

# Unleash the power of Agile within marketing

# THE DIGITAL SHIFT CALLS FOR AGILE

Digitalization and the emergence of new digital technologies are constantly transforming customer habits and preferences in terms of drivers for customer value. Due to customers' shifting behavior, companies are facing an increasing need to fundamentally change how they operate their business in order to secure customer value and to stay competitive.

In the marketing domain, executives are now faced with the question of how to transform their traditional marketing organization in order to increase the relevance of their offering. There is an underlying fear of the emerging competition from digital leaders who are more agile in their operations and hence better equipped for winning customers in the digital age.

Digital transformation is on the agenda for most companies across many domains. Nevertheless, to fully embrace the digital era of marketing, organizations need to unleash the power of agile within marketing and start using an agile approach in e.g. digital sales channels, digital marketing and digital product development. The purpose of agile ways of working is to improve companies' performance through an increased customer centricity, faster time to market of created initiatives and an increased efficiency within the organization.

# MAKING SENSE OF AGILE MARKETING

Transforming marketing functions today is not solely about changing *which* marketing activities that are executed, but rather *how* the marketing activities are executed. Capgemini Invent sees agile marketing as the application of agile methodologies in the marketing domain, which is often characterized by dividing marketing activities into different phases ('sprints') while keeping an iterative project approach. Three key activities included in an agile marketing approach are:

- **Use of data and analytics** to continuously evaluate and adopt marketing activities based on customers' needs
- **Run new ideas each week** based on improvement insights from previous sprints
- **Develop and test** new data driven concepts with a fast pace

Agile marketing includes working agile across the entire marketing relevant domains including e.g. product and service development, customer propositions, customer acquisition, customer retention and customer loyalty.

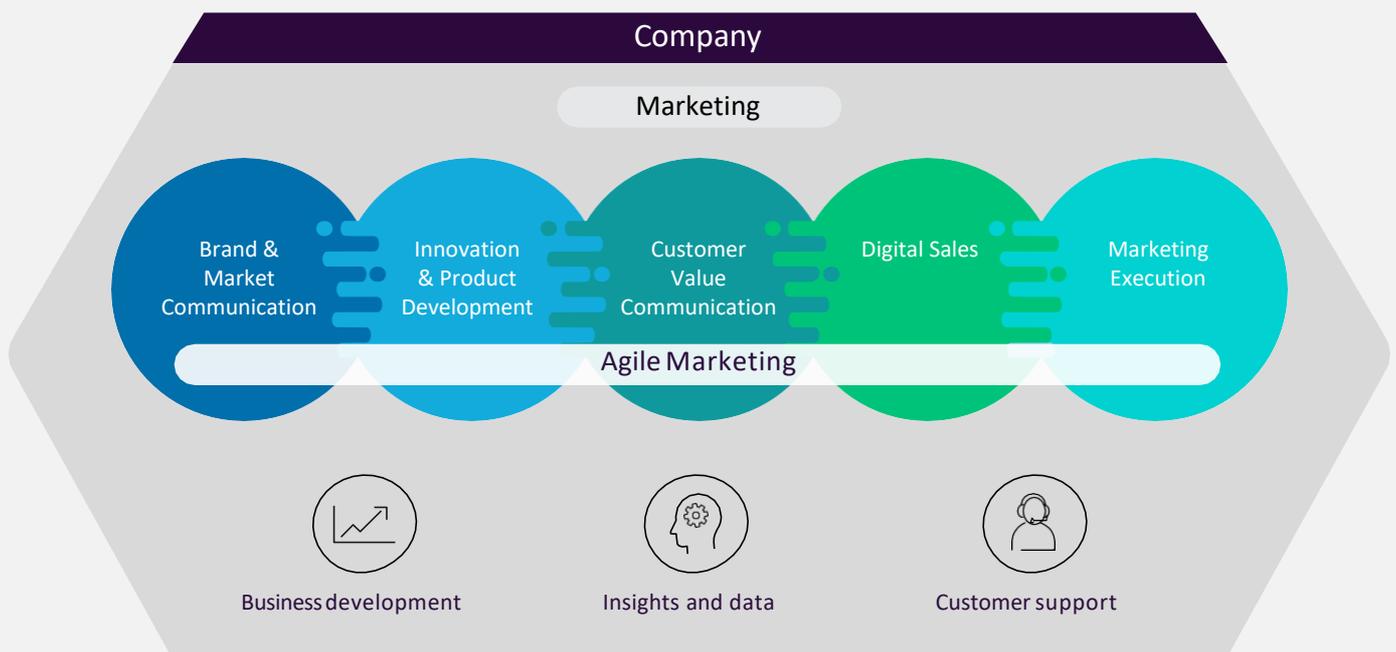


Figure 1: Illustrative example of working agile across all marketing relevant domains

# WHY AGILE MARKETING

Agile marketing is turning into a popular buzzword, and implementation projects of agile methodologies are initiated across many sectors. Capgemini Invent supports companies in introducing and applying aforementioned agile methodologies in their business operating model, including the marketing and the product offering domain.

Generally, there are two well-known benefits of changing current ways of working to agile ways of working: an improved understanding of customer needs (enhanced customer centricity) as well as an ability to move faster into the market with various initiatives i.e. campaigns, new collaborations and product development initiatives. Applied and executed correctly, an agile approach in the marketing domain will increase efficiency leading to a better return of investment for the marketing spend.

**ENHANCED CUSTOMER CENTRICITY:** Precision is needed in order to meet the customers’ needs in products, offerings and market communication. Moreover, the ability to adapt to customers ever-changing preferences needs to be incorporated into organizations’ ways of working. Agile marketing methods provide better support by applying user centric, value driven and iterative approaches.

**FASTER TIME TO MARKET:** Development in the market and user preferences are moving so fast that turnaround time needs to match the speed of the emerging competition from companies recognized as digital leaders. Included in the agile method is a sprint and iterative project approach which enables an early launch of a product which then, based on data driven insights, can be iterated and improved over time.

**EFFICIENCY GAINS:** Shifting to agile marketing puts the value derived from different marketing activities in the center due to continuous testing with users, adjustments and optimization every day, regardless of whether it is a product development project or execution of a digital marketing campaign.



Figure 2: Illustrative example of the benefits of incorporating agile marketing in the organization

# AGILE MARKETING IN REALITY

Theoretically, implementing an agile approach across the marketing relevant domain seems to be the way to reduce customer churn and secure added customer value. In order to fully explore the potential benefits of agile marketing, Capgemini Invent presents a real use case where Capgemini Invent supported an energy retailer to successfully implement agile methods in their campaign management for new product and service offer development.

## Designing the canvas for an agile marketing organization

In order to secure a suitable working climate for agile ways of working, the first step was to establish new smaller cross-functional teams ('squads') within the marketing function. The squads consisted of members from different parts of the organization e.g. digital sales and production. Establishing clear boundaries including a set budget and clear KPIs, the squads could work autonomously.

In parallel to setting up the teams, an internal review of current processes was conducted in order to centralize the knowledge within the team and to work efficiently during the sprints.

To secure a sufficient knowledge base and the right working environment for continuous learning within the team, the squad members were attributed following roles: *Campaign owner, Campaign manager (agile coach), Offering responsible, Channel executor, Media buyer, UX and Creative designer and an Analyst for targeted segments.*

## Establishing insight driven iterative ways of working

Each squad was assigned to drive a specific marketing campaign area. The purpose for that set-up was to make each squad experts in their respective areas to enable their own continuous improvement. After designing and scoping a draft for a marketing campaign, the campaign was launched in the first project sprint.

After launching the first sprint, continuous evaluation of the market response of the marketing campaign took place i.e. follow-up on KPIs for digital channels used and follow-up KPIs on targeted customer segments.

Gathering insights from the first sprint could then be used as concrete improvements for the marketing campaign launched in the second sprint.

## Moving into an agile approach quickly leads to tangible results

By changing the current ways of working to agile methods, insights from real time exposure to customers could be used in order to refine current campaigns. This resulted in increased conversion rates and a better understanding of the drivers for customer retention. Furthermore, by starting the agile transformation in a smaller scale, insights on how to expand the agile ways of working into other operative marketing, and other, departments were found.



Figure 3: Illustrative example of how to incorporate agile methodologies in the marketing and sales domain

# TRANSFORMING INTO AN AGILE MARKETING ORGANIZATION

While it may be tempting to move into agile ways of working quickly, experience shows that such a transformation should be managed carefully while maintaining the ambition to move fast. This is what we call a controlled agile approach.

There are five key steps when moving into agile marketing:

- 1) Set a vision from the top management and have a long-term roadmap and vision of the desired end state
- 2) Identify and select core areas where agile methods naturally create value
- 3) Start small with pilots, learn, adapt and then quickly scale
- 4) Manage the transformation in an agile way with management actively working to remove the backlog of required decisions and roadblocks
- 5) When the organization is mature and have developed an efficient way of working, it is important to start to expand into new operating areas i.e. product-and service development

The number one critical factor to succeed is top management ownership of an agile vision with customer centricity at heart and a willingness to move there quickly.



Figure 6: Steps of moving into an agile marketing organization

# AGILE MARKETING REQUIRES COMMITMENT

Transforming the traditional ways of working in marketing activities to a more agile approach is a complex process. Leadership commitment including action plans on the organizational changes and an effective resource management, governance and leadership are key to succeed with an agile transformation.

**ORGANIZATIONAL CHANGE:** The transformation to an agile organization should be executed in an agile way through pilots. In parallel to the piloting, management needs to define the blueprint for scaling the agile marketing organization and operating model according to insights obtained from the first pilots. The new and updated operating model must cater for and allow day-to-day autonomy in cross-functional teams where decision power is delegated to the Product Owner .

**RESOURCE MANAGEMENT:** Resource planning will be critical since new capabilities are required to efficiently staff the new set-up of cross-functional teams.

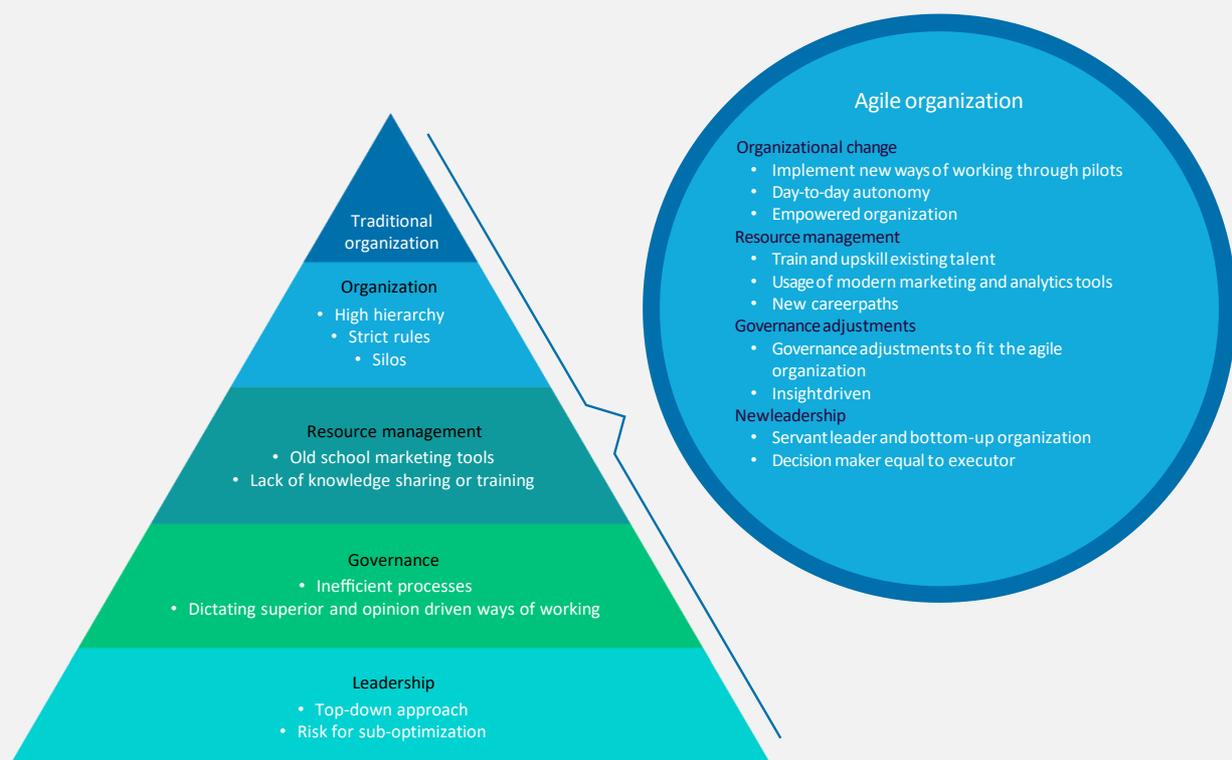
- Training will be a key factor to make existing talents more efficient in the agile methodology
- Strategic talent sourcing will become critical and traditional recruitment processes need to be revised
- Employees’ career paths will change, and adjustments will need to be made accordingly

**GOVERNANCE ADJUSTMENTS:** Planning, financial governance and decision making processes will be impacted by the transformation from traditional marketing to agile marketing. The demand on governance changes will start with the alterations in the organizational blueprint and then adjust as pilots and lessons learned are incorporated in the transformation journey.

**LEADERSHIP:** Leadership aspects needs to be adjusted when transforming the organization to work in agile marketing teams. The new type of leadership will include a more "Servant leader" approach which involves securing the right working conditions and reducing the risk of sub-optimization in decision making. In Capgemini Invent’s experience, when leaders create more empowered and agile organizations, employee satisfaction will increase as well as internal buy-in for the organizational change. The people who design what should be executed will also be the executors.

## Agile will be the new norm

Although "agile" is an almost worn-out term today, agile marketing is a hot topic. Capgemini Invent believes that agile ways of working will become an integral part of operating within the marketing and product development functions of a company and become the new norm in marketing. When companies strive to become more digital in general, it makes sense to shift their ways of working and adopt a more agile approach in order to reap the full benefits of digitalization.



Picture 7: Agile marketing impacts organizations in the long run

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