

## Measuring “MARPERATIONS™” – A New 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 we 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.

One of the two co-authors of this article, Arjun Sen held the unique position of VP of Marketing and Operations Services for Papa John’s International. In this position the new science of Marperations™ was rigorously tested in a highly competitive environment. This new science proved to be robust then and now with the new emphasis on sustainability, it will be even more robust as marketing will have as one of its key future components educating the public of the environmental and energy impact of products and services.

### Current Measurement Approaches

Our past experience with Operations and Marketing personnel suggested to us that these two “types” of senior executives were made of different DNA. They seemed to be born differently, certainly acted differently, even when they both donned the same company colors. When one puts the report cards of operations and the report cards of marketing next to each other and tried to compare them or make sense of them in a unified, rational, synergistic manner, the differences 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. They are about measuring cost of goods or raw materials. Operations’ directives in most companies have always been about sustainability in some respect as many of these measures we efficiency measures on the input side, the process aspects of creating the product or service, or pointed toward controlling waste or reducing key cost inputs such as labor. Maximum efficiency, a hallmark of sustainability, was and remains the key goal of operations, plus, of course,

measuring and improving quality by a greater measure than the increase in cost necessary to improve the quality.

These measures are commonly used because, when viewed separately, they best showcase the accomplishments of each department. Until recently, marketing came from and lived on another planet, seeking “eyeballs” for quality or convenience claims. Today, when marketing has to answer the questions customers ask like, “What is the carbon footprint generated by this product?” – an answer that only operations can provide, at least we see the beginnings of marketing and operations becoming synergistic. While many forces have led to the new science and reality of “Marperations™”, it is sustainability becoming a part of the central core, the central nervous system, the DNA of every company, that will put “Marperations™” into the lexicon of “C” level managers, business students, and writers on business topics.

### The Problems with the Current Measurement Approaches

Having Marketing and Operations work in their separate silos in companies causes the following three problems:

Marketing measures are trailing indicators of the brand. The measurement period looks back to last quarter and month. The insights generated by these marketing measures, though needed, do not predict future brand or product success nor reflect the value to the customer of the way operations in a company shepherds the company’s resources to produce the best product in the most efficient manner. urgency of a brand’s operations. Operations are an ongoing process that never stops and operational improvements never stops. Marketing that does incorporate wisdom and sustainability oriented success stories of operations misses the boat that customers want to get on these days.

Operations measures are more current when compared to Marketing’s measures. However, they still reflect yesterday’s measures, which are not leading indicators.

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 or other supply chain efficiencies. The brand, however, may not meet its overall goals if the customer level of satisfaction or experience drops significantly due to one or more company efficiencies actually causing a reduction in customer satisfaction. A deteriorating customer level of satisfaction will eventually, if not sooner, cause sales to drop, the reputation of the brand or product will also suffer, and the combination of these two results produce a critical situation for the brand.

Measuring Marperations™

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

The measure must be a leading indicator and not a trailing indicator. A leading indicator allows a company, brand, or product to tweak its marketing and operations strategies to influence the leading indicator.

The measure should be simple and communicated throughout the organization. It needs a life outside the company's boardroom.

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 each other and the 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 efforts can 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.

Achieving Unified Marperations™ Measures and Positive Impacts on the Bottom Line

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. Marperations™ measures will become critical sustainability measures in all three key areas of people, profit and planet. Since sustainability must permeate both Operations and Marketing, it is the door that opens up the opportunity for a new breakthrough in business we call Marperations™.

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, a true integration between Marketing and Operations. Shared working is not merely 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. Sustainability should be a common theme in all key strategies of Marketing and Operations for every company in the future.

## Conclusion

The benefits of developing and living a unified measure of Marperations™ are obvious as it is directed towards the company's overall success and provides the best approach for integrating sustainability into all key aspects of the company's activities. This common report card will result in shared accountability and less 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 and a sustainability win. In a way, this marks the beginning of the end of silos and "individual players." Sustainability requires such a unified approach to product development and manufacture and customer education about how the company is, what it stands for, and how it is contributing to reducing energy use, pollution, climate change, and being an excellent steward of its resources and the planet's resources. Companies can no longer afford doing business as Operating or Marketing silos. Instead, companies will hire and retain those who can and relish working together under a unified company banner and help generate an overall report card of Marperations™.

## About the Authors

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