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Why marketing restructures are rarely marketing transformations

By Darren Woolley - 12 August 2020 11:40am











When marketers design the destination of their customer centric transformation, they need to know the starting point. Too often in the rush to design the future, few take note of where they are now. To transform means to make a marked change in form, nature or appearance. But how do marketers know where to make those changes if they do not intimately know their current state?

With so many organisations either looking or being forced to review their current marketing strategy due to the pandemic, it is likely we will see some significant restructures in the coming months. After all, as Alfred Chandler famously observed, "structure follows strategy". Therefore, it is logical that as organisations move from traditional product and service structures to a more customer-centric strategy, driven by technology, there will be a need to restructure marketing, if not the whole organisation,

But while, in some categories, another marketing restructure is a predictable as Christmas in December, the fact is most marketing restructures rarely drive marketing transformation. The fact is proven by their regularity. There are several reasons for this, but the main one is that most marketing restructures are not based on supporting a change in strategy. Unless, of course, that change in strategy is to do more marketing with fewer people. Let's take a look.

Do you want centralised or decentralised with that?

When your structural options for marketing are either centralise or decentralise your marketing function, this is not a marketing strategy. It is a political or financial strategy. Yet, time and again we see and hear of marketing functions being either centralised, decentralised or a variation of either of these options.

The fact is, centralised usually creates opportunities for economies of scale and the removal or duplicated functions from a decentralised marketing structure. But this is at the expense of the marketing team being directly accountable to the siloed business division at the expense of the overall customer experience From personal experience, this is why as a business banking customer, with a home loan, I am treated as two very different people by the same bank.

Would you like some marketing on the side?

Many marketing restructures are actually triggered by an overall organisational restructure, where marketing is simply a shared services component to the overall organisation. As opposed to seeing marketing as a strategic partner to the organisation. What's the difference? As shared services, you get the operational structure right and then decide if marketing is aligned to the silos or plonked in the middle. Therefore, centralised or decentralised?

A strategic partner role for marketing is more aligned to Peter Drucker, who said "Marketing and innovation produce results; all the rest are costs". This is how marketing is designed into the structure and framework of the business. It is part of the main course, instead of being served up as a garnish or

Moving deckchairs on the Titanic

Where a marketing restructure is not part of an overall organisational restructure, it is limited to the space it fills within the organisation. Too often, the stakeholders with whom marketing interfaces define the structure of the marketing team. This limits the opportunities for marketers to design the marketing



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structure the organisation needs.

Consider if the organisational structure remains product or services siloed. Yet marketing is required to transform the organisation to fulfill the customer centric strategy? Don't laugh or scoff - it happens more than you think. Instead of transformation, marketing becomes the dongle that tries to plug a 20th century organisation into the 21st century customer.

How can you find your way when you're lost?

Finally, when designing the destination of your customer-centric transformation, you need to know the starting point. Too often in the rush to design the future, few take note of where they are now. To transform means to make a marked change in form, nature or appearance. But how do you know where to make those changes if you do not intimately know your current state?

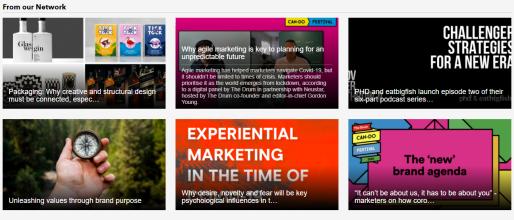
This state is not only the current structure, but also the human resources, their capabilities, the current process, and - most importantly - the organisational culture. These are all essential considerations in delivering a successful transformation. But often overlooked. Yet again, as Peter Drucker said, "Culture eats strategy for breakfast". If the purpose of your restructure is to support your shift in strategy, then it makes sense to make sure the transformation is supported by the organisational culture. And culture is your people and how they work.

With so much disruption bought on by the pandemic, many organisations are taking the opportunity to pivot to being customer centric. A new strategy needs the support of a new structure. But in doing so, make it count. Get the structure wrong and you lose the strategic advantage. But to get it right means aligning your organisation and especially your marketing function.

Darren Woolley is founder and global chief executive of TrinityP3.

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