



Proving ROI Made Simple

CrownPeak Technology's VP of marketing and product strategy discusses why a good technology solution should be an important part of the ROI dashboard you're presenting to your management team.

Okay, I admit it, I watch "The Gilmore Girls." I'm disappointed that the show was cancelled, and I don't care who knows it. There, I said it, and I feel a lot better.

Now, you all have things that you do but don't want to admit. A good number of you male readers actually use skin care products. A high percentage of you female readers actually do read Maxim magazine. And all of us leave our empty popcorn boxes under our seat at the movie theater.

As technologists and digital marketers alike, there is one thing we all say we do that none of us actually does. When we bought technology, we justified that purchase with the promise that the solution "proves ROI." But guess what? None of us ever actually go back and measure it.

To be fair, this affliction is fairly endemic across all business units. It's actually one of the dirty little secrets across all software sales/purchases. These days, almost every vendor you speak with will lead with "our software can provide you with ROI." The promise is you'll either be more efficient, more productive or less everything negative. But ask yourself (or any of your colleagues for that matter) how many have actually gone back six months or a year later and measured ROI? I dare predict you'll find few, if any, compelling numbers.

There are two reasons for this. First, we're very, very scared of the answer we might get. What if the technology solution actually didn't save us any money? Then we actually might have to do something about it.

The second – and I believe much more common reason – is we simply get caught up in the daily tasks of our jobs and never really have time to do the analysis. When we do perform ROI analysis (and let's be honest, we really would rather be working on the next version of the Web site interface), we continually look at high-level trends to measure our ROI. We look at web traffic, SEM, SEO, lead nurturing, marketing and advertising investments. We never go back and look at what we paid for the software tools to manage those things and actually see if they were worth the money we spent.

Ignoring the cost of technology means we're missing a tremendous opportunity to deliver good news, and every marketer I know likes to deliver good news. Measuring your technology's impact on your strategic business objectives can be an extraordinarily productive exercise. I think you'll actually be surprised at the good news you can generate. Believe it or not, those sales guys are actually on to something. A good technology solution or outsourced service actually *can* generate tremendous ROI, and it should be an important part of the ROI dashboard you're presenting to your management team.

► Proving ROI Made Simple

When you're looking at Web site operations or online marketing technology solutions, you're probably already challenging yourself with these types of questions:

- What are the strategic business challenges we are looking to solve with this technology solution?
- What will success look like? Should we save 20 percent with this solution? Should we increase revenue by 10 percent? Or, should our cost per lead go down by a third?
- How much will this particular solution contribute to that particular metric?

Then, if your vendor uses an ROI pitch to sell you the technology solution, challenge them with these questions:

- How does your solution help us deliver against these specific business objectives?
- What are you willing to do to help us achieve these business objectives?
- Can we depend on you to deliver this ROI and help us with the ongoing improvements to either deliver against it or to continually improve on it?

As you start to develop your strategy for deploying various technology solutions and services for your Web site operations, consider developing an ROI SLA (return on investment, service level agreement). This might be something as formal as a technology charter outlining in great detail the hard benefits, the monetary ROI and the "soft" benefits to be achieved by the technology and services. Or, this may be as casual as a simple list of business objectives that you can measure progress against. This SLA is something you can give to your team to provide benchmarks for your technology solutions. As you review these solutions, consider a few other things:

1. Pick vendors that understand life begins after launch. Arguably the most important feature of any technology solution is how well it reacts to change. Your Web site will change, and your solution will need to change with it. SaaS vendors definitely play an important role here, as they are inherently invested in your success. But with any solution, you'll want to identify the responsibilities for managing the solution. Your goal as a marketer should be to market your company's product or service, not manage technology.

2. Match the tactics, the tools and the ROI metrics. Once you've developed your Web site management and online strategy, the software systems should align with the tactics you expect to use on an ongoing basis and the business objectives you want solved. A content management tool, for example, can manage assets across Web sites, online ad landing pages, banner campaigns, rich media email, affiliate marketing, digital asset distribution, online street teams and electronic press kit distribution. If these tactics figure into your online plans, a content management system that publishes and manages these assets for you and your partners can make tremendous financial sense, especially if you align this with metrics such as marketing effectiveness, efficiency in publishing, et cetera.

3. Leverage the tools, and the success metrics. Adoption is imperative. Making your internal team comfortable with online marketing tools and how they work is essential. Whether you pick a best-of-breed strategy or a marketing suite, consider end-user training for all of the tools you're using. Also consider getting everyone (including the vendor) invested in the associated success metric for those specific tools.

▶ Proving ROI Made Simple

4. Actually measure the effectiveness. Perform a quarterly check-in with your team (including your vendor) to determine the effectiveness of your Web site operations solutions. What's working? What's not? How can you change the current infrastructure to help expand what's working and eliminate what's not?

Looking beyond the ROI of your media buys and toward how technology solutions can help you meet strategic business objectives has long been the promise of the technology salesman. By admitting this is an important part of the online equation, you too can feel better and deliver on the true promise of digital ROI.

CrownPeak
5880 W Jefferson Blvd
Unit G
Los Angeles, CA 90016

sales@crowpeak.com
www.crowpeak.com
Toll Free: 866-887-1944
Tel: 310-841-5920

Copyright 2000-2007 CrownPeak Technology. All rights reserved. No part of this document may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording, or any information storage and retrieval system, without permission from CrownPeak Technology. CrownPeak is a trademark of CrownPeak Technology in the United States. All other company, product and service names and brands are the trademark or the registered trademark of their respective owners.