Lessons from the Trenches: How Marketing Leaders Can Thrive in the Battle for Relevance

Produced by Lisa Nirell of EnergizeGrowth® LLC
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In a Nutshell: Just a few years ago, you could thrive as a marketing leader if you could demonstrate a clear understanding of the Four P’s of Marketing, create sexy ad campaigns, and draw big crowds at your events, you were a star.

Those days are gone. The battle between effectiveness and information overload has reached a fever pitch.

Now marketing leaders – especially CMOs – are expected to be tech-savvy, data-driven, and strategic. Boards of directors and CEOs want their senior marketing leaders to do more, know more, and get more.

Our study reveals the biggest marketing leadership obstacles are a lack of self-management structures, persistent cross-departmental conflict, and low technology acumen. Long term, marketing leaders will thrive if they urgently commit to improving their condition. This will require self-mastery, continued education in finance and technology, and cross-functional collaboration.

Executive Summary: In spite of the growing need for senior marketing leaders to become more tech-savvy, data-driven, and strategic, many still feel as if they are playing second string in customer circles and the C-suite. As one CMO peer member told us, “We are tired of our marketing team being treated like a McDonald’s drive through window.”

Second string status becomes even more pronounced for marketing leaders who are new to their roles.

Marketing leaders in our communities attribute this second string conundrum to several factors: budget constraints, increased customer influence, and a lack of knowledge regarding the implications of the new digital realities on their jobs.

In early 2013, we surveyed thirty-four Chief Marketing Officers and VPs of Marketing. We also interviewed twelve CMOs from a variety of companies across the United States. We wanted to determine:

• The perceived opportunities and challenges that the CMO profession faces today
• Their key business issues and aspirations
• Their level of commitment to improving and adapting to their changing roles

Based on the findings, and our ongoing conversations with CMOs within our private peer gatherings, we discovered these key points:

The major obstacles they are facing include:

1. **Inability to manage time** and self-lead effectively – 10 responses
2. **Budget and resource constraints** (primarily financial and talent shortages) – 10 responses
3. **Lack of digital, social, and interactive technology acumen** – 9 responses
4. **Internal organization dysfunction**, especially between Sales and the Board – 9 responses

**The greatest enemy of the CMO may not be any of these challenges, but their lack of urgency around improving their condition.** Only three of the respondents expressed commitment to addressing their challenges immediately, and ten were very willing within the next year. More than half of our respondents were “somewhat willing” or “not willing to address their challenges now.” They attributed that delay to major budget constraints.

These findings led us to make these recommendations:

1. **Make this your year of self-mastery.** Self-leadership, time mastery, and peer networking are more important than ever. These skills and structures will be essential, not optional, for tomorrow’s marketing leaders. The new marketing leader role takes courage, not compliance. It’s time to break free of the perceived cost center or “order taker” role. You cannot anticipate new opportunities and enrich your career when you constantly focus on fulfilling urgent needs.

2. **Educate yourself in marketing analytics, cloud computing and big data.** The market is changing at warp speed. I recently counted over 100 community building, blogging, and social marketing management platforms. Partner with your Chief Information Officer and hire external advisors and analysts to decipher these nascent trends. Determine a timeline for how your organization can benefit from a select few. Finally, consider hiring a data scientist to help you build automated marketing analytics tools and capabilities.

3. **Build stronger bridges with every sales channel.** Nearly half of the marketing leaders in my live peer groups now carry a sales quota. Two survey respondents mentioned that Sales still wields the greatest influence in their organizations. Find a way to work side by
side with your customer-facing teams on account planning, executive briefings, and opportunity planning activities.

4. **If you lead a B2B organization, optimize your field marketing function.** If your company is truly motivated and willing to make the shift toward becoming a market leader and a customer-centric organization, you need broader responsibilities and knowledge about how prospects buy. Some firms refer to this role as a *demand center*. Many demand centers are established on a regional basis to stay close to sales teams and align with cultural customer nuances. Learn more about field marketing in the *Additional Resources* section of this report.

5. **Emulate agency business models.** Successful marketing leaders have witnessed a direct correlation between collaborative, agile team models and productivity. As your organization demands more from you, these models can reap rewards. MindJet’s Jascha Kaykas-Wolff tells us that “ad-agency creative types are uniquely trained to be able to fully and aggressively attack lots of concurrent problems, and are usually really strong people and time managers.”

### Key Findings

Pressure on CMOs to prove return on investment on virtually every initiative, coupled with the digital marketing revolution, has reached a fever pitch. As marketing analytics captures front and center stage in the boardroom, CMOs are facing greater pressure than any time in history. These imperatives easily draw resources and attention from an organization’s core identity, leaving it vulnerable to missed branding opportunities and a fragmented, dysfunctional culture.

These pressures, coupled with the following statistics, have heightened the need for marketing leaders to pause and take inventory of their core talents, team strengths, and organizational impact:

1. IBM’s study of 1,734 CMOs worldwide revealed that “marketers believe their profession is being transformed by ‘big data,’ the proliferation of new mobile devices, and the emergence of social media.”* Instead of treating markets as segments, marketers now have the ability to understand and interact with customers more deeply, and as unique individuals.
2. In 2012, Gartner Group made the bold prediction that by 2017, the CMO will spend more on IT than the CIO. This has generated a *firestorm of debate* across many media outlets, including mine. Savvy IT vendors, such as an $18B technology client of mine, are now allocating marketing dollars towards CMOs.
3. Although many analysts expect CMOs to gain influence over the B2B buying cycle and funnel, Fournaise Marketing Group reported that 80% of CEOs in the 1,200 companies surveyed said that they
do not trust and value the work being done by marketers. Conversely, ninety-four percent of those same CEOs reported very high trust in their CFOs. CMOs clearly need support with building stronger bridges of trust.

**Methodology**

We conducted an online survey of 34 Chief Marketing Officers and VPs of Marketing. We also conducted in-depth phone interviews with twelve senior marketing leaders from the IT services, software, insurance, internet marketing, and packaged foods industries. The majority of respondents work for B2B companies based in the United States. The study began in November 2012, and was completed in January 2013.

Our survey was designed to determine:

- The perceived opportunities and challenges that the CMO profession faces today
- The personal challenges and aspirations of the survey respondents
- The willingness of marketing leaders to improve and adapt to their changing roles
- The primary methods they use to learn, grow, and personally improve

The online survey respondents primarily represented B2B organizations. Here is a detailed breakdown:

All responses were kept confidential. The leaders represented these industry sectors:

- Health care
- Professional association
Below you will find highlights from the participants’ responses to these questions:

1. **What are the biggest challenges and opportunities CMOs are facing in 2013?**
   - Improving brand strategy and positioning (7 respondents)
   - Understanding the changing media landscape to improve targeting (7 respondents)
   - Choosing and integrating the right media channels, both online and offline (6 respondents)
   - Deepening customer relationships through the effective use of account management and data (5 respondents)
   - Ensuring strong ROI on marketing initiatives (5 respondents)

2. **What are the three major threats to your professional success in 2013?**
   - More CMOs need to become an essential part of the corporate growth strategy.
   - The CMO is expected to know a lot more about technology and manage a larger tech budget. For someone who isn’t very technical, this could be a threat.
   - The economy continues to be a challenge for everyone. Companies are sitting on money, slower to make buying decisions, and doing a lot more research and due diligence prior to making a buy decision. So marketing needs to really understand the sales cycle and what information a buyer needs at each phase. Plus be working with finance team and sales to figure out creative ways to get decision makers to part

These replies are consistent with IBM’s survey of 1,734 CMOs. In that study, only 48% of the respondents said they feel prepared to cope with the increasing level of complexity their jobs require.
It was surprising to see such a disconnect between questions 1 and 2. Clearly, participants considered themselves more vulnerable to political and professional irrelevance than their industry peers. They feel that they lack the skills to make important strategic choices that would improve their customers’ condition, as well as their own impact within the C-suite.

“'I'm being pushed to use the latest/hot (digital media) tactic, rather than what makes the most sense strategically.'

“Marketing is viewed simply as a set of tactics. We are not allowed nor invited to provide the strategic insights Marketing can and should provide.”

3. How willing are you to invest funds to address those challenges and opportunities?

The greatest enemy of the CMO may not be any of these challenges, but their level of commitment to improving their condition. Only three of the respondents expressed commitment to addressing their challenges immediately, and ten were very willing. Half of our respondents were “somewhat willing” or “willing” to address their challenges, but not right now.

When we asked for further clarification as to why they are unwilling to address these challenges

*Each person was asked to provide their top three obstacles.*
immediately (as their number one focus area), participants expressed frustration with a “limited pool of funds” and “world economic issues.”

4. What primary methods do you prefer to learn, grow, and personally improve?

Respondents told us they prefer receiving and sharing information via e-newsletters and private peer discussions. Their ideal venue is the breakfast seminar setting. Their favorite publications include:

- Harvard Business Review
- Marketing Profs
- Marketing Sherpa
- FastCompany
- B2B Marketing
- LinkedIn
- Mashable

Harvard Business Review was voted the most influential publication, followed by FastCompany and Marketing Sherpa.

Recommendations

In summary, we see the greatest opportunities for marketing leaders are to:

1. **Make this your year of self-mastery.** Self-leadership, time mastery, and peer networking are essential, not optional skills for tomorrow’s marketing leaders. The new marketing leader role takes courage, not compliance. It’s time to break free of the perceived cost center or “order taker” role. You cannot anticipate new opportunities, make better decisions, and enrich your career when you constantly focus on fulfilling urgent needs.

2. **Educate yourself in marketing analytics, cloud computing and big data.** The market is changing at warp speed. I recently counted over 100 community building, blogging, and social marketing management platforms. Partner with your Chief Information Officer. Hire external advisors and analysts to decipher these nascent trends. Determine a timeline for how your organization can benefit from them. Finally, consider hiring a data scientist to help you build automated marketing analytics tools and capabilities.

3. **Build stronger bridges with every sales channel.** Nearly half of the marketing leaders in my live peer groups now carry a sales quota. Two survey respondents mentioned that Sales still wields the greatest influence in their organizations. Find a way to work side by side with Sales leadership.

"With so much information available, leaders need time away to clear the noise, so they can identify the important signals.”

Padmasree Warrior,
Chief Technology and Strategy Officer,
Cisco Systems
(quoted in FastCompany)
side with your customer-facing teams on account planning, executive briefings, and opportunity planning activities.

4. **If you lead a B2B organization, optimize your field marketing function.** If your company is sincerely motivated and willing to make the shift toward becoming a market leader and a customer-centric organization, you need broader responsibilities and knowledge about how prospects buy. Some firms refer to this role as a *demand center*. Many demand centers are established on a regional basis to stay close to sales teams and align with cultural customer nuances. Learn more about field marketing in the *Additional Resources* section of this report.

Here are other competencies that modern marketing organizations need to develop:

<table>
<thead>
<tr>
<th>Old CMO Competencies</th>
<th>New CMO Competencies</th>
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<tbody>
<tr>
<td>Lead generation and awareness builder (<em>top of the buying funnel</em>)</td>
<td>Customer experience modeler (<em>multiple buying funnel and post-sales customer touch points</em>)</td>
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<tr>
<td>CIO ally</td>
<td>Technology strategist and stakeholder</td>
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<tr>
<td>Marketing organization builder</td>
<td>Cross-functional organization expert</td>
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<tr>
<td>Internal talent developer</td>
<td>Virtual team leader (<em>internal and external alliances</em>)</td>
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<tr>
<td>Multi-channel sales enabler</td>
<td>Demand Center/Revenue generator</td>
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<td>Brand ambassador</td>
<td>Culture ambassador</td>
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<td>Marketing campaigns strategist</td>
<td>Marketing ROI expert</td>
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If you can master these areas, you can more easily navigate the rugged CMO landscape and thick underbrush. Learn more in my recent *FastCompany* blog.

5. **Emulate agency business models to shift “cost center” perceptions.** Successful marketing leaders have witnessed a direct correlation between collaborative, agile team models and productivity. As your organization demands more from you, these models can serve you well. Think beyond hierarchical or *command and control* models. They stifle marketing creativity and perpetuate reactive behaviors.
Jackie Yeaney, Executive VP of Corporate Strategy and Marketing at Red Hat, noticed that the group she inherited in 2011 operated as a cost center. Jackie acknowledges that "it's very common in high growth companies for marketing to be given a budget, then be expected to spend it on kickoff meetings, branding and PR. It is activity based. You are just doing tactics."

When Yeaney accepted her new position, she wanted to foster collaboration as quickly as possible. She assembled a “tiger team” for a five day onsite brainstorming session. Agencies are known to create similar groups for client projects. The team comprised representatives from every marketing group. Yeaney was pleased with the outcomes. “We generated some great ideas on how to organize our teams, create partner playbooks, and launch new products.”

Success Stories From the Trenches

Too Much Marketing ROI Focus Can Marginalize Your Brand: How Esurance Found a Healthy Balance Between Creative and Analytical Marketing Planning

Forward-looking CMOs are bound to make mistakes. The secret lies in their ability to recover from their learning moments and make course corrections. Esurance, an Allstate company, recently experienced a “rapid discovery; rapid recovery” moment.

After spending two years of building innovative demand generation and marketing analytics programs, Esurance’s brand earned the "price check and cartoon company" moniker. Prospects used Esurance’s website to compare prices, then buy from competitors. The market had seized control of their brand.

John Swigart, Esurance’s CMO, realized that if they did not react quickly, they would waste millions on advertising and witness stagnant growth. Swigart quickly noticed the dark side of over-investing in marketing operations at the expense of the creative aspects of marketing.

Swigart began tracking how he allocated his management time, and began investing at least 60 per cent in branding and positioning efforts. He and his team also invested in a significant brand makeover.

Within months, Esurance saw 14% insurance premium growth over the prior year quarter, and a 30% upswing in new business sales. Today Esurance contributes approximately six percent of Allstate’s total revenues.
Don’t forget the power of your brand. Some important assets cannot be captured in a spreadsheet.

**How Infosys Transformed Marketing to Seize New Customer Opportunities**

How does a Marketing organization keep pace with a global IT services company that grows from $100M to nearly $8B in revenues within just twelve years? It’s a challenge, to say the least. Over time, Infosys’ hyper-growth led to over-specialization. Their message became stale within client IT organizations.

Paul Gottsegen, CMO of Infosys, said “we needed to transform because we were missing out on new opportunities. Not enough clients recognized how broad our offerings were.” After a decade of providing custom application development services, Infosys wanted to take a bigger role in helping their clients grow. “It was time to apply our execution ability and global model to a much wider range of offerings such as consulting-led business transformation, cutting-edge mobility solutions and Engineering Design.”

Gottsegen realized that he could not move slowly and carefully towards that goal. He needed to completely transform the marketing team. “We had to be more on the cutting-edge of content, digital and agile marketing techniques. There was clear recognition that marketing had been an area that was languishing.”

Infosys has successfully shifted from a hierarchical to a “hub and spoke” organization model. “Today, the accountability for our go-to-market plans are with the business unit owners. Those owners are aligned to a business general manager that owns a large P&L. That’s the hub. The spokes are all of the enabling groups such as PR, Analyst Relations, Event, Web/Online, and Marketing Communications Design and Graphics.”

Paul invested countless hours explaining to his team that they had to migrate to this framework. He said “no one was confused that all roads lead to the business unit marketing manager – since that’s ultimately where our client business is.”

The Marketing teams have witnessed impact within and outside their organization. “Since we launched this model, the team is energized because of the career growth opportunities that the new model enables. In addition, the focus on thought leadership now permeates all of our online properties and sales tools.” Infosys’ new corporate blog, InfyTalk, just earned the “Best Tech Blog of the Year” award.
Paul is proud of his team’s progress. He now feels more confident that they can bring out the best that Infosys has to offer. “Although the strong value system of the company has always remained constant, the value proposition had completely transformed – and today, the marketing organization has transformed along with it.”

Today’s progressive marketing leaders understand the value of moving quickly to adapt to changing customer and company dynamics. Infosys humbly enjoys a power position in that community, and has escaped the danger of wallowing in the trenches.
Additional Resources

1. *FastCompany* posts:
   - *Ten Signs Your CMO Runs a Cost Center*
   - *Using Newsweek’s Move to Digital to Inform Your 2013 Strategy*
   - *Why Today’s Marketing Planning Models Fail to Deliver in the C-Suite*

2. *The Evolved CMO, 2012*: A joint study from Heidrick & Struggles and Forrester Research


About Lisa Nirell

Lisa is the Chief Energy Officer of EnergizeGrowth® LLC. She has helped B2B companies grow customer mindshare and market share since 1983.

As a strategic growth expert, CMO advisor, and keynote speaker, Lisa has worked with hundreds of entrepreneurs, as well as EMC, Adobe, Sony, Microsoft, OppenheimerFunds, and BMC Software. Within two years, she helped her clients generate $84M in new business.


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