

THE 4TH ANNUAL CMO'S AGENDA™

From **AD MASTER**
to **MARKETING'S**

CEO

**EXECUTIVE
SUMMARY**



CMG Partners

The 4th Annual CMO's Agenda: Executive Summary

We are pleased to present the findings of CMG Partners' Fourth Annual *CMO's Agenda*, which summarizes trends in this important Chief Marketing Officer (CMO) position based on interviews with 30 game-changing lead marketers.

If there was one overarching conclusion that emerged from our study it is this: CMOs stand today at an exciting threshold, poised to assume unprecedented responsibility and impact within their organizations. This landmark opportunity is being spurred by a number of social, demographic and political trends – the social media revolution, implementation of governmental legislation, the changing face of markets and others – all of which are introducing ever-greater complexity to perhaps the central mission facing any business: understanding, attracting and retaining customers.

Our study paints a portrait of the "New CMO" at the nexus of these changes. CMOs are increasingly needed by their organizations as marketplace authorities; individuals who can interpret marketplace complexity and fashion a best practices response to them, as well as provide a pre-emptive strategy ahead of the curve.

In short, today's CMO is most definitely moving from a tactical focused ad master to Marketing's CEO. Once focused on the simple design and execution of marketing plans whose larger goals were dictated by executive management, the CMO is now, more than ever, presented with the opportunity to be a proven force within the executive management team, playing a vital role in shaping the organizations' strategic vision and growth strategy.

Yet, as in any evolution, this opportunity also presents

challenges. The Chief Marketing Officer still must earn not only his or her place at the table, but also his or her voice. The potential of greater visibility and impact remains just that: potential. We heard repeatedly from the individuals we interviewed that while the door to the C-suite has cracked open, CMOs must now rise to the opportunity to not only enter but also to stay in. The stories we heard were, for the most part, successful examples of how this has been accomplished. Most told us something else: there really is no choice. CMOs must evolve to be a strategic advisor to the executive management team or risk marginalizing themselves back into the role of tactician.

Specifically, our interviews identified five powerful trends affecting Chief Marketing Officers:

- **At the Threshold of Greater Influence** – CMOs have before them an exciting opportunity. That is because most businesses are challenged today to keep their brands both relevant and vital in the face of rapidly shifting customer expectations and the social media revolution. We heard of many cases where CMOs moved from functional leader to strategic advisor by moving beyond their comfort zone and acquiring knowledge about (and in some cases, even responsibility for) business functions separate and distinct from marketing – including operations, finance and public policy. These individuals were also willing to take calculated risks and to be nimble – always keys to succeeding within an organization.
- **Strengthening the CMO/CEO relationship is critical** – The CMO's expertise will always lie in markets. As part of the executive team, CMOs quickly learn that creativity is not enough. CMOs need to justify their recommendations in terms of strategic impact and cost-benefit. This, we were told repeatedly, is the pre-requisite for credibility with the CEO. The successful CMOs we spoke with are making this evolution: educating themselves, building relationships with fellow senior managers and creating intra-company alliances based

on their ability to demonstrate the impact of marketing on their company's performance. These respondents collectively laid down a set of best practice operating principles for any CMO: frame recommendations in terms of ROI beyond the P&L of the marketing budget, educate to show how marketing can impact growth and business performance, show where opportunities exist and how they might be captured, highlight risk, show where it exists and how it can be mitigated.

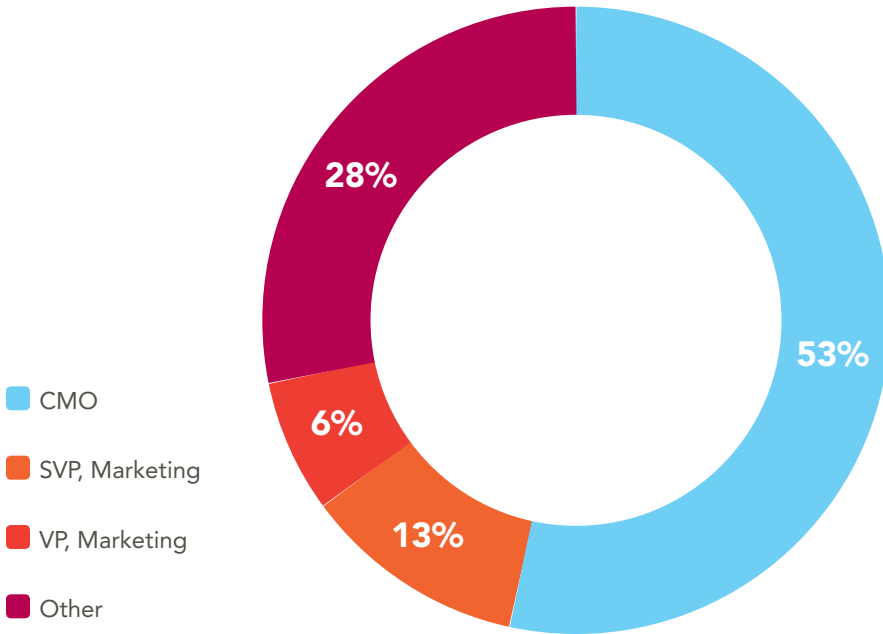
- **Social Marketing** – The social media revolution is among the watershed developments of our age. It is transforming, before our eyes, the principles of brand building and customer loyalty. Beyond that, it is fundamentally altering the nature of human interaction; specifically, the way we communicate, share and process information. These changes will only continue to grow as the millennial generation ages. Needless to say, it is incumbent upon any business to understand and master these compelling and complex trends. CMOs are best positioned within the organization to lead this mission, yet by virtue of their age and background, few are "native speakers" when it come to social media. This challenge of adapting and learning can be facilitated, several respondents told us, through a process of generational "seeding:" creating internal teams that include younger, cyber-intelligent employees. Doing so has the added the benefit of developing a talent pool that will secure the future of the organization.
- **Managing the Millennials** – Incorporating late 20-year old millennials into a seasoned group of marketing professionals brings challenges, yet we were reminded in our interviews how important – and difficult – this task is. While their resident knowledge of social media brings with it inherent value, it has also acted against them in diminishing communication skills. One CMO spoke to us at length about how easy it is for his peers to dismiss the ideas of millenials, simply because they do not

offer the crisp logic and presentation cosmetics that typically earn acceptance in a corporate environment. This CMO noted that it is often the presentation that is flawed, not the core ideas, and that the time and energy invested to "connect the dots" and develop this generation's thinking can unlock crucial learning for the successful CMO and the business organization.

- **Demand Creation** – If CEOs have internalized one thing about marketing, it is usually the lesson Steve Jobs demonstrated: the higher purpose of marketing is to create demand; to build the perception among customers that they need what you are selling before they know it themselves. This, of course, is another description of innovation – the hallmark of the world's most admired companies and the Holy Grail of every executive leader. Innovation, in this sense, is a marketing concept that rightly belongs in the CMO's portfolio. We heard often that if CMOs can position themselves as the keepers of this flame, they will burn brightly within their organizations.

What follows is a detailed summary of our interviews, the lessons gleaned from them, as well as timely insights into how CMOs can best manage the complexities their organizations are facing both today and moving ahead into the future.

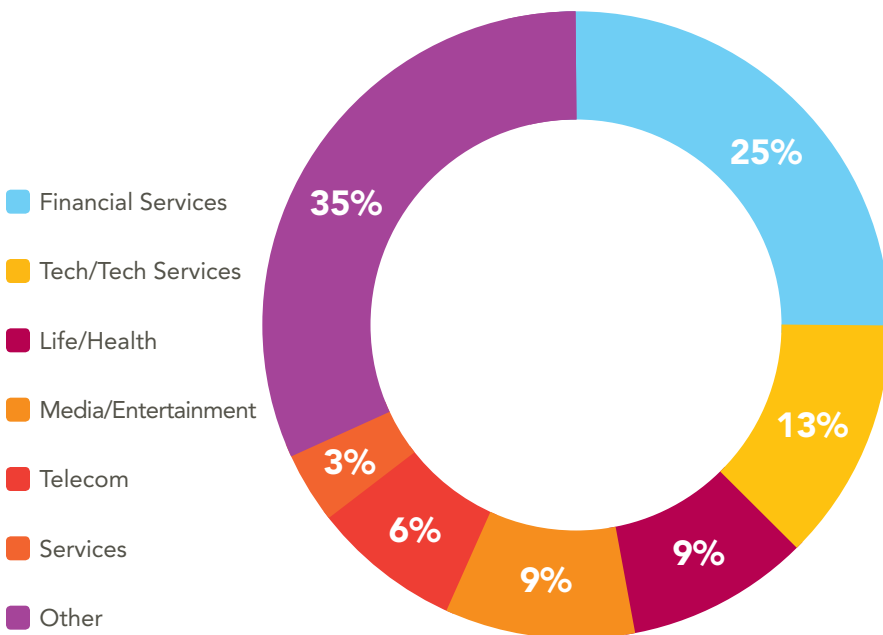
PARTICIPANTS BY TITLE



RESEARCH METHODOLOGY

The research was conducted through telephone conversations and face-to-face interviews with 35 CMOs or other marketing leaders. A discussion guide was used to lead the interviews through critical business challenges, the role of marketing within the organization, the make up of successful CMOs, as well as working with and teaching the next generation of marketers.

PARTICIPANTS BY INDUSTRY





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About Us

Since 1998, CMG Partners has been dedicated to activating and accelerating the CMO's Agenda to drive top-line growth from strategy through execution. The strategic marketing consulting firm has worked with emerging and middle-market organizations, high-performing private equity firms and Fortune 500 companies in creating new revenue opportunities, building brand equity, generating and capturing market demand, igniting customer value and improving overall marketing productivity. For more information, visit www.cmgpartners.com to learn more about CMGP's client work, thought leadership, culture, job opportunities and other recent news.

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