

Agile marketing: A step-by-step guide

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Everyone wants to be “agile” these days. Here’s how successful companies develop the people, process, and marketing technology to make agile marketing happen at scale.

An international bank recently decided it wanted to see how customers would respond to a new email offer. They pulled together a mailing list, cleaned it up, iterated on copy and design, and checked with legal several times to get the needed approvals. Eight weeks later, they were ready to go.

In a world where people decide whether to abandon a web page after three seconds and Quicken Loans gives an answer to online mortgage applicants in less than ten minutes, eight weeks for an email test pushes a company to the boundaries of irrelevance. For many large incumbents, however, such a glacial pace is the norm.

Demystifying agile marketing

We’ve all heard how digital technology allows marketers to engage in innovative new ways to meet customers’ needs far more effectively. But taking advantage of the new possibilities enabled by digital requires incumbents’ marketing organizations to become much nimbler and have a bias for action. In other words, they have to become agile.

Agile, in the marketing context, means using data and analytics to continuously source promising opportunities or solutions to problems in real time, deploying tests quickly, evaluating the results, and rapidly iterating. At scale, a high-functioning agile marketing organization can run hundreds of campaigns simultaneously and multiple new ideas every week. (For more on what agile is, see also “Want to become agile? Learn from your IT team.”)

The truth is, many marketing organizations think they’re working in an agile way because they’ve adopted some agility principles, such as test and learn or reliance on cross-functional teams. But when you look below the surface, you quickly find they’re only partly agile, and they therefore only reap partial benefits. For example, marketing often doesn’t have the support of the legal department, IT, or finance, so approvals, back-end dependencies, or spend allocations are slow. Or their agency and technology partners aren’t aligned on the need for speed and can’t move quickly enough. Simply put: if you’re not agile all the way, then you’re not agile.

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For companies competing in this era of disruption, this is a problem. In many companies, revenues in the segment offerings and product lines that use agile techniques have grown by as much as a factor of four. And even the most digitally savvy marketing organizations, where one typically sees limited room for improvement, have experienced revenue uplift of 20 to 40 percent. Agile also increases speed: marketing organizations that formerly took multiple weeks or even months to get a good idea translated into an offer fielded to customers find that after they adopt agile marketing practices, they can do it in less than two weeks.

Making your marketing organization agile isn't a simple matter, but we have found a practical and effective way to get there.

Putting the agile marketing team together

There are a number of prerequisites for agile marketing to work. A marketing organization must have a clear sense of what it wants to accomplish with its agile initiative (e.g., which customer segments it wants to acquire or which customer decision journeys it wants to improve) and have sufficient data, analytics, and the right kind of marketing-technology infrastructure in place. This technology component helps marketers capture, aggregate, and manage data from disparate systems; make decisions based on advanced propensity and next-best-action models; automate the delivery of campaigns and messages across channels; and feed customer tracking and message performance back into the system. (It should be noted that the tech tools don't have to be perfect. In fact, it can be a trap to focus on them too much. Most companies actually have a surfeit of tools.) Another crucial prerequisite is sponsorship and stewardship of the shift to agile by senior marketing leaders. They provide key resources and crucial support when the new ways of working encounter inevitable resistance.

While these elements are crucial for success, the most important item is the people—bringing together a small team of talented people who can work together at speed. They should possess skills across multiple functions (both internal and external), be released from their “BAU” (business as usual) day jobs to work together full time, and be colocated in a “war room” (exhibit). The mission of the war-room team, as these groups are sometimes called (though companies also refer to them by other names, such as “pod” or “tribe”) is to execute a series of quick-turnaround experiments designed to create real bottom-line impact.

The exact composition of the war-room team depends on what tasks it plans to undertake. Tests that involve a lot of complex personalization will need a team

weighted more heavily toward analytics. By contrast, if the agile initiative expects to run large numbers of smaller conversion-rate optimization tests, it would make more sense to load up on user-experience designers and project-management talent.

Whatever the composition of the team, the war room needs to have clear lines of communication with other groups throughout the organization and speedy processes to access them. For example, buying marketing assets often requires procurement review and legal approval. So the war-room team must have access to key people in legal and procurement to negotiate any changes. At one bank trying to establish a war room, there was significant resistance to providing representatives from legal and the controller's office because of competing priorities. But marketing leadership knew their agile approach wouldn't work without them, so it pushed with all relevant leaders to make it happen. Those people need to be identified ahead of time, and "service-level agreements" put in place that outline how quickly they will respond. Similar models of interaction may be needed with IT, compliance/risk and finance groups.

The team itself needs to be small enough for everyone to remain clearly accountable to one another—8 to 12 is the maximum size. Jeff Bezos famously referred to "two-pizza teams," i.e., teams no bigger than can be fed by two pizzas.

A "scrum master," ideally with experience in agile and often working with an assistant, leads the team. The scrum master sets priorities, defines the hypotheses, manages the backlog, identifies necessary resources, and manages "sprints" (one-to-two-week cycles of work).

Building out an agile war room will require working in new ways with external agencies, adding depth in key resource areas such as media buying, creative, and UX design, or analytics as needed. Working at the pace of agile may challenge an agency's established workflows, but we have found that once they get into the rhythm, the performance boost justifies the change in procedures.

The marketing organization's senior leaders will understandably need to oversee the activities of the war-room team. But they ought to interact with the team in a lightweight manner—once every three or four weeks, for example. Automated dashboards with key metrics can help provide leadership with transparency.

Reading about what war-room teams do, one might think agile practices apply only to direct-response marketing activities. But agile methods can improve the performance of product development, marketing mix, and brand marketing as well, by providing more frequent feedback, allowing for testing and iterating of ideas and communications in market, and accelerating the process for delivering impact from brand efforts.

Step-by-step overview of what an agile marketing team does

Here is how an agile team works:

Aligns with leadership and sets team expectations

Once the war-room team is assembled, it works with the leaders of the marketing organization and other key stakeholders to align everyone on the initiative's goals. After that, the war-room team has a kickoff meeting to establish clearly that former ground rules and norms no longer apply and to articulate the agile culture and expectations: deep and continuous collaboration; speed; avoidance of "business as usual"; embracing the unexpected; striving for simplicity; data-trumping opinions; accountability—and above all, putting the customer at the center of all decisions.

Analyzes the data to identify the opportunities

By its second day, the team ought to be up and running and doing real work. That begins with developing insights based on targeted analytics. The insights should aim to identify anomalies, pain points, issues, or opportunities in the decision journeys of key customer or prospect segments. Each morning there is a daily stand-up in which each team member gives a quick report on what they accomplished the day before and what they plan to do today. This is a powerful practice for imposing accountability, since everyone makes a daily promise to their peers and must report on it the very next day.

Designs and prioritizes tests

For each identified opportunity or issue, the team develops both ideas about how to improve the experience and ways to test those ideas. For each hypothesis, the team designs a testing method and defines key performance indicators (KPIs). Once a list of potential tests has been generated, it is prioritized based on two criteria: potential business impact and ease of implementation. Prioritized ideas are bumped to the top of the queue to be tested immediately.