

GE Puts Education to Work to Elevate Internal Marketing Capabilities

Steve Liguori, executive director of global marketing at GE, was the keynote speaker at BMA Chicago's October MarketingMasters Luncheon Seminar at [The Standard Club](#). Following is a report on his presentation.



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Is it possible to develop uniform standards for effective marketing skills in employees with widely ranging backgrounds within a highly diversified global industrial conglomerate such as [General Electric Co.](#)? Steve Liguori, GE's executive director of global marketing, provided the audience with an effective model for doing just that at BMA Chicago's Oct. 1 luncheon.

Acknowledging that GE is involved in markets ranging from energy to healthcare to commercial and consumer finance, Liguori said he focused on identifying marketing skill sets that are common to professionals at every level and in every market. That focused spawned GE's "Gold Standard" internal educational initiative for marketers.

Touching on a recent topic on the minds of many, Liguori indicated that the educational initiative has the potential to pay off for GE, which recently maintained its No. 4 spot on *BusinessWeek's* list of the 100 Best Global Brands, just as the company's other bold moves have paid off in economic downturns of the past.

He referred to research by Harvard Business School Professor Ranjay Gulati revealing that companies' standard approaches to dealing with downturns—e.g., cutting costs and operating for efficiency, focusing on the core business, staying the course and avoiding rash strategy changes, and responding to recession-created demand—put passive companies at a major competitive disadvantage vs. "breakaway" companies that enjoy significant growth for three years or more. In contrast, GE has placed an emphasis on providing customer solutions, as when GE Capital was formed to provide consumer financing during the Great Depression—a time when many families could not purchase GE's washing machines and refrigerators.

"How do you provide customer solutions?" he asked rhetorically. "How do you get close to your customer? Marketing is filled with these phrases and sayings. It's easy to say them, but it's really, really hard to do it right and understand the rigor and expertise to become best in class."

Starting from square one to assess the organization's marketing capabilities soon after being named to his current position in November 2008, Liguori oversaw a global survey of GE marketers. The survey revealed four shocking facts: 66 percent did not have any formal marketing training, 50% were based outside of the United States, 66% have been with GE for less than five years and the marketing function was growing globally, especially in Europe and Asia.

It was not as though GE had not emphasized the marketing function, having hired Chief Marketing Officer Beth Comstock in 2003, Liguori pointed out. But Comstock wanted GE's marketing capabilities to be on a par with its commercial capabilities and Liguori, who joined GE in 2005 and served as senior vice president of marketing for GE Money–Americas and CEO of GE Money Services, wanted to make marketing a core competency for the company.

“We began to build a lot of operational rigor around what it takes to make sure that marketing is engaged in the business,” he said. The models for the marketing Gold Standard were companies such as Apple and Procter & Gamble.

Identifying marketers' core skills was a laborious process, Liguori said. What emerged were four “go-to-market” skills—market knowledge, segmentation and targeting, value creation and pricing, and commercial activation—and four commercial essentials—strategy and innovation, new world skills, sales force effectiveness, and branding and communications.

Go-to-market skills are considered core skills and marketers should choose from among the remaining four, given the nature of their particular position. Since identifying these skills, GE has put together a “Gold Standard Fact Book” that details what each skill consists of. Liguori said that in 2010 each division will self-audit its marketers' “organizational maturity levels” in each of the areas using one of four color-coded ratings: minimal, developing, leading and Gold Standard. GE CEO Jeffrey Immelt will be provided with the results of the audits.

The company also has developed a “Marketing Rock Star” awards program and a “Marketing Capability Guide.” Hundreds of GE marketing leaders and subject-matter experts developed the capability guide, which profiles the requirements and expectations for GE marketers in three main areas: market expertise, acumen and execution, and change management. Four types of Marketing Rock Stars are recognized under GE's educational initiative:

- Instigator: Incites a “better way” using unique vantage point to see around corners
- Integrator: Drives customer-centered thinking across functions and silos

- Innovator: Turns unique insights into something tangible to meet customer needs
- Implementer: Executes against customer needs to drive profitable growth

The company has developed training courses for employees at early to middle levels, early to seasoned career with functional expertise, middle to seasoned career and executive track. “What we’ve finally pulled together is that you need the same skill set if you’re in marketing—it’s not that marketing in healthcare is different from marketing in energy; the industries are different but the skill sets aren’t different,” he pointed out.

The educational initiative is designed to allow GE’s marketing function to optimize for today, build for the future and enable the organization.

“I’m putting my quarterly priorities in these three buckets—what am I doing to help the businesses today, what am I doing to make my numbers in say, 2012 or 2014, and what am I doing to make sure it sticks?” Liguori noted. “I think marketers are uniquely charged within their businesses to make sure they’re touching all three of these priorities.”

Liguori is relying heavily upon social media for marketing knowledge-sharing and mentorship throughout the functionally and geographically diverse organization. He described MarkNet, GE’s internal network of knowledge-sharing communities, as a combination of Facebook, wikis, LinkedIn and YouTube. MarkNet allows marketers to solicit and obtain resources and advice from peers from any geographic location within GE.

According to Liguori, the network provides GE with a competitive advantage by giving its marketers the capability to view best practices across businesses, obtain free training through webinars, connect with senior leadership, gain easy access to useful commercial resources, create and follow blog entries, and keep up with the most recent community news.

“Our goal with MarkNet is for any marketer in any division at any level and in any geography to find someone who’s got the expertise to do this,” Liguori said. “That’s why it’s got all of the functionalities you’ll find on any social or professional network out there.” Six initial communities were established on MarkNet: Marketing Communications, Innovation, Intelligence, Segmentation and Insights, Value Prop and Pricing, and Customer Experience. Within the first 100 days of launch, 40 percent of GE marketers joined the network.

Liguori pointed out that the innovativeness of MarkNet is consistent with GE’s corporate culture. He noted that the company’s Ecomagination initiative generated \$17 billion worth of revenue in 2008—9 percent of GE’s overall revenue—on the strength of a

diverse portfolio of 75 products that have been certified “green” by third-party agencies. During the past year, GE launched Healthymagination, an initiative designed to provide consumers with better access to quality healthcare by reducing costs through the use of GE technologies, increasing access, and improving quality through simplifying and refining healthcare procedures and standards of care.

“We really think we’re on to something with this Gold Standard vision and trying to push ourselves as a marketing organization to a much, much more disciplined and rigorous place,” Liguori said. “You’ve got to get in the game. We actually have a vision and there’s a model underneath that vision. Do you have a model in your organization? What are you going to do with your team to get them motivated and pointed in the right direction? I know that 98 percent of you can’t build your own model, but you can get pretty smart pretty quickly by seeing what’s out there and adapting it to your organization.”

Liguori also took questions from the audience.

- On CEO Immelt’s qualities: “Fantastic. Unbelievable energy, commitment, intelligence, just the vigor of, ‘We’re going to go do this.’ ” Amid recent GE stock price declines, “the whole world was throwing its hands up and Jeff was saying, ‘We’re taking our lumps like a lot of people, but we’ve got a great franchise.’ He gave us [executives] a list of things to do as leaders and number one was protect the franchise, do the right thing for GE and stand up for GE. We have increased our innovation and our research-and-development spending when revenues were going down. We hire about 125 M.B.A.s a year on a two-year training program. Considering what the world was going through, including us, to keep hiring new talent because we want new ideas ... Jeff’s support of marketing makes a heck of a statement.”
- On the most critical skill Liguori lacked as a marketer in his formative years: “It took me years to realize it, but probably the biggest gap I had was in financial acumen—just understanding how business works. Especially in the B2B world, that’s where a lot of us fall down. You’ve got to know your way around a profit-and-loss statement and a balance sheet; you’ve got to understand cash flow.”
- On whether or not chief marketing officers should have CEO aspirations: “If I have a wish for the marketing team going forward, and so do Beth [Comstock] and Jeff Immelt, it’s that marketers of the future get into CEO roles all across GE. We love to tell our marketing trainees that that’s absolutely where they should aspire to be. We tell them that they need a core set of skills so that no one can ever knock them off. At this point in your career, do you want to be a general manager, a CMO or a specialist in pricing or branding or something? The

important thing is to become an expert in something and then you can figure out where to go from there.”

- On how marketers should differentiate themselves: “I’ve got this thing in my head called 70-20-10. Seventy percent is do your day job—that’s your core. Twenty percent is do something new but relate it to your core job so your boss says that’s pretty interesting. Then you can go to your boss and say, I’ve got this crazy idea with the last 10 percent of my time—can I go do this? Do your job first, become great at your job, expand your job and then ask for the—I call it the ‘fly-by’ from left field.”
- On whether GE prefers hiring employees who initially want to work in marketing or, rather, encourages business-unit functional specialists to transition into marketing: “Our goal is to do both. We hire about 60 percent of the people in our commercial training program from M.B.A. schools—I’d say they have five to seven years of work experience before they go back for their M.B.A.s. The other 40 percent are what I call domain experts. We want people who are experts in the business, but we need both.”

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