The evoluTion and awakening of the Modern CMO.

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THE CMO, AFTER ALMOST BEING LEFT OUT OF THE CORPORATE KINGDOM, IS NOW MOVING AHEAD AT BREAKNECK SPEED. WHAT'S NEXT IN THE EVOLUTION OF THE CMO?

BY HAL CONICK
WHEN OUR EARLY ANCESTORS BEGAN WORKING TOGETHER OUTSIDE OF THE FAMILY CONSTRUCT, THOSE WHO THRIVED HONED THEIR SKILLS IN A UNIQUE CRAFT OR CREATED NEW CULTURAL TECHNOLOGY. IF THESE LATEST WRINKLES WERE USEFUL FOR OTHERS—OR PERHAPS IF THEY WERE ATTRACTIVELY PACKAGED—PEOPLE WOULD TRADE SOMETHING OF VALUE FOR THEM. THIS, AT ITS MOST BASIC LEVEL, IS MARKETING 101.

THE MARKETER AWAKENS
In the post-WWII era, marketing underwent a “great awakening,” according to a blog post by D. Steven White, a professor of marketing and international business at University of Massachusetts Dartmouth. This period was typified by companies bringing tasks like public relations, sales and promotions under one corporate umbrella. Later, from the 1960s to the 1990s, marketing was no longer left solely to the departments; it became a company-wide initiative, from the CEO to the mail clerks, all in the name of customer service. “The customer became king,” as White put it.
THE MARKETER’S SPINE STRAIGHTENS

In the 1990s, White argues that this customer attention evolved once again with relationship marketing. Building trust—the center of any good relationship—became marketers’ focus. Marketing technology—such as CRM and data mining—started to bloom. This evolution dovetailed with the meteoric rise of social and mobile marketing, where the customer is always receptive, so brands must always be communicating.

THE MARKETER WALKS UPRIGHT

Through all of these changes, no executive position has evolved more than the CMO. Kimberly Whitler, a marketing professor at the University of Virginia’s Darden School of Business, calls the CMO “the most misunderstood and frankly underappreciated” role in the C-suite.

Not long ago, the reputation of CMOs was run roughshod. Forbes, in Nietzschean fashion, proclaimed in 2012 that “The CMO is Dead.” To quote Dominique Turpin, president of IMD and author of that death knell: “CMOs are increasingly powerless and peripheral. The CEO sets the overall strategy, the R&D and innovation teams design the product, and the CFO determines pricing and departmental budgets. The CMO, meanwhile, reports to a chief executive who often has only partial knowledge of the customer. No wonder some CMOs are considering a career change.”

Turpin wasn’t simply being glib; many CMOs were looking at their jobs and longing for more. The jobs, in turn, looked back and expected the same. Marketers had lost corporate power when the bottom fell out of the economy in 2012. At that time, CMOs told Forrester that they were looking to leave behind corporate life and become consultants, according to Forrester’s “The Evolved CMO in 2014.” Were CMOs about to be pushed out of existence by a bad economy? Could evolution be stopped in its tracks?

Slowly, something started to change. Whitler, a former CMO and brand executive for companies such as Proctor & Gamble and David’s Bridal, says marketers spent the years leading up to the 2010s trying to become “finance literate” to connect marketing actions to financial outcomes. In the 2014 version of Forrester’s CMO survey, marketing executives said they were returning to corporations and trying to build CEO-level leadership skills.

Analytic technology, such as CRM, was becoming widely used thanks in large part to the many consumers who were online and had become accustomed to giftwrapping their data for marketers via various websites, platforms and apps. As an example of how much data people started churning out, 67% of the U.S. population had a social media profile in 2014—up from 56% in 2012—according to a report from Edison Research and Triton Digital.

“Now, not only do marketers have to be finance experts, but they have to be technologists and they have to understand the ways in which they can connect with consumers,” Whitler says.

In 2017, one would never know CMOs had been dragged through the mud. CMOs have taken a seat as equals at the executive table, Forrester’s report says. They have expanded their responsibilities to include forming the heart of customer experience. Roughly 66% of CMOs told Forrester they have primary responsibilities for both marketing and customer service. To boot, the aforementioned Edison/Triton report found that 78% of U.S. residents now have a social media account, giving up swaths of valuable data. On Facebook, as an example, users like 4.1 million posts per minute, according to computer software company Domo. For marketers, this level of customer data is like raw steak to a hungry dog.

Chief marketers have also brought a new work ethic and a measurable backbone to the executive table. Forrester’s report says the best CMOs “earn the respect of fellow C-level executives by bringing a strategic viewpoint, exceptional measurement and analytical capabilities, financial management rigor and operational savviness to their role.”

Sheryl Pattek, analyst and CMO executive partner at Forrester (and a former CMO herself), says marketing has evolved from being viewed by companies as a cost center to being seen as a business facilitator and manager, thanks in no small part to customer data and insights. CMOs have stepped beyond the role of marketing and become “corporate officers.” This means more knowledge
Now, not only do marketers have to be finance experts, but they have to be technologists and they have to understand the ways in which they can connect with consumers.

of the customer and business, more responsibility across the entire company and more pressure for CMOs to succeed.

CMOs now serve as the voice of an increasingly powerful customer. It’s the age of the customer, according to Small Business Network President Jim Blasingame, so doesn’t that mean it’s also the age of the CMO? Even Forbes acquiesced; Neil St. Clair, chief growth officer for Vвесторły, wrote in a 2015 column that there is “no acronym so dangerous in the English language as C-M-O.”

Marketing News spoke with those who have first-hand experience in the CMO evolution to hear about some of the biggest changes. The next step in the evolution may be the most exciting. As Nikola Tesla, inventor of the modern alternating current electricity supply system, said in 1915: “Precisely one of the most gratifying results of intellectual evolution is the continuous opening up of new and greater prospects.” Few executives seem to exemplify this quote more than the CMO.

POWER OF THE TRANSFORMATIVE BRAND
Steve Handmaker, CMO of Assurance, quickly swaggers into the lobby of his company’s Chicago office. He reaches his hand out and responds to a standard greeting with what must be a common quip of the evolved marketer: “Meetings, meetings, meetings.”

Handmaker works with approximately 6,000 customers, a C-suite full of executives and a fleet of employees, all while building the brand of Assurance, an insurance brokerage that works with clients to minimize risk and improve health. Handmaker started his marketing career 25 years ago by sending out mailers, crossing his fingers and hoping for the best. Now, it’s numbers, people and the litany of meetings that fill his days.

This bevy of work grew gradually. Ten years ago, every insurance brokerage marketed three banal-but-positive attributes. Handmaker lifts a finger of his left hand for each: “We are the greatest in service, we are the lowest-cost provider that you’re going to partner with and we’re the smartest,” Handmaker pauses, thrusting his right shoulder and head forward, adding, “And almost nothing else.”

Unfortunately, Assurance wasn’t much different, right down to using the same vapid stock photography as competitors. Handmaker, searching for answers, read Seth Godin’s Purple Cow: Transform Your Business by Being Remarkable. It gave him an idea: Assurance needed to find its own purple cow, something that would make potential customers stop, gawk and think about what the company has to offer, breaking the ranks of monotony with something that wasn’t so hackneyed. But what set Assurance apart from the pack? The employees, the real people. The personal touch. Assurance had been hiring talented workers to form what Handmaker called a “people-oriented workforce” and built an enviable corporate culture, one where people seemed to actually take joy in working with insurance. Why can’t that be the story?

So it was: Stock photos of glad-handing models were replaced by photographs of Assurance employees to show off the company’s culture. Assurance also bragged about its independence—unique in an age of mergers and acquisitions—and its ability to produce measurable outcomes,
something he says customers weren’t getting in a market that had seemingly grown complacent. Assurance’s overall message: The control is safely back in the customer’s hands, and real people will be there to help. “We told that story and, for a time, you barely could find that we did insurance on our site,” Handmaker says.

Ten years on and Assurance’s purple cow has been a cash cow. Now, “meetings, meetings, meetings” could mean dinner with executives from the Chicago Cubs, lunch with a manufacturing business trying to implement a new health plan or showing the latest ROI numbers to other C-suite executives.

“The good news for us is we got there first with the story and that became a really nice touch point with all of our clients and prospects. It made us noteworthy,” Handmaker says. “Now we’re continually pivoting as we go.”

The company was listed No. 4 on Fortune’s “10 Best Workplaces in Insurance 2015,” proving the power and endurance of good company culture. This has been a boon, Handmaker says, as the culture “absolutely” has to be congruent to what the company brings to the customer. Great talent wins, he explains. When people buy in and enjoy the culture, there’s a vibe that radiates outward.

This kind of vibe does not exist at all companies, Handmaker stresses, as most tend to leave it up to human resources or “four speeches a year from the CEO” to get hyped. This will only get a brand so far, he says. It takes a thoughtful plan to converge marketing and communications, internally and externally. “Those plans, unfortunately, are not driven often enough by the CMOs,” he says. “I think that’s starting to change.”

Every interaction customers have with a company will now be essential, Forrester’s Pattek says. She echoes Handmaker’s sentiment, saying it’s impossible to separate brand management from customer experience, as the brand is now defined by how the customer interacts with it. For this reason, Handmaker believes CMOs across America will have a “major influence” on brands and American culture. “They’re going to bring a lot of that external attention internally and it’s going to improve their performance in the end,” he says.

UVa’s Whitler concurs, adding that brand leadership and architecture-building is why many

**WHAT IS A CMO?**

Ask an average CMO what their family and friends think they do at work and you’ll likely get a caricature landing somewhere between the Don Draper archetype—writing ribald, libidinous copy and shooing people out of their corner office with the flick of a wrist—and a white-collar office worker stuck somewhere between a meeting, a phone call, a detritus-covered desk and computer screen filled with charts and graphs.

Ask an average CMO what another CMO does and they wouldn’t necessarily know. They’d likely assume it’s the same thing they are doing themselves, according to a presentation given by Whitler during AMA’s 2016 Summer Conference.

Whitler says there is no singular role for CMOs. Some focus on marketing and communications, others customer experience and others still take charge of marcom, such as CRM and public relations. This scattershot set of assumptions may be why average CMO tenure is, as of 2015, just more than 3.5 years (44 months). While this is up from 2006 when the average CMO lasted less than two years (23.2 months), it’s indicative that expectations aren’t being met by chief marketers at many companies, especially since the average is down from a high of four years (48 months) in 2014.
people believe CMOs are most poised to take over as CEO. In modern times, the best CMOs build a customer-centric model or perish. Whitler says there were three bases for recommendation when she worked with Proctor & Gamble: Is it right for the customer? Is it right for the retailer? Is it right for the company?

“There is a reason for that,” she says. “[Good CMOs] create the systems that support this kind of outside focus, and they align the internal operations against that kind of external focus.”

A RENAISSANCE ROLE
Sitting at a horseshoe-shaped formation of desks in front of a Chicago-style bay window, the lean team of Gate 39 Media—made up primarily of designers and developers—work away at building the online future for financial organizations. CMO Sarah McNabb, who refers to herself as a marketing “Swiss Army knife,” takes pride in knowing every aspect of what they do, working to make the business operate smoothly. The CMO must have a hand in everything, especially on a small team.

“You have to have the versatility of knowledge in multiple aspects of marketing: social media, content writing, management distribution, analytics, CRM, processes and marketing strategy overall,” McNabb says. “It’s super important that you have a grasp on how all those cogs fit into the bigger machine and how that machine works.”

McNabb, who has worked in finance since 2002, ensures each client gets the effective and legally compliant content it needs (infographics, articles, website text, blog posts), right down to editing old content to fit the client’s voice. She also works closely with developers and designers at Gate 39, straddling the line between the customer and company and working to translate what the client wants and how the company can help. Often, McNabb will use her skills as an artist—she majored in illustration and design and creates art as an after-work hobby to blow off steam—to help tweak designs and do mock-ups of navigation wireframes for a client’s website. She also travails over the user experience of each website, ensures content is optimized for SEO and does anything else she can to make sure the client is satisfied.

She’s also working on Gate 39’s website redesign and relaunch.

To McNabb, the evolution of the CMO has meant a widening of scope. Work now goes beyond simply deciding where advertisements will be placed, something she deems an “archaic role that doesn’t exist anymore.” Now, the CMO must have broad knowledge and become an “ongoing Renaissance person who’s continually seeking to learn,” she says.

One quality a CMO should have, in McNabb’s opinion, is an ability to develop new processes to keep the company from stagnating. After starting at Gate 39, McNabb noticed the company’s CRM
program wasn’t up to par, so she adopted an industry-specific program and became knowledgeable enough to extend its service to customers. Now, as an added perk, customers can have their own CRM and sales processes. Gate 39 avoided stagnation and expanded consumer offerings.

This focus on innovation is new for the CMO, Pattek says. Now technological savviness, digital understanding and an analytic mindset are musts to be a CMO, which was not the case just five years ago. Marketers have to become lifelong learners, unwilling to favor their left- or right-brain sensibilities, but able to access either for specific tasks. Whitler says this is likely exacerbated at smaller companies, like McNabb’s, where CMOs have fewer executives to share the workload, but notes that modern CMOs must now know about technology, security, finance and other non-marketing business facets.

For the evolving CMO, adapting to a new era means avoiding the stagnation of the days without data and avoiding the previously predicted death.

"In this agency, we are very fluid in terms of changing up, pivoting and adapting new processes," McNabb says. "A lot of the financial companies out there, where you have departments who’ve been doing the same things over and over for years, those are the ones that are going to die out."
THE EVER-QUICKENING EVOLUTION OF MARKETING MEASUREMENT

After entering the marketing industry during what he calls "the twilight of the 'Mad Men' era," Clay Stobaugh has evolved multiple times in his 36-year career. He's worked for Sperry and Hutchinson, Reuters and now serves as executive vice president and CMO at publisher John Wiley and Sons, every role seemingly adding new lines of text to his job description.

When Stobaugh first started, fresh out of Harvard Business School, coupons and direct mail were essentially the only measurable pieces of collateral for a marketer—everything else was brand-driven and targeted to a specific audience, but unspecified by today's standards, he says. Television, billboards, print, newspapers—marketing relied heavily on ad impressions, reach and frequency. Spray and pray. The next advancement in measurement came for Stobaugh at Nestlé Switzerland during the launch of the Nespresso capsule, the granddaddy of modern coffee pod products like the Keurig K-Cup. In this iteration, Stobaugh used the "razor and the blade" model, as he called it, of selling the machines through the Williams-Sonoma catalogs, department stores and other high-end shops. Sales were tracked through store machines in the retail market and telephone sales through the catalog (this was, after all, pre-internet).

Ten years later, Stobaugh and other marketers got their first taste of true data measurement. "We went from what I call 'Mad Men' to modern marketing, because now we could really look at the numbers. We started to become performance-driven," Stobaugh says.

The analytic evolution in marketing started slowly with e-mail, which Stobaugh says mostly entailed looking at open and click-through rates. There was no big focus on content marketing and no value-added content; it was all about messaging and the offer. Back then, Stobaugh says he used to show a slide at presentations that displayed about 100 marketing technology companies in existence that could help clients modernize data capabilities. Three years later, as the market grew, the slide had 500 businesses. "Today, you can't even do a slide like that. There'd be 10,000 companies," Stobaugh says.

Marketers went from having no data, to some data, to data in bunches trapped in silos. At this point, around 2009, Stobaugh says marketing technology became very advanced. As CMOs removed data from silos, they became equally creative and analytical. No longer were CMOs simply looking at a piece of the pie, they were the baker. CMOs used middleware data management tools that could feed all related data to one place. Analysis became quick. Speed became of the essence. Every modern CMO, Stobaugh says, now has his or her own marketing technology groups. "What's been the door-in for marketing to be at the C-suite table is having the data that represent the voice of the customer," Stobaugh says. "Everybody else in the organization speaks about the customer qualitatively, but marketing actually has all the quantitative data, so they can have a voice."

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The other element, he says, was marketing and sales enablement and sales' endorsement of marketing as a lead driver.

Handmaker agrees that real-time data and marketing technology have been key turning points for the modern CMO. The formerly unprovable is now easily proven; CMOs can readily confirm success and showcase value to the executive suite. Creativity with numbers isn't exactly the creativity marketers are known for, but Handmaker says marketers must have analytic guile, quickness and effectiveness, lest they get left behind.

"Your customer's expectations of the speed with which you should be responding to requests, wants and needs is completely different than it was," Handmaker says. "And it's going to get worse. There's no going back. It used to be you'd make a request, and if we respond to you later that day and promise you delivery within two business days, you were doing A-plus work. I can think of very few things in my life where that would feel acceptable to me right now."

Customers' trust must now be earned at every turn. These days, when someone doesn't like your service, they're more likely to tell the entire internet than to write a private letter. Reputation matters for the evolved CMO, and it's driven by a coalescence of speed, precision and grade-A customer service. In the modern age, technology allows for easy management of all of this.
If your own people don’t understand, buy in, get excited, get motivated or get turned on in all the same ways you’re hoping to do with your client base, you’re fighting from behind.

“You have to keep up. You have to be fast to respond. You have to be fast at identifying problems,” Handmaker says, speaking rapidly. “You can’t wait anymore.”

THE NEXT EVOLUTION
The next evolution of CMOs could be further down the traveled path, but Handmaker says there may be one fork in the road where marketers will have to turn around: creativity. The proverbial pendulum has swung from the adman to the math man, but Handmaker says the true storyteller will soon return.

“The CMO is getting back to being a storyteller,” Handmaker says. “Part of that is the swing back to the artistic bent, if you will, with so much focus on content.”

Whitler says there’s a preoccupation with today’s CMOs being “quantitively capable,” but she believes this focus is superfluous. In her research, quantitative CMOs—that driven mostly by data science—have shown to be the least effective. Hybrid CMOs—those with the ability to empathize with the customer, create deep insights beyond spreadsheets and capability for creativity—are most capable of handling the job.

“CMOs who can actually take insight and convert it into behavior-changing programs, who have the ability to navigate the organization, who can affect change within the organization, who can influence their peers and who can lead,” are best-suited to lead, Whitler says. “Just being quantitatively capable doesn’t give you the skills to do all of the other things you need to do.”

Handmaker says CMOs who hope to evolve must work tightly with the rest of the C-suite and the business at large. CMOs who turn their attention inward to bring everyone on the same page will have a better chance of selling customers on a product or an idea. “If your own people don’t understand, buy in, get excited, get motivated or get turned on in all the same ways you’re hoping to do with your client base, you’re fighting from behind,” he says.

Historically, a divide exists between sales and marketing; successful CMOs must address this chasm by having a cohesive, analytical system in place.

Beyond a cohesive sales-marketing system, the evolved CMO must technologically define the experience of the customer and the organization, Forrester’s Pattek says. To do this, CMOs must understand the company’s technology stack and get involved in how consumer data is collected.

This, she says, will help CMOs predict future customer behavior and allow marketers to see when new technology, such as artificial intelligence, must be adopted.

The evolved CMO cannot forget cybersecurity when thinking about the technology stack, Whitler says. Breaches often occur through marketing technology where important customer and company data lie, so CMOs must be regularly engaged with risk officers and cybersecurity experts to keep the company and its customers safe.

If there’s one quality an evolving CMO has, McNabb says, it should be an acknowledgment that they don’t know everything. Work as a CMO is a continuous education.

“If I don’t know that it will ever be possible to be up to speed,” she says. “I think it’s like being on a treadmill. To be up to speed would be to get to the end of that line; on the treadmill, that just doesn’t happen.”