

Write Mkt Memo

I N T E R O F F I C E   M E M O R A N D U M  
C O R M T S   A L L - I N - 1   S Y S T E M

Date: 21-Feb-1989 09:02am EST  
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Subject: MARKETING AS A FUNCTION

I have been attempting to understand the dynamic nature of the Marketing Function in Digital and its role in the future. My conclusions is -

MARKETING IS NOT A FUNCTION!

This conclusion is based on observations of the machinations of Industry and Applications (a.k.a. Product) Marketing over the last few years in contrast with the relative stability of Base Products/Systems Marketing. Why the difference?

First, go back to basics and ask what Marketing is. The common Marketing 101 definition is 4P's:

Product -  
Price -  
Promotion -  
Place -

known as the Marketing Mix. However, each element of the Marketing Mix may indeed be a function!

Base Product/Systems Marketing is associated with a PBU and has principal responsibility or is closely associated with Product, Price and Promotion. On the other hand, Industry Marketing has only some responsibility for Promotion and a portion of the Place - No Product or Price and no area of principal responsibility. PMG's or Applications Marketing - the confusion in names begins to define the problem - has no mainline product responsibility and spends most of its time seeking unique 3rd party products to call its own. They are often called in for advice on mainline product issues but hold none of the business plans for them nor are they close to or part of the organizations that do. So, with respect to mainline products (or product proposals), PMG's/Applications Marketing, with the exception of OFIS, have none and only play roles in the other area. They have no principal responsibility for any of the 4P's. This makes it very difficult for them to develop identity with and concomitant passion for new product ideas or business proposed by others.

I believe that all functions want to be as involved as directly as possible with a business and its associated activities (4P's) and that people who carry the moniker, Marketing, may indeed be driven more than others to manage as many of the 4P's as they can. Thus the drive of PMG's to get some set of "exclusive" applications. In an environment such as ours is today - this does not always work and the Marketing functions seem to be "at sea" most of the time.

Also, I believe that the environment of the 90's will require a closer coupling of all our functions including Marketing, Engineering, Manufacturing, Services and Sales. This is clearly evident in Europe where the organization structure, content issues of 1992 and the strong focus on TP/Commercial business have forged strong functional inclusions in many of the critical business issues. Thus the plants there have become strategic parts of the total business. This is also echoed by Tom Peters (California Management Review, Winter, 1988, "The Need for a Management Revolution") where he states "But, as I'll argue below, to lose control of the plant is to lose control of the future - of quality, responsiveness, and the source of most innovation, which in manufacturing industries occurs in the palpable, on-premises integration among plant teams, designer, marketer, and customer."

Thus, one sees the Galway plant involved with much more than classical Digital Manufacturing. They are doing Engineering, Manufacturing, and Marketing Support as well - an integral part of the European Marketing Mix. In HPS and Storage, for example, Engineering, Manufacturing and Marketing (BPM/BSM) are part of the same infrastructure and have the same goal sets and business vision.

The following table is another way of looking at the roles and responsibilities we have today and may be a model for testing future directions.

Marketing Mix Roles and Responsibilities

Group Mix	PBU	BPM/ BSM	PMG/ APPL.MKTG	INDUSTRY MKTG	PMSC	MSSC	EXEC. COMM.
PRODUCT	R	S	C/S	C	C	C/S	A
PRICE	R	P/S	C/S	C	C	A	A
PROMOTION	P/S	P/S	C/S	P/C	C	A	A
PLACE	S	-	S	R/S	C	A	A

BUSINESS PLAN (TYPE)	R Product	S Product	R Applica- tions	-	-	-	R Products, Applications Services
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R = Responsibility/Principal  
P = Propose  
C = Consult  
S = Support  
A = Approve

### The Solution

Don't treat Marketing as a Function! Make the Marketing people responsible for all of the 4P's and its associated functions: Engineering, Manufacturing, etc. OR, incorporate the current marketing people into the current business entities such as PBU's or create new Business entities of which they are a part. Until we do this I don't believe we will ever get really good at managing the Marketing Mix and hence, the business.

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