The Fully Integrated CMO
Introduction

“This is the golden age. I can’t imagine a time in history when it has been better to be in marketing. “
– Ashu Garg, general partner at venture capital firm Foundation Capital

The world of marketing is forever evolving and innovating. The pervasiveness of the internet and social media have given rise to previously unimagined advancements in marketing analytics – systems for social media and content management; marketing automation platforms; customer-facing apps and web tools; and customer relationship management software – and in turn, exponentially increased companies’ ability to identify their customers and anticipate their needs, wants and preferences both online and off.

The availability of so much data means that the past, qualitative model of marketing, based on creativity, instinct and consumer savvy, is no longer enough. To stay competitive and, in fact, surge ahead of their competition, marketing professionals must speak a quantitative language – which entails being active in collecting data, fluent in analysing them, and skilled at translating their implications into actionable strategies.

Simultaneously, customer experience is emerging as a leading driver of brand affinity and financial success. Marketing departments and the information they command are making the discipline and the individuals within it new, powerful and strategic drivers of business.

As the leader of all marketing activity, a company’s Chief Marketing Officer (CMO) must be the first adopter and the guide for his or her team in this increasingly complex landscape.

INDUSTRY TRENDS

Overview

“With how fast technology is growing, if a company doesn’t innovate, [it] will lose out to the competition. 2016 will be a year where…this will really differentiate the winners from the losers. “
– Liz Pedro, Director of Content and Advocacy, Mitel

“New digital technologies are eroding the value of old IP. In the future, it is the speed of innovation that’s going to matter. “
– Thomas Okke Frahm, Vice President of Global IT Management, Chr. Hansen

Business leaders across every industry are feeling pressure to transform their enterprises into “digital companies”. Supply chain operations, customer service, and commerce are just a handful of the services both B2B and B2C companies are transforming through the strategic deployment of digital technology. Organisations that embrace digital practices are twice as likely to achieve rapid revenue growth as those that do not.

Marketing, more than any other function, must champion the adoption of these practices. In this sink-or-swim environment, the success of the CMO is dependent upon how effectively the company makes the transition.
While CEOs, CFOs and CIOs have historically had highly quantitative jobs, the duties and the success of a CMO have been attributed to softer, more qualitative skills. With the increased ability to quantify marketing targets and outcomes, the effectiveness of marketing activity has become more tangible – and consequently more scrutinized. The CMO is now increasingly required to justify strategies and demonstrate concrete results.

This is especially true in North America. In a Deloitte Canada survey, conducted in partnership with the Institute of Communication Agencies, 89% of CMOs surveyed agreed that the marketing industry has changed radically over the past five years, and 71% called out data analytics as their most important challenge.

Even though this challenge is timely and widely acknowledged, wholly three quarters of respondents reported that their organisation does not use marketing analytics as much as they would like. Frequently, tools to collect data and a team capable of analysing and effectively using the data to achieve results are cited as reasons for this lag. Less than half say they have staff with the skills to make effective use of analytics; however, many plan to increase their reliance on outside partners for analytical and other support in the coming years, rather than cultivating the capability from within.

Such digital innovations often involve customer engagement; therefore collaboration between the CMO – the senior leader most closely concerned with customer experience – and the rest of the C-suite is essential.  

**Expected Trends**

“Digital is at the core of everything in marketing today – it has gone from 'one of the things marketing does' to 'THE thing that marketing does'.”

– Sanjay Dholakia, Chief Marketing Officer, Marketo

“Digital transformation serves as the central plot point in the story of the CMO’s evolution.”

– Eric Krell, Direct Marketing News

Digital innovation in general, and the demand for more data to inform business decisions in particular, require investment in technology. Within marketing, the current total spend on technology is $1.2 billion, with this number expected to increase by a factor of 10 – to $120 billion – in the next 10 years.

Over two thirds (67%) of marketing departments plan to increase spending on technology-related activities over the next two years. At the same time, 61% are increasing capital expenditures on technology, and 65% are increasing budgets for service providers that have technology-related offerings.

This is a significant shift, but even with the spending already in place, it is clear the marketing industry lacks confidence in its ability to employ the technologies at their disposal.

Nearly half of Inc. 500 executives say that digital advertising has the highest potential among marketing tactics to increase sales, while at the same time, only 5% of marketers say they have mastered the ability to adapt and predict the customer journey and truly understand which actions will derive maximum value.

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This begs an important question: If digital marketing is so important, why aren’t more CMOs pursuing the skills they need to do what is arguably the most important aspect of their jobs?

This disconnect is significant, and a reality of marketing today. As Liz Miller, Senior Vice President of Marketing at the CMO Council explains, “The reason for the bleak picture has more to do with the rapidly evolving marketing landscape that must race to meet the continuously shifting customer consumption behaviour. Both customer and marketer are moving on equally fast hamster wheels!”

Technology and analytics teams have historically been considered isolated entities, but with the growing interdependence of marketing on analytics, the two are breaking out of their respective silos and, together, becoming an integrated part – and in many ways the driver – of the organisation’s activities.

There are now more than a thousand software marketing platforms available globally to help them do just that, but the onus is on the CMO and his or her team to find the right technology that works best for the business – and most importantly to integrate it into the business in a way that is sustainable, and positively impacts the way the entire enterprise operates.

“Marketing analytics is not the job of the analytics team; it is the job of the whole marketing department.” – Ammar Karim, Assistant Manager of Advanced Analytics, Mobilink

Among enterprises that embrace data analytics, however, some key challenges remain. Alistair Macrow, Senior Vice President, Chief Marketing and Communications Officer, McDonald’s UK, explained to Boyden: “The amount of data we can collect is undoubtedly ‘big’, but quickly identifying the most useful data and translating it into actionable strategy is not a small task”, Macrow said. “Furthermore, with access to increasingly more behavioural data, marketers run the risk of overinvesting in this realm, at the expense of gaining a proper qualitative understanding of their customers.”

The Latest Case for Collaboration

The need to select and implement marketing technology that will benefit the entire business underscores the common refrain for more collaboration across all senior leaders and their teams. The CMO’s job, in part, is to lay the groundwork for this collaborative approach.

It is obvious by the scale of impact of the digital revolution that organisations – not just the tools or processes they use – must change. A few widely accepted tenets have emerged among those who speculate on what changes must take place within marketing functions, and the larger organisations in which they operate:

- **Structure must follow strategy:** Within each organisation, partnerships between senior leaders and information flow must support overall business goals. There is no ideal way to configure a company to achieve this, but each must find its own way. This will likely entail marketers strengthening their relationships with Sales, Customer Service, and IT. (For more on this point, see “Compatibility is Key”)

- **Complexity must give way to agility:** Rigid organisational structures limit a company’s ability to adapt to its customers’ ever-changing behaviours. The more cross-level and cross-functional partnerships there are, the more nimble and capable the organisation will be to roll with the tides and evolve with their environment.

- **Everyone must mobilize around a single vision:** Leadership must ensure that all employees – in every function, at every level, and across geographies – are inspired by and act in accordance with a common set of priorities. Engaged employees mean better customer experiences, and better

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"For most CMOs, fresh data as well as content have become great additions to marketing strategies. In 2016 and into 2017, we will see more brands begin to use content to approach consumers in a more direct and personal way. The right content can provide brands authority on the issues they represent, while also giving companies an opportunity to give something back to the community by bringing solutions for consumers' specific desires or problems via text, video or images."

Luis Lezama Bracho, Partner, Boyden Mexico

- **Education and enrichment:** More cross-functional collaboration will require a deeper understanding of what goes on across the organisation, as well as skills that enrich one's ability to do their own job. Within marketing in particular, it will be imperative to hone one's skills in data analytics, digital content creation and customer engagement.\(^{15,16}\)

Collaborative environments breed innovation. The more silos are torn down, the more free exchange of ideas will naturally occur. This cross-pollination will introduce and cultivate new concepts, programmes and processes, both within marketing and in other areas across the business. Inspiration can now come from outside the organisation as well. CMOs have the power to harness first-hand insights provided by customers themselves to set priorities and inform what the company will invest in next.

**Customer Experience Is King**

As the marketplace becomes ever more crowded and competitive, customer experience is emerging as a key driver of brand loyalty and business success. Companies with a deep knowledge of their customers outperform their competitors by 60%.\(^{17}\)

With the rise of social media, customers speak with a louder voice, reach a wider audience, and are engaged in a constant cycle of influencing and being influenced by one another. With the increased command of customer experience insights through the use of digital marketing technology, the CMO is steadily becoming the company's most powerful agent for growth. According to a Gartner study, the number one expectation of CEOs of their CMOs is to improve customer experience. The sentiment is mutual: *The Economist* found that 75% of marketers expect to be responsible for customer experience.\(^{18}\)

The insights into consumer behaviour, sales metrics and other data CMOs wield can inform and benefit all other senior leaders across an organisation.

"The CMO builds the brand through meaningful experiences using data, analytics, and technology. But he or she is also at the centre of everything – from creating products and services to pricing them."

– Erich Joachimsthaler, author of *Brand Leadership: The Next Revolution in Building Strong Brands*\(^{19}\)

It is important to remember that while data inform decision-making, they are only one part of the puzzle. CMOs, their teams, and their senior-level colleagues must interpret the data effectively, and use their creativity and judgement to implement actionable strategies that will move their organisations forward.\(^{20}\)

McDonalds' Alistair Macrow expands on this point: "Confidence, clarity and consistency are vital," he said, "but remembering to follow our customers’ lead and understanding how they want to engage with us is the hallmark of good marketing leadership. We act boldly in sticking to those principles amidst a wealth of distractions including the new buzz thing, short-term sales needs, competitor tactics or budgetary challenges. The CMO must have a strong voice in the boardroom and influence across the business. The CMO must excite the business to focus on the things that matter to the customer."


In previous times, CEOs often were the lead company marketers, though CMOs now play an equally key role in the strategic marketing leadership. A CMO today has to define the brand leadership of a company in close relationship with the overall strategy of a company; thus it’s essential that the CEO and the CMO work closely together.

— Dr. Dirk Friederich, Managing Partner, Boyden Germany

EXECUTIVE HIRING

CMO Qualifications

“The primary differentiator between the transformational CMO and the CMO of yesterday is that they are performance-driven CMOs. They have a fundamental understanding of the levers of growth, insight on the relative importance and value of these levers, and know how to convert this understanding into enterprise-wide action that drives overall performance.”

— Bruce Rogers, Chief Insights Officer, Forbes

“The CMO of the future will need to have people management skills and be stronger in strategy and all the things about where to play, and how to seek competitive advantage. They also need to be able to recognize and find strong partners. This individual will be very skilled in analytics and very good at basic research and curiosity. CMOs need to spend less time in making ads, running projects and managing agencies, and instead ramp up in these other areas.”

— Jim Stengel, former CMO of Procter & Gamble

Background

When recruiting and hiring CMOs, MBAs have been and will continue to be important. Business school is recognized for its ability to cultivate leaders with critical thinking skills and the ability to solve problems. Top MBA programmes will produce candidates in highest demand. But in today’s competitive hiring market, analytical ability is table stakes; recruiters are looking for ways to predict whether the candidate has the potential to be a significant contributor within the C-suite.

Traditionally, marketing professionals came up in the professional world by joining an organisation out of business school and working their way up the corporate ladder. This granted marketers exposure to multiple brands and the different ways in which each brand approached the discipline.

Many suggest the new generation of CMOs will be best served to assume a “start-up” mentality. He or she will need to operate with agility in rapidly evolving conditions and continually do more with less. Beyond this, future CMOs should also keep their finger on the pulse of companies like Amazon and Facebook, which have built and maintain their own platforms and are widely considered models for ambitious and successful marketing strategy.

Profile

The CMO of the future is taking on a new shape. With the proliferation of data analytics and the power this tool gives CMOs to inform important business decisions in a customer-centric marketplace, he or she must assume the role of an overall business leader. This means being cross-disciplined, and working with the CEO, directly and often.

Importantly, CMOs must continue doing what they have historically done. This includes being a strong communicator and an inspiring leader – both internally, to keep employees engaged and invested in providing the best products and services to customers, and externally, to ensure that marketing strategies are being properly executed and are in sync with how and where customers consume information.
Communication in this sense includes both 1) effectively leading and cascading messages to the right audiences, and 2) listening to these audiences and internalizing the feedback they receive.

Being a strong communicator also encompasses building and maintaining strong partnerships – with other senior leaders, and in many cases, with outside software and service providers.

The CMO of the future must embrace change. They must be an agent for change in many ways, to break down silos within the organisation, encourage collaboration and implement new marketing practices, and roll out new digital technologies across the organisation for better data collection. By understanding the value of diversity and collaboration, the CMO can create an open environment in which change is a process, something that is organic and progressive, rather than something that is forced upon the organisation. Along with an eagerness to learn and adapt comes the quality of patience; understanding that change can be difficult, but that when undertaken properly, it can also be sustainable, and will even pave the way for future changes to be made more easily.

The need to develop new skills is not limited to the new capacities of the CMOs themselves, such as understanding retail dynamics or the levers of social engagement. CMOs will also need to help build new marketing capabilities throughout the organisation. This means helping colleagues ready themselves for, and also implement, customer-centric changes within their respective functions. The CMO and the marketing organisation are in a position to explain why a specific change is being made, and help train those who need it, to more effectively work together with them to hone the skills and build the mechanisms needed to service customers more effectively going forward.

Further, CMOs must possess emotional intelligence, as their job will necessitate collaboration with and the ability to influence the decisions of many different groups, from their C-suite colleagues to other functions such as IT sales and customer service, board members, customers and many others. This will also be an asset in their role as a driver of change.

The CMO of the future must learn quickly and have an affinity for data. CMOs will increasingly come from IT management or software development backgrounds, making them naturally inclined to embrace new technologies and understand the stories data can tell, while having a specific interest in how data can inform marketing and business strategy. Ty Shay, CMO and Growth Advisor for LifeLock, for example, tells Boydend he attributes his success in the marketing realm to his heavily quantitative focus, specifically with respect to customer acquisition and driving revenue.

Overall, the CMO of the future will be far more strategic. Now that outputs can be quantified, marketing is increasingly being seen as a revenue-generating function rather than a cost centre, and more broadly, as an accountable and significant contributor to the success of the business. CMOs will have the ability to collect, maintain and analyse large quantities of data, translate their insights into meaningful, revenue-generating solutions, identify and help realize efficiencies, and enhance marketing capabilities throughout the organisation. CMOs have greater agency to affect the business in a material way, from digital strategy to customer service approach.
CEO Sentiment

“CMOs have to move beyond the chief ‘marketer’ in their title. They should step up their influence in the C-suite to become a full corporate officer while understanding the business influence they have. CMOs who have evolved in that way are being tapped for CEO in some leading organisations.”
– Sheryl Pattek, Research VP and Principal Analyst, Forrester Research

CEOs increasingly want a CMO to be a partner in leading and growing the business.

Ultimately, CEOs will look to hire CMOs who have a mind for data and marketing, and can also see the bigger picture. If the CEO recognizes the CMO as someone who is working to achieve the company’s broader business goals, they will reciprocate by giving the CMO license to affect meaningful change, both within the marketing department and beyond. The CEO will support an environment of innovation, back investments in technology, and clear the path for the CMO to execute his or her vision for the company’s marketing capabilities.

CEOs look to CMOs to support a culture of innovation. In a study by Boston Consulting Group, executives reported their biggest obstacles to generating a return on innovation investments were lack of collaboration within the company, risk-averse cultures, ineffective marketing and communications, insufficient support from leadership and management, and not enough customer insight. Many, if not all of these, are realms the CMO of the future not only touches, but has the ability to drive forward in a significant way.

Overall, the perception of the CMO role has changed from a communications-focused role – sometimes considered “fluffy” or limited in scope – to one directly relevant to every part of the business.

Chart 1, located on page 10, illustrates how expectations of CMOs have changed in light of the burgeoning opportunities brought about by the digital revolution.

EXPERT VIEW: John Cripps, Founder and CEO, Marketing Decision Science

Dr. John Cripps is founder and CEO of Marketing Decision Science and has more than 20 years of marketing consulting and industry experience. His firm’s client work spans technology, financial services & insurance, retail, consumer products, healthcare, and media & entertainment sectors.

Cripps is a leading expert on the application of marketing science to strategic marketing decisions and scientific measurement and optimization in marketing. He has served as a professor at London Business School and in corporate roles overseeing marketing science and decision analytics at Fair Isaac, Fireman’s Fund Insurance, and Esurance.com.

Boyden: What have been the biggest changes in marketing in the last five years?

Cripps: There’s been a surge in decision inputs all around big data, marketing analytics and data analytics that’s very real, albeit my perspective is slanted around the science of marketing. All of a sudden, CMOs now feel like they really do need to be accountable, and so they’re increasingly seeking to quantify a lot of their decisions. In many cases, a CFO exerts pressure on the CMO to justify the $50 million or $100 million marketing and advertising budgets and to more specifically account for their allocations.

Boyden: What other edicts are coming down from CFOs?

Cripps: With the influx of big data or data analytics, CMOs often need to forge stronger relationships with their CFOs and CIOs. Very often the CIO is not the repository of the analytical skills required to help make marketing more scientific and accountable, but he or she has all the data. Also, the CIO has the flexibility in budget to pay for the needed software, which can amount to hefty sums. So, the CMO, CIO and CFO are forming an axis and deeper relationships.

Boyden: How do you see the structure of the marketing department changing?

Cripps: In the context of data analytics and big data, marketing groups are now building home-grown marketing analytics functions at a faster rate. For example, over the last three years, Facebook has built an enormous marketing science practice to support its clients in making better, smarter decisions. So, that formalization of marketing analytics is a big thing, and it’s increasingly a line item within the CMO’s purview now.

Boyden: Is there going to be a role for the CMO who does not embrace data analytics or whose quantitative skills or knowledge of these types of applications is lacking?

Cripps: Well, they have got to be increasingly worried. While I don’t think this is going away, I also think it’s getting a little more disproportionate attention than it deserves right now. All these things happen in waves and so big data is getting a lot of hype right now. However, any CMO that doesn’t try to embrace it is going to get more and more marginalized.

Boyden: In terms of analytics, do you see any particular differences between industries or sectors?

Cripps: The market and the appetite for advanced marketing analytics are much strong and further ahead in Europe and North America by far. In South Asia it’s coming along, but much more slowly. It’s being led by the bigger markets there, specifically China and Japan, because the budgets are bigger.

In terms of sectors, Silicon Valley companies, whether they’re B2B or B2C, pretty much think very quantitatively, and generally have a strong understanding of marketing attribution. And going back a couple decades, banking, telecoms and big consumer packaged goods companies have been the most sophisticated. Retailers have not been particularly good in marketing attribution, but they getting better fast.

Boyden: Is it relatively easy for a CMO and other senior marketing executives to jump across sectors?

Cripps: Yes, I see them moving across industries pretty frequently, but they usually stick within B2C or B2B. And technology company CMOs often stay within the industry. The average lifespan of a CMO on the job is 18 months, and largely that is because competent CMOs are in high demand.
“CEOs expect their CMOs to take on expanded responsibilities in an environment of fragmented media, overwhelming big data and where distribution is within a click’s reach. CMOs must act as the internal ‘voice’ of the customer by defining the customers’ vision across the organisation. Successful CMOs will be those capable of on-boarding key stakeholders with divergent interests onto this unique vision. Agile, able to deal with complexity and evolve in sometimes ill-defined environments, the CMO must engage with the CIO to ensure path-to-revenue technology, align with the COO to ensure efficient operations, collaborate with the CHRO to map the needed new marketing talents and capitalize on the CFO’s financial approach to enrich their own perspective.”

Cornelia Tänzler, Managing Partner, Boyden Switzerland

Chart 1

EXECUTIVE MANAGEMENT’S INCREASED EXPECTATIONS OF MARKETING
Percentage indicating in which three areas executive management’s expectations of marketing have risen most in the last year.

- Leading the customer experience cross-functionally at all touch points
- Leading the marketing function, including finding, developing, and retaining talent
- Leading a culture of change and company-wide innovation
- Developing effective working relationship with your CIO to whatever level possible
- Managing, collecting, and making use of internal and external data
- Optimizing the mobile channel
- Leading and supporting digital commerce
- Integrating siloed marketing applications into one or more marketing platforms
- Acquiring new customers through improved sales-enablement
- Measuring and successfully communicating what marketing has accomplished
- Retaining existing customers and improving loyalty and satisfaction

NOTE: N=105; TOTALS MAY NOT ADD UP TO 100 PERCENT DUE TO ROUNING.

CMOs are now at the centre of a quantitative approach to marketing, where data is often critical for analysis and decisions in a changing market. In the past, the work of the CMO, CFO, CIO and CHRO was more isolated. As part of greater integration of C-level officers, the CMO is a leading force to collect and analyse data to improve customer knowledge and revenue."

Antonio Sanchez, Boyden Board Member and Managing Partner, Colombia

**Compatibility Is Key**

CMOs cannot execute against these elevated expectations on their own. To do so successfully, they will need to demonstrate their value and work effectively with other members of the C-suite.

As discussed, buy-in from and close collaboration with the CEO are essential, but in making hiring decisions, the entire executive team should acknowledge that the CMO is someone with whom they will collaborate closely. Ultimately, compatibility will be a significant factor in determining which candidate earns a seat at the table.

**CIO Relationship**

With the rise of data analytics as the barometer of customer demand, a CMO’s relationship with the CIO and the IT team is essential. Customer engagement largely hinges on a company’s digital strategy, which the CMO and CIO are jointly charged with executing. The CIO is a technology and data expert who can help the CMO in both foundational and ongoing tasks to position the company as a marketing leader. This includes:

- Identifying the right marketing software to satisfy the specific needs of the business
- Liaising with vendors on technical aspects of implementation
- Integrating new software and systems with existing technologies in the right functions
- Training colleagues to use it and understand how it adds value beyond the work they currently do
- Understanding the implications of marketing analytics with respect to other data they collect and maintain that have a material effect on the business

If the CIO and CMO work together successfully, the division of labour will enable the CIO to focus on the technology, while the CMO focuses on the insights gleaned from it to continue to build relationships with customers that yield profit and potential. Unfortunately, this is the relationship that is historically the most uncommon, and it may be a long time before the two work as synergistically as they may need to. In 2015, the CIO–CMO relationship was ranked the weakest of nine pairings within the C-suite. Only about half of marketing and advertising executives said they worked more closely with IT in 2015 than they did in 2012.

In some cases, digitization of the business – which often encompasses myriad aspects, from ecommerce to compliance and record-keeping, marketing and customer service – is allocated to a specific individual, sometimes titled the Chief Digital Officer or Chief Technology Officer. This role frequently reports to or works closely with the CIO. In such situations, the CMO must work especially closely with this individual, to ensure that cross-functional strategies align and are clearly communicated internally, and that each function’s strategy also ladders up to the company’s broader business strategy.

**CFO Relationship**

Significant infrastructural changes must take place to transform the marketing function and mobilize a company around an integrated marketing strategy, and the reality is that these changes are expensive to implement. Technology is key, and companies often enlist outside counsel to help bridge the knowledge and manpower gap needed for complex analytics, deep social engagement and other new capabilities necessitated by a digital strategy.

Since the CFO has oversight over the investments made by a company, it is essential that the CMO work closely with the CFO (with support from the CEO as well) to explain the rationale for certain investments, secure the necessary funds, and plan for additional investments appropriately.

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CHRO Relationship

Because the CMO of the future is an agent for change, within companies that have a Chief Human Resources Officer, partnership will be important to communicate effectively and consistently to internal audiences, and position the company for seamless transitions. Change is difficult, especially in complex organisations, but information is power. The greater the cooperation and alignment between the CMO, HR function and internal communications department, the higher the chances of success in making the organisational, technological, skills, culture and process changes needed to craft a company that puts customer insights at the heart of everything they do.

Making the Leap

As the CMO evolves into a more performance-driven leader, there are a growing number of CMOs who ultimately go on to become CEOs. George Parr, SVP & Chief Marketing Officer at SIRVA, tells Boyden that his years of experience as a general manager were invaluable in preparing him for his current position as leader of the marketing function within his company. “I encourage every marketer to take on developmental assignments in other functional areas and see what it takes to run a business,” says Parr. “I started my career in sales, moved into brand management, then general management, and am now in a CMO role. I would never have been as effective as a brand marketer without the unique perspective I’ve gained from each of these experiences.”

Notable chief executives such as Joe Jimenez of Novartis, Mark Hurd of Oracle, Sir Andrew Witty of GlaxoSmithKline and Jeff Immelt of General Electric – all of whom cut their teeth in sales and marketing roles – stand as clear indicators that the landscape is changing. While these are just a few high-profile examples, it is clear the number of CEOs that come from marketing backgrounds is likely to rise as more CMOs harness the power of data analytics and assume greater ownership of their companies’ overall success.

LifeLock’s Ty Shay agrees that this path to CEO will become common, explaining “the more CMOs are held accountable for demonstrating return on investment in the activities of their function, the more prepared they are for a chief executive role. Marketing is no longer a support function, and the CMOs of tomorrow must understand this, whether they’re considering a jump to CEO, or simply being effective leaders of a marketing function.”

The job of the CMO of the future and that of the CEO bear an important similarity. The CMO, much like a CEO, must understand the key needs, motivations and challenges of all functions of the business, but also acknowledge that there is a level of depth that is best left to the specialists.

In the same way CMOs are recognizing a new path forward in light of their new responsibilities, a similar trend exists in the increased potential for CFOs to become CMOs. Transferrable skills between the two are becoming ubiquitous as businesses become increasingly data-driven and strategic.

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THE FULLY INTEGRATED CMO

The CMO of the future is a strategist, a connector, and a risk-loving analyst with an affinity for data. As the proprietor of deep insights into customer experience, the CMO is a unique cross-functional link that has the power to drive the business forward in a way no other executive can. But this can only be achieved if the CMO has the right skills for the job.

With great power comes great responsibility, and with great responsibility comes boundless upside potential for the fully integrated CMO.

CASE STUDY: Aegon (UK)

David Macmillan, UK regional CMO of Aegon, a Netherlands-based life insurance, pensions and asset management company, was brought on board as a catalyst for change. In May 2015, MacMillan spoke with CMO.com about his experiences:

Macmillan realized that the key to transformation of the customer experience was mobile technology. Deploying it would entail moving from an entirely paper- and phone-based business to one whose customer experience is fully manageable via a proprietary mobile application: Retiready.

Similar to how a wearable fitness device provides information on one’s physical health, Retiready employs a complex algorithm and extensive data analytics to provide customers with real-time assessments of how financially “ready” they are for retirement, based on goals they’ve set for themselves. Aegon also employed data analytics internally, to ensure that both their innovation process and marketing strategy were informed by customer insights.

In addition to the app, the company developed and implemented a digital-focused marketing strategy, which included social media engagement and a direct chat function. For Macmillan, “going digital” meant establishing a direct line to customers, which translates to greater engagement and a competitive edge.

The company’s comprehensive rethink also led to significant cultural change. The shift required internal processes to be streamlined and customer-facing information to be simplified “within an inch of its life”, as Macmillan says. With greater access to their retirement savings information, customers rapidly became more interested in how things worked and where their money was invested. Aegon needed a way to explain its workings in terms that customers could understand. This meant answering important and very personal questions.

As they found new ways of thinking about the business they were in, Aegon employees adopted the values “simplicity”, “reassurance” and “rewarding” to help guide them through the company’s transformation. These tenets were especially helpful in driving the success of the Retiready mobile app.

Through the adoption of several concrete performance metrics, a careful assessment and overhaul of talent throughout the organisation, and a shift from a product-centric to customer-centric culture, the company transformed itself into an agile, state-of-the-art enterprise with its finger on the pulse of dynamic customer demand.

Fay Voysey-Smit, Managing Partner, Boyden Sub Saharan Africa

http://www.dmnews.com/marketing-strategy/the-shape-shifting-cmo/article/467380/
CASE STUDY: McGraw-Hill Education

In 2013, McGraw-Hill Education, a company with 125 years of history-making academic textbooks, was purchased by private equity firm Apollo Global Management (AGM). Soon after, the company experienced major management changes, including a new CEO and a new president of their international division.

With a renewed focus under the management of AGM, and the possibility of an IPO on the horizon, the company brought in Chris Marjara, a seasoned marketer with a background in the software and IT space, as its Chief Marketing Officer. His mandate: to take McGraw-Hill Education from a traditional textbook publisher to a leading provider of digital e-learning solutions.

Marjara described this journey in an interview podcast hosted by Sales Benchmark Index. He focused a great deal of time and effort on ensuring that the company had the right talent on board; namely quick learners with a customer-centric mind-set, who could evolve along with the company itself. He also made strategic investments in technology.

Marjara’s background in tech made him uniquely qualified to take on the transformation of this highly traditional publishing company. He worked closely with the CEO and CFO, and understood that it was essential that he be able to demonstrate the value he was creating for the company through the changes he was making.

A seismic shift the company faced at that point was transforming from a primarily B2C business, in which the company sold textbooks primarily to end-users, to one that was more B2B, as their products and services were now in the form of e-books, many of which were made available through third-party services. The shift required McGraw-Hill Education to refresh its entire foundation – down to its value proposition, brand positioning, and corporate narrative. Once these were re-established, they were rolled out within the organisation first, to allow employees the chance to gain understanding, alignment and buy-in, and then introduced to the public.

In the textbook industry, sales are seasonal and teaching styles are personal and very difficult to influence, particularly with teachers who have been teaching a certain way for decades. Adoption was slow initially, but increasingly, technology has sped the process. Analytics can now help teachers track progress within their own classrooms, and this change has uniquely demonstrated McGraw-Hill Education’s value proposition and transformed the customer experience for the better.

This is just one example of the power of digital to transform the marketing function and, in turn, a company’s bottom line.40

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Sources


