

A **three-page excerpt** from our 17-page Best Practice Guidebook:

# ROI-Based Marketing Program Evaluation and Budget Allocation Process



Best Practice Guidebook

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## GUIDEBOOK SUMMARY

**Firm:** Kimberly-Clark Professional

**Industry:** Provider of hygiene, surface cleaning, worker productivity, and safety solutions

**Headquarters:** Roswell, Georgia, USA

**Geographic Footprint:** Global with four Regions: North America, Europe, Middle East and Africa, Latin America, and Asia Pacific

**Ownership:** Public

**Revenue (2011):** \$20.84 billion USD (Division of a \$19.1 billion company)



**Problem:**

Under pressure to prove the efficiency and ROI on its spending, Marketing needs a process to allocate funding to programs based on their viability and to monitor their effectiveness. The process must:

- Identify the most viable marketing programs
- Increase the efficiency of marketing expenditures
- Embed consistent ROI measurements across geographies and business units

**Solution:**

Kimberly-Clark Professional develops an ongoing process to identify and monitor the most viable marketing programs by:

- Centralizing marketing funding under a cross-business unit team
- Developing an ROI Toolbox to guide program creation and monitoring
- Instituting an ROI-based process to evaluate, select and monitor programs
- Benchmarking program performance to refine metrics and identify best in class programs

**Business Results:**

A 17% improvement in marketing efficiency (measured through net sales as a percentage of direct marketing expenses).

**Resources Required:**

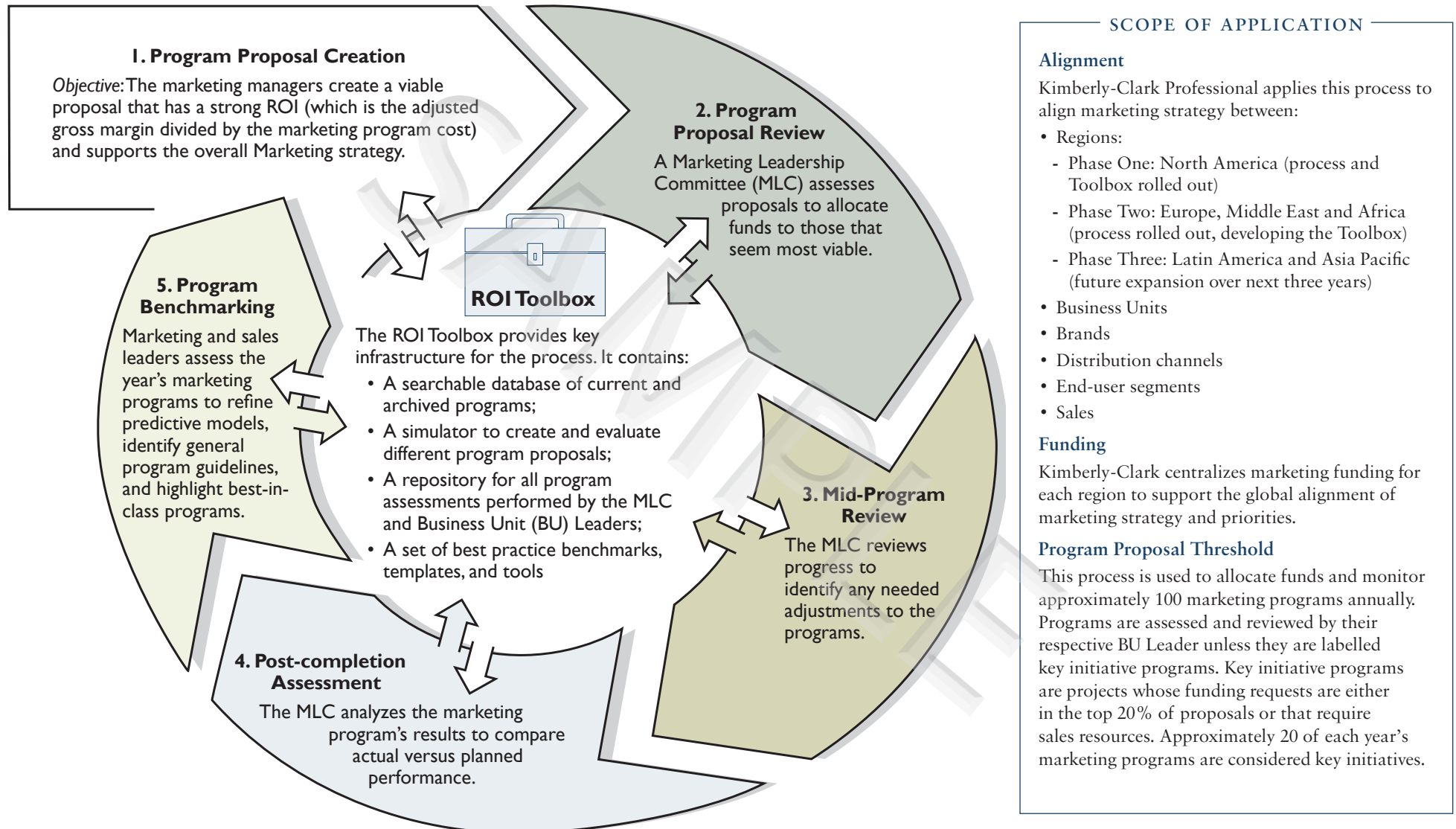
- A cross-functional core team including representatives from Marketing, Finance, Sales, Sales & Marketing Operations, IT, and Marketing Communications
- A group of marketers to test the new process and tools
- The use of a vendor to develop the ROI Toolbox
- A year-long commitment to build the initial process and train staff

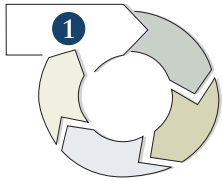
**Applicability of Best Practice to Executive Functions:**

Function	Applicability
Marketing	●
Sales Management	●
Corporate Strategy	◐

## KEY TAKEAWAY: Kimberly-Clark Professional creates a process to evaluate, fund, and monitor marketing programs based on their projected ROI and strategic fit

### ROI-Based Marketing Program Evaluation and Budget Allocation Process Overview





## KEY TAKEAWAY: Create marketing program proposals in the context of strategy, current programs, and previous programs

To begin the proposal creation process, marketing managers use the ROI Toolbox to evaluate their initial program concepts against current marketing strategy and existing and archived programs

ROI Toolbox: Marketing Program Database (Illustrative)

### MARKETING PROGRAM PROPOSAL PREP-WORK

To develop high-ROI based proposals with a strong strategic fit, the ROI Toolbox enables marketers to:

1. Review current marketing strategy to align program with company goals
2. Evaluate current programs to avoid overlap
3. Assess benchmarked studies and archived programs to identify baselines and patterns in successful programs
4. Identify and export relevant archived programs as templates to be used in proposal creation

MARKETING STRATEGY

CURRENT AND ARCHIVED PROGRAMS

SEARCH RESULTS

**Strategic Goals**  
This delineates the current company objectives and related strategy for each business unit and brand.  
Example:

- Penetrate existing Washroom Accounts with a broader bundle.
- Penetrate existing Manufacturing End-user Segment with Safety solutions.
- Acquire new Manufacturing Accounts with Safety or Industrial Wiper Solutions.

**General Program Guidelines**  
The guidelines encompass the key lessons learned regarding tactics used in previous marketing programs.  
Example:

- Avoid dependence on Sales Literature as a tactic given its low ROI.
- Utilize distributor promotions for success in lead generation.

**Program Status:**

Current  
 Archived  
 Best-in-class

**Search by:** Keyword ▼

and  Goal

and  Brand

End-user Segment

Distribution Channel

Tactic

**Limit Search by:**

Year:  to

ROI:  to

Payback Period (Months):  
 to

**1. Program ID: 2864**  
Description: Distributor program targeting mid-size manufacturing accounts.  
Planned ROI: 142%   
Actual ROI: 95%   
Program Cost: \$50,000  
Payback Period: 6 months

**2. Program ID: 7989**  
Description: Integrated campaign to drive acquisition of new manufacturing end-user accounts.  
Year: 2006  
Planned ROI: 5%   
Actual ROI: 20%   
Program Cost: \$40,000  
Payback Period: 12 months

EXPORT FOLDER

Search Results (1 to 2) of 5 items ▶

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