

The Fix Is In: New CMOs Must Act as Corporate Change Agents

By Nancy Pekala

The first few months on a job can be a nail biting experience for anyone but for today's CMOs, it means they must hit the ground running from day one to meet growing pressures to perform. In essence, they must act as corporate change agents out of the gate in order to build performance-driven marketing organizations.

The <u>CMO Council</u>, in conjunction with executive recruiting firm Egon Zehnder International, recently issued a study, <u>Renovate to Innovate</u>, based on in-depth interviews with CMOs. "In essence, a new CMO has to become a 'super-bonding agent,' helping disparate elements in the organization come together, stick together and work together in a cohesive way," said Donovan Neale-May, executive director of the CMO Council, in a statement.

With half of new marketing leaders hired to fix broken marketing organizations, the CMO Council report suggests there are three essential ingredients for early success. They include CEO mandate and support, a tightly coupled working relationship with peers in the C-suite, and early evidence of marketing's expanded role and contributions in driving business value.

What is the difference between a good and great CMO? Based on more than 25,000 executive appraisals conducted by Egon Zehnder International in the past five years, outstanding CMOs outperform good CMOs in two areas: results orientation and change leadership. Improving a single competency by a single point can require six months to a year.

In the study's Expert Insight, "Beyond the First 90 Days: Going from New to Great CMO," Dick Patton, Head of the Global CMO Practice with Egon Zehnder, writes that there are some basic principles a CMO in a new leadership role should follow to get off to a good start. They include:

Understand the requisite competencies.

Top marketing leaders possess a portfolio of key competencies including customer orientation, results orientation, market knowledge, team leadership, organizational development, collaboration and influencing, change management and strategic orientation.

• Understand the sequence of development.

Different combinations of skills emerge as individuals rise through the mid-level and senior ranks of marketing. For example, customer orientation and results orientation are fundamental competencies that marketing leaders must possess from the start and develop all throughout their careers. Because the marketing function looks outward even at lower levels, CMOs must make sure their team members at all levels are doing so.

Shore up traditional weaknesses.

Success as a CMO requires high levels of skill in the areas of organizational development and team leadership, including the ability to lead both creative and analytical people. Great CMOs, according to Patton, "remove obstacles and make the necessary resources available to facilitate the team's success. They take personal risks—and if things go wrong, they shield their team and take personal responsibility.

Build the right bridges.

CMOs must also be adept at collaboration and influencing. "Great CMOs are able to put themselves in the position of other functions, understand their aims and find ways of helping others achieve their goals," Patton says. "It is especially important to build bridges to the parts of the organization that are the core of the business."

Be a leader of change.

Great CMOs consistently outperform good CMOs when it comes to leading change. They demonstrate a strong ability to engage others in change, explain to them their roles in it, and help them to come to terms with things that take them out of their comfort zones

Push relentlessly for better outcomes.

Outstanding CMOs continuously aim for outcomes beyond expectations. Their innovations improve business results not only throughout marketing, but throughout the company. Whatever the circumstances, great CMOs find a way to get results. They often do so by introducing new models that transform the business or create new businesses.

10-Step Plan for New CMO Entry

CMOs are experiencing pressure to produce short-term results. Here are suggestions provided by CMO Council for CMOs taking on new leadership roles.

- 1. Understand the company's culture, mindset, customer and competitive conditions.
- **2.** Establish alignments and "listening" relationships with CEO, peers and stakeholders.
- **3**. Identify the marketing detractors, influencers, advocates and champions globally.
- **4.** Audit and assess internal competencies, processes, capabilities and perceptions.
- **5**. Determine leaders and laggards, inventory deficiencies and resource requirements.
- **6.** Map marketing strategy and model organizational change around plans and deliverables.
- **7.** Unify, enthuse, mobilize and strategically focus marketing assets and partners.
- **8.** Initiate upgrade and replacement process in key competency areas.
- **9.** Show results early and often with business-building, lead-generating marketing projects.
- **10.** Provide metrics-driven report and spend plan to management on a quarterly basis.

Source: CMO Council, <u>"Renovate to Innovate: Building Performance-Driven Marketing Organizations"</u>

• Become a strategic business partner.

The outstanding CMO also possesses superior competency in strategic orientation. Patton suggests this ability requires the "rare ability to ask and answer a deceptively simple question —how does the business make money—and to make marketing an integral part of the process."

CMOs Weigh In

Marc Pittman, CFCC, author of <u>Ask Without Fear!</u> and Founder of <u>FundraisingCoach.com</u>, suggests that the CMO's priorities today are a "volatile" mix of:

- becoming encultured (learning the language, the history and the players of the organization)
- while remaining the "new person" (i.e., able to just make changes that need making while the fleeting aura of freshness is still around
- and clarifying objectives (figuring out what is being measured and what should be measured)

"It's sort of like a Waldorf salad," Pittman suggested. "Each part is distinct but together they make a tasty treat."

Myles Bristowe, Chief Marketing Officer at CommCreative and Immediate Past President of AMA Boston, suggested that the first priority for new CMOs is to understand *why* they were hired. He explained, "You *weren't* hired to reposition the company. You *weren't* hired to develop new branding or to launch a new Website. While all of these tactics may ultimately be necessary, what you were *really* hired for is to generate more leads, more sales and more revenue. The sooner you can move the needle, the better!"

He added, "It will be tempting to jump into an agency review and launch a big market research project to figure out key differentiators or hold a series of focus groups to better understand the customer - and perhaps at some point you will do all of these things - but job number one, on your first day, is to look for ways to generate sales as quickly as possible."

Being new to an organization will necessitate getting your feet wet and learning about the company, its customers and competitors but Bristowe noted that new CMOs should be reminded that they already bring a wealth of experience to the job. "Look for some quick wins and easy fixes where you can have an immediate impact and test some fast-track pilot programs," he said. "You have enough confidence and expertise to hit some singles and doubles while you're building your long-term vision and marketing plan. The home runs will come in time, but time is always working against you. Getting some quick hits will build your credibility in the organization and after all, it's why they pay you the big bucks!"

Amira T. Fahoum, Director of Sales & Marketing for Ridgeline Management Company, agrees that CMOs have the ability to be change agents for their organizations and should seek to resolve silos. However, doing so requires a deep understanding of all aspects and nuances of the organization. What does your organization do and how? What is it doing well and where could it (from an external viewpoint) do better?

"Spend time with the CEO, peers, stakeholders, employees, customers and anyone that can provide insight," Fahoum suggests. "You cannot change that which you don't understand. Don't be afraid to tell your boss that you would like some time to get to know the organization you are responsible for marketing. Chances are you'll better be able to jump in and effect positive change when you listen and understand what is currently happening. Then, come together with stakeholders and discuss what you learned and where you see processes could be improved. Get their feedback and listen to concerns. Not only will you gather more ideas than you could ever think of by yourself; you'll also get more support for any changes you propose."

Dr. John Tantillo, author of <u>People Buy Brands Not Companies</u>, a <u>Fox News</u> columnist, and host of <u>Brand Talk WVOX</u> agreed that without a comprehensive understanding of the brand, becoming a "change agent" is not possible. "Not all change is good change," he said. "It's no good to radically change things that work or are close to working if only they had a few smart tweaks. The new CMO entry must see himself/herself not as a change agent but as an intelligent agent of change."

Tantillo suggested further that "He or she must become an avid student of the brand and company and be willing to actively preserve those inherent brand strengths that he or she discovers, eliminate or reduce weaknesses and prudently introduce innovation where innovation is called for. They must do this even if it means paying respects to a predecessor or not being able to put your stamp on some prominent place."

He added, "Always keep in mind: `If it ain't broke, don't fix it.' As Mark Twain said, `To a man with a hammer, every problem looks like a nail.' The new CMO must take a deep breath and a step back. Keep your hammer close, but use it wisely."

In addition to leading change and understanding the organization inside and out, **Stephen Monaco**, Founder and Marketing Strategist for <u>Evolve Adaptive Marketing</u>, <u>LLC</u>, suggests that CMOs must be thought leaders as they exert considerable influence in determining the direction of the organization.

"More so than any other member of the executive team," Monaco said, "the CMO sets strategy that quite literally molds the company's identity, drives business performance and champions the customer's needs."

Monaco added, "An immediate goal of a CMO should be to transform the company so it's market-driven, and make that mindset a central part of the organization's composition. That includes keen concentration on total customer satisfaction, customer retention, and lifetime customer value. It also includes creating interactive customer experiences so there's relevance between the brand and the consumer across multiple platforms. Engaging consumers at a level that enables a clear understanding of their needs presumes that when customers are delighted, not only will revenues follow, but profits will escalate and growth will ensue."

In order to succeed, the new entry CMO must quickly win the support of the entire C-Suite so they have everything they need to move forward—including access to technology, and the sufficient allocation of capital and human resources. "CMOs must motivate everyone throughout the entire organization to recognize that the wide-ranging issues that focus directly on customer satisfaction are components vital to ensuring long-term success. CEOs who don't openly champion the endeavors of their CMO's customer-centric efforts do so at their organization's peril."

However, the CMO role and its priorities differ from one organization and one sector to the next. **Rick Gibson**, Chief Marketing Officer and Associate Vice President of Public Affairs for Pepperdine University, acknowledged that unlike in the business world, the role of CMO is relatively new to higher education. "In fact, the hallowed halls of the academy have historically shunned the strategic practices of the corporation. As the environment in higher education becomes increasingly competitive, universities will have to become more intentional about their strategic marketing initiatives."

Gibson, who is Pepperdine's first CMO, noted that his role is to work with the executive team to develop a competitive brand positioning strategy that will energize both a robust campaign to raise capital and multiple enrollment campaigns. "Job one is to overcome the emotional barriers to adoption of a competitive strategy that still exist, especially among some members of the faculty. We must seek consensus in the academy that having a marketing mindset does not contradict, but rather supports the loftiest aspirations of the institution."

Nancy Pekala is the AMA's Director of Online Content and Editor of Marketing Thought Leaders. Continue the conversation about the role and priorities of new entry CMOs in the Marketing Strategy group of AMAConnectTM, the AMA's online community.