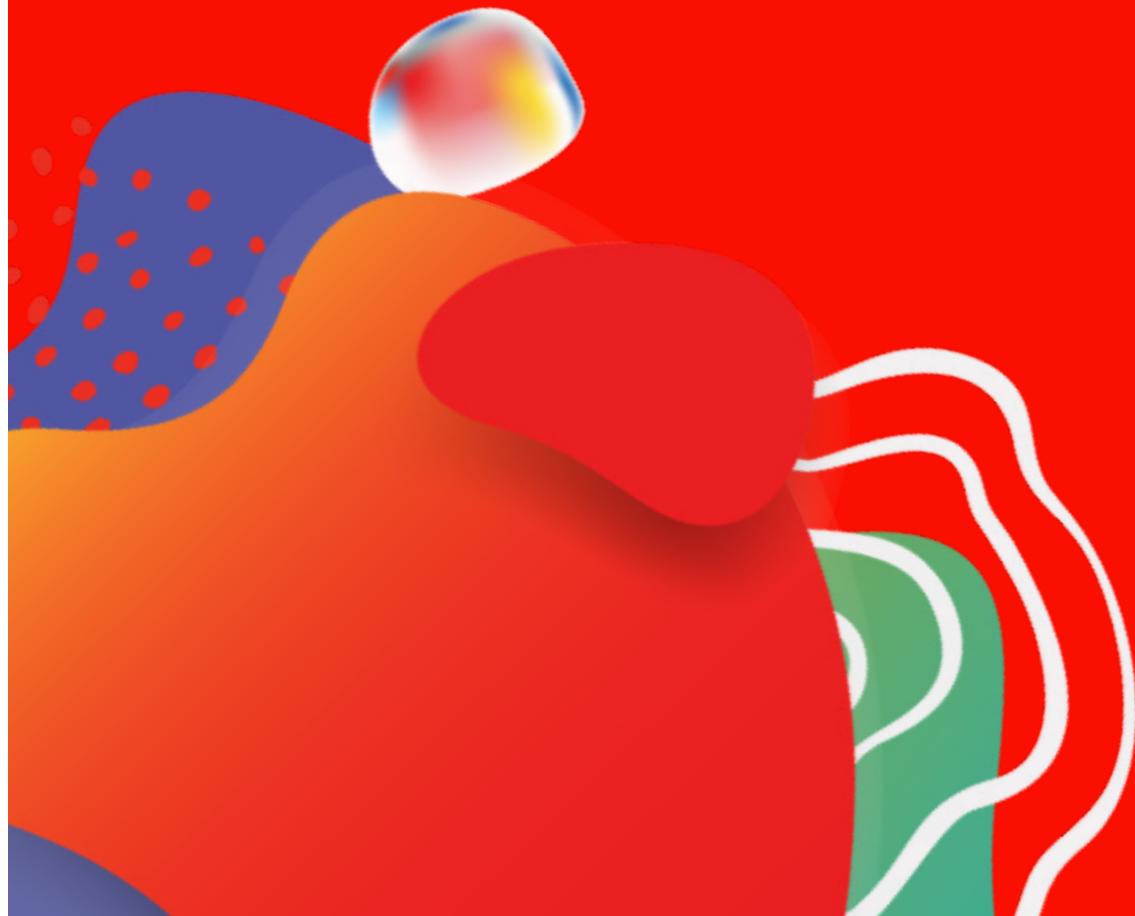




WHITEPAPER

# Evolving the Audience Center of Excellence





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## Executive Summary

As the platforms that facilitate the management of customer data, audiences and activation programs evolve so too do the people and processes that support these platforms. An Audience Center of Excellence (COE) model has long been established as the optimal way to support Data Management Platforms (DMPs). Audience COEs are responsible for reconciling disparate data sets, forging segmentation strategy across teams, setting enterprise Key Performance Indicators (KPIs) and creating an activation roadmap.

With the advent of the Customer Data Platform (CDP), these same COEs must evolve to meet an expanded mandate and harness the full power of unified customer profiles that CDPs enable. They will need to bring new teams into the fold, update KPIs and expand their people and process programs to fully realize the potential of complete data management with a CDP.

## How Did We Get Here and Why COEs are Critical – An Introduction

Data Management Platforms (DMPs) emerged as a valuable ad tech tool in the early 2010s. DMPs provided organizations the ability to merge anonymized data from web, mobile, sales, CRM, partners, and third-parties. The promise of a DMP was that marketers could more easily access and work with multiple data types from across their organizations that once sat siloed. Marketers would have the opportunity to bring together multiple forms of data, segment into audiences and then activate in their channel(s) of choice. Publishers could package up creative segmentation to respond to RFPs or manage unsold inventory. But enterprises needed more than just technology to break down organizational siloes and gain access to disparate data, they needed the people and processes to maximize the impact of the new technology.

Enter the Audience Center of Excellence or Audience COE. Getting data into a platform is one thing but managing it,

leveraging it, governing and activating that data is another. The COE for DMPs helped marketers with this exact issue. Organizations realized that in order to fully realize the potential of this powerful new tool they needed a functional team within their organization to manage it on behalf of the enterprise. This team needed to coordinate with other teams and stakeholders across the organization to gain access to data to bring into the DMP, and they needed to establish processes to use the data in the platform. They needed to measure performance, define a roadmap and ensure appropriate access and usage controls were in place. Audience COE teams became commonplace at organizations who excelled in maximizing their DMP investments.

Fast forward to today, marketers are navigating data management strategies in the face of cookie deprecation. They now need to lean on new types of data, including known customer data, a focus on new channels that reach durable identifiers, as well as forge new or deeper relationships with teams such as legal and privacy to reconcile new external or internal privacy commitments. With these ecosystem developments marketers are now evolving their data management practices and using Customer Data Platforms (CDPs) to help support this new reality. CDPs allow marketers to combine known and pseudonymous data in one place for the purposes of developing customer insights, segmentation and cross channel activation. In turn, the Audience COE must adapt to support CDPs and to help reach the potential that CDPs promise. Customers who already have a strong center of excellence model in place will need to adjust their current working model to adopt this new technology. But before we get to what and how to change, let's review the foundation of Audience COEs.



# What COEs Do

At the highest level, an Audience COE for data management facilitates the usage of the data platform so that organizations can maximize their technology investment. A COE is responsible for governing the use of the platform, building an organizational roadmap, tracking progress, measuring results, and communicating as needed throughout the organization.

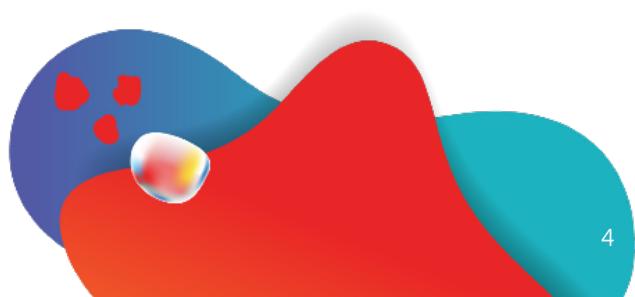


*Typical COE activities; these activities will repeat for each new COE tactic.*

In more detail, DMP COEs have traditionally been responsible for the following workstreams:

1. **Implementation** – managing the onboarding of the technology, including identifying initial data assets, use cases, and necessary integrations
2. **Audience ownership** – identifying the process and methodology for building and activating new audiences used for campaign execution and analysis

3. **Integrations** – the ongoing management of integrating new data assets, both internal and external to the organization, as well as identifying new outbound integrations necessary for data activation
4. **Project execution** – Overseeing the execution of the organization's key objectives as it pertains to data management. This could be executing on campaigns, brokering new data partnerships, and implementing new platform features
5. **Roadmap** – building and executing on the organization's audience roadmap
6. **Vendor management** – managing the relationship with the data management changes, and roadmaps
7. **Governance & usage** – managing both how various users and user groups authenticate and access the platform as well as managing how data is used and activated
8. **Communication** – distributing program process information and updates on key initiatives and other relevant information to interested parties including stakeholders
9. **Education & adoption** – Creating a curriculum, training plan, and knowledge repository for consumers and users of the platform on how the platform itself works, education on program process, governance and general guidance on product usage
10. **Measurement** – tracking audience activities against organizational key performance indicators (KPIs)





# What's Changed in the Market and Why COEs Must Evolve

Over the past several years, market forces have disrupted the way that marketers reconcile identity, activation and governance in their audience activation platforms. The public at large has become increasingly aware of how their data is used and at times misused. In turn, governments and regions have begun to issue regulation that informs how and where marketers can use data--GDPR and CCPA being the most recognizable examples of such directives. In reaction or in addition to this, browsers and operating systems are changing the identity currencies that they leverage. Most notable of these shifts is Google announcing<sup>1</sup> their intention to deprecate the accessibility of third-party cookies in the Chrome browser. Third-party cookies are the mechanism through which the advertising technology ecosystem, DMPs included, share customer data for the purposes of personalization and messaging.

With third-party cookie value depreciating marketers are now focused on getting more access to known customer data and bringing durable identifiers into their audience activation programs. For many marketing organizations, anonymous ID fragments, such as third-party cookies, hashed email or Mobile Advertising IDs (MAIDs), sit inside a DMP. Known customer data, such as a name, email and phone number, may sit in various places across the organization including in data lakes and CRM systems. Siloed data breeds inefficiency, incomplete customer profiles and limited audience insights. Now, CDPs have emerged to meet the market demand of solving for complete customer data management. Best-in-class CDPs offer a singular location to manage both known and unknown customer data sources, design audiences, and form activation strategies all with governance and customer consent top of mind.

As many organizations are evolving their data management strategies to leverage CDPs, they look to their Audience COE for answers. Marketers need to advance their Audience COE to make sense of new data types, additional activation channels, new internal partners and emerging governance considerations in order to maximize the potential of this new technology investment.

# Considerations Before Starting – it is a journey... or a road trip

Before the work to evolve the Audience COE begins, organizations must take a step back and carefully consider the transition from a DMP to a CDP. Hopefully the organization has helpful learnings from supporting the DMP and it is important to compile those takeaways before evolving the Audience COE practice. To use an analogy, this will be a journey not unlike a road trip. It's important for the organization to do some advanced planning and consider any knowledge from previous "trips". Some suggested considerations:

*Identify who is in the driver seat* - When kicking off a family road trip the group may have a say in the route and the destination but ultimately the driver is in charge. The driver should get to pick the speed, the GPS system and hopefully the radio station. The same can be said for the leader of the Audience COE as an organization brings on a CDP. Often times determining the leader or leaders of the core Audience COE group will depend on what group is serving as the budget owner for the new technology investment. The organization must clearly define who the lead or leaders are. If no one is in the driver's seat, it's difficult to make progress on the journey.

*Plan out the trip* - Take stock of what works today: For many who have taken a road trip, it could be easy to identify what they may do differently next time. Maybe packing more snacks, being more selective about passengers or ensuring enough time was budgeted for pit stops would have provided a better experience. Many organizations have learned a lot from onboarding a DMP and forming an Audience COE to support it. It is important to ensure those learnings are put to use when evolving the COE for the new CDP investment. For example, perhaps it has become clear that the organization benefits from monthly steering committee meetings or that a bi-weekly touch point doesn't drive meaningful results in the audience practice. Put that knowledge to use.

<sup>1</sup>"Building a more private web: A path towards making third party cookies obsolete," Blog post, posted by Chromium Blog January 14, 2020.

You might want to tidy up before you leave - Treat this as an opportunity to clean and refresh: When you are gearing up for a road trip it is important that you have space for your passengers, luggage and, of course, a cupholder for beverages. Treat the revamp of the COE in the same manner. Before the organization begins to leverage new technology identify what data, integrations, and processes you want to take with you and what items should be re-evaluated before they are put back or even left behind – perhaps not every data source or destination needs to come along for the ride.

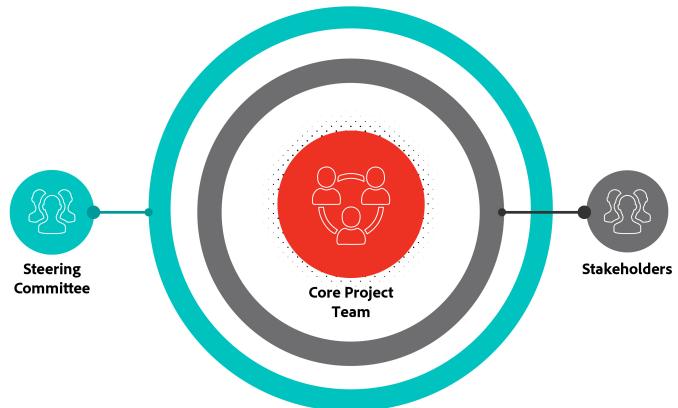
Once these top line considerations are in place, the journey can commence. And if done thoughtfully, like most road trips, the journey will very much be worth the reward.

## Evolving the Audience COE

After stakeholder buy in and process considerations have been taken into account it is time to get to brass tacks. Here is a step-by-step approach to evolve the Audience COE and fully utilize the complete data management potential of a CDP:

### 1. Assemble the Right Individuals

Most Audience COEs will have three key components: a core team, stakeholders, and a steering committee



*The core team manages the day to day activities of the COE. Stakeholders are responsible for defining use cases and setting strategy for the core team; and the steering committee acts as the executive(s) in charge providing budget and project sign off.*

	Core Team	Stakeholder Committee	Steering Committee
<b>Responsibilities</b>	<ul style="list-style-type: none"> <li>Day-to-day platform management</li> <li>Project plan</li> <li>Roadmap</li> <li>Access control</li> <li>Communication</li> </ul>	<ul style="list-style-type: none"> <li>Participate in monthly readouts</li> <li>Make cross functional decisions</li> <li>Define use cases</li> </ul>	<ul style="list-style-type: none"> <li>Participate in monthly steering committee meetings</li> <li>Sign off on cross functional decisions</li> <li>Breakdown roadblocks</li> </ul>
<b>Team member (examples)</b>	<ul style="list-style-type: none"> <li>Product Owner</li> <li>Project Manager</li> <li>Marketing, Analytics, Advertising/agency SMEs</li> <li>Privacy &amp; CRM,</li> <li>IT &amp; Data Engineering teams at time of implementation (Data Architect)</li> </ul>	<ul style="list-style-type: none"> <li>Wider representation from Media, CRM, Analytics,</li> <li>IT, Legal &amp; Privacy</li> </ul>	<ul style="list-style-type: none"> <li>Exec sponsors from Marketing</li> </ul>

Pink denotes new team members

For some larger organizations this wider COE may be comprised of 50 plus people, and for smaller organizations it may only be a handful of individuals.

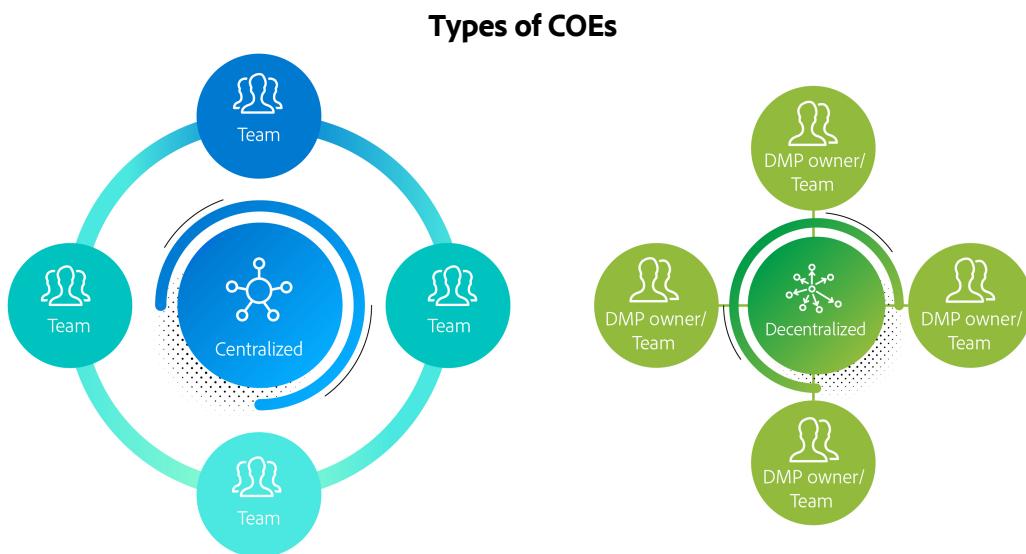
As an organization evolves from a DMP to a CDP you should expect the following changes in the COE:

- Representatives from privacy and CRM teams should join the core team. The CDP will now have access to additional known customer data and privacy should play a key role in determining how that data is governed.
- At the onset of the CDP implementation, it is likely that IT and data engineering teams will be closely involved; a data architect role will likely help act as a bridge between CRM/Data Lake teams and the new technology. For some organizations this may take the form of a systems integrator or new agency. As the technology is onboarded and the organization moves to the run-and-operate phase, other teams such as marketing and personalization may be more active, with the technical teams removing themselves from the day to day.
- Likely there will not be a change to a steering committee team; however, if the CDP budget owner or stakeholder has shifted from what may have been in place with a DMP investment, those individuals sitting in the steering committee should shift accordingly.

According to Gartner, "CDPs require support from both technical and functional teams for successful implementation and operations. A cross-departmental team is required for proper expectations setting, use-case identification, data integration, business logic configuration and activation application integrations."<sup>2</sup>

## 2. Reassess the COE Model

Once the people have been identified, it's critical to organize the working model. There are two typical Audience COE models – centralized and decentralized



A centralized model is comprised of a singular COE across the organization with CDP usage governed and managed by one stakeholder group. Several teams and individuals may contribute to the COE from across the organizations. This is a popular model for many customers who are looking to streamline their data management activities.

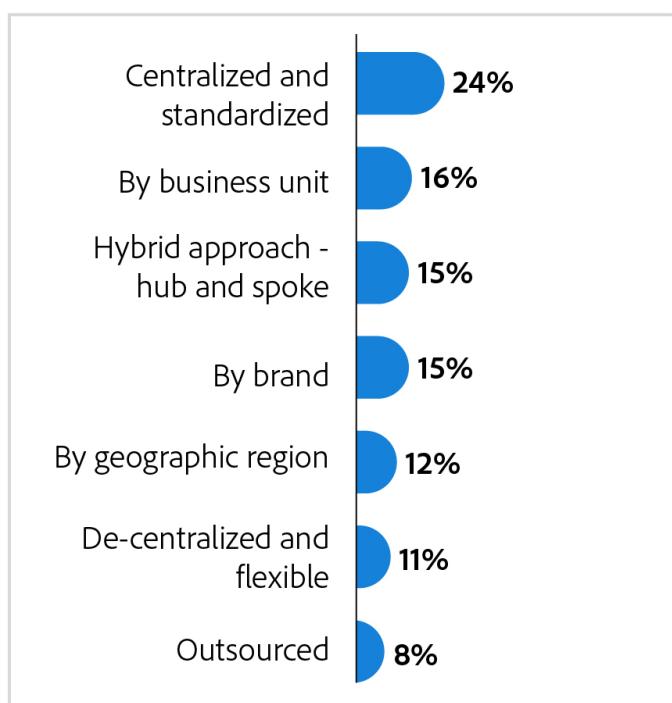
A decentralized model facilitates multiple COE teams across the organization. Often times, this model is employed by brands who use data management technology across multiple geographies and lines of business. Or with teams who may have multiple CDP installations or extremely varying uses cases, KPIs, and even cost centers.

<sup>2</sup> Gartner, "Assessing the Impact of implementing a Customer Data Platform," Jeffrey Skowron, March 22, 2021.

The choice between centralized and decentralized may be informed in part by implementation choice and other technology architecture or people processes already in place at an organization.

At the time of CDP investment, a reassessment of an existing model may be in order. However, many organizations will take a centralized approach. A recent study conducted by Adobe and Advanis of nearly 400 Marketing and IT professionals found that 24% of customers intend to deploy a centralized and standardized operational model as they contend with cookie deprecation.<sup>3</sup>

## Model of MarTech Deployment



### 3. Evolve the Audience COE Objectives and Roadmap

Now comes planning the work. The Audience COE must shape a strategy that utilizes the CDP to drive the business forward. With the additional functionality that an advanced CDP provides, (e.g., the capability to manage and activate known and unknown customer data), organizational objectives should have shifted to ultimately boost customer experiences and the bottom line. It is critical to understand the new objectives at the outset so the COE can appropriately prioritize projects, necessary integrations, and fit new objectives into the audience activation roadmap.

The best way to organize this new work is to break things down into building blocks that ladder up to a larger goal. For example, in the face of cookie deprecation, many brands are putting an emphasis on collecting more first-party data and, in particular, authentication signals. If a key objective is to increase authentication rates of high value customers by 5%, consider each separate step in that process. First, the organization needs to identify high-value audiences whose authentication data is most desirable. Next, the team must procure and access data that identifies those audiences or models them further to create additional scale. Last but not least, it's critical that the organization classify what channels will deliver personalized authentication prompts and ensure a mechanism is in place to capture the authentication for the purposes of measuring lift.

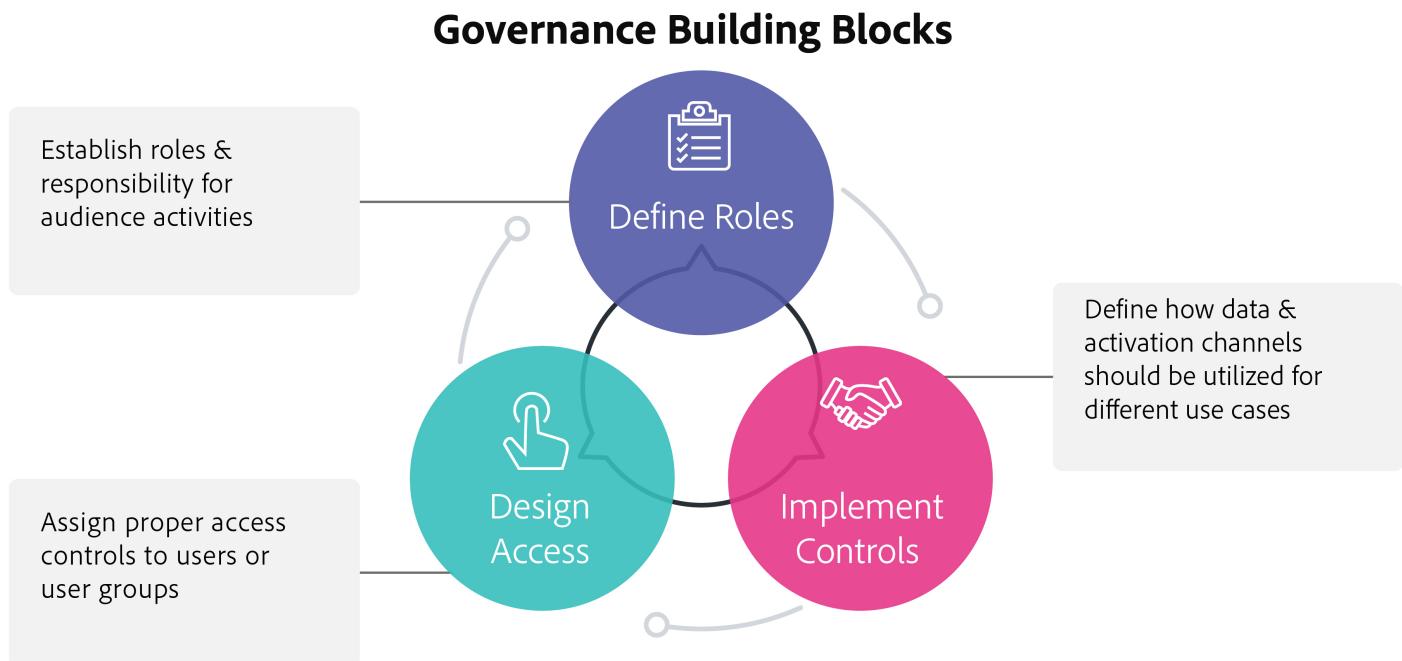
Each step of this process requires cross functional team planning and the Audience COE will be a facilitator of those conversations. In addition, the Audience COE team will also play a critical role in mapping out the step-by-step objectives, ensuring that work continues to ladder up to the organizational objectives and is completed on time. At times the COE will act as a gate keeper, ensuring that key projects are prioritized ahead of other asks. These prioritization and planning efforts should in large part happen through the stakeholder and steering committee meetings.

<sup>3</sup> Adobe Identity Evolution Study, 2020

## 4. Double down on a governance strategy

With initiatives in order, managing platform usage is the next step in evolving the Audience COE. Governance has been part of existing Audience COEs that supported a DMP. Now with new, more sensitive data types in the CDP, new team members and perhaps new stakeholders as well, defining a governance strategy is mission critical. In fact, governance should be the guiding light as an organization evolves from a DMP to a CDP.

The Audience COE team should assess the following from scratch and partner with privacy and legal teams for their input:



- Define Roles: Who and or what team should be responsible for which audience activation activities such as audience creation, modeling and activation?
- Design Access: Who and or what team(s) needs access to which types of data and what access level(s) (e.g., read vs. write access)?
- Build controls: How should different data types be used for specific purposes? What layers of governance are required?

After these decisions are in place, the COE should ensure that the platform enforces these decisions and communicate the governance processes across the organization.

According to Mike Olson, head of Adobe Global Service's Activation practice, "Audience COEs that support a CDP simply must have a clear governance approach – It is critical to clearly define data access and usage. This is of key importance in today's current climate where technology providers such as CDPs have the ability to combine known and unknown data and customer, and brands and consumers alike have privacy and data governance top of mind."<sup>4</sup>

<sup>4</sup> Mike Olson, Head of Activation Consulting, personal interview, Adobe, March 2021.

## (Over) Communicate and Educate

With much of the planning work now complete the next step in the evolution is dissemination of information. Cross organization communication and education is a critical part of any COEs role, but never more so during a time of change such as when a new platform is onboarded. Getting communication and education right are the most critical pieces to ensuring successful change management. In fact, over communicating is encouraged.

As a part of a data centric transformation program, analyst firm IDC recommends that organizations, "have change management communication strategies and use them broadly." IDC suggests these should include articulating the data transformation strategy, using clear messaging as opposed to technical jargon and helping, "employees transition from old to new".<sup>5</sup>

The COE should be responsible for informing the organization about changes in data availability, audience design, process change, governance changes, and changes to the COE structure itself. This ensures that consumers and stakeholders of the platform are aware how their data, audiences or campaign programs may be impacted.

And, as most organizations know, buying technology is one thing but using it is another. The COE should form a plan to educate key members of the organization about the new technology and adopt key new features that the organization now has access to in the CDP. Usage and adoption could be figured in as part of the roadmap and even used as a success metric for the Audience COE.

Below are some tips and tricks when it comes to education and communication. Consider testing out various methods to see what works best for your organization:

 **Newsletters & podcasts:** Consider weekly or monthly newsletters to platform consumers, steering committee, and stakeholders informing them of the CDP implementation status. Newsletters, delivered through email, could include updates on new data sources and integrations that the organization now has access to, explanation of use cases launched and key successes over time.

<sup>5</sup> IDC, "Developing an Information Transformation Program – Future Enterprise Planning Guide," Meredith Whalen, March 2020.

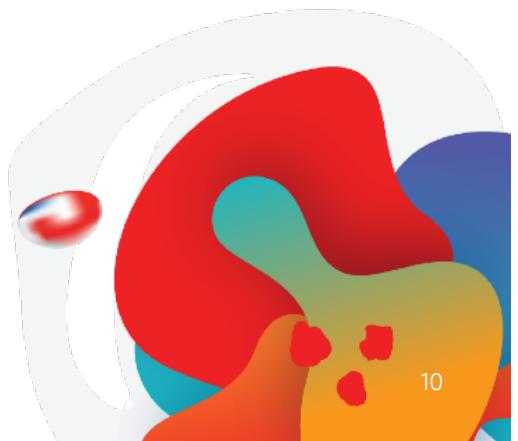
As a companion piece a podcast could also be utilized– perhaps interviewing key members from the stakeholder or steering committee on updates. Either form of communication could work depending on the information consumption habits of the organization.



**E-learning & badging:** For day-to-day users of the CDP, investing in the technology vendor's e-learning opportunities could be a good investment of time to ensure users and agency partners are up to speed on all new features and understand differences in functionality from previous platforms. In fact, organizations may consider this as a pre-requisite for gaining platform access. Many CDPs are now starting to roll out badging for those who have completed training; badging formally credentials expertise in a specific platform. Badging can easily help the organization understand subject matter experts they have on staff, and even identify top data management talent during a hiring process for new internal candidates or agency partners.



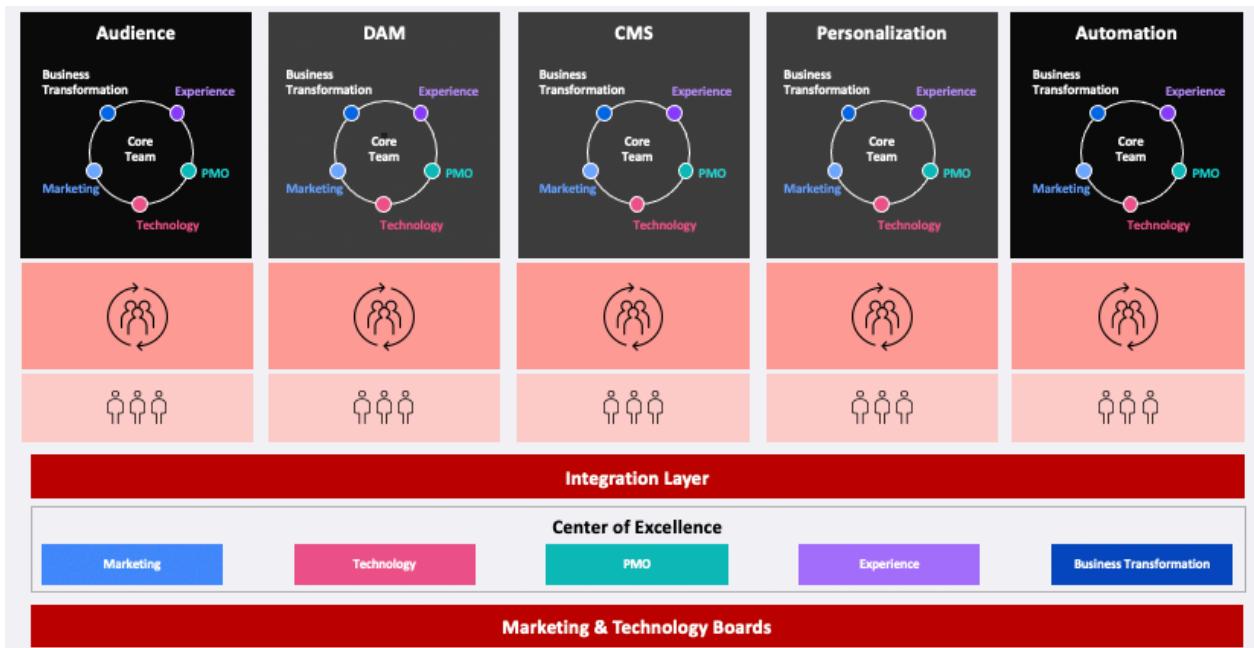
**Office hours & Slack channels:** Inevitably individuals within an organization will have questions about the new data platform technology and the evolved Audience COE. A great way to provide the organization access to the COE and the opportunity to ask questions is through a live office hour and or an accompanying slack channel. Office hours could be hosted regularly, anywhere from weekly to monthly, to ensure key updates and questions are dispensed throughout the organization. As for format, it could be a mix of predefined topics with open Q&A. Organizations may also consider having their CDP vendor join as a guest speaker in the office hours to provide thought leadership, an industry perspective or more technical education on the platform.



# The Power of Getting it Right – a case study with IBM

In 2020 IBM began a journey to both transform the way they leveraged marketing technology and the way that marketing and ancillary teams worked together. IBM's overarching vision was to fully utilize their technology investments for the purposes of maximizing customer experience.

Spearheaded by co-leads in marketing and technology, IBM built 'guilds' across marketing, technology, product management and experience business information to drive their digital transformation efforts. Each guild was brought into a center of excellence format to execute on audiences, but also digital asset management (DAM), content management system (CMS), personalization and automation efforts across the IBM digital transformation journey.



IBM focused time and effort on rallying their organization to adopt these new frameworks using tools such as a devoted Slack channel, team intranet, newsletter, and even a podcast featuring leadership.

These efforts drove meaningful results for the IBM teams. IBM accomplished a 62% reduction in process and task activities, a 58% reduction in operational activities, and 100% of COE team members were able to spend time on high value activities.



Jason Andrews, VP of marketing at IBM and leader of this program, says, "Embracing a COE first approach allowed us to execute on our lofty marketing goals and power the organization forward to reach meaningful business impact. Key to our success was getting our team educated and invested in this new model for data transformation momentum."

# Getting Started Today

Evolving an Audience COE is an important step in an organization's data maturity path. Ensuring that the people and process are in place to support a CDP investment helps to breed organizational success in the data management space.

It's important to keep in mind that progressing the Audience COE is a journey. Consider these five tips to get started today:



1. **Know your priorities** – understand what goals your organization is trying to achieve and evolve your Audience COE with that in mind.
2. **Identify the right people** – as the technology evolves, ensure the right people and teams are brought into the new COE model.
3. **Evaluate your operational model** – ensure your COE structure, processes and governance fits the needs of the organization.
4. **Track success along the way** – it can be difficult to gauge the success of a new technology platform or the COE model without building in checkpoints and measuring success along the way. Ensure KPI tracking is built into the COE responsibilities.
5. **Communication is king** – ensure changes in technology, people and process are communicated widely at every step in the process during the evolution. Ensure education is a priority.

