"When George Washington was a teenager, did he really, really, really want a car?

Unlikely.

In order to want something, you probably need to know it exists."

Seth Godin

Marketing Internal Audit Internally
Ciaran Bowe, CIA
Assumptions

**need**

1. necessary duty : obligation
2. a lack of something requisite, desirable, or useful
   - a physiological or psychological requirement for the well-being of an organism
3. a condition requiring supply or relief
4. lack of the means of subsistence : poverty

Assumptions

**want**

1. *a:* deficiency, lack *<suffers from a want of good sense>*
   *b:* grave and extreme poverty that deprives one of the necessities of life

2. *something wanted:* need, desire

3. *personal defect:* fault

Marketers

Seek responses from other people.

Help people learn what they want.

A Simple Marketing System

Complexity on Campus

- Joint Governance
- Large
- Public
- Decentralized
- Non-Profit
- Technological Change
- Diversity of Missions
- Sensitive Data
- Social Issues
Marketing to the organization

Internal marketing starts with this: do it intentionally, as intentionally as you would market your project outside the organization. Every memo, email and presentation you do inside is a marketing effort, and it should be treated that way.

Seth Godin

http://sethgodin.typepad.com/seths_blog/2015/06/marketing-to-the-organization.html
Types of Needs

The Value Delivery Process

Choose the Value

Provide the Value

Communicate the Value

International Professional Practices Framework (IPPF)®

The Framework for Internal Audit Effectiveness: The New IPPF
Mission of Internal Audit

To enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.
Definition of Internal Auditing

*Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.*
Enhanced SWOT

- Translate into Tasks
- Opportunities
- Threats
- Strengths
- Using strengths to mitigate impact of threats
- Weaknesses
- Weaknesses holding Internal Audit back
- Overcome weaknesses creating threats
Market Insights

Define the problem

Develop a research plan

Collect information

Analyze information

Present Findings

Make Decision

PwC’s 2016 State of Profession Study

Figure 1: PwC’s State of the Internal Audit Profession Study - Historical data

% of stakeholders who say internal audit adds significant value
- 54% in 2014
- 48% in 2015
- 54% in 2016

% of respondents who say internal audit performs well overall
- 68% in 2014
- 64% in 2015
- 65% in 2016

% of respondents who say their organization manages risk well
- 63% in 2014
- 67% in 2015
- 71% in 2016

% of respondents who say internal audit performs well, by internal audit performance attribute
- Quality and innovation: 61% in 2014, 59% in 2015, 62% in 2016
- Service culture: 71% in 2014, 69% in 2015, 70% in 2016
- Cost optimization: 71% in 2014, 67% in 2015, 68% in 2016
- Stakeholder management: 73% in 2014, 67% in 2015, 70% in 2016
- Technology: 41% in 2014, 38% in 2015, 40% in 2016
- Business alignment: 82% in 2014, 82% in 2015, 78% in 2016
- Talent model: 61% in 2014, 59% in 2015, 78% in 2016
- Risk focus: 78% in 2014, 80% in 2015, 88% in 2016

% of respondents who expect internal audit to be a trusted advisor within the next five years
- Today: 11% in 2014, 16% in 2015, 24% in 2016
- In Five Years: 55% in 2014, 62% in 2015, 62% in 2016

% of respondents whose organizations are going through a business transformation or have done so in the past 24 months
- 67% in 2014
- 68% in 2015
- 72% in 2016

Source: PwC’s State of the Internal Audit Profession Study, 2014-2016
Relationships

- Customer relationship management
- Personalizing marketing
- Permission marketing
- Customer empowerment

Change is the Only Constant

No man ever steps in the same river twice, for it's not the same river and he's not the same man.

Heraclitus
Analyzing the Market

Problem Recognition
Information Search
Evaluation of Alternatives
Purchase Decision
Post-purchase behavior

Targeting the Market Segments

Measurable  Substantial  Accessible  Differentiable  Actionable

Product Strategy

Awareness → Consideration → Conversion → Loyalty → Advocacy

Creating Awareness

*We determined that...we needed to develop a deliberate strategy for improving awareness of our capabilities — and the value we would deliver — because changing perceptions isn't always easy.*

*Richard Chambers*

Tactics to achieve an internal audit marketing strategy:

- Hold one-on-one conversations with key stakeholders;
- Develop a professional presentation;
- Build marketing messages into periodic reports on internal audit's performance;
- Develop and distribute an internal audit brochure, and;
- Create an intranet site for access by your company's executives and employees.

Many audit committee members would like their internal auditors to expand their portfolio of services...internal audit should be looking not just at financial issues but also at risk management, IT, and operational risks.

- 2014 Global Audit Committee Survey by KPMG's Audit Committee Institute

Creating Awareness With Internal Audit's Stakeholders: Sometimes It Takes "Marketing"
(By Richard Chambers)
Brand Positioning

Value proposition

Companies address customer needs by putting forth a Value Proposition, a set of benefits that satisfy those needs.

Developing A Value Proposition

Know Your Customers

Know What You Deliver

Know Your Competitors

Know Why You Are the Solution

Know How to Express Your Value

5 Steps to Marketing Your Audit Department (By Mike Jacka)
https://iaonline.theiia.org/2015/5-steps-to-marketing-your-audit-department
Service Management

# IPPF Core Principles

- Demonstrates integrity.
- Demonstrates competence and due professional care.
- Is objective and free from undue influence (independent).
- Aligns with the strategies, objectives, and risks of the organization.
- Is appropriately positioned and adequately resourced.
- Demonstrates quality and continuous improvement.
- Communicates effectively.
- Provides risk-based assurance.
- Is insightful, proactive, and future-focused.
- Promotes organizational improvement.
Determinants of Service Quality

Marketing Communications Mix

- Advertising
- Promotion
- Events and experiences
- Public relations and publicity
- Online and social media marketing
- Direct and database marketing
- Personal selling

Marketing to the organization

If you can't persuade your peers and your boss, then your project is never going to have a chance

Seth Godin

http://sethgodin.typepad.com/sets_blog/2015/06/marketing-to-the-organization.html