MANAGEMENT AUDIT
Strategi dan Perencanaan Organisasi yang Efektif

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Abstrak

Management audit merupakan suatu tugas yang dalam mencakup dan meluas dari aspek kualitas dan kinerja organisasi. Dengan menggunakan pendekatan yang sistematis, management audit membantu menentukan kinerja organisasi dan prosesnya. Hal ini khusus dengan kebijakan manajemen dan perencanaan (ISO 9001), yang mengatur kualitas, keterampilan, komunikasi, dan keterampilan kerja. Perusahaan perlu menggunakan pendekatan ini agar memenuhi persyaratan dan menghasilkan hasil yang baik pada perusahaan mereka dan memastikan kinerja yang baik pada perusahaan mereka.


Dengan adanya strategi dan perencanaan yang baik, manajemen dapat menentukan kinerja dan proses organisasi yang efektif. Dengan adanya pendekatan, manajemen dapat menentukan kinerja dan proses organisasi yang efektif. Dengan adanya pendekatan, manajemen dapat menentukan kinerja dan proses organisasi yang efektif. Dengan adanya pendekatan, manajemen dapat menentukan kinerja dan proses organisasi yang efektif. Dengan adanya pendekatan, manajemen dapat menentukan kinerja dan proses organisasi yang efektif.

Peranan management audit semakin meningkat secara epos dalam dua dekade terakhir, terutama karena penggunaan teknologi dan kompeksitas pada banyak perusahaan. Dalam management audit perlu seorang internal auditor yang penting, terutama untuk memahami...

Agar tujuan tersebut mencapai sesarannya, maka diprioritaskan suatu strategi dan perencanaan dalam mengorganisir fungsi management audit. Oleh karena itu setiap internal auditor harus dapat membuat suatu perencanaan yang benar dan harus dapat memperolehkan arah mana yang akan dituju, kemudian merencanakan cara yang dapat membawa... untuk mencapai tujuan. Setelah perencanaan dilakukan, strategi, kebijakan, prosedur dan program yang dapat memastikan bahwa tujuan yang diatasi akan membuahkan ke arah pencapaian tujuan. Karena dengan berhasilnya setiap internal auditor dalam menganalisis fungsi-fungsi manajemen, akan membantu manajemen dalam melakukan fungsi pengawasan.

Tujuan penelitian ini dimaksudkan untuk menjelaskan pentingnya membuat strategi dan perencanaan yang efektif dalam management audit, agar buku dan informasi yang dilakukan dapat digunakan oleh manajemen dalam menilai efisiensi dan efektivitas kinerja perusahaan.

**Pengertian Management Audit**

Management audit adalah suatu teknik yang secara teratur dan sistematis digunakan untuk menilai efektivitas unit atau pekerjaan dibandingkan dengan standar-standar perusahaan dan indikator dengan menggunakan pengetahuan yang bukan ahi dalam bahwa tujuan-tujuan dilaksanakan, dan keadaan yang membutuhkan perbaikan ditemukan. (Witaya, 1995):

Dari pengertian tersebut tujuan management audit untuk menilai berbagai sumber yang memberikan data keuangan. Management audit direncanakan untuk mengevaluasi, menilai, memperoleh dan menentukan hasil kerja perusahaan dibandingkan dengan berbagai standar yang telah ditetapkan atau pola yang dilakukan sesuai perusahaan. Sehingga tujuan untuk menilai efisiensi dan efektivitas organisasi. Dengan management audit dapat ditentukan apakah transaksi-transaksi pendanaan telah dilaksanakan dengan baik, sehingga dapat menyiapkan data yang tepat dan terpapar baik untuk pihak intern maupun ekstern. Oleh karena itu, tujuan management audit meliputi berbagai bidang yang harus ditangani, yaitu: pengendalian, metode penilaian, kebijakan, dan pendekatan yang digunakan.

- Berdasarkan karakter. Management audit mempunyai tujuan (Permai, 1995):
  - Memberikan informasi kepada manajemen mengenai efektivitas suatu unit atau fungsi
  - Mengukur efektivitas yang dilaksanakan pada buku-buku dan standar-standar.
  - Menilai apakah pengendalian manajemen telah cukup memadai dan dilaksanakan secara efektif.
  - Menilai apakah catatan dan laporan serta data lainnya telah menggambarkan kegiatan yang sebenarnya secara tepat dan tepat.
  - Menilai apakah setiap unit atau bagian telah melaksanakan rencana, kebijakan, dan prosedur yang menjadi tanggungjawabnya.
  - Menetapkan kegiatan telah dilaksanakan secara hatar dan efisien.
  - Menilai apakah kegiatan telah dilaksanakan secara efektif sesuai dengan tujuan yang telah ditentukan.
Berdasarkan ISO 16949 maupun dan tujuan dari audit adalah sebagai berikut:

- Menentukan keberhasilan (Non-conformities)
- Menentukan efektivitas sistem mutu
- Memberikan peluang untuk perbaikan sistem
- Memenuhi peraturan peraturan
- Memudahkan registrasi, penilaian atas sistem mutu
- Menilai pembaikan dan memverifikasi sistem mutu pembaikan
- Menilai dan memverifikasi sistem mutu perusahaan sendiri

Perencanaan dan Mengorganisir Fungsi Management Audit

Peran seorang internal auditor sangat penting dalam melaksanakan perencanaan dan mengorganisir manajemen audit. Agar tujuan manajemen audit tercapai, maka peran auditor sebagian besar difokuskan, fleksibel dan dapat menyesuaikan diri sesuai dengan kebutuhan organisasi secara profesional. Disamping itu juga harus dapat membantu manajemen yang membutuhkan keahlian pencapaian tujuan. Oleh karena itu harus dapat membantu tujuan perencanaan yang mencakup strategi, kebijakan, prosedur dan program yang dapat menentukan efektivitas dan keberhasilan suatu unit usaha (Husnah, 1991). Karena management audit berkaitan dengan pencarian ekonomis, efisiensi dan efektivitas diseluruh operasi. Ekonomisasi merupakan ukuran masukan (measure of input), efisiensi adalah ukuran hubungan antara masukan dan keluaran, sedangkan efektivitas adalah ukuran keluaran (measure of output). Konsep tersebut dapat digambarkan sebagai berikut (Wijaya, 1995):

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<th>MASUKAN</th>
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Dalam pencapaian tujuan beberapa aspek yang perlu dipertimbangkan adalah:

1. Jenis bantuan manajerial yang diperlukan.
   Harus ada pengertian yang jelas tentang jenis bantuan manajerial yang akan diberikan oleh departemen internal audit. Apabila harus terbatas pada jasa compliance atau lebih dari itu. Sehingga ada kesepakatan penugasan, dan sisa adanya yang diterima dalam melaksanakan tanggung jawab, dapat segera memberikan usulan untuk perbaikan.

2. Tingkat independensi.
   Perlu dipertimbangkan untuk independensi internal auditor dalam hal tertentu dalam konsepnya dengan pencapaian “goal” dan “objective”, yang dibuat. Untuk memerikan jasa manajemen yang masuk, auditor kebijakan menilai wewenang penuh untuk dapat memastikan kekuatan bagian dan operasi perusahaan.

3. Sumber daya yang dielaborasi.
   Perlu dipertimbangkan komposisi personel dan anggaran untuk menentukan besar kekuasaan departemen.

4. Keahlian staff dan jasa.
   Dalam menetapkan “goal” dan “objective”, harus dipertimbangkan tingkat pengembangan staff yang diinginkan, karena kualifikasi staff akan memastikan produktivitas suatu audit.

Strategi merupakan pendekatan yang bersifat management oriented yang diarahkan pada peningkatan efisiensi dan peningkatan biaya dalam upaya mencapai “goal” dan “objective”. Beberapa perubahan yang harus diperhatikan dalam menentukan strategi bagi internal auditor adalah:
Strategi tugas yang lebih tinggi dan kebijakan utama harus ditopang oleh prosedur operasi dan kebijakan sarana. Pertama yang harus dihormati adalah dalam merencanakan pekerjaan audit advance planning. Untuk utama advance planning adalah pengembangan skedul tahap oleh chief internal auditor bermanfaat awal tahun fisik. Skedul tersebut disusun dan diperbarui selama berlangsungnya tugas rutin dan jumlah hari yang belum terkait yang kelak akan digunakan untuk tugas khusus atau untuk audit yang memerlukan waktu lebih lama dari yang disepakati. Karena situasi audit diperbarui, biasanya jabatan ad departemen internal audit yang dapat mengikuti advance skedul yang tepat. Selisih skedul ini dapat digunakan sebagai standar atau agunan dan harus tetap diperbarui sesuai dengan kromat. Hal kedua yang harus dihormati adalah frekuensi dan lulus audit. Karena frekuensi dan lulus audit cenderung berkurang dalam upaya melaksanakan internal audit dengan jumlah waktu dan ting yang masih.

Perencanaan Audit

Dalam standar pekerjaan lapangan yang pertama disebutkan

- Saat pelaksanaan sistem perusahaan

  "Pekerjaan harus direncanakan sebelumnya dan diajukan secara tertulis dengan disetujui."

  Dari standar dapat kita ketahui bahwa auditor harus berkenan merencanakan pekerjaan audit agar penerimaan efektif dan efisien. Penerimaan berarti pemeriksaan yang dilakukan telah mampu memberikan pendapat mengenai laporan yang diperlukan serta dengan pengumuman, tanpa menimbulkan efek negatif dalam yang akan datang. sehingga niatan audit telah terpenuhi. Efektivitas pemeriksaan berarti pemeriksaan yang dilakukan telah mempertimbangkan dan menggunakan data serta menang yang seharus mungkin tanpa mengurangi niat audit itu sendiri dan tidak.
...I...>...-

Pengawasan ini sangat penting apalagi karena dalam pemeriksaan memerlukan pertimbangan shi yang belum tentu menjadi oleh seorang staf akuntansi yang ditunjuk dilapangan...

Pencatatan audit melalui pengembangan strategi menuju peningkatan partisipasi dan lingkup audit yang diharapkan. Sifat hus dan saat pencatatan bersama memungkinkan langsung yang diambil. Dalam menyusun rencana strategis, auditor harus menganalisis dan melaksanakan penilaian alternatif yang strategis dengan mempertimbangkan:

- Kebijakan dan umum departemen
- Strategi manajemen departemen
- Visi perusahaan
- Aspirasi manajemen
- Maksud dan tujuan perusahaan
- Kondisi intern perusahaan (Strengths and Weaknesses)
- Faktor lingkungan (Opportunities dan Threats)

Dalam buku Standar Profesional Akuntansi Publik untuk pencatatan audit, auditor harus mempertimbangkan antara lain:

- Masalah yang berkaitan dengan bisnis satuan usaha tersebut dan industri yang satuan usaha tersebut beroperasi di dalamnya.
- Kebijakan dan prosedur akuntansi satuan usaha tersebut.
- Metode yang digunakan oleh satuan usaha tersebut dalam mengolah informasi akuntansi yang signifikan, termasuk penggunaan organisasi jasa dari luar untuk mengolah informasi akuntansi pokok perusahaan.
- Penetapan tingkat risiko pengendalian yang direncanakan.
- Pertimbangan awal tentang dukungan materialitas untuk tujuan...
Audit Meningkatkan Efektivitas Sistem

Berdasarkan The International Audit Standard ISO 10011, dinilai Quality audit mutu, adalah memberikan basis obyektif mengenai non-konformi. Manajemen dapat menggunakan hasil audit untuk memperbaiki sistem mutu dan kinerja perusahaan.

Dalam manajemen audit hasil yang ditemui pada suatu proses adalah menyangkut biaya operasi perusahaan. Operasi perusahaan yang tidak efisien secara langsung, baik langsung dapat mempengaruhi laba perusahaan, demikian juga kinerja yang tidak efektif akan mempengaruhi prestasi dan selanjutkan akan berdampak pada penurunan untuk produk. Efektivitas dapat diturun dengan cara memproses produk dalam keadaan yang lebih baik. Oleh karena itu, audit harus mempunyai tujuan untuk memastikan bahwa proses tersebut dapat dilakukan dengan cara yang lebih efisien dan efektif. Dengan demikian, manajemen harus memperbaiki kinerja perusahaan dengan membandingkan dengan standar yang telah ditetapkan oleh manajemen, masing pada saat yang bersamaan juga mencakup efektivitas standar dan kinerja yang telah ditetapkan oleh perusahaan. Laporan audit untuk manajemen level yang lebih tinggi akan menghasilkan berbagai alternatif penyelesaian masalah yang akan memberikan informasi kepada manajemen untuk lebih mengetahui pemilihan perusahaan.

Penerapan Manajemen Audit di Indonesia

Indonesia merupakan negara berkembang, yang masih menerapkan berbagai upaya untuk mencapai penguasaan suatu pasar yang "Go International". Salah satu upaya untuk mencapai hal tersebut manajemen harus berperan langsung dalam menentukan standar minimal yang ditetapkan oleh negara lain, sehingga dapat melakukan eksport dalam berbagai hal. Untuk ini manajemen harus dapat mengelola perusahaan secara efektif dan efisien. Salah satu hal yang ada yaitu perusahaan harus dapat mempraksekan manajemen audit yang memenuhi kualifikasi berdasarkan ISO 10011. Peranannya bagi kita semua adalah bahwa auditors perusahaan yang berskala internasional di Indonesia, memastikan manajemen audit berdasarkan ISO 10011 yang dapat memenuhi Qulati audit berdasarkan The International Audit Standard.

Penutup

Manajemen audit yang membuat perusahaan dalam mengelola, menangani dana dan membangun hasil kinerja perusahaan diukur dengan berbagai standar yang telah ditetapkan oleh perusahaan. Oleh karena itu dalam perencanaan audit, harus memperhatikan berbagai masalah faktor yang mempengaruhi efektivitas dan efisiensi perusahaan.

Daftar Pustaka


THE MARKETING AUDIT COMES AGE

Kotler -- Northwestern University
T. Gregor -- The MAC Group, Inc.
H. Rodgers III -- Hamilton Consultants, Inc.

S CLASSIC ARTICLE has been read by countless business-school students and marketing professionals since it originally appeared in 1977. The model proposed at that time -- which lined how an independent entity should go about assessing an existing marketing program -- sufficiently streamlined that it holds up very well today. In their retrospective comments, authors discuss marketing issues that have come to the forefront in the intervening years: rationalization of markets, information technology, communications/promotion technology, strategic planning, more sophisticated analytical tools, and the increased attention paid to keting throughout the organization.

They close with suggestions on how to implement marketing audit recommendations. Ed.

Comparing the marketing strategies and tactics of business units today with those of ten years ago, the most striking impression is one of marketing strategy obsolescence. Ten years ago, automobile companies were gearing up for their second postwar race to produce the best car with the highest horsepower. Today companies are selling increasing numbers of all and medium-sized cars and fuel economy is the major selling point. Ten years ago, computer companies were introducing ever more powerful hardware for more sophisticated applications. Today they emphasize minis and microcomputers and software. It is not even necessary to take a ten-year period to show the rapid obsolescence of marketing strategies. The growth pattern of 1950 to 1970 has been superseded by a volatile economy that produces new strategic surprises almost monthly. Competitors launch new products, customers switch their loyalties, distributors lose their effectiveness, advertising costs skyrocket, government regulations are announced, and consumer groups attack. These changes represent both opportunities and problems and may demand periodic reorientations of the Company's marketing operations.

Many companies feel that their marketing operations need regular reviews and overhauls, but not how to proceed. Some companies simply make many small changes that are piecemeal and politically feasible, but fail to get to the heart of the matter. True, the company develops an annual marketing plan, but management normally does not take a deep, objective look at the marketing strategies, policies, organizations, and operations on a regular basis. At the other extreme, companies install aggressive new top marketing management hoping to shake down the marketing cobwebs. In between there must be more orderly ways to reorient marketing operations to changed environments and opportunities.

After the Marketing Audit

We hear more talk today about the marketing audit as being the answer to evaluating marketing practice just as the public accounting audit is the tool for evaluating company accounting practice. This might lead one to conclude that the marketing audit is a new idea and so a very distinct methodology. Neither of these conclusions is true.
The marketing audit as an idea dates back to the early 1950s. Rudolph Dallmeyer, a former executive in Booz Allen & Hamilton, remembers conducting marketing audits as early as 1952. Albert J. Lavidge, president of Elrick and Lavidge, claims his firm's performance of marketing audits to over two decades ago. In 1959, the American Management Association published an excellent set of papers on the marketing audit under the title, Analyzing and Improving Marketing Performance, Report No. 32, 1959. During the 1960s, the marketing audit received creasing mention in the lists of marketing services of management consulting firms. It was not till the turbulent 1970s, however, that it began to penetrate management awareness.

The fullest form and concept, a marketing audit has four basic characteristics. The first and most important is that it is broad rather than narrow in focus. The term "marketing audit" should be reserved for a horizontal (or comprehensive) audit covering the company's marketing environment, objectives, strategies, organization, and systems. In contrast, a vertical (or in-depth) audit occurs when management decides to take a deep look into some key marketing function, such as salesforce management. A vertical audit should properly be called by the function that is being audited, such as a salesforce audit, an advertising audit, or a pricing audit.

A second characteristic feature of a marketing audit is that it is conducted by someone who is independent of the operation that is being evaluated. There is some loose talk about self-audits, where managers follow a checklist of questions concerning their own operations to make sure they are touching all the bases. Most experts would agree, however, that the self-audit, while always a useful step, does not constitute a bona fide audit because it lacks objectivity and dependence. Independence can be achieved in two ways. The audit could be an inside audit conducted by a person or group inside the company but outside the operation being evaluated. It could be an outside audit conducted by a management consulting firm or practitioner. The third characteristic of a marketing audit is that it is systematic. Marketing auditors who decide to interview people inside and outside the firm at random, asking questions as they occur, is a "fisceral" auditor without a method. This does not mean that they will not come up with very useful findings and recommendations; they may be very insightful. However, the effectiveness of the marketing audit will normally increase to the extent that it incorporates an orderly sequence of diagnostic steps, such as there are in the conduct of a public accounting audit.

A final characteristic that is less intrinsic to a marketing audit but nevertheless desirable is that it be conducted periodically. Typically, evaluations of company marketing efforts are commissioned when sales have turned down sharply, salesforce morale has fallen, or other problems have occurred at the company. The fact is, however, that companies are thrown into crisis partly because they have failed to review their assumptions and to change them during good times. A marketing audit conducted when things are going well can often help make a bad situation even better and also indicate changes needed to prevent things from turning worse. The above ideas on a marketing audit can be brought together into a single definition:

"Marketing audit is a comprehensive, systematic, independent, and periodic examination of a company's or business unit's marketing environment, objectives, strategies, and activities..."
In a view to determining problem areas and opportunities and recommending a plan of action to improve the company's marketing performance.

**What Is the Marketing Audit Process?**

A marketing audit is performed. Marketing auditing follows the simple three-step procedure shown in Figure 1. **Setting the Objectives and Scope**

The first step calls for a meeting between the company officer(s) and a potential auditor to explore the nature of the marketing operations and the potential value of a marketing audit. If the company officers are convinced of the potential benefits of a marketing audit, they and the auditor have to work out an agreement on the objectives, coverage, depth, data sources, report mat, and time period for the audit.

Consider the following actual case. A plumbing and heating supplies wholesaler with three branches invited a marketing consultant to prepare an audit of its overall marketing policies and operations. Four major objectives were set for the audit.

1. **Determine how the market views the company and its competitors.**
2. **Recommend a pricing policy.**
3. **Develop a product evaluation system.**
4. **Determine how to improve the sales activity in terms of the deployment of the salesforce, the level and type of compensation, the measurement of performance, and the dition of new sales representatives.**

Additionally, the audit would cover the marketing operations of the company as a whole and operations of each of the three branches, with particular attention to one of the branches. The audit would focus on the marketing operations but also would include a review of the ordering and inventory systems, since they intimately affect marketing performance.

The company would furnish the auditor with published and private data on the industry. In addition, the auditor would contact suppliers of manufactured plumbing supplies for additional market data, and contact wholesalers outside the company's market area to gain further information on wholesale plumbing and heating operations. The auditor would interview all the key corporate and branch management, sales and purchasing personnel, and ride with several of those salespeople on their calls. Finally, the auditor would interview a sample of the major plumbing and heating contractor customers in the market areas of the two largest branches. It was decided that the report format would consist of a draft report of inclusions and recommendations to be reviewed by the president and vice president of marketing, and then delivered to the executive committee, which included the three branch managers. Finally, it was decided that the audit findings would be ready to present within six to eight weeks.

**Gathering the Data**

A bulk of an auditor's time is spent in gathering data. Although we talk of a single auditor, an auditing team is usually involved when the project is large. A detailed plan as to who is to be interviewed by whom, the questions to be asked, the time and place of contact, and so on, has to be carefully prepared so that auditing time and cost are kept to a minimum. Daily reports of
The cardinal rule in data collection is not to rely solely for data and opinion on those being
dited. Customers often turn out to be the key group to interview. Many companies do not
tily understand how their customers see them and their competitors; nor do they fully
derstand customer needs. This is vividly demonstrated in Figure 2, which shows the results of
king end users, company salespeople, and company marketing personnel for their views of
importance of different factors affecting the user's selection of a manufacturer. According to
a figure, customers look first and foremost at the quality of technical support services,
followed by prompt delivery, followed by quick response to customer needs. Company
salespeople think that company reputation, however, is the most important factor in customer
choice, followed by quick response to customer needs and technical support services. Those
ho plan marketing strategy have a different opinion. They see price and product quality as the
major factors in buyer choice, followed by quick response to customer needs. Clearly, there
a lack of consonance between what buyers say they want, what company salespeople are
responding to, and what company marketing planners are emphasizing. One of the major
tributions of marketing auditors is to expose these discrepancies and suggest ways to
prove marketing consensus.

Preparing and Presenting the Report

The marketing auditor will be developing tentative conclusions as the data comes in. It is a
sound procedure for him or her to meet once or twice with the company officer before the data
collection ends to outline some initial findings to see what reactions and suggestions they
produce.

When the data-gathering phase is over, the marketing auditor prepares notes for a visual and
oral presentation to the company officer or small group who hired him or her. The
presentation consists of restating the objectives, showing the main findings, and presenting the
major recommendations. Then the auditor is ready to write the final report, which is largely a
matter of putting the visual and verbal material into a good written communication. The
company officer(s) will usually ask the auditor to present the report to other groups in the
company. If the report calls for deep debate and action, the various groups hearing the report
should organize into subcommittees to do follow up work, with another meeting to take place
some weeks later. The most valuable part of the marketing audit often lies not so much in the
auditor's specific recommendations but in the process that managers begin to go through to
assimilate, debate, and develop their own concept of the needed marketing action.

Marketing Audit Procedures for an Inside Audit

Companies that conduct internal marketing audits show interesting variations from the
procedures just outlined. International Telephone and Telegraph, for example, has a history of
forming corporate teams and sending them into weak divisions to do a complete business audit,
with a heavy emphasis on marketing. Some teams stay on the job, often taking over
management of the division.

General Electric's corporate consulting division offers help to various divisions on their
marketing problems. One of its services is a marketing audit in the sense of a broad,
A major principle in marketing audits is to start with the marketplace first and explore the changes that are taking place and what they imply in the way of problems and opportunities. Then the auditor moves on to examine the company's marketing objectives and strategies, organization, and systems. Finally the auditor may move to examine one or two key functions that are central to the marketing performance of that company in more detail. However, some companies ask for less than the full range of auditing steps in order to obtain initial results before commissioning further work. The company may ask for a marketing environment audit and, if satisfied, then ask for a marketing strategy audit. Or it might ask for a marketing organization audit first, and later ask for a marketing environment audit.

We view a full marketing audit as having six major components; each can be semi-autonomous if a company wants less than a full marketing audit. The six components and their logical

Independent, systematic, look at the marketing picture in a division. However, the corporate consulting division gets few requests for a marketing audit as such. Most of the requests are for specific marketing studies or problem-solving assistance.

3M uses a very interesting and unusual internal marketing plan audit procedure. A marketing plan audit office with a small staff is located at corporate headquarters. The main purpose of the 3M marketing plan audit is to help the divisional marketing manager improve the marketing planning function, as well as come up with better strategies and tactics. A divisional marketing manager phones the marketing plan audit office and invites an audit. There is an agreement that only the division manager will see the results and it is up to him or her whether to allow wider distribution.

The audit centers on a marketing plan for a product or product line that the marketing manager is preparing for the coming year. This plan is reviewed at a personal presentation by a special team of six company marketing executives invited by the marketing plan audit office. A new team is formed for each new audit. An effort is made to seek out those persons within 3M (but not in the audited division) who can bring the best experience to bear on the particular plans and opportunities. A team typically consists of a marketing manager from another division, a national sales manager, a marketing executive with a technical background, a few others close to the type of problems found in the audited plan, and another person who is totally unfamiliar with the market, the product, or the major marketing techniques being used in the plan. This person usually raises some important points others may forget to raise, or asks questions others do not ask because "everyone probably knows about that anyway."

The six auditors are supplied with a summary of the marketing manager's plan about ten days before a meeting is held to review the plan. On the audit day, the six auditors, the head of the audit office, and the divisional marketing manager gather at 8:30 A.M. The marketing manager makes a one-hour presentation describing the division's competitive situation, the long-run strategy, and the planned tactics. The auditors proceed to ask hard questions and debate certain points with the marketing manager and each other. Before the meeting ends that day, the auditors are each asked to fill out a marketing plan evaluation form consisting of questions that are accompanied by numerical rating scales and space for comments.

These evaluations are analyzed and summarized after the meeting. Then the head of the audit office arranges a meeting with the divisional marketing manager and presents the highlights of the auditors' findings and recommendations. It is then up to the marketing manager to take the next steps.

Components of the Marketing Audit

A major principle in marketing audits is to start with the marketplace first and explore the changes that are taking place and what they imply in the way of problems and opportunities. Then the auditor moves on to examine the company's marketing objectives and strategies, organization, and systems. Finally the auditor may move to examine one or two key functions that are central to the marketing performance of that company in more detail. However, some companies ask for less than the full range of auditing steps in order to obtain initial results before commissioning further work. The company may ask for a marketing environment audit and, if satisfied, then ask for a marketing strategy audit. Or it might ask for a marketing organization audit first, and later ask for a marketing environment audit.

We view a full marketing audit as having six major components; each can be semi-autonomous if a company wants less than a full marketing audit. The six components and their logical
agnostic sequence are discussed below. The major questions connected with these components are gathered in the Appendix.

**Marketing Environment Audit**

The marketing environment, we mean both the **macro-environment** surrounding the industry and the **task environment** in which the organization intimately operates. The macro-environment consists of the large-scale forces and factors influencing the company's future, over which the company has very little control. These forces are normally divided into economic-demographic factors, technological factors, political-legal factors, and social-cultural factors. The marketing auditor's task is to assess the key trends and their implications for company marketing action. However, if the company has a good long-range forecasting department, then there is less of a need for a macro-environment audit.

The marketing auditor may play a more critical role in auditing the company's task environment. The task environment consists of markets, customers, competitors, distributors and dealers, suppliers, and marketing facilitators. The marketing auditor can make a contribution by going out into the field and interviewing various parties to assess their current thinking and attitudes and bringing them to the attention of management.

**Marketing Strategy Audit**

The marketing auditor then proceeds to consider whether the company's marketing strategy is well-postured in the light of the opportunities and problems facing the company. The starting point for the marketing strategy audit is corporate goals and objectives, followed by marketing objectives. The auditor may find the objectives to be poorly stated, or well-stated but inappropriate given the company's resources and opportunities. For example, a chemical company had set a sales growth objective for a particular product line at 15 percent. However, the total market showed no growth, and competition was fierce. Here the auditor questioned the basic sales growth objective for that product line. He proposed that the product line be considered for a maintenance or harvest objective at best and that the company look for growth elsewhere.

Even when a growth objective is warranted, the auditor will want to consider whether management has chosen the best strategy to achieve that growth.

**Marketing Organization Audit**

A complete marketing audit would have to cover the question of the effectiveness of the marketing and sales organization, as well as the quality of interaction between marketing and other key management functions such as manufacturing, finance, purchasing, and research and development.

At critical times, a company's marketing organization must be revised to achieve greater effectiveness within the company and in the marketplace. Companies without product management systems will want to consider introducing them; companies with these systems may want to consider dropping them, or trying product teams instead. Companies may want to redefine the role of a product manager from being a promotional manager (concerned primarily with volume) to a business manager (concerned primarily with profit). There is the issue of whether decision-making responsibility should be moved up from the brand to the product level. There is the perennial question of how to make the organization more market-responsive, including the possibility of replacing product divisions with market-centered divisions. Finally,
sales organizations often do not fully understand marketing. In the words of one vice president of marketing: “It takes about five years for us to train sales managers to think marketing.”

**Marketing Systems Audit**

A full marketing audit then examines the various systems being used to gather information, plan, and control the marketing operation. The issue is not the company’s marketing strategy or organization per se but rather the procedures used in some or all of the following systems: sales forecasting, sales goal and quota setting, marketing planning, marketing control, inventory control, order processing, physical distribution, new products development, and product pruning.

The marketing audit may reveal that marketing is being carried out without adequate systems of planning, implementation, and control. An audit of a consumer products division of a large company revealed that decisions about which products to carry and which to eliminate were made by the head of the division on the basis of his intuitive feeling, with little information or analysis to guide the decisions. The auditor recommended the introduction of a new product-screening system for new products and an improved sales control system for existing products. He also observed that the division prepared budgets but did not carry out formal marketing planning and conducted hardly any research into the market. He recommended that the division establish a formal marketing planning system as soon as possible.

**Marketing Productivity Audit**

A full marketing audit also includes an effort to examine key accounting data to determine where the company is making its real profits and what, if any, marketing costs could be trimmed. Decision Sciences Corporation, for example, starts its marketing audit by looking at the accounting figures on sales and associated costs of sales. Using marketing cost accounting principles, it seeks to measure the marginal profit contribution of different products, end-user segments, marketing channels, and sales territories.

We might argue that the firm’s own controller or accountant should do the job of providing management with the results of marketing cost analysis. A handful of firms have created the position of marketing controllers, who report to financial controllers and spend their time looking at the productivity and validity of various marketing costs. Where an organization is doing a good job of marketing cost analysis, it does not need a marketing auditor to study the same. But most companies do not do careful marketing cost analysis. Here marketing auditors can pay their way by simply exposing certain economic and cost relations that indicate waste or conceal unexploited marketing opportunities.

Zero-based budgeting is another tool for investigating and improving marketing productivity. In normal budgeting, top management allots to each business unit a percentage increase (or decrease) of what it got last time. The question of whether that basic budget level still makes sense is not raised. The manager of an operation should be asked what would basically be needed if the operation were started from scratch and what it would cost. What would be needed next, and what would it cost? In this way, a budget reflecting the true needs of the operation is built from the ground up. When this technique was applied to a technical sales group within a large industrial goods company, it became clear that the company had three or four extra technical salespeople on its payroll. The manager admitted to the redundancy but argued that if a business upturn came, these people would be needed to tap the potential. In the meantime, they were carried on the payroll for two years in the expectation of a business upturn.
Marketing Function Audit

The work done to this point might begin to highlight certain key marketing functions that are performing poorly. The auditor might spot, for example, salesforce problems that go very deep. It might become clear that advertising budgets are prepared in an arbitrary fashion and such things as advertising themes, media, and timing are not evaluated for their effectiveness. In these and other cases, the issue becomes one of notifying management of the desirability of one or more marketing function audits.

Which Companies Can Benefit Most from a Marketing Audit?

Companies can benefit from a competent audit of their marketing operations. However, a marketing audit is likely to yield the highest payoff in the following companies and situations:

1. Production-oriented and Technical-oriented Companies. Many manufacturing companies have a special interest in a certain product. New products are added that appeal to the technical interests of management, usually with insufficient attention paid to their market potential. The feeling in these companies is that marketing is paid to sell what the company decides to make. After some failures with its "better mousetraps," management starts getting interested in shifting to a market orientation. But this calls for more than a simple declaration by top management to study and serve the customer's needs. It calls for a great number of organizational and attitudinal changes that must be introduced carefully and convincingly. An auditor can perform an important service in recognizing that a company's problem lies in its production orientation, and in guiding management toward a market orientation.

2. Troubled Divisions. Multidivision companies usually have some troubled divisions. Top management may decide to use an auditor to assess the situation in a troubled division rather than rely solely on the division management's interpretation of the problem.

3. High-Performing Divisions. Multidivision companies might want an audit of their top divisions to make sure that they are reaching their highest potential and are not on the verge of a sudden reversal. Such an audit may also yield insights into how to improve marketing in other divisions.

4. Young Companies. Marketing audits of emerging small companies or young divisions of large companies can help to lay down a solid marketing approach at a time when management has a great degree of market inexperience.

V. Nonprofit Organizations. Administrators of colleges, museums, hospitals, social agencies, and churches are beginning to think in marketing terms, and the marketing audit can serve a useful educational as well as diagnostic purpose.

What Are the Problems and Pitfalls of Marketing Audits?

While the foregoing has stressed the positive aspects of marketing audits and their utility in a variety of situations, it is important to note some of the problems and pitfalls of the marketing audit process. Problems can occur in the objective-setting step, the data collection step, or the report presentation step.

Setting Objectives

When the marketing audit is being designed by the auditor and the company officer who commissioned the audit, several problems will be encountered. For one thing, the objectives set for the audit are based upon the company officer's and auditor's best a priori notions of what key problem areas are. However, new problem areas may emerge once the auditor begins...
to learn more about the company. The original set of objectives should not constrain the auditor from shifting the priorities of investigation.

Similarly, it may be necessary for the auditor to use different sources of information than envisioned at the start of the audit. In some cases this may be because some information sources that had been counted on became unavailable. In one marketing audit, the auditor had planned to speak to a sample of customers for the company's electro-mechanical devices, but the company officer who hired him would not permit him to do so. In other cases, a valuable new source of information may arise that was not recognized at the start of the audit. For example, the auditor for an air brake system manufacturer found as a valuable source of market intelligence a long-established manufacturers' representative firm that approached the company after the audit had begun.

Another consideration at the objective-setting stage of the audit is that the management most affected by the audit must have full knowledge of the purposes and scope of the audit. Audits go much more smoothly when the executive who calls in the auditor either brings the management into the design stage, or at least has a general introductory meeting where the auditor explains procedures and answers questions from the people in the affected business.

Data Collection

Despite reassurances by the auditor and the commissioning executive there will still be some managers in the affected business who feel threatened by the auditor. The auditor must expect this, and realize that an individual's fears and biases may color interview statements.

From the onset of the audit, the auditor must guarantee and maintain confidentiality of each individual's comments. In many audits, personnel in the company will see the audit as a vehicle for unloading their negative feelings about the company or other individuals. The auditor can learn a lot from these comments, but must protect the individuals who make them. The auditor must question interviewees in a highly professional manner to build their confidence in the process, or else they will not be entirely honest.

Another area of concern during the information collection step is the degree to which the company executive who brought in the auditor will try to guide the audit. It will be necessary for this officer and the auditor to strike a balance in which the executive provides some direction, but not too much. While overcontrol is the more likely excess of the executive, it is also possible to undercontrol. When the auditor and the company executive do not have open and frequent communication during the audit, it is possible that the auditor may place more emphasis on some areas and less on others than the executive might have desired. Therefore, it is the responsibility of both the auditor and the commissioning executive to communicate frequently during the audit.

Report Presentation

One of the biggest problems in marketing auditing is that the executive who brings in the auditor, or the people in the business being audited, may have higher expectations about what the audit will do for the company than the actual report seems to offer. In only the most extreme circumstances will the auditor develop surprising panaceas or propose startling new opportunities for the company. More likely, the main value of the report will be that it places priorities on ideas and directions for the company, many of which have already been considered by some people within the audited organization. In most successful audits, recommendations skillfully combine the auditor's general and technical marketing background (e.g., designs of sales representatives compensation systems, the ability to measure the size and potential of
markets) with some opportunistic ideas that people in the audited organization have already considered, but whose value they cannot assess. However, it is only in the company's implementation of recommendations that the payoff will come.

Another problem at the conclusion of the audit stems from the fact that most audits result in organizational changes. Organizational changes are a common outcome because the audit usually identifies new tasks to be accomplished, and new tasks demand people to do them. One thing the auditor and the sponsoring executive must recognize, however, is that organizational promotions and demotions are exclusively the executive's decision. It is the executive who has to live with the changes once the auditor is gone, not the auditor. Therefore, the executive should not be lulled into thinking that organizational moves are any easier because the auditor may have recommended them.

The final problem, and this is one facing the auditor, is that important parts of an audit may be implemented incorrectly or not implemented at all by the executive who commissioned the audit. Nonimplementation of key parts of the audit undermines the effectiveness of the whole audit.

**Summary**

The marketing audit is one important approach to evaluating the marketing performance of a company or one of its business units. Marketing audits are distinguished from other marketing exercises in being comprehensive, independent, systematic, and periodic. A full marketing audit covers the company's (or division's) external environment, objectives, strategies, organization, systems, and functions. If the audit covers only one function, such as sales management or advertising, it is best described as a marketing function audit rather than a marketing audit. If the exercise is to solve a current problem, such as entering a market, setting a price, or developing a package, then it is not an audit at all.

The marketing audit is carried out in three steps: developing an agreement as to objectives and scope; collecting the data; and presenting the report. The audit can be performed by a competent outside consultant or by a company auditing office at headquarters.

The possible findings of an audit include detecting unclear or inappropriate marketing objectives, appropriate strategies, inappropriate levels of marketing expenditures, needed improvements in organization, and needed improvements in systems marketing information, planning, and control. Table I shows the most common marketing audit findings. Companies that are most likely to benefit in a marketing audit include production-oriented companies, companies with troubled or highly vulnerable divisions, young companies, and nonprofit organizations.

Many companies today are finding that their remises for marketing strategy are growing obsolete in the face of a rapidly changing environment. This is happening to company giants such as General Motors and Sears as well as to smaller firms at have not provided a mechanism for recycling their marketing strategy. The marketing audit is not the full answer to marketing strategy recycling, but it does offer one major mechanism for pursuing this desirable and necessary task.

**Appendix: Components of a Marketing Audit**

*Marketing Environment Audit*

Macro-Environment: economic-demographic
What does the company expect in the way of inflation, material shortages, unemployment, and credit availability in the short run, intermediate run, and long run?

What effect will forecasted trends in the size, distribution, and regional distribution of population have on the business?

**Macro-Environment: Technology**

What major changes are occurring in product technology? In process technology?

What are the major generic substitutes that might replace this product?

**Macro-Environment: Political-legal**

What laws are being proposed that may affect marketing strategy and tactics?

What federal, state, and local agency actions should be watched? What is happening in the areas pollution control, equal employment opportunity, product safety, advertising, price control, etc., that is relevant to marketing planning?

**Macro Environment: Social-Cultural**

What attitudes is the public taking toward business and toward products such as those produced by the company?

What changes are occurring in consumer lifestyles and values that have a bearing on the company’s target markets and marketing methods?

**Markets**

What is happening to market size, growth, geographical distribution, and profits?

What are the major market segments? What are their expected rates of growth? Which are high opportunity and low opportunity segments?

**Customers**

How do current customers and prospects rate the company and its competitors, particularly with respect to reputation, product quality, service, salesforce, and price?

How do different classes of customers make their buying decisions?

What are the evolving needs and satisfactions being sought by the buyers in this market?

**Competitor:**

Who are the major competitors? What are the objectives and strategy of each major competitor?

What are their strengths and weaknesses? What are the sizes and trends in market shares?

What trends can be foreseen in future competition and substitutes for this product?

**Distribution and Dealers**

What are the main trade channels bringing products to customers?

What are the efficiency levels and growth potentials of the different trade channels?
Suppliers

What is the outlook for the availability of different key resources used in production?
What trends are occurring among suppliers in their pattern of selling?

Facilitators

What is the outlook for the cost and availability of transportation services?
What is the outlook for the cost and availability of warehousing facilities?
What is the outlook for the cost and availability of financial resources?
How effectively is the advertising agency performing? What trends are occurring in advertising agency services?

Marketing Strategy Audit

Marketing Objectives

Are the corporate objectives clearly stated, and do they lead logically to the marketing objectives?
Are the marketing objectives stated in a clear form to guide marketing planning and subsequent performance measurement?
Are the marketing objectives appropriate, given the company's competitive position, resources, and opportunities? Is the appropriate strategic objective to build, hold, harvest, or terminate this business?

Strategy

What is the core marketing strategy for achieving the objectives? Is it a sound marketing strategy?
Are enough resources (or too many resources) budgeted to accomplish the marketing objectives?
Are the marketing resources allocated optimally to prime market segments, territories, and products of the organization?
Are the marketing resources allocated optimally to the major elements of the marketing mix, i.e., product, quality, service, salesforce, advertising, promotion, and distribution?

Marketing Organization Audit

Formal Structure

Is there a high-level marketing officer with adequate authority and responsibility over those company activities that affect the customer's satisfaction?
Are the marketing responsibilities optimally structured along functional, product, end-user, and territorial lines?

Functional Efficiency

Are there good communication and working relations between marketing and sales?

Is the product management system working effectively; Are the product managers able to plan profits or only sales volume?
Are there any groups in marketing that need more training, motivation, supervision, or evaluation?
Interface Efficiency

Are there any problems between marketing and manufacturing that need attention?  
What about marketing and R&D?  
What about marketing and financial management?  
What about marketing and purchasing?

Marketing Systems Audit

Marketing Information System

Is the marketing intelligence system producing accurate, sufficient, and timely information about developments in the marketplace?  
Is marketing research being adequately used by company decision makers?

Marketing Planning System

Is the marketing planning system well conceived and effective?  
Is sales forecasting and market potential measurement soundly carried out?  
Are sales quotas set on a proper basis?

Marketing Control System

Are the control procedures (monthly, quarterly, etc.) adequate to ensure that the annual plan objectives are being achieved?  
Is provision made to periodically analyze the profitability of different products, markets, territories, and channels of distribution?  
Is provision made to periodically examine and validate various marketing costs?

New Product Development System

Is the company well organized to gather, generate, and screen new product ideas?  
Does the company do adequate concept research and business analysis before investing heavily in a new idea?  
Does the company carry out adequate product and market testing before launching a new product?

Marketing Productivity Audit

Profitability Analysis

What is the profitability of the company’s different products, served markets, territories, and channels of distribution?  
Should the company enter, expand, contract, or withdraw from any business segments, and what would be the short and long-run profit consequences?

Cost-Effectiveness Analysis

Do any marketing activities seem to have excessive costs? Are these costs valid? Can cost-reducing steps be taken?
Marketing Function Audits

Products
- What are the product line objectives? Are these objectives sound? Is the current product line meeting these objectives?
  - Are there particular products that should be phased out?
  - Are there new products that are worth adding?
  - Are any products able to benefit from quality, feature, or style improvements?

Price
- What are the pricing objectives, policies, strategies, and procedures? To what extent are prices set on sound cost, demand, and competitive criteria?
  - Do the customers see the company's prices as being in line or out of line with the perceived value of its offer?
  - Does the company use price promotions effectively?

Distribution
- What are the distribution objectives and strategies?
  - Is there adequate market coverage and service?
  - Should the company consider changing its degree of reliance on distributors, sales reps, and direct selling?

Salesforce
- What are the organization's salesforce objectives?
  - Is the salesforce large enough to accomplish the company's objectives?
  - Is the salesforce organized along the proper principle(s) of specialization (territory, market, product)?
  - Does the salesforce show high morale, ability, and effort? Are they sufficiently trained and motivated?
  - Are the procedures adequate for setting quotas and evaluating performance?
  - How is the company's salesforce perceived in relation to competitors' salesforces?

Advertising, Promotion, and Publicity
- What are the organization's advertising objectives? Are they sound?
  - Is the right amount being spent on advertising? How is the budget determined?
- Are the ad themes and copy effective? What do customers and the public think about the advertising?
  - Are the advertising media well chosen?
  - Is sales promotion used effectively?
  - Is there a well-conceived publicity program?
VIEWING THIS ARTICLE with the benefit of hindsight -- and having conducted innumerable marketing audits since it was written -- we find that most of its content is as relevant today as when we wrote it twelve years ago. Consulting firms, business school faculty, and corporations conduct marketing audits to probe a business's marketing environment, marketing objectives and strategies, marketing organization, marketing systems, and marketing functions. The audits typically conclude with a list of diagnostic findings and recommendations.

Several important changes have occurred that affect our original findings, particularly in the areas of globalization, information technology, strategic planning, analytical tools, changing environments, and implementation. By adding our thoughts on these new developments, we hope to prolong the usefulness of the marketing audit for today's managers.

Globalization

Since 1977, U.S. firms, in dramatically increasing numbers, have had to defend themselves against foreign competitors. Many have also sought to penetrate offshore markets. The Europeans and Japanese have competed more effectively than U.S. firms in international markets, but even their marketing tasks are now becoming more complex -- an open European Union Market began in 1992, for example, and Japan faces increasingly strong competition from other Asian countries. The global corporation, owned by shareholders from many countries with marketing, manufacturing, and research arms spread to all corners of the world, is now emerging as a successor to the multinational corporation of the 1960s and 1970s.

Certainly those performing a marketing audit must now more than ever raise questions about a company's international opportunities and strategies. The audit must address a wider variety of global marketing issues, including marketing standardization versus customization, low versus high transfer prices, and alternative forms of market entry.

Global issues became important in one recent marketing audit for a European leisure products company, for example. The auditors recommended that the company's U.S. subsidiary needed lower transfer prices if it was going to gain U.S. market share against a competitor that controlled 70 percent of the U.S. market. These and other international issues were not salient the time we wrote the original piece.

Information Technology

Since 1977 the importance of computer hardware and software, telecommunications equipment, and other technologies for moving and manipulating information in the business world has grown explosively, producing the concept of "Information technology" and such new organizational functions as the "chief information officer." Information technology has in some industries radically changed the nature of product distribution (e.g., Federal Express's COSMOS system for on-line customer service and delivery system logistics management), communications (electronic information systems), and selling (computer-based data entry and filing aids used in the insurance industry). In many service industries it has changed the nature of the products themselves; most of today's new financial services products, for example, would not exist if it were not for the technology explosion of the last decade.
r original section on marketing systems did discuss the systems used to gather information, in marketing activities, and control results -- including sales forecasting, sales goal setting, market planning and control, and inventory control. While we gave a comprehensive list of activities needing examination in a systems audit of that era, we could not anticipate how significantly information technology would change the very nature of competition in an industry. Increasingly advanced information technology can provide a company, with a substantial competitive advantage, and it behooves the auditor to evaluate the company's existing information technology and opportunities.

communications/ Promotion Technology

the 1977 article; auditing the communications/promotion activities of a company consisted gely of examining the effectiveness of the salesforce and of advertising. While these remain the largest components of the typical company's promotion thrust, they are losing some relative st effectiveness. "New media" are developing rapidly, and it is important for companies to consider whether they are making sufficient use of them. The marketing audit should examine a company's actual or potential use of direct mail, telemarketing, direct and party selling, arts and cultural events marketing, and public relations in general. New communications technologies -- videorecorders, videodisks, fax machines -- provide promising new media opportunities to those managers alert enough to recognize them.

Strategic Planning

While the marketing audit's methodological framework has not changed a great deal in twelve years, business-unit strategic planning has progressed considerably. In the mid-1970s strategic aiming was just being adopted on a wide basis, and it often produced oversimplified analyses complex marketing and competitive environments. Wide use of concepts such as industry structure, generic strategies, and value chains was still on the horizon.

Business unit managers today have new analytical tools. Marketing managers blend strategic aiming concepts with the marketing audit approach. When the marketing audit examines the competitive environment, for instance, strategic planning concepts can clarify results. In one idit, management of a construction products company did not initially appreciate that its imaginary competitive battlefields were distribution and new product development, not cost. The marketing auditors made these issues crystal clear by documenting the similarity of manufacturing costs among competitors and highlighting the limited economies of scale available in manufacturing.

Analytical Tools

how could we not cite the personal computer as a significant new development in the marketing audit? Product line profitability, customer profitability, and distributor profitability can be easily constructed by a twenty-two-year-old analyst working with any of the available spreadsheet programs, provided an experienced auditor guides this effort. The personal computer, with a modem, also makes access to industry data much more simple, so that being near a well-stocked library is of less importance than it was twelve years ago. Manipulating company data becomes extremely easy, as data files can be transferred onto floppy disks to be analyzed by the auditor at his or her desk.

In the marketing audit for a gas utility, the auditors took a database of all the commercial and industrial customers the utility had classified into 100 SIC codes, and regrouped them into ten clusters with similar gas usage patterns. What had been an unsegmented market with 100 cells
ckly became a market with just ten segments (with sales volumes for each segment) through simple data manipulation on the personal computer.

Changing Environments

r original article pointed out the types of companies that could benefit most from a marketing audit — production or technically oriented companies, troubled divisions, high-forming divisions, young companies, and nonprofit organizations. We have seen examples of this type of organization undertake an audit. Yet in recent years what has stood out is the number of divisions or companies performing an audit because of an impending or realized change in their competitive environment. A major cause has been the deregulation trend in the United States, which has caused particular upset to company marketing strategies in financial services, telecommunications, and transportation. We have seen marketing audits undertaken by brokerage companies, an insurance company, a gas utility, and the coin telephone unit of a major telephone operating company; in each case, the audit was stimulated by the need for managers to figure out how to compete within the looser regulatory structure in their industry. Her major environmental changes prompting the need for a fresh marketing audit are immanent in technologies, cost structures, consumer tastes, economic conditions, or legal and legal conditions.

Total Company Marketing

The 1970s, companies were prone to identify marketing as a set of functions that were owned by a specific department, while other departments carried out their own objectives. But David Packard of Hewlett-Packard noted, “Marketing is far too important to leave to the marketing department.” We are increasingly recognizing that successful companies organize themselves to produce high levels of customer satisfaction, and this means that all employees and departments must think and act in the interests of customers. Instead of engaging in the fighting that typically occurs among company departments, all departments must be pointed in the same goal or producing customer satisfaction at a profit. Therefore, marketing audits need to be expanded to include an appraisal of organizationwide attitudes toward customer participation and responsibility.

Implementation

Implementing the changes a marketing audit suggests has always been difficult, and implementation is still the key issue. Our experience over the past twelve years has taught us almost every way to bring about the necessary changes. At the moment the audit is complete, for instance, the auditors usually have the most comprehensive, fact-based vision of where the company needs to go to succeed. When they merely present the new strategy and supporting data to the management team, they often encounter skeptics who then become barriers to tion. If the auditors walk away at this point, a combination of neglect and outright sabotage can undermine the “agreed-upon” strategy. Two or three months later the marketing strategy at best, only partially implemented.

Two approaches help ensure effective implementation. The first is developing ownership of the id process and its results among key managers by actively involving them throughout the id. Ownership is enhanced when the auditors and senior management develop one or more marketing audit workshops in which the underlying information can be presented and digested until it is fully understood. Also, only by maintaining independence, and not appearing to have been coopted by management, will the auditors’ results be respected down through the organization. Accomplishing this requires experience and finesse on the part of the auditors.
tive implementation also calls for a thorough understanding of the organizational implications the marketing recommendations have for the firm. In a recent effort for a diversified financial services firm, for example, auditors recommended improving the quality of the marketing program support to the lines of business, and the auditors included specific organizational recommendations designed to create separate marketing support groups consisting of marketing professionals and talented business-line staff.

Conclusion

The title of our original article, "The Marketing Audit Comes of Age," may have been a little too optimistic. Each decade brings about changes and new emphases, and consequently some of the marketing audit continues to require revision or expansion. Our point, however, holds: the marketing audit is now a fairly standard tool that can be objectively applied to evaluate whether a company's total marketing posture and resources are best poised to take advantage of its evolving opportunities. This is the good news. The bad news is that far too few companies use this tool. They prefer to think that the annual marketing-planning process will bring into existence the data and the objectivity required to identify strategy, structure, and systems that will propel the company successfully into the future. As more managers become aware of the difference between conducting a strategic marketing audit and preparing a normal marketing plan, more of them, we believe, will recognize the substantial contributions to marketing effectiveness that can result from the implementation of a strategic marketing audit.

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