

Creating a Marketing Driven Business

Case study - IBM

Key Words:

Marketing Excellence, Global Consistency, Market Focus, Efficient & Effective Training

Summary

IBM Business School, based in Warbrook in UK, used Multimedia Marketing.com to supply their CD based Marketing Essentials course supported by workbooks, e-Mentors, work based assignments and Chartered Institute of Marketing accreditation to provide 50% of a new marketing training programme; equivalent to 10 days classroom training.

IBM instructors provided the other 10 days workshop experience which included applying the MMC renowned SOSTAC® planning system in a blended solution which showed savings of \$7,000 per trainee (savings to date of \$24 million) against traditional training methods. As part of the change management process, training was required for some 3,500 senior marketing personnel worldwide. IBM deliberately resisted traditional training methodologies and decreed 50% of marketing training should be delivered by eLearning.

Background

IBM has traditionally been a technology and sales driven business but when Lou Gerstner took over as CEO in the early 1990s he directed that IBM should shift towards a greater marketing orientation.

The Challenge

The company employs over 300,000 staff worldwide and has over 3,500 marketing staff who needed retraining, and Gerstner was determined to use technology to reduce the training time and increase its effectiveness.

The Solution

Multimedia Marketing.com had the only fully developed material available at that time, and this was adapted for IBM's special circumstances and rolled out across the company. As a result, IBM raised the skill set of key staff, achieving both a consistent global standard and significant cost savings - in IBM terms, cost "avoidance".

By making staff worldwide familiar with the same business models, IBM expected to deliver cost savings and efficiency. Typically, IBM had hitherto focused on its renowned sales training programmes and largely ignored marketing training. Training was regionally directed and involved significant conventional face-to-face training. There was no global consistency to delivery and therefore nor was there to the output.

However, in Europe, qualification courses were well accepted and so IBM's marketing training initiative originated there. The European VP of Marketing had instructed that all marketing staff should be qualified, and this required a comprehensive marketing training programme.

MMC proposed a global solution, thereby ensuring consistency of message and output. It delivered IBM's first, and for some time the largest, online training programme. In addition, executives completing the course achieved universally recognised professional accreditation.

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The 3,500 personnel worldwide identified for training were mostly senior marketing personnel who typically had spent 5-15 years at IBM; they had learned their marketing skills and techniques on the job, and not through any formal training.

Multimedia Marketing.Com developed the programme, with input from the UK Chartered Institute of Marketing (CIM is the world's largest marketing qualification body) and University of Manchester Business School.

There were four levels to the programme:

1. *Masters in Marketing* (Manchester Business School)
2. *Post-Graduate Diploma in Marketing* (CIM - intense 10-day program)
3. *Advanced Certificate in Marketing* (CIM - 2 x 5 day programs)
4. *Marketing Essentials* (10 CDs plus 10 Workbooks. Equivalent to a 10-day program)

Marketing Essentials is an innovative series of ten marketing CD ROMs and ten tailored marketing workbooks, where students study at their own pace and place, and which together are equivalent to a 10-day conventional face to face training program.

Marketing Essentials has since become the basic content for CIM's Certificate in Marketing. The Advanced Certificate was originally a 21-day programme, but this proved too costly in staff time. By using *Marketing Essentials*, IBM was able to replace 10 classroom days. *Marketing Essentials* became a pre-requisite for the Advanced Certificate.

Over a five year period, *Marketing Essentials* was central to the marketing training of these senior marketers in all three operating regions: EMEA (Europe, Middle East and Africa) Japan/Pacific and the Americas.

In addition to being used in the formal marketing training courses, IBM recognised that *Marketing Essentials* was an excellent delivery vehicle for other groups:

- Any IBM non-marketing staff that either need or want to improve their Marketing Skills (e.g. Sales, Project Managers, Customer Support)
- IBM Business Partners, Distributors and value added resellers

The Results

IBM benefited from significant cost savings through the use of *Marketing Essentials* as against conventional classroom training: an estimated \$7,000 per person, made up of \$5,000 tuition savings and \$2,000 travel and accommodation savings). Much of this saving is the result of the integrated way in which IBM implemented the solution and of central co-ordination of the licence contracts.

For the trainees themselves, the new methodology was more efficient and more effective, being much less disruptive both to their work and to their home lives.

Overall the business saw improvements in the following:

- Consistent application of marketing training, knowledge and processes across geographic and departmental boundaries.
- Significant cost savings over conventional training
- Significant time savings: number of training days reduced from 21 to 10
- Global marketing team culture to share problems, ideas and solutions supported by Lotus Notes.
- Marketing best practice was promoted to all IBM staff.

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- *Marketing Essentials* is the foundation on which more specialist training can be built.

Next Steps

The fundamental issues addressed by IBM together with MMC still resonate for many global companies, and plainly, equivalent value can be achieved by any such company which requires that its global training be not only of consistent high quality, but also cost- and time-efficient.

IBM staff now have access to MMC's *Marketing Excellence* programme which leads to the CIM Professional Award in eMarketing.

Testimonials



ko Maddox , Marketing Programme Manager, said, “MMC content is the best we and their support was superb”.

Lou Gerstner, in his retirement speech said his success was partly due to successfully establishing a culture of marketing excellence within IBM.

Sam Palisano, Lou Gerstner's successor, says there is still more to do in developing strategic and value added marketing within IBM.