THE MARKETING BUDGET DIARIES

Making life easier with Marketo Financial Management
Marketing budgets are tough. Regardless of industry or title, marketers struggle to track their spend on marketing programs and stay on budget. It is challenging to have a complete picture of marketing spend—what has been spent and what is left over for the month. And information about the budget is often dispersed across the organization—making it difficult to make decisions quickly and keep the budget balanced.
Just like every department in a company, marketing organizations need a system that helps them effectively manage operational data and budgets. Combining budget management and marketing automation in a single marketing platform, Marketo helps marketing improve budget oversight, measure ROI and optimize spend. Marketo Financial Management gives marketers an up-to-date view of marketing spend, so they can forecast accurately, find and reallocate program dollars, and spend to plan. And because Marketo Financial Management connects accurate and up-to-date cost data to marketing programs, it saves marketers time and helps them make better spending decisions throughout the planning and execution of marketing initiatives.

In this eBook, we show you exactly how Marketo Financial Management has changed the lives of those in the marketing trenches.

Beth, Eric, and Jessica are the Director of Marketing Operations, Director of Demand Generation, and Regional Marketing Manager for South America respectively for a medium-size software company based in the US. Their company operates in a fast-paced, competitive market and has recently seen market share decline. As a result, the pressure is on for marketing to contribute to the bottom line – even as budgets are tightening. We are going to take a look at a day in the life of each of these marketers and see how Marketo Financial Management allows each of them to work more productively and efficiently, gain a better grasp of their budgets, and improve their relationships with the finance group.
Jessica
Regional Marketing Program Manager for EMEA - Reports to VP of Marketing

Budget approved!

FUN FACTS:

Favorite marketing thought leader: Seth Godin
Most known for: Creative campaigns and impeccable program management
Can often be seen: Hanging out with her dog Pizza in the office
Secretly loves: Building multi-step landing pages

CONCERNS AND GOALS:
• Correctly implementing the company’s overall program strategy
• Modifying the marketing strategy to accommodate local markets
• Developing marketing strategies and identifying products/services that will sell well in the local market

LIKES ABOUT JOB:
• Developing marketing strategies suited for the local market
• Helping to drive revenue
• Coming up with creative campaigns and collaborating with the team

DISLIKES ABOUT JOB:
• Trying to satisfy executives based in the US headquarter office when they don’t always understand local market issues
• Disconnects between US headquarters and local systems that require lots of manual workarounds
• Defending/justifying her budget
DATE: Monday, November 20th - Morning

Jessica is buried in all the details for what's going to be the company's biggest trade show of the year. At the moment she's accepting bids for the design of their trade show booth. As soon as she finds a price and vendor she likes, she'll enter the information into Marketo Financial Management as a line item in the local currency.

The software will handle any currency conversions needed so Beth, the Director of Marketing Operations, can view rollups in the company's preferred currency of US dollars and provide global spending forecasts.

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<tr>
<th>Budget Hierarchy</th>
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MARKETO FINANCIAL MANAGEMENT CURRENCY CONVERSION

While entering the details for the trade show booth line item, Jessica remembers what a nightmare this process was last year before they had Marketo. She would zero in on a vendor and price, but then obsessively monitor exchange rates so she could accurately enter the budget amount in US dollars. Sometimes she just tracked the spend in US dollars so it was easier for Beth to run her reports each month. But this ended up being a headache for Jessica since she spent all of her time converting the amounts to the local currency, trying to find a favorable rate. She spent so much time on this that she was usually scrambling at the last minute to get her other work done.

If Jessica did submit the amounts in the local currency, Beth was the one who had to shoulder the burden of currency conversions — and worry about calculation errors and data audits. Now Marketo Financial Management automatically handles the conversions.
On Monday afternoon, Jessica gets word about planned budget cuts. She grimaces and mutters under her breath — these cuts always impact her group but she has never had the data to justify why her region should be spared in the bloodshed.

Jessica logs into Marketo Financial Management, navigates to the Q4 budget, and double-checks that all her committed programs are categorized appropriately. She reviews line items marked as “optional spend” and sees several programs that she ran last year, including a conference sponsorship and an end-of-the-year promotion. She logs into Marketo and pulls up reports showing the ROI of these programs in Revenue Cycle Analytics.

Jessica then sends an email to the VP of Marketing and the Director of Marketing Operations summarizing her region’s Q4 goals and spelling out the negative impact of cutting budget on any of her planned programs. In the past, it was hard — and sometimes impossible — to pull together these numbers. Usually Jessica would scramble to dig up the numbers from various sources, emailing colleagues, and poring over past emails and signed contracts. More often than not, budget decisions would have been made by the time she had gathered the data needed to make her case. Now she can quickly get in front of big decisions and convincingly defend her budget.
Eric
Director of Demand Generation
Reports to VP of Marketing

FUN FACTS:

Favorite marketing thought leader: Ann Handley
Most known for: Driving revenue and over-performing on goals
Can often be seen: Wearing t-shirts with the company logo
Secretly loves: Running program analysis reports in Marketo

CONCERNS AND GOALS:

• Establishing quarterly marketing lead generation and opportunity creation targets
• Developing, prioritizing and executing marketing campaigns
• Growing and segmenting prospect database

LIKES ABOUT JOB:

• Contributing directly to business growth/revenues
• Managing a range of activities, including search engine marketing, webinars, content marketing, marketing campaigns, and data analysis
• Managing a budget/crunching numbers

DISLIKES ABOUT JOB:

• Being distracted from strategic activities due to inefficient processes
• Having to defend marketing program decisions to finance

Need additional campaign
DATE: Monday, November 20th - Morning

When Eric gets to the office on Monday morning, he logs onto Marketo first thing to check the quarter’s results in Revenue Cycle Analytics and make sure his group is on target to meet their numbers. Unfortunately, it looks like his team hasn’t quite hit their success goals and generated enough leads.

Knowing he needs to run additional Demand Gen campaigns, Eric navigates to the Demand Gen budget in Marketo Financial Management to see how he can reallocate funds. He filters by optional line items and sees a contract fee for some creative work he can scrap.

![MARKETO FINANCIAL MANAGEMENT BUDGET OVERVIEW](image)

He decides to reallocate that money to a new campaign around a tradeshow, so he creates a line item for the new expense in Marketo Financial Management. Now the design expense line item has been removed and the new Demand Gen campaign expense will show up in the forecast.
MARKETO FINANCIAL MANAGEMENT CREATING NEW LINE ITEM

Eric is thankful that he can log into Marketo Financial Management for more visibility into spend, so he knows what funds he can reallocate. When this type of situation happened in the past, Eric had to review his budget spreadsheet and he struggled to tell if any money could be moved. He spent lots of time sending emails, talking to colleagues and poring over contracts to try and figure out what money could be reallocated.

One time he actually moved money because he didn’t realize the company was contractually committed to purchase the vendor’s services. To pay the vendor — for services that were never rendered — he had to pull money from a program that was going to help the group meet its marketing goals. It was a headache — and an embarrassment — to discover that contractual commitment late in the process. In fact, Eric feels sick to his stomach just thinking about it. And because Eric didn’t want his finance counterpart to see that he wasn’t on the ball, he had chosen to sacrifice an important Demand Gen program rather than tell the Director of Finance that he had overspent.
DATE: Monday, November 20th - Afternoon

Eric sits down to work on next quarter’s strategy. He’d like to see where spending is going to occur and how it maps to marketing’s identified goals. Because invoices automatically match up with expenses in Marketo Financial Management, Eric can see that his group underspent on programs supporting the goal of generating cross-sell opportunities last quarter. He decides to increase that spend for next quarter. Now when Beth submits the forecast, finance will see that marketing has figured out their plans far in advance.

Eric never had enough time to proactively analyze and plan his group’s spend in the past because he spent so much time getting the forecast right and reconciling invoices and purchase orders. It was common to receive an invoice with a date and amount that didn’t match the line item in his budget. He would send lots of emails to his vendors and direct reports to get to the bottom of these invoice issues, trying to map the original planned spend to what was actually spent. And because he was reactively managing the budget, he had little time to be proactive and plan ahead.

Marketo Financial Management automatically reconciles invoices with purchase orders and line items in your budget. It uses a purchase order number, or alternatively a unique ID number on the line item, to automatically match invoices with their appropriate budget line items. Eric provides either of these numbers to his vendor and that’s it. The invoices are automatically imported into Marketo Financial Management from their ERP system and then matched to line items. Now Eric can instead focus on strategically managing his spend.
**FUN FACTS:**

Favorite marketing thought leader: Jay Baer

Most known for: Creating a highly complex strategy for lead nurturing

Can often be seen: Taking a one mile walk around the office during lunch

Secretly loves: Cleaning up dirty data

**CONCERNS AND GOALS:**

- Establishing internal benchmarks and standards
- Efficiently tracking marketing’s contribution to revenues
- Accurately reporting budgets and marketing results to executive team

**LIKES ABOUT JOB:**

- Tapping into data, systems, and processes to boost the bottom line
- Ensuring that marketing is conducted in an efficient and accountable manner

**DISLIKES ABOUT JOB:**

- Getting bogged down by time-consuming, tactical activities
- Chasing down colleagues for reporting input
- Worrying about finance’s perception of her capabilities

**Beth**

Director of Marketing Operations
Reports to VP of Marketing

*Reduced marketing budget by 10%!*
DATE: Monday, November 20th - Morning

It’s Monday morning and Beth needs to pull together the monthly forecast for marketing — this will be rolled up into finance’s quarterly forecast. Last week, she sent emails to the entire marketing team, asking them to ensure their forecasts are up to date in Marketo Financial Management. This morning, she logs into the software and navigates to the forecasting dashboard. Here she can see whether the group — as well as each team — is over or under on marketing spend.

Beth is worried to see that her teams are forecasting to be over budget, but she knows where she needs to focus to ensure her spending is aligned with the plan. She plans to follow up with that team once she sends the forecast to finance. Beth exports a report to PDF and sends it to Brian, the VP of Finance, explaining that marketing is tracking to spend. She also notes that she plans to follow up with her teams, but assures Brian that marketing will be on target for the quarter. Beth hits “send” and smiles, thinking about how much simpler this process is now than in the past.

Before Marketo Financial Management was in place, each functional area and region maintained its own customized spreadsheet. They would email their spreadsheets to Beth each month — usually after she sent numerous email reminders — and then her nightmare began.

Beth had to fix formulas to make sure the numbers rolled up correctly. Because she was so nervous about sending the wrong numbers to Brian, she would check and double-check her numbers, which was a huge time suck. And it was a pain copying and pasting to get the numbers into one spreadsheet. In fact, Beth wasted so much time on these mind-numbing activities — and the different spreadsheets were so hard to view — that she could easily overlook something like the South America region overspending or even being close to budget. It was reactive budget management at best, and Beth never felt confident submitting the numbers to finance because the process was so prone to errors. She’s so relieved the company now uses a single system of record to capture the budget details!
DATE: Monday, November 20th - Afternoon

It’s now Monday afternoon and Beth receives an email from the CFO announcing budget cuts for next quarter. Beth shakes her head at the prospect of budget cuts, but gets right to work to figure out how marketing can trim expenses to meet the CFO’s expectations.

She logs into Marketo Financial Management and looks at the rollup of all budgets across the marketing organization. She filters the categories that feed into the overall budget, including the various regions and functional areas such as product marketing, PR, and Demand Gen; she’s looking for ones that are optional within the forecast. She sees that some expenses in product marketing and PR are optional, but in the Demand Gen category, all budget has either been spent or is committed.

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MARKETO FINANCIAL MANAGEMENT OPTIONAL SPEND

Knowing she can cut expenses in product marketing and PR, Beth schedules meetings with the VP of Product Marketing and the Director of PR to discuss the necessary budget cuts for Q4. Once she talks to each of them and they agree with the decision, she deletes the relevant line items in Marketo Financial Management. Beth then generates an updated budget report for finance showing that she has reduced the planned marketing budget by 10%.
Once again, Beth thinks back to how difficult this process was in the past. She would have had to consolidate spreadsheets from all areas of marketing to see what was forecasted. But it was impossible to determine which expenses could be cut because she would have no way of understanding the various states of spend.

For instance, she couldn’t figure out which were for services that had occurred but hadn’t been invoiced, or when payment was pending for services that had been invoiced. She couldn’t even see when the company was contractually committed to a line item that was set for a future date, such as a conference sponsorship.

Before using Marketo Financial Management, Beth could have decided to move money without realizing that the company was obligated to certain purchases.

That’s because she would pass the budgeting plan to finance and then rely on the finance group to tell her what the group had spent or planned to spend. Even then, it was hard to get the information she needed in a timely manner — after all, Beth’s priorities weren’t always the first item on finance’s to-do list. Once she did understand what items were budgeted, she could easily spend hours chasing down the stakeholders associated with these earmarked funds to try to figure out what to cut.

Now Beth can see the state of all spend and filter at a glance the optional spends to see what can be cut or moved — and she can do it all in minutes!