. These may be taskforces involved in the change itself or delivery teams involved in pure implementation. If the human talent is poor at these points, there will be implementation failure.

**Summary**

Implementing a marketing plan means overcoming many issues both external and internal to the organization. This means that as much thought needs to be put into implementation as to writing the plan in the first place. To do this requires a new approach and new tools.

We must also answer the final question: “What are the root causes to implementation failure?”

To do this and to get key tools to navigate your marketing plan to success, see *Marketing Navigation: How to keep your marketing plan on course to implementation success* by Edmund Bradford. Steve Erickson and Malcolm McDonald (published by Goodman Publishing).
References:

4. Wearden, Graeme, *Ash cloud costing airlines £130m a day*, The Guardian, 16th April 2010