A Measure of "MARPERATIONS™" is the true measure of Business Success

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Introduction

Whether it is in business school, successful corporations, or in motivational speeches, we have all heard over and over the statement, "What gets measured gets acted upon." While that statement shows the importance of measurement, very few stop to question whether or not they are using the right measures, and not just acting on any measure.

In a previous article I introduced "Marperations™" as the unification, synergy, and integration of marketing and operations; however, since we previously did not have a word for it, no MBA program has yet taught it. This term opens the door for the world of business to benefit from a cohesive system; one in which marketing and operations are two sides of *the same coin.*

In my corporate days, I held the unique position of VP of Marketing *and* Operations Services for Papa John's International. I tested science of Marperations™ in this highly competitive environment and proved it robust.

Current Measure Style

I felt Operations and Marketing personnel were made of different DNA. They were born differently, they acted differently, but they both donned the same company colors. When one puts both teams' report cards next to each other, the difference between marketing and operations become clear.

Both have clear Key Performance Indicators that measured their functional efficiency.

Marketing measures include awareness, trial, frequency, advertising effectiveness, and top line sales. All these measures are based on PCYA (percentage change vs. year ago).

Operations' measures, on the other hand, are tactical. It is about measuring cost of goods or raw materials. These directives point toward controlling waste and the cost of labor. In turn, this translates into serving the guests with the maximum efficiency and minimum labor.

These measures are commonly used because, when viewed separately, they best showcase the accomplishments of each department.

The Problems with the Current Measurement Style

Practicing Marketing and Operations separately may cause the following three problems:

1. Marketing measures are trailing indicators of the brand. The measurement period looks back to last quarter and month. These insights, though needed, do not reflect the urgency of a brand's operations. Operations are an ongoing process that never stops.
2. Operations measures are more recent when compared to Marketing's measures. However, they still reflect yesterday's measures, which are not leading indicators.
3. Marketing and Operations could each meet their individual goals, but there is no guarantee that the company as a whole will meet its overall goals.

For example, Marketing can meet its goals through effective advertising, and increasing its same store sales with price discounts. Operations can meet its goals by attaining labor efficiencies. The brand, however, may not meet its overall goals if the guest experience level drops because the same amount of labor is used to manage the higher number of guests. A deteriorating guest experience may cause repeat guest visits to drop, producing a critical situation for the brand.

Measuring Marperations™

The three rules to consider as one develops a unified measure of Marperations™ are:

1. The measure must be a leading indicator and not a trailing indicator. A leading indicator allows a brand to tweak its marketing and operations strategies to influence the leading indicator.
2. The measure should be simple and communicated all through the organization. It needs a life outside the company's boardroom.
3. Both Marketing and Operations departments should be encouraged to have their own functional report cards. However, they must clearly understand how their report cards connect to a brand's overall success.

Consider these examples:

Three Marperations™ measures for a Senior Care could be:

- number of guests (% occupancy)
- avg number of days a guest stays
- avg number of visitors a guest gets

For a high fixed cost business like the hotel industry, percentage occupancy is key to profitability. Avg. number of guest stay indicates the performance of the brand and the avg. number of visitors can be a leading indicator of referrals.

Three Marperations™ measures for a pizza brand could be:

- number of customers
- number of dough balls
- revenue per dough ball

The pizza brand orders dough balls a week in advance, Marketing can make efforts increase demand for the coming week. This will necessitate sending more dough balls to a store, and also necessitate Operations to adjust its service standards in order to better serve the increased number of guests in the coming week.

Living the Unified Marperations™ Dream

It is not enough for companies to identify measures for Marperations™. The company should make an effort to live it on a day-to-day basis at all levels of the organization.

In a reality where operations has their holiday party away from the corporate office, and Marketing holds its annual brainstorming ideation in a deluxe resort in the mountains, there is a need for a day to day common connection. For a unified Marperations™ measure to work, there must be more shared working. Shared working is not about frequent Marketing and Operations meetings. Shared working is about Operations being present when marketing strategies are developed, and similar Marketing presence in the Operations trenches. Marketing offsite should move from resorts to stores and Operations holiday party should be in corporate office, hosted by Marketing.

Conclusion

The benefits of developing and living a unified measure of Marperations™ are obvious as it is directed towards the company's overall success. This common report card will result in shared accountability and no finger pointing in case of a failure. In addition, there will not be any more Marketing and/or Operations wins without an overall team win. In a way, this marks the end of "individual players," companies do not need them. Instead, companies will hire and retain those who can streamline their talent to influence an overall report card of Marperations™, and scream, "Go Team! Go Team Operations!"

About the Authors

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