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ARTICLE COLLECTION

Spotlight on The Trouble with CMOs

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WHY CMOs NEVER LAST

AND WHAT TO
DO ABOUT IT

BY KIMBERLY A. WHITLER
AND NEIL MORGAN



In 2012 a leading retailer began looking for a new chief marketing officer. The job description made the opening sound exciting: The new CMO would play a big, important role, leading the company's efforts to boost revenues and profits. It seemed like the kind of opportunity any would-be CMO might desire.

IN BRIEF

THE PROBLEM

Four-fifths of CEOs are dissatisfied with their firms' chief marketing officers. Not surprisingly, CMOs have the highest turnover in the C-suite.

WHY IT HAPPENS

Most CMO jobs are poorly designed. The expectations set for the role don't align with the responsibilities given or the metrics for success.

THE SOLUTION

CEOs must decide which type of CMO they need: a strategist, who makes decisions about the firm's positioning and products; a commercializer, who drives sales through marketing communications; or an enterprise-wide leader with P&L responsibility, who does both. Recruiters should guide them through this choice and help design the job appropriately, and CMO candidates must ensure they understand the role before signing on.

Sure enough, the company landed a seasoned, talented executive from the consumer-packaged-goods industry, who came on board determined to make his mark.

But a year later the new CMO was feeling deeply frustrated. Given the job description, his experience, and his conversations with the recruiter and the chain's CEO, he'd assumed he'd have the authority to create a strategy for driving growth. To his surprise, his role was limited mostly to marketing communications, including advertising and social media. He had no responsibility for (and limited influence over) product launches, pricing, and store openings. The problem, he told us, wasn't that his skills prevented him from meeting the company's goals; it was that the job was so poorly designed—and there was such a mismatch between the CMO's authority and the CEO's expectations—that it would be difficult for anyone to succeed in it. Soon after he spoke with us, the CMO left the company.

In our research into what makes CMOs effective, we've heard stories like this more often than we should. To us, they're evidence that something is going very wrong in the relationship between CEOs and CMOs. A 2012 global survey by the Fournaise Marketing Group highlights the tensions between them: The results reveal that 80% of CEOs don't trust or are unimpressed with their CMOs. (In comparison, just 10% of the same CEOs feel that way about their CFOs and CIOs.) CMOs also sense a serious problem. In our own surveys, 74% of them

say they believe their jobs don't allow them to maximize their impact on the business.

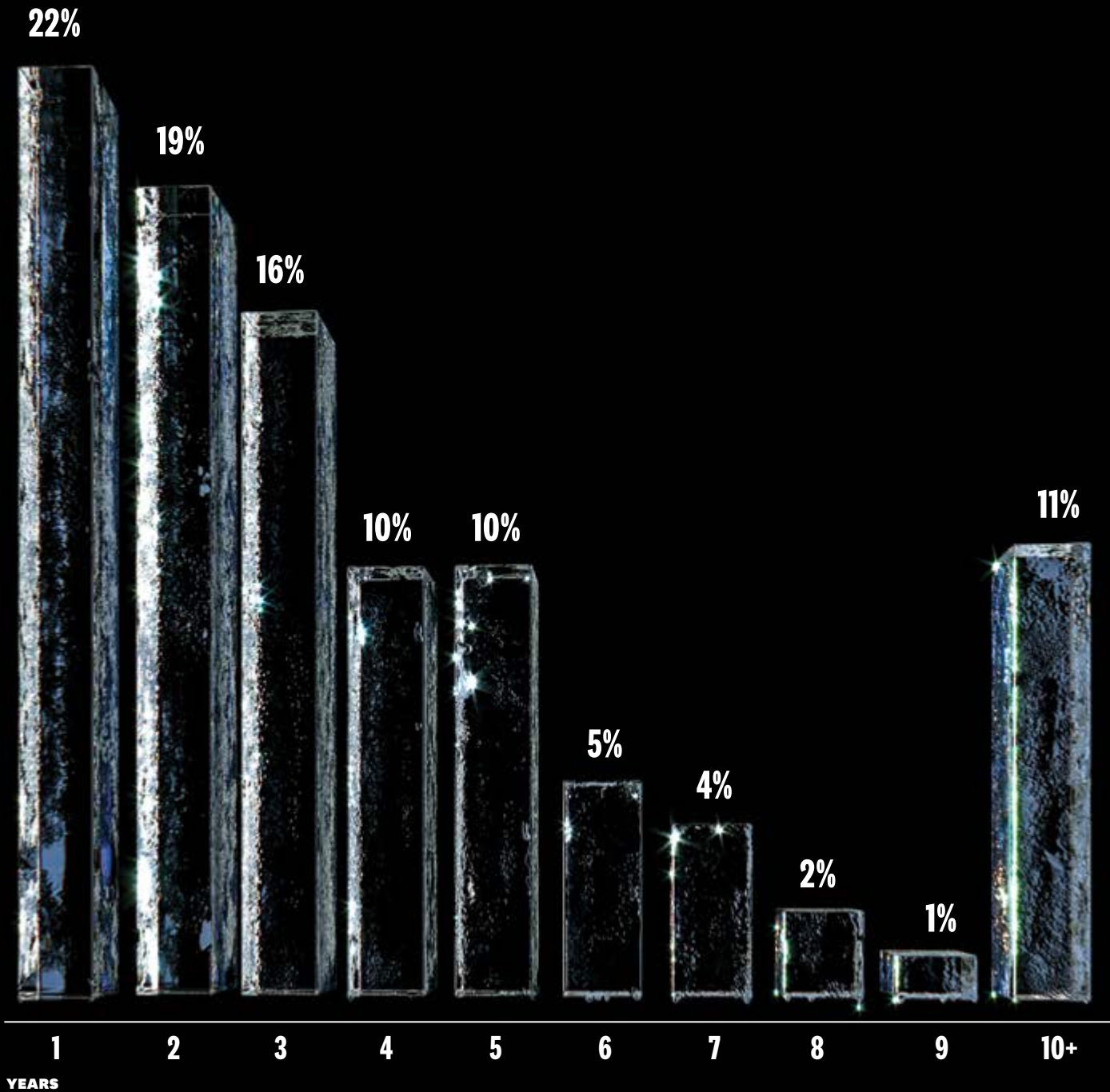
This troubled relationship helps explain why CMOs have the highest turnover in the C-suite. According to an analysis by Korn Ferry, they stay in office 4.1 years on average, while CEOs average 8 years; CFOs, 5.1 years; CHROs, 5 years; and CIOs, 4.3 years. Our own research indicates that churn rates may be even worse: We found that 57% of CMOs have been in their position three years or less. (See the exhibit "Years on the Job.")

But unlike CFOs, CHROs, and CIOs, whose roles are primarily inward facing, CMOs have a direct effect on the way customers engage with the firm. When new CMOs enter companies, they often change the strategic direction—which means creating new positioning, product packaging, and ad campaigns, usually at considerable expense. If job dissatisfaction or underperformance leads to a revolving door in the CMO's office, companies can experience internal disruptions, not to mention major recruiting and severance costs.

We believe that a great deal of CMO turnover stems from poor job design. Any company can make a bad hire, but when responsibilities, expectations, and performance measures are not aligned and realistic, it sets a CMO up to fail. In this article we'll outline the four steps CEOs should take to end this dysfunctional pattern. We'll also describe how to match the right person to the CMO job and how CEOs, executive recruiters, and CMO candidates

YEARS ON THE JOB

Most chief marketing officers have not been in their positions long. More than 40% have been in their roles two years or less, and 57% have been in them three years or less.



SOURCE "CMO IMPACT STUDY," 2014 AND 2015, BY KIMBERLY A. WHITLER

can all work together to maximize the odds of CMO success.

STEP 1 DEFINE THE ROLE

Let's start with a simple question: What does a CMO actually do? Surprisingly, there is no clear, widely accepted answer.

In our research we've interviewed more than 300 executive recruiters, CEOs, and CMOs; conducted multiple CMO surveys; performed an analysis of 170 CMO job descriptions at large firms; and reviewed over 500 LinkedIn profiles of CMOs. We've discovered extreme variations in the responsibilities CMOs are given and in the skills, training, and experience of the people who occupy the role. (Note that we use the term "CMO" generically to refer to a company's top marketing executive; at some firms the job may have a different title, such as executive vice president of marketing.)

Most CMOs, we've observed, have a few areas of core responsibility. More than 90% are responsible for marketing strategy and implementation, and more than 80% control brand strategy and customer metrics. But beyond that, the range of duties—from pricing to sales management, public relations to e-commerce, product development to distribution—is mind-boggling.

Of course, not all CMO positions should be the same. Companies have different needs, challenges, and goals, and the CMO's role has to reflect those realities. Before even considering candidates for the job, a CEO must decide which kind of CMO would be best for the company. In our research we've identified three distinct types. (See the exhibit "Three Types of CMO Roles.")

Some CMOs focus on *strategy*. They take the lead on up-front decisions about the firm's positioning and then translate those decisions into the design of new products, services, and experiences. Often they manage the customer insight and analytics functions. In essence, strategy-focused CMOs spearhead a company's innovation efforts. Accounting for 31% of CMOs in our research, they're common in multibrand firms and in some B2B service firms where a centralized marketing group helps set firm-level strategy.

Most CMOs focus on *commercialization*. They have a downstream role and work primarily on using marketing communications to sell the products, services, and

experiences that others design. Typically, their responsibilities include overseeing traditional and digital efforts to create revenue-growing relationships with consumers. Nearly half of CMOs (46%) have this kind of role. Common in firms where a function other than marketing is central to success, commercializers play a supporting role to the function that drives innovation (such as engineers in tech firms).

The third kind of CMO handles both strategy and commercialization responsibilities in an *enterprise-wide* role focused on the design and implementation of strategy. Significantly, such CMOs have P&L responsibility and the broadest range of duties, including innovation, sales, distribution, and pricing. In our research 23% of CMOs have an enterprise-wide role. They tend to be common in single-brand firms and some consumer-packaged-goods companies. Because of the scope of their responsibilities and the organization-wide nature of their impact, marketers with this kind of experience have historically been seen as strong general managers and are often tapped for CEO roles at other firms.

How can CEOs determine which type of CMO is appropriate for their firms? They should take into account the following three external factors:

1. The degree to which consumer insight needs to drive firm strategy.

When generating consumer insight is a critical competency of the firm and determines the design of products, services, and experiences, the CMO role should skew toward a strategic or enterprise-wide focus. There's so much variation within industries that it's difficult to say definitively which kinds of companies fall into this category. But marketing's role should lean toward commercialization if finance, technology, manufacturing, or another inward-facing function leads a firm's strategy. This is often the situation in heavy manufacturing, industrials, technology, higher education, health care, and B2B firms. In general, when firms believe that their innovations create the need, they are less likely to look to CMOs to set strategy or boost profits.

2. How difficult it is to achieve firm-level growth.

Companies in slow-growing or highly competitive industries are more likely to require a strategy-focused or enterprise-wide type of CMO, who can devise plans for building demand. However, if growth is easier to come by and less of a



WHEN CONSUMER INSIGHTS DRIVE PRODUCT DESIGN, THE CMO NEEDS A STRATEGIC FOCUS.

THREE TYPES OF CMO ROLES

CMO jobs are not all alike. Some focus on strategy, some on commercialization, and some on both. CEOs need to understand which kind of executive their firm needs and make hires accordingly.

ENTERPRISE-WIDE P&L ROLE

DELIVERS PROFITABLE GROWTH BY DESIGNING STRATEGY AND OVERSEEING COMMERCIALIZATION. RESPONSIBLE FOR INNOVATION, PRODUCT DESIGN, SALES, DISTRIBUTION, PRICING, AND MARKETING COMMUNICATIONS.

STRATEGY ROLE

DESIGNS GROWTH STRATEGY. RESPONSIBLE FOR INNOVATION, CUSTOMER INSIGHT AND ANALYSIS, AND PRODUCT DESIGN.



COMMERCIALIZATION ROLE

SPURS SALES THROUGH MARKETING COMMUNICATIONS. RESPONSIBLE FOR ADVERTISING, DIGITAL CONTENT, SOCIAL MEDIA, PROMOTIONS, AND EVENTS.

challenge for the firm, then the commercialization role may be a better fit.

3. The level of dynamic change in the marketplace. When a company's business model is shifting or industry boundaries are being redrawn, CMOs with strategic or enterprise-wide responsibilities are likely to be more effective. With their broader knowledge of the environment (consumers, competitors, channel partners, the marketplace) and of their firms' internal workings (core competencies, strategic direction), they can better help their management teams steer through uncertainty and rethink ways to generate demand.

It's also imperative for the CEO to consider this set of internal factors:

1. The historical role of the CMO within the firm. If the company's top marketing executive has traditionally focused on commercialization, shifting to a strategic or enterprise-wide role will require taking responsibilities away from another function. This becomes problematic if the other function has been managing those areas for a long time and doing it well. While it's often easier to narrow the CMO's scope, there are many times when broadening it makes sense. For instance, one CMO in higher education had a commercialization role but was elevated to a strategy role after he identified a solution to his school's admissions (and thus its growth) challenges. Expanding the CMO's responsibilities requires significant CEO involvement to communicate expectations and prevent internal backlash, however.

2. The structure of the firm. If a firm has multiple business units or brands, functional leadership responsibility tends to be dispersed throughout the organization. (Each unit or brand may have its own finance, marketing, and IT leaders.) When this happens, the CMO often helps provide strategic leadership across the corporation. We frequently see this in global, multibrand firms where category or business unit managers have P&L responsibility. However, as the company gets larger and more complex, C-level roles often have to be disaggregated. This is no different for the CMO's role, which may get divided into several parts, such as chief commercialization officer, chief innovation officer, chief analytics officer, and so on. In contrast, when a firm has a single brand or all of marketing is centralized, it's easier for the CMO to play an enterprise-wide role.

THE RISKIEST JOB IN THE C-SUITE

The tenure of CMOs and other top executives

AVERAGE YEARS BY INDUSTRY	CEO	CFO	CIO	CMO	CHRO	C-SUITE
CONSUMER	8.0	5.1	4.5	3.6	4.9	5.2
ENERGY	6.1	5.0	4.5	4.6	5.3	5.1
FINANCIAL SERVICES	9.7	5.5	4.1	5.1	5.1	5.9
INDUSTRIALS	6.7	4.9	4.0	4.1	4.6	4.9
LIFE SCIENCES	9.4	6.0	4.1	3.1	5.1	5.5
PROFESSIONAL SERVICES	9.2	5.0	4.5	4.1	5.1	5.6
TECHNOLOGY	7.9	4.9	4.4	4.3	5.2	5.3
OVERALL AVERAGE	8.0	5.1	4.3	4.1	5.0	5.3

SOURCE: KORN FERRY

STEP 2 MATCH RESPONSIBILITIES TO THE JOB'S SCOPE

Once the CEO decides where a CMO ought to have an impact, the role's responsibilities should be aligned accordingly. Almost all CMOs are in charge of brand strategy and insight generation. CMOs with a strategic focus also need to oversee the firm's "think tank" efforts (which originate innovations and product designs) but have little to no responsibility for converting strategy into tactics such as ads or marketing communications. CMOs in a commercialization role should have extensive responsibility for developing and converting the brand strategy into marketing plans that drive sales (through social, digital, advertising, and content initiatives; events; partnerships; and so on) but little responsibility for up-front, firm-level strategic decisions. And CMOs in an enterprise-wide P&L role should have responsibility for the whole process.

Alignment of responsibilities is the critical area where mistakes are made. It's common for companies to describe a role in which the CMO is expected to change the overall performance of the firm, but when you examine the job duties closely, it's clear the CMO has only commercialization functions. In other words, expectations

typically far exceed the actual authority given the CMO.

That problem is often compounded when CEOs are wooing candidates who already have good jobs. While overpromising and "up-selling" are common in recruitment across many functions, our research suggests that they can be a bigger issue in marketing—because of the general confusion and lack of uniform expectations about what a CMO does and the knowledge and skill differences among marketing executives.

STEP 3 ALIGN METRICS WITH EXPECTATIONS

Once the job's role and responsibilities have been nailed down, the CEO needs to define how the CMO's success will be measured.

A CMO in a well-designed commercialization role will be held accountable for meeting budgetary goals; for the outcomes of projects (such as a website redesign); for the results produced by marketing programs (for example, increased traffic to stores); and for management outcomes (like improved staff satisfaction and performance). In contrast, CMOs in strategy roles should be held accountable for related elements of firm performance, such as increases in revenue or same-store sales, in addition to meeting budgets and producing management outcomes. And of course, CMOs overseeing P&Ls should be measured on the top- and

bottom-line business results (and on budgetary, project, and management outcomes).

This approach may sound like common sense, but it's surprising how infrequently it's followed. Only 22% of the job descriptions we studied mentioned how the CMO would be measured or held accountable, and only 2% had a specific section that clearly articulated job expectations. While 90% made some mention of expectations, they typically were vague. The head of marketing for one technology company, for example, was supposed to "help define and execute an aggressive growth strategy for the company." What exactly is the measure of success for that? Is it producing a strategic plan? Or some sort of growth target (and if so, how is it measured)? If metrics and goals aren't predetermined, how do CMOs know if they have hit their targets?

STEP 4

FIND CANDIDATES WITH THE RIGHT FIT

Even when the CMO role is well defined, assessing candidates can be a challenge, because their training and experience vary so much. Marketers lack the professional certifications required of lawyers and accountants. Only 6% of CMOs we looked at in our research had degrees in marketing. Although 44% had MBAs, their educational backgrounds varied a lot. They included degrees in engineering, economics, mathematics, philosophy, political science, psychology, and other subjects. Consequently, the type of experience and training marketing executives gain during the formative part of their careers—and specifically, whether they have served primarily under CMOs in strategy, commercialization, or enterprise-wide P&L roles—will largely determine which roles they are best suited to later in their careers.

Another stumbling point, in our analysis, is that in almost all CMO job descriptions there are significant gaps between the responsibility given and the experience required. For instance, 39 of the job descriptions we studied indicated that the CMO would oversee product strategy but then neglected to require experience in that area. Sometimes the gaps ran in the other direction. Thirty-four of the descriptions required candidates to have direct-marketing experience even though the jobs didn't include any direct-marketing duties.



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To understand how confusing this mismatch can be, consider the description for the CMO job at a top manufacturer. This firm wanted its head of marketing to lead the analysis of what drove customer preferences, develop a superior brand strategy, set the marketing strategy, and oversee implementation of those strategies. However, the actual position included responsibility only for a marketing insights group, a marketing project-management group, and a media group. The description led the reader to believe the CMO's role was far bigger than it actually was.

The problem didn't stop there. The description stated that candidates should have "best-in-class consumer-packaged-goods industry experience" (translation: P&L experience), demonstrated corporate/marketing strategy leadership, sales experience, and more. But the job involved neither P&L nor sales responsibilities, so these requirements made little sense. A better match for the job would have been someone with research and analysis skills, media and digital experience, and a proven ability to develop marketing programs that deliver in-market results. While the lack of internal consistency may seem obvious, few of the CEOs and CMOs we've interviewed recognize that a disconnect exists.

HOW TO IMPROVE OUTCOMES

Although CEOs express disappointment in their CMOs, they typically don't realize that they may have played a role in creating the problem. By making sure that the CMO job is designed and staffed correctly, they can increase their own satisfaction with their top marketing executive.

Before looking for a new CMO, a CEO should be sure to answer the following questions:

- What outcomes do we want the CMO to produce, particularly in light of the company's priorities? Which of the three CMO types do we need? How should this person balance out the management team's strengths (and weaknesses)?
- What functional responsibility is necessary to realize our vision for the role? Will that level of responsibility really work, given other top management team roles?

- What will success look like? What specific key milestones will the CMO be expected to reach?
- What types of skills and experience are required?

When considering this last question, too many CEOs describe someone who is the “best athlete” rather than the best player for the specific position. It’s important to avoid that temptation. For their part, CMO candidates shouldn’t view the job description as a *fait accompli*. In our surveys CMOs who say their roles are correctly designed often had a hand in crafting them before accepting their jobs. That indicates how critical it is for CMOs to negotiate the specifics of their responsibilities and expectations.

Before signing on to any CMO position, a candidate should make sure he or she understands the following:

- What is really the CMO’s role in the firm? Is there agreement about this across the C-suite? Do the CEO, CFO, CHRO, and the board all describe the position in the same terms?
- What is really the CMO’s responsibility? Which functions report to the CMO on the org chart, and which don’t? What departmental budget items are the CMO’s responsibility? Are any budgetary areas missing? (Though some firms may balk at sharing budgets with candidates during the hiring process, asking to see them is valid and can serve as a test of whether the firm wants to be transparent about the position’s responsibilities.)
- Are the expectations and performance metrics for the role consistent with the responsibilities and the candidate’s experience? Is the CMO being set up to succeed?

After answering these questions, the candidate should summarize in writing his or her understanding of the role and the expectations and responsibilities involved with it, and share it with both the executive recruiter and the CEO, asking for confirmation that they are all on the same page.

Executive recruiters can use the following questions to guide the process:

- Does the CEO understand the range of CMO roles? Does he or she understand that the position should be designed before a job description is written? Has he or she anticipated how altering the CMO role might affect other C-suite leaders?
- Are expectations, responsibilities, and measures of success consistent with the chosen CMO role? Is that consistency clear in the written job description? Are the skills it outlines in keeping with those expectations and responsibilities, too?
- What type of CMO expertise is the best match for the role the firm has in mind?
- Have prospective CMOs been educated on the different types of roles and the degree to which their own background and skills fit the role in question? (Being open and honest about gaps in preparation for specific positions can help prospective CMOs anticipate challenges and identify experience they should gain.)

As experts in designing CMO roles, executive recruiters must lead, rather than follow, the CEO in talks about the role. But in our interviews with recruiters who focus on CMO placements, we came across only one who had a model for guiding CEOs through a discussion of how to design the right role for the firm. While everyone has a vested interest in helping new CMOs succeed, recruiters have an additional incentive to get it right, since their compensation is traditionally at risk if a candidate they place fails within the first year on the job.

LEARNING THE HARD WAY

Together, the authors of this article have spent eight years exploring why CMO hiring so often goes off track. But one of us—Kim—has personal experience with the challenges that result when the design of a CMO role hasn’t been completely thought through.

Kim began her marketing career at Procter & Gamble, where marketers typically have P&L responsibility. As a result, she assumed that all C-level marketing jobs had it. Some years after leaving P&G, she interviewed for an exciting CMO position that the recruiter insisted would be “transformational.” But in the first week at the new


company, Kim realized to her surprise that she didn’t have P&L authority. Instead of sitting in strategy-setting meetings, she was trying to figure out if advertising conformed to brand guidelines. This was not what she thought she’d signed up for.

Looking back, Kim made some mistakes that might now seem obvious. She focused on the job description and relied on the recruiter’s assurances instead of asking the right questions during interviews. Had she asked to see org charts and budgets before accepting the company’s offer, she would have quickly realized that the CMO’s responsibility was much narrower than she thought. That would have enabled her to have a pointed discussion with both the executive recruiter and the CEO regarding the importance of role design.

To fix the situation, she worked to change the scope of and expectations for her job. After a couple of in-market wins, she partnered with the COO (who had P&L authority) to design a different role for marketing. She had a terrific CEO who believed that marketing should expand its duties and supported the change. Because the economy was in turmoil, the COO was more than happy to share accountability for financial performance. Over time the key players began expecting marketing to assume more P&L responsibilities, essentially changing the nature of the CMO role.

As Kim’s story shows, it is possible to proactively change the scope of a CMO job after being hired. However, hiring mismatches aren’t good for firms or their executives, and fixing them takes a lot of time and effort. Companies would be better off if CMOs spent their energy doing the jobs they were qualified for from the outset.

Our hope is that our research will help CEOs and CMOs avoid this problem in the future. Everyone—C-suite executives, subordinates, and shareholders—will benefit if a company creates the right CMO role from the beginning and then finds the right kind of person to fill it. 📌 **HBR Reprint R1704B**

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THE POWER PARTNERSHIP: CMO & CIO

BY KIMBERLY A. WHITLER, D. ERIC BOYD, AND NEIL MORGAN

Historically, chief marketing officers and chief information officers have tended to see the world quite differently. Focused on generating demand, marketers place a high priority on speed and creativity and take risks to achieve aggressive goals. IT executives are often risk-averse, prizing stability, security, and accuracy. As marketing moves increasingly onto websites and mobile devices and into social media and e-mail, the two functions have come into conflict, in part because of shifts in power and resources. Here's one stark demonstration: This year, for the first time, CMOs will control more technology spending than IT departments do, according to a forecast by Gartner. "There's been a bleeding of responsibilities as CIOs get more involved in customer-facing activities and CMOs get more involved in technology," says Anne Park Hopkins, a former recruiter at Korn Ferry who has placed executives in both roles. "The question is how to create better co-ownership to deal with growing ambiguity."

In our research, which includes in-depth interviews with successful CMO-CIO pairs, we've identified a useful technique

for encouraging co-ownership: creating alignment through shared performance goals. This is not a common practice. In our surveys two-thirds of CMOs say their performance is measured against company-wide financial results such as operating earnings or sales growth. We call those *vertical alignment measures*, since they match C-level executives' performance targets with the CEO's. In contrast, only 34% of CMOs (including most of those who are adept at collaborating with CIOs) are judged on metrics closely tied to the responsibilities they share with other C-suite colleagues, or using what we call *horizontal alignment measures*.

Regal Entertainment Group provides a good example of how horizontal alignment measures can spark collaboration. Digital marketing has become a strategic priority in the theater industry, so when CEO Amy Miles decided to replace Regal's CMO in 2012, she knew the next marketing chief would need to work closely with CIO David Doyle. She tied both executives' bonuses to shared goals they could hit only by collaborating. The metrics included the percentage of tickets sold on Regal's app or website, the percentage of customers visiting Regal's self-serve kiosks, the speed of ticket lines in

theaters, and metrics related to customers' website experience (such as load times) and the relaunch of the Regal Crown Club loyalty program.

To fill the CMO role, Miles hired Ken Thewes, who'd studied engineering as an undergrad (and so had technical fluency). Miles had made it clear during the job interview process that effectively partnering with the CIO was a top priority. "Earlier in my career as a CMO, there wasn't much of a relationship at all" with the IT department, Thewes says. But when he arrived at Regal, the IT and marketing teams began holding twice-weekly joint department "scrums," coordinating their efforts to achieve their common goals. Says Thewes: "These relationships don't work just because you say you want them to—you have to really get folks engaged and make sure they collaborate."

The partnership has paid off: In the past five years, membership in Regal's loyalty program has more than doubled, hitting 14 million people. Digital commerce is up by 359% since 2013, and customer engagement has hit record levels. Improvements in all those areas have helped lift corporate results: Since 2011 Regal's revenue has increased by 20% and its shareholder value by 170%. 

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PHOTOGRAPHY BY WEBB CHAPPELL

REFLECTIONS OF A SIX-TIME CMO

A CONVERSATION WITH JOE TRIPODI

BY DANIEL MCGINN

Joe Tripodi was appointed to the top marketing job at Mastercard in 1989 and since then has served as the CMO of Seagram's, the Bank of New York, Allstate, Coca-Cola, and Subway. He spoke with HBR about the evolution and particular challenges of the job.

HBR: How has the chief marketing officer's role changed since you first held it?

TRIPODI: Originally, CMOs focused mostly on advertising and communications. Today the role requires a view of how to grow a brand and an enterprise—and how to partner with other parts of the business to drive that growth. There's a huge focus on data and analytics and how to use them to segment and target consumers. Smart data is the future. Analytics allows for precision marketing, as opposed to a "spray and pray" approach. And now more than ever, the focus is on customers and the customer journey. More CMOs are becoming responsible for the customer experience. It's great to create marketing plans in an ivory tower, but unless you can have an impact in the actual place where customers are—in restaurants or stores—you won't succeed.

As CMO responsibilities have shifted, how has the way you spend your time each day changed?

I spend much more time on digital issues and analyzing and understanding data, and much less time dealing with ad agencies. Since my role is global, I also spend time thinking about how to scale ideas and get people out of silos—about providing broader strategic leadership and encouraging the exchange of best practices and information across regions, rather than

focusing on the marketing issues within a particular country. And I talk a lot about a large global enterprise's need to proactively manage networks. Those include internal networks of constituents who have a direct stake in your enterprise, and outside networks of influencers who can significantly impact your business, such as analysts, bloggers, opinion elites, NGOs, suppliers, and governmental entities. Most critically, you need to engage consumer networks through digital interactions. The required skills are much different from when I began my career.

How much variation is there in how CEOs view the role?

It's surprising that even in large, sophisticated organizations, many CEOs still view the CMO's primary job as advertising. If I'm going into a company, I try to shift that view to be more holistic. Advertising is only a small part of what needs to be done to build the brand and the business. A CMO should be responsible for R&D, innovation, pricing, packaging, the customer experience, and other growth levers. It does no good to create compelling ads that run in prime time and then underdeliver in the retail environment. But a lot of CMOs exacerbate the narrow views that people have of the role.

How?

The first thing many do after they're hired is conduct an advertising review, hire a new agency, and launch a new campaign. That sets up an expectation that new ads will fundamentally change the trajectory of the business. When a CMO stakes his or her claim on a new campaign and you don't see a demonstrable change, it suggests the CMO has failed, so the company gets rid of the person. The challenge might have been

distribution, pricing, or product quality. Don't think that communications can solve broader business challenges. At Coca-Cola, I was the seventh CMO in 10 years. I told the person doing the hiring: "Whether you hire me or not, this kind of turnover is not good for your company, and you have to find a way to fix this problem." I'm proud to say I survived for seven and a half years there.

Hasn't the marketing function always tended to come under fire, because of the challenge of delivering revenue?

Yes, there's an inherent riskiness to it. Marketing lives in a murky world, where you're always having to explain what the company is getting in return for its large ad expenditures. That causes a lot of to-ing and fro-ing with CFOs. It's incumbent upon CMOs to demonstrate clear value and convince everyone that marketing is not an expense but an investment. Also, when it comes to advertising, everyone is an expert—employees, the public, franchisees, even retirees. You hear a lot of opinions and second-guessing. That can also set the CMO up for challenges.

As CMOs have gained responsibilities, has it been at the expense of other C-suite officers?

I don't see it that way. Many of the new responsibilities stem from entirely new ways of communicating or connecting with customers, such as social media or e-commerce, so it's not as if they've been taken away from someone else. And many of them are shared with the CIO. Today, unless a CMO's closest business partner is the CIO, you won't have a very effective organization.

Because the role is so varied, must CMO candidates do more due diligence on

potential employers than other C-suite executives do?

You really have to network and do forensic-level analysis to find the unvarnished truth. You're being sold by the recruiter and the people inside the company, and jobs often aren't what they appear to be. There is no such thing as "truth in advertising" when you're being recruited. When I became the CMO at the Bank of New York, the company said it wanted to become more customer-driven and customer-focused. When I arrived, I found they actually had little appetite to invest in those areas, so I didn't last long. You learn from your mistakes. I should have done more due diligence. Now I do.

How do you convince a CEO that the CMO role needs to be designed differently?

You need to have an up-front conversation before you take the job. How are you going to measure success? If the CMO should be the champion for growth, will he or she have the right levers or the influence over those levers? You also must be sure you understand what's really driving the business, both today and in the future. Is the company prepared to invest in the capabilities and infrastructure to win in the future? Can you agree on what is needed to be successful? If not, you are being set up to fail.

What kind of personality traits should a CMO have?

You need to be comfortable living amid inherent contradictions. You have to drive growth but do it in a sustainable way. You have to focus on global strategies but recognize that the best marketing is often done locally. You have to be able to position your brand as timeless but still relevant. You must be focused on product quality but keep an eye on cost-effectiveness. You want to offer customers choice but without overwhelming your supply chain. It comes down to having dexterity, mental agility, and the ability to balance these competing priorities and contradictions.

Is it difficult for a CMO to jump between industries, as you've done?

It hasn't been for me. A widget is a widget. Whether I was working with credit cards, liquor, insurance, beverages, or sandwiches, I've found that the fundamental principles of great marketing are the same. Each business has its own nuances and unique language, but your colleagues can help you

become acclimated to them. More often I see the opposite problem: Companies write job descriptions so narrowly that they exclude people from other industries they really should take a chance on.

At which company did you have the biggest success as CMO?

It's hard to name one, because each represented different business, brand, and cultural challenges. You do very little by yourself, but I feel my team had a really positive impact at Allstate. The company evolved to be much more consumer-focused and aggressive in its marketing. It had great

CEOs—Ed Liddy and Tom Wilson—who gave me the authority and flexibility to do things that hadn't been done in the category previously. We also looked at the entire customer experience, from receiving a quote to getting a claim settled, and deconstructed it to understand the pain points for customers. Then we systematically addressed those areas and improved their experience. I'm also proud of the global services infrastructure we created at Mastercard and the "Priceless" campaign we did there. Coke has always been a marketing machine, so I'm very proud of the talent we brought in to sustain its greatness and pivot to a digital world.

What's your biggest challenge as CMO at Subway?

We need to transform the business, brand, and culture. It's a private company, held by two families, with nearly 45,000 restaurants in 112 countries, but it lacks the infrastructure for a business of that size and complexity. In many ways it's still run like a small family business, which has its pluses and minuses. I'm in awe of what Subway has accomplished in the past 50 years—it's the world's greatest franchising machine! I'm helping its leadership think about how to structure the enterprise for growth and what the strategy should be in different markets. It's very different from the challenges at Coke or Allstate, and in many ways it's the biggest business challenge of my career—exhilarating and daunting at the same time.

What advice do you give to young marketers who aspire to become CMOs?

First, get as much experience as you can in different functional areas. Within marketing, that includes communications, social media, design, operational or commercial marketing, and brand building. But don't live just in the marketing function; try to spend time in IT, business development, or sales. Second, gain some global experience, whether it's by living, working, or studying abroad. Third, try to get experience in different industries. I was really fortunate: My first job out of business school was in strategic planning at Mobil Oil, and it gave me a very broad view of how a large global enterprise operates, which was a solid foundation. In general, aim to have rich experiences, because that creates a tapestry that will serve you well. 🍷 **HBR Reprint R1704B**

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**IT'S ABOUT
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REDUCING CMO TURNOVER: A Recruiter's Prescription

BY GREG WELCH

Every few months I get a call from a CEO asking for a private meeting to talk about the company's current CMO. Typically, the CEO has grown unhappy with the CMO and is thinking about making a change. But first, he or she wants to talk through the various options and get a quick overview of the landscape for the very best senior talent.

It worries me that these calls come so regularly. That might seem counterintuitive, given that the livelihood of executive recruiters depends on a certain amount of turnover. But my colleagues and I are unhappy about how frequently CMOs fail.

When they do, it's largely because of poorly managed expectations. CEOs today want CMOs to be growth officers, but not all marketing executives have the capabilities, experience, and leadership style needed to lift revenues and profits and simultaneously learn to navigate a new culture. Keeping everyone focused on the job specifications is part of the challenge. Too often the hiring process turns into a popularity contest that favors charismatic candidates. Charisma is important, but if it prompts a company to hire someone whose skills don't line up with what's needed in the role, it increases the odds of failure.

When my colleagues and I take these meetings, we talk about issues specific to the company. But much of the discussion focuses on the broader CMO landscape, including whom we view to be the

greatest CMOs and where the best marketing talent resides.

One of the first things I ask is what kind of marketer the CEO *really* wants. Someone to simply curate ads? Someone who is skilled at engaging consumers using modern digital marketing methods? Someone with prior P&L experience who can launch innovative new products and profitably grow revenue? My objective is to help the CEO understand that the roles CMOs play vary widely by company and industry. I often bring a chart that reflects this range of skills and competencies and ask CEOs to identify the ones most critical for their companies.

As an executive recruiter, I've placed nearly 500 CMOs in their jobs during the past two decades. As you might expect, I've grown close to a number of them, witnessing not only their successes but also their failures. On the basis of what I've seen, I believe that the CMO role has changed more profoundly than any other C-suite position has.

The size of many marketing teams has grown exponentially. Some CMOs now have thousands of people reporting up to them, which rarely was the case in the 1990s. Because marketing has expanded to include data and analytics, the composition of the teams now varies tremendously, too. Often they include PhDs in math, sociologists, and designers, along with more-traditional marketing staffers. In many industries the sheer scope of a CMO's responsibilities has swollen as well. In airlines, for instance, many CMOs have broad commercial

responsibility, touching virtually everything outside the cockpit doors—from sophisticated dynamic fare pricing, to credit card partnerships and loyalty and mileage-awards programs, to the extras like Wi-Fi and additional legroom.

The other significant change is the ongoing blurring of channels caused by the growth of e-commerce and the reach of social media. New marketing tools give CMOs more ways to win customers, but these same tools give vocal (and sometimes angry) customers a platform. That can create a new threat to brands and the CMOs who manage them.

Many of the people who flounder in CMO jobs are really smart, talented executives, which is why their failures are especially frustrating. To increase the odds that new CMOs will succeed, we help them construct strategic onboarding plans that ensure faster, more-productive starts. We also advise them to develop deep relationships with their C-suite peers. And we counsel CEOs to establish ambitious but achievable expectations with the CMO.

Getting the right CMO into the right role at a company can be catalytic. The results—for the CEO, the shareholders, and the customers—can be dramatic. And of course, for me, helping clients think through the future of marketing for their organizations and find the right person to lead them into it is one of the most satisfying parts of my job. ☺

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Greg Welch is a senior partner at Spencer Stuart.

The Evolution of the CMO

As marketing channels and tools grew over the decades, so did the status and responsibilities of top marketing executives.

BY CAREN FLEIT



1950s

Marketing focuses largely on creating TV and print advertising to sell products to consumers. Top-level marketing executives are found almost exclusively in the consumer goods and automotive industries.



1960s

Advertising is still limited mainly to paid TV and print channels but moves away from exaggerated claims and aggressively pushing products and toward inventing creative and memorable approaches. The ad campaign is king.



1970s

Marketing adopts analytics and begins generating insights about customer choices and segmenting customers. Particularly in consumer goods, marketers become increasingly responsible for product management, pricing, promotion, and distribution.



1980s

Cable TV, infomercials, and VCRs (which allow viewers to skip ads) make marketing's job more complex and ratchet up the pressure for advertising efficiency. Analytics become critical to precisely tracking performance in each sales channel. Consumer-goods marketers start to assume P&L responsibility and enterprise-wide roles. Other industries, like consumer finance, begin hiring top-level marketing executives, though those jobs focus more on branding and corporate communications.



1990s

A broader marketing function emerges in industries such as health care and technology, and B2B marketers appear. The role of the marketing leader becomes blurry, as companies struggle to find a balance between more-strategic responsibilities (brand positioning, segmentation, and business growth) and more-tactical ones (sales enablement, creating brochures, and manning trade shows). Marketing departments begin to set up matrix structures combining corporate functions with regional and business unit functions. Customer relationship management takes hold. The CMO title is first used.



2010s

Big data and artificial intelligence swamp marketers with information. The focus shifts from telling and selling to customer engagement and dialogues and personalized communications and products. CMOs are expected to creatively apply insights to business challenges, validate decisions with data, create seamless customer experiences across media and revenue channels, and lead efforts to put the customer at the center throughout the organization. Most CMOs now sit on executive committees and report directly to the CEO. But there is confusion about the role, leading some to question the title and explore alternatives like chief customer officer, chief customer experience officer, and chief growth officer.

2000s

The digital revolution changes the way companies and customers relate. As social media platforms take off, people rely more on one another for information about products. Marketers must manage omnichannel communications and both negative and positive messages about their brands. They begin focusing on building meaningful relationships with customers. The CMO title spreads but is used indiscriminately both for executives strictly focused on brand and communications and for true strategic business partners.



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CAREN FLEIT leads Korn Ferry's global marketing practice.