

The Forrester Marketing Strategy Compass

CHART A SUCCESSFUL COURSE FOR YOUR MARKETING ORGANISATION

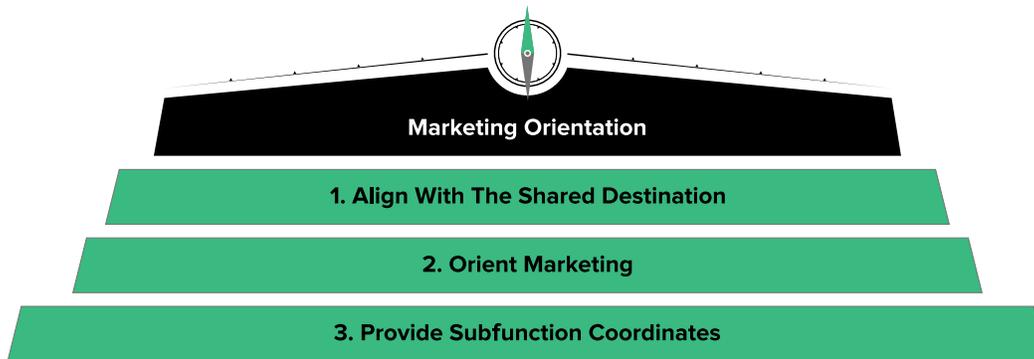
Many CMOs and marketing leaders struggle to formulate a clear, coherent marketing strategy that aligns to the overall business strategy. Forrester survey data has consistently shown that marketing strategy, along with marketing planning, are the processes that CMOs would most like to improve. Yet confusion about what these processes entail, and how they differ, can significantly diminish marketing effectiveness.

Marketing strategy refers to the set of decisions and investments planned over a three- to five-year period that will create and sustain a future market advantage. **Annual planning** is directly informed by marketing strategy, ensuring that resources are deployed in a way that drives business objectives forward.

MARKETING STRATEGY Describes a future picture	ANNUAL PLAN Describes what is being done this year
Time horizon: 3-5 years	Time horizon: 1 year
Describes investments that span multiple years	Describes budget expenditures for current fiscal year
Scope includes initiatives spanning multiple years	Scope includes activities by calendar quarter/month
Measured against milestones crossing fiscal years	Measured against goals based on calendar and objectives

Forrester's Marketing Strategy Compass provides a step-by-step guide for building a best-in-class marketing strategy that supports business objectives, drives cross-functional alignment, and enables sound annual planning. Using the Strategy Compass can provide clarity and purpose, elevating marketing's role as a strategic partner.

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The Marketing Strategy Compass comprises three sequential levels, with the output of each informing the decisions made in the next:

- 1. Align With The Shared Destination.** As a first step, marketing and other business leaders develop a three- to five-year picture of where and how business value will be generated. This is the starting point for the marketing strategy and a core component of the company's overall business strategy. The "shared destination" establishes alignment among the marketing, sales, and product functions.
- 2. Orient Marketing.** Guided by the shared destination, marketing leaders formulate a three- to five-year marketing-specific strategy. This strategy accounts for both external, market-related factors (such as brand and audience) and internal, operational requirements for delivering on the strategy.
- 3. Provide Subfunction Coordinates.** The decisions made at the previous two levels enable marketing subfunction leaders (e.g., portfolio marketing, channel marketing) to create their own specific three- to five-year strategies. Each of these strategies ladders up to the marketing strategy and overall business strategy.

A clear, aligned marketing strategy will keep your organization's efforts focused and greatly simplify annual planning. [Learn more about how Forrester helps B2B marketing leaders.](#) For a deeper dive into the Marketing Strategy Compass and for guidance on building an aligned marketing strategy that advances company strategy, [get in touch](#).