
PERSPECTIVE: WILL MARKETING STEP FORWARD AND CREATE THE NEW PATH?

Era of Financial Engineering (1970s-1990s)

Princeton University's Dirk Zorn & Harvard's Frank Dobbin (2003) along with UC Berkeley's Neil Fligstein (2004) argue:

In the last quarter of the twentieth century, financial markets came to play an increasingly important role in shaping the structure and strategy of the corporation. Chief financial officers took on the task of growth, helping rapidly expanding companies with aggressive financing and by acquiring rivals. The methods and practices of financial engineering (made) corporations more profitable.

The Role of FASB (1972+)

FASB has been setting the generally accepted and common standards for accounting and financial reporting, supporting the rise of the CFO and financial engineering.

Financial Engineering Winds Down (2000s)

Fligstein further observes that while the methods and practices of financial engineering have reached an endpoint in their ability to make corporations more profitable, these strategies have moved in cycles of approximately 20-25 years.

At the end, there is often a recession or depression accompanied by a long bearish stock market. Then the cycle begins anew.

The old tactics fail and this opens up the possibility for a new group of managers to step forward and produce a new path.

The ERA of Marketing Accountability Next?

Marketing: The activity, set of institutions, and processes for creating, communicating, delivering, and exchanging **offerings that have value** for customers, clients, partners, and society at large (AMA Board, 2007).

The numbers are there, but Finance doesn't buy them. They simply don't believe the numbers that come from marketing (ANA 2008).

The Boardroom Project (2005-2007) concluded that Marketing will move to board-level strategic investment, only through an independent standards setting "authority" for measuring (forecasting & improving) the financial return from marketing activities (i.e. tying marketing activities to financial performance in predictable ways).

The Role & Promise of MASB

The development of generally accepted and common standards for measurement and measurement processes will significantly enhance the credibility of the marketing discipline, improve the effectiveness and efficiency of marketing activities, and enable continuous improvement over time.

The Call to Action

It has to start sometime, somewhere, and by some bodies. The opportune time is now, the where is MASB, and the bodies are Charter Members & their Representatives. Please join in this seminal marketing initiative.

NEWS

February 09: Marketing Accountability Foundation (MASB) receives favorable IRS determination of its 501 (C) 3 status (incorporated exclusively for charitable, educational, scientific, & literary purposes).

March 09: New website launches and includes MASB Project descriptions and contact information.

UPCOMING EVENTS

MASB Summer Board Meeting & Summit in Chicago, August 6 & 7: "Measurement & the Accountable CMO: Current Needs, Current State, How We Got Here, Future State & Role of MASB".

Charter Board Member Rick Abens (ConAgra Foods) will present the status of the Measuring & Improving Long-Term Impact Project, "Roadmap to CLV for CPG" at AMA's 20th Annual Advanced Research Techniques Forum, June 15, 2009 at the Westin Whistler Resort, Whistler BC.

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