

The CMO Club
BENCHMARK STUDY

The Evolution of Marketing Organizations

Uncovering growth, changes
and missing links in the modern
marketing organization

JANUARY 2020



IN THOUGHT LEADERSHIP WITH

Deloitte.

acknowledgments

THANK YOU to the following marketing executives for providing invaluable input, insights and context to this critical benchmark study.



Cindy Donohoe

Executive Vice President &
Chief Marketing Officer
HIGHMARK HEALTH



Tariq Hassan

Chief Marketing Officer
PETCO



Michael Lacorazza

Executive Vice President,
Head of Integrated Marketing
WELLS FARGO



Chad Lusk

Senior Vice President and
Chief Marketing Officer
HOSTESS BRANDS



Dee Mc Laughlin

Chief Marketing Officer
CAPITAL GROUP | AMERICAN FUNDS



Andrew Miller

Vice President, Global Marketing
and Communications
AON

Marisa Thalberg

Former Chief Marketing Officer
TACO BELL

Current Executive Vice President,
Chief Brand and Marketing Officer
LOWE'S



Evolving from **Storyteller to Business Leader**, CMOs face a relentlessly expanding, morphing role and organization



Perhaps more than any other C-suite officer today, the Chief Marketing Officer continues a near decade-long process of evolving, embracing, assimilating and adapting to its ever-changing role.

No longer an “artsy, creative” storytelling function, marketing and its stalwart leaders are now accountable for an expanding array of responsibilities and talent that runs the gamut from data analytics to customer experience and everything in between. As their position evolves, many CMOs view their current and future role more as business partner and leader, expanding beyond the traditional media planner and storyteller. Likewise, the marketing organization itself is undergoing a similar transformation.

This evolution is not for the faint of heart. While some might resist or recoil at the prospect of a demanding, shape-shifting capacity and scope of responsibility, CMOs poised to succeed view it as an empowering

opportunity. A chance to take chances, try new creative ways to advance their strategy and engage customers in innovative ways to achieve their business outcomes.

To properly seize this opportunity requires serious reflection on the current—and future—state of a CMO’s role and the marketing organization itself.

By asking *Who do we want to be as an organization, and how do we get there?* CMOs can begin to forge a clear path forward.

The CMO Club, the only marketing executive, peer-based, networking organization of its kind, in thought leadership with Deloitte, developed a comprehensive study to examine the state of marketing organizations today: The CMO’s role and reporting structures; marketing organization design structures; current and future scope, skills and functions of team members; and measures and performance standards of marketing organizations and their leaders.

“Our role has become a ‘chief integrator,’ creating value across multiple functions of the whole organization.”

ANDREW MILLER

Vice President, Global Marketing and Communications
Aon

For this study, we captured benchmark data of more than **400 CMOs from across the globe, averaging nine years of cumulative CMO or head of marketing experience.** We contextualized this survey data with **insights from more than 20 CMOs** participating in the CMO Club’s Fall 2019 Summit roundtable session, and additionally, with in-depth interviews from brand leaders in a wide range of industries, including **Aon, Capital Group | American Funds, Highmark Health, Hostess Brands, Petco, Taco Bell, and Wells Fargo.**

Through quantitative and qualitative research methods, this benchmarking report provides a forum for marketing leaders to compare and measure their respective roles and organizations to their global marketing peers. Specifically, CMOs can use this report to identify pain points, determine critical decision

areas, and perhaps most importantly, establish a road map to elevate the marketing organization for success in this unprecedented era of change.

NOTE: This comprehensive study includes extensive data beyond what is included in this report. A deeper dive into areas related to specific industries and B2B content will be available in the future.

“Ten years ago, we were tacticians, now we are true business partners.”

DEE MC LAUGHLIN
Chief Marketing Officer
Capital Group | American Funds

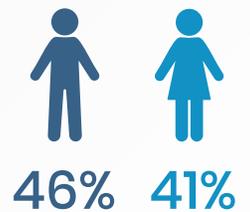
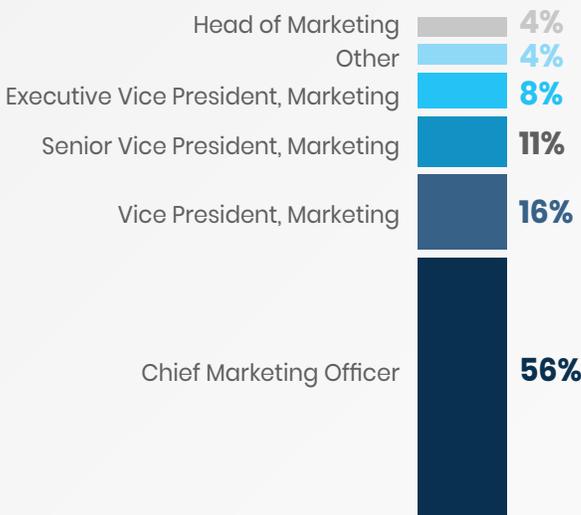
“The leadership of the CMO has to be very broad and deep today. Expectations are at an all-time high and if you’re not versed in all disciplines to influence customer experience, it will be difficult to be successful now and in the future.”

MICHAEL LACORAZZA
Executive Vice President,
Head of Integrated Marketing
Wells Fargo

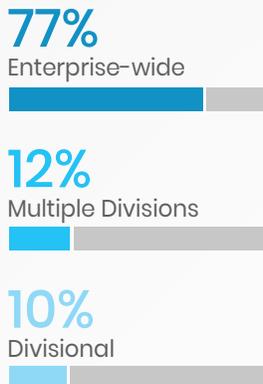
WHO PARTICIPATED

This research incorporates responses from **401 participating executive marketers**. Seventy-three percent of those respondents are based in the United States, with Europe and other countries around the world accounting for the remaining balance. The average cumulative marketing leadership experience is 9 years, with an average of 4.1 years in current role.

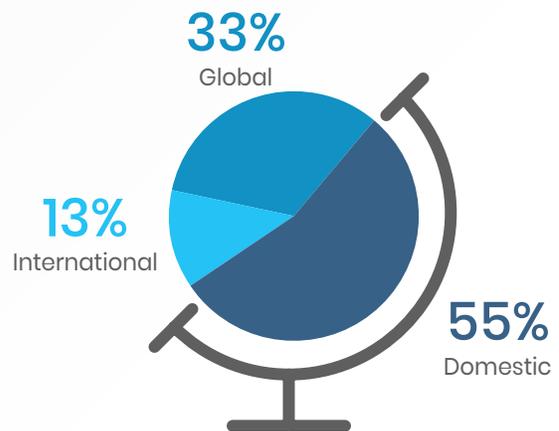
Respondents Profile



BUSINESS SCOPE OF ROLE



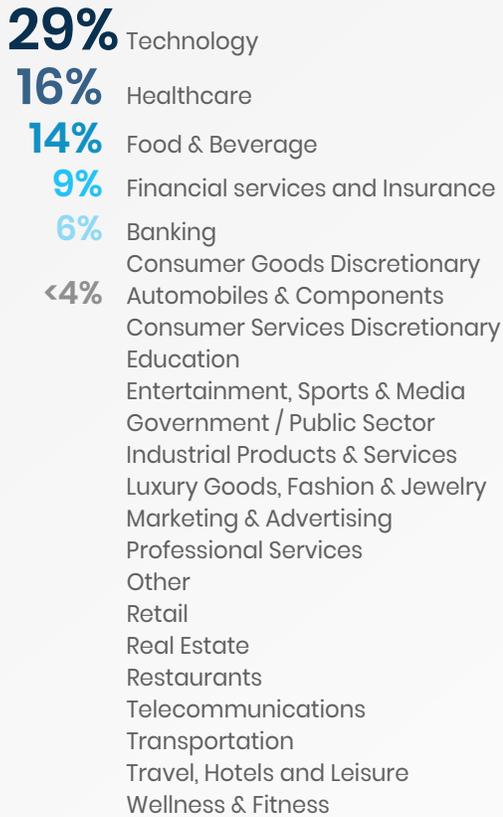
GEOGRAPHIC SCOPE OF ROLE



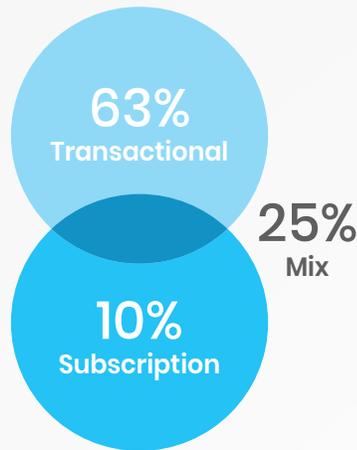
Due to rounding, totals may not equal 100% on all charts and graphs.

Business Profile

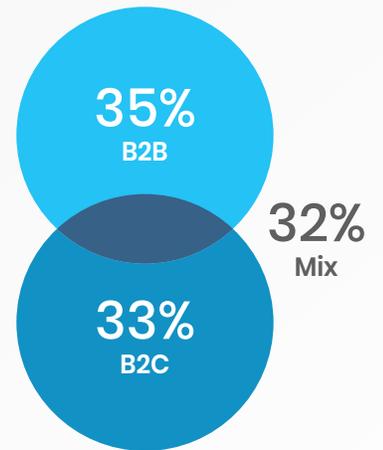
INDUSTRIES



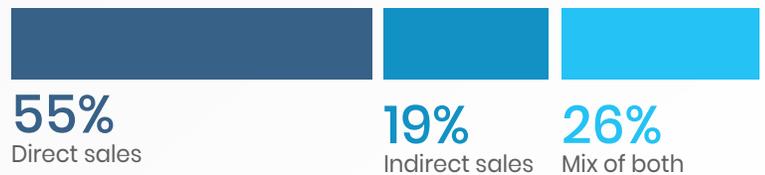
REVENUE MODEL



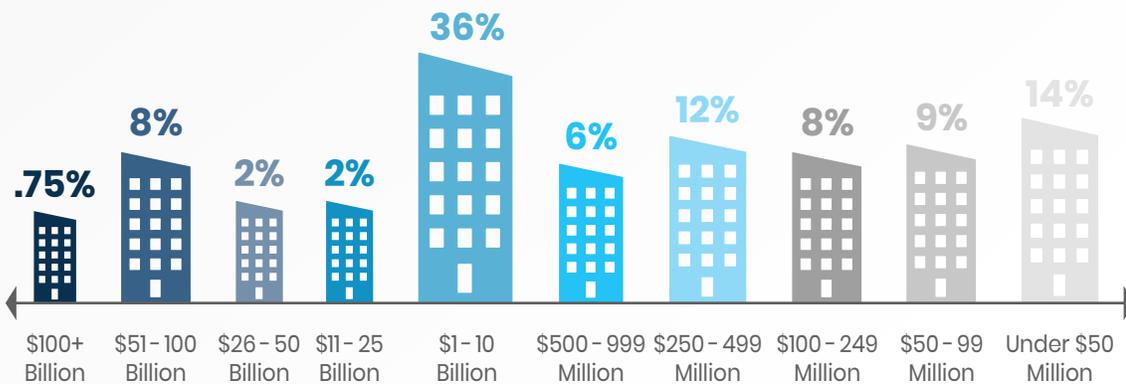
B2B / B2C



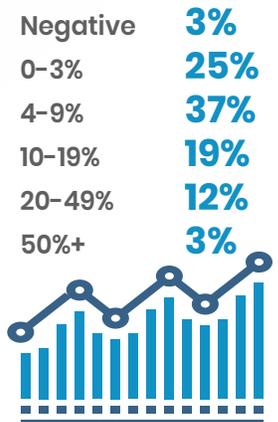
PRIMARY SALES CHANNEL



ANNUAL REVENUE



GROWTH RATE



WHAT WE LEARNED

Through our survey analysis and supporting CMO interview insights, several key observations and obstacles emerged.



Change is a constant.

In marketing, change is not only inevitable, it is critical to the future of the organization. Changes in the CMO role and the marketing organization kindle new opportunities to connect with customers and drive growth. As Michael Lacorazza, executive vice president, head of integrated marketing, for Wells Fargo observes, “The most fundamental and significant amount of change has been in the organization itself.”



Accountability for more than ever.

More than 50 percent of CMOs indicate they are responsible for 11 or more distinct marketing activities. The continuous shift to digital requires marketing to take on new, more technical functions. As a result, the scope of accountability for marketing is expanding and will continue to do so for the foreseeable future.



Measuring effectiveness establishes success, builds credibility, fosters collaboration.

Expectations for demonstrating marketing effectiveness are high. Fortunately, marketing has a growing cadre of tools and metrics to connect the dots between

their efforts and outcomes. CMOs report the top three measurements of success in the eyes of their CEO are awareness (51 percent), sales/revenue (31 percent), and media ROI (29 percent). A critical element to gaining influence and a voice in strategic discussions is effectively touting those results across the C-suite.



Identifying and closing skills gaps, finding the right fit.

Marketers know what talent and skill sets are needed to elevate their organization to the next level. But finding the right blend of technical, business-oriented, creative expertise is another story. The most sought-after skills: data science (78 percent), analytics (68 percent), and user experience (60 percent).



Filling the leadership void.

One glaring talent gap revealed is finding an immediate successor for the CMO. Marketing executives need to carve out time and a clear strategy for professional development within their teams and a plan for the future.

DEFINING THE CMO ROLE AND REPORT STRUCTURE

Gaining ground in the C-suite

With 71 percent of CMOs indicating their role is considered part of the C-suite, 59 percent report directly to the CEO, and 27 percent report to the COO or president, marketing leaders undoubtedly have a seat at the head table (figures 1 and 2). But identifying who drives “what” is critical to determining what CMOs should bring to the table to be recognized and drive value for the business.



FIGURE 1

Is your role considered in the C-suite?

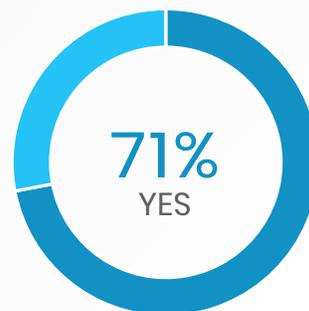


FIGURE 2

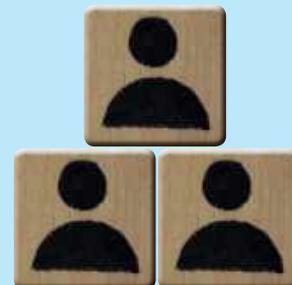
This relationship and reporting structure becomes vitally important when delving into who drives the conversations around customer experience and digital transformation discussed later in this report (see *Who Drives What?*).

DEFINING THE CMO ROLE AND REPORT STRUCTURE

In the health care industry where the marketing landscape is very different from traditional models, Cindy Donohoe, executive vice president and chief marketing officer for Highmark Health, finds a front row seat at the C-suite table. “In the four years I’ve been with the company, the scope of marketing and CMO role have changed dramatically. But we’re fortunate to be able to report directly into the CEO, so marketing is seen as very strategic and important at the top.”

Both the scope and job title of the traditional CMO role continue to change observes Marisa Thalberg, whose job title changed from CMO to

chief brand officer during her recent tenure at Taco Bell. Marketing officer titles vary from company to company, industry to industry but, she says, “When the role is scoped well and you have the right big talent in place, regardless of title, it becomes a very end-to-end role in terms of owning strategy and growth. That is especially important when you’re responsible for driving business, not just brand.”



THE SHAPE OF THE MARKETING ORGANIZATION

Expanding and contracting layers, team size and direct reports

Like the CMO role, the marketing organization is headed in new and different directions, with the size, functions, and layers a mere shadow of the classic organizational shape. Donohoe notes that her team at Highmark Health has grown so much, particularly in the technical and data analytics arena, that some team members don't consider themselves "traditional" marketers.

On average, CMOs are responsible for **7 direct reports and departments totaling 69 individuals**. By far, marketing strategy and marketing operations/technology make up the majority of these direct reports, 78 percent and 70 percent respectively (figure 6). In organizations with divisional marketers, **81 percent report to the CMO** or into the marketing organization, 11 percent are dotted line and only 4 percent report elsewhere (figure 7).

Thinking about your total team, including people reporting to your direct reports, how many FTEs are in your organization?



FIGURE 3

How many direct reports do you have?

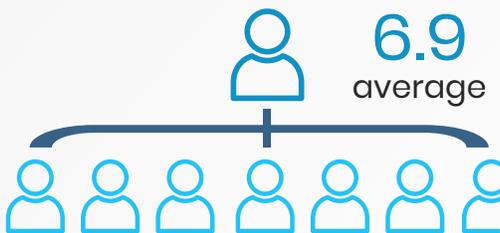


FIGURE 4

What is the estimated breakdown of FTEs in your organization for the following functions?

(Includes internal FTE's only; excludes contractors or outsourced FTEs.)

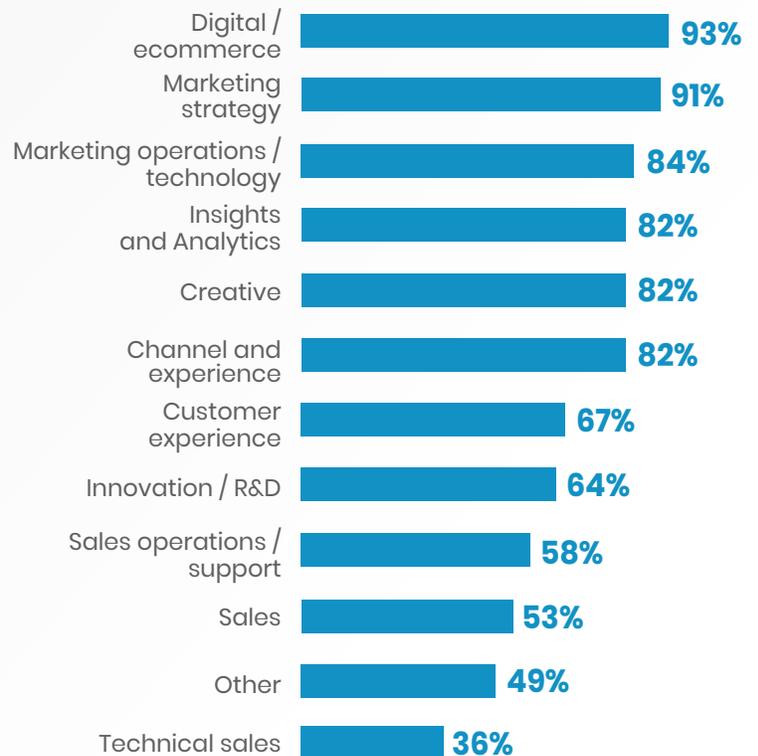


FIGURE 5

Which of the following functions report directly to you as a direct report?
(Select all that apply)

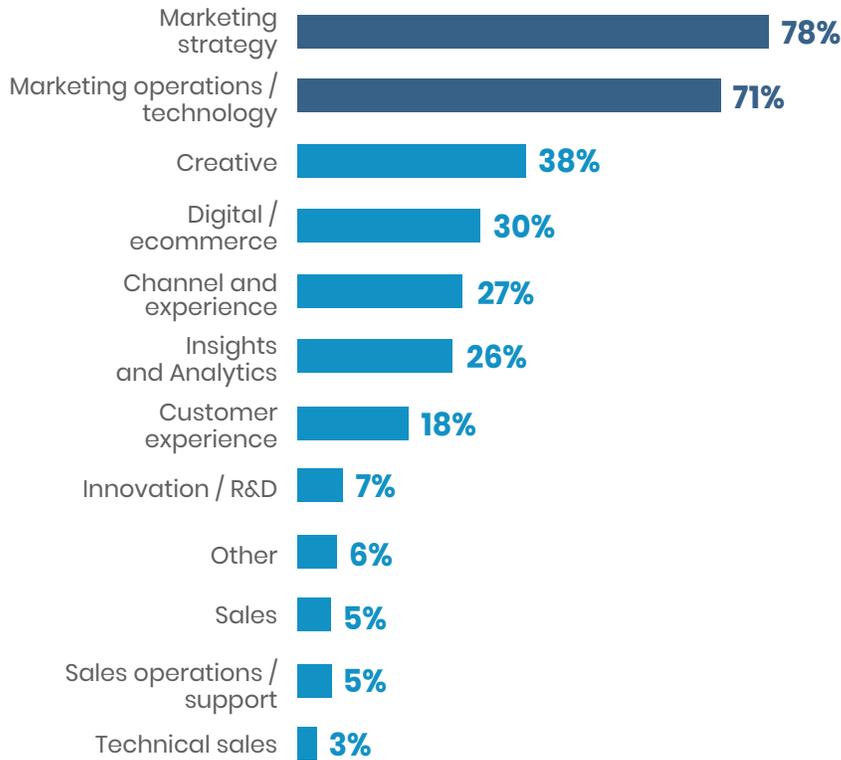


FIGURE 6

Do division or department head marketers report directly into your organization?



FIGURE 7

*Among respondents with division marketers



FIGURE 8

Layers of management above
(e.g. you report to the CEO = 1)

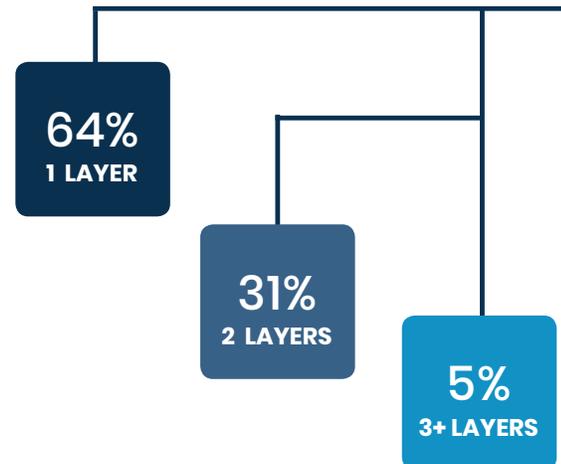


FIGURE 9

Do you assign any of your teams direct accountability to other functions?
(e.g. insights or analytics experts for sales)



FIGURE 10

THE SHAPE OF THE MARKETING ORGANIZATION

Transforming the marketing organization from a federated system of marketers and communicators to a more centralized structure of core centers of excellence at Aon helps drive consistency across the organization.

According to Andrew Miller, vice president, global marketing and communications at Aon: “This allows us to not only leverage the talent we have in the core team and in the field, but also achieve consistency in how we measure success and ensure that everyone is following the Aon way of delivering value through our marketing activities.” Miller emphasizes, however, that in order for this system to be successful, it must also rely on a complementary culture shift rather than a simple change in reporting structure.

Similarly, in the last three years, **Wells Fargo moved from vertical integrations around products to a centralized marketing structure.** “We have created centers of excellence that we’ve matrixed with our leadership team and their peers on the operation committee teams to foster better collaboration,” explains Wells Fargo’s executive vice president and head of integrated marketing, Michael Lacorazza. “Then our team takes the lead on the large-scale integrated campaigns, paid and owned channels, and our in-house and external agency relationships.”

While only 25 percent of CMOs own “insights and analytics” as a direct report (figure 6),

many savvy CEOs understand the inherent value of this function sitting under marketing, particularly in a customer-orientated organization like Petco.

For Tariq Hassan, chief marketing officer at Petco, having a CEO who was a former CMO proved advantageous during the organization’s restructuring. “I advocated to bring customer service under marketing,” Hassan explains. “While this may not have seemed like an obvious place to house customer service, my CEO immediately understood the direct link to insights into the customer. All customer calls generate satisfaction data points and having customer service under marketing would allow us to connect that data around all of our other marketing data for 360 insights.”

Fortunately for Hassan, when he joined the organization, the foundational elements were already in place to restructure around a data lake. He bolstered the team with data science and deep marketing analytics capabilities, and brought CRM, loyalty, and customer service under the auspices of marketing.

Evolving from a waterfall operating model to an agile model in the last two years has been overwhelmingly successful for Capital Group | American Funds, according to Dee Mc Laughlin, the company’s senior vice president, global brands. “We have seen incredible results for the firm and for our associates with this model,” Mc Laughlin says. “Now they feel like they have ownership in projects and that goes a long way toward meeting objectives and driving outcomes.”



SCOPE OF ACCOUNTABILITY

Expanding to meet today's growing demands

Marketing is accountable for an exhaustive (and exhausting?) list of activities. In fact, 50 activities are included in this benchmark study, and more than 50 percent of respondents cite 11 or more areas of accountability. Figure 11 shows the **most popular responsibilities** are:

- 86% product/service marketing
- 81% channel strategy/ go-to-market
- 72% marketing strategy
- 67% marketing technology
- 65% marketing services
- 64% lead generation
- 63% external advertising, media and digital agencies

Going forward, we asked CMOs what activities should report to their marketing organization but don't today. Despite an already expansive scope, CMOs identified several **activities they would like to bring into their realm** (also shown in figure 11):

- 69% partnerships/ business development
- 67% corporate strategy
- 56% public relations

MARKETING ACTIVITIES

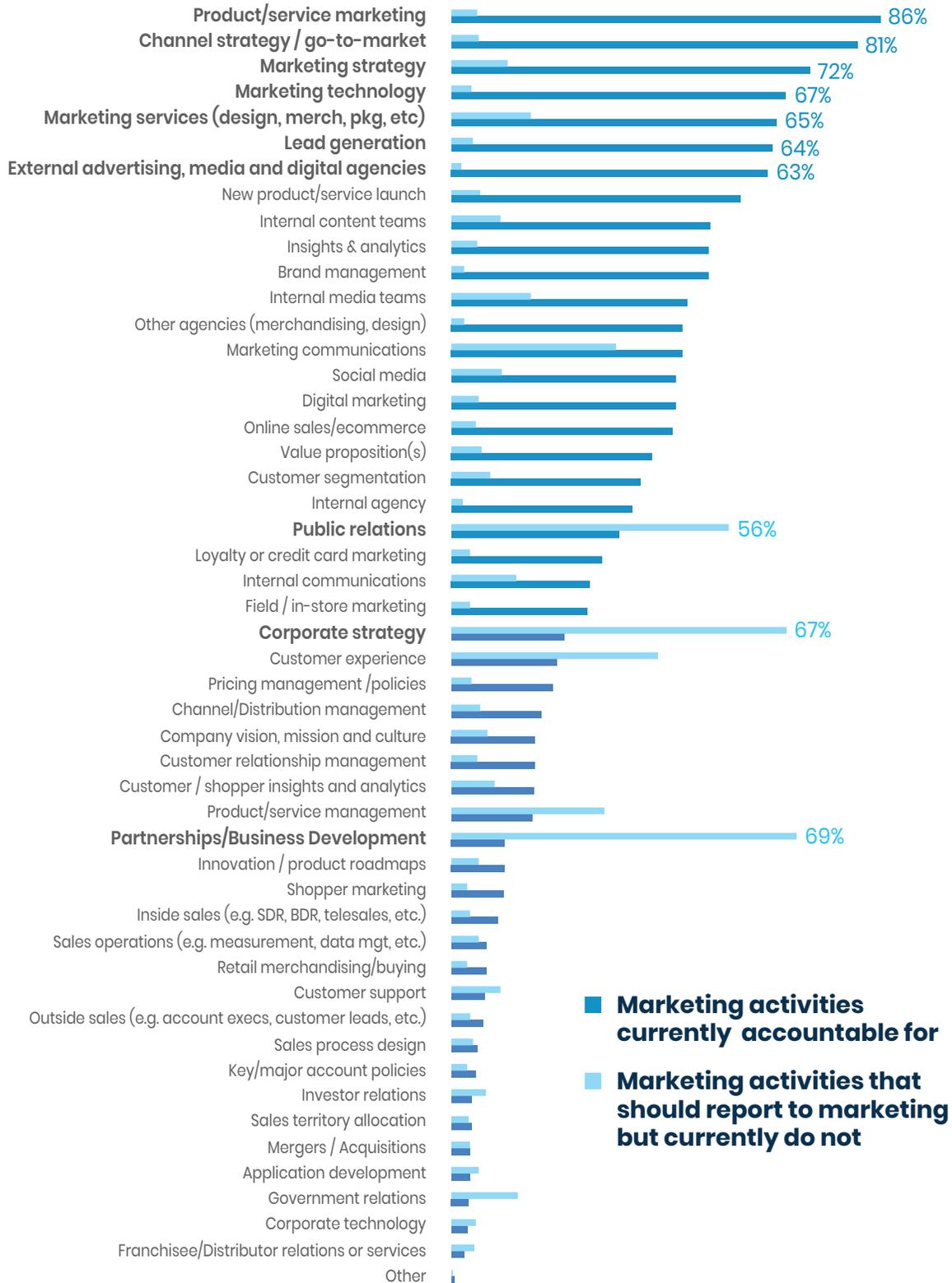
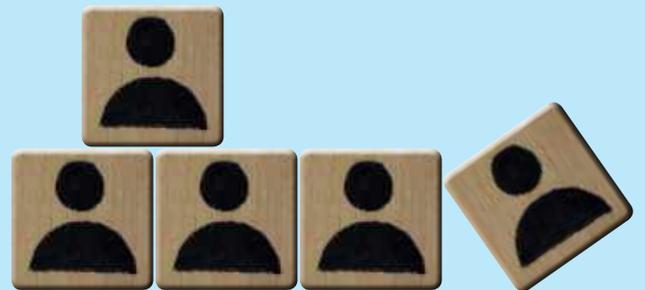


FIGURE 11

SCOPE OF ACCOUNTABILITY

In response to this seemingly endless scope, CMOs are disrupting the traditional marketing organization. “The role of marketing has evolved so much in the last few years to include digital experience, digital mobile and web development, data science, analytics and customer experience,” explains Donohoe. So much so, she has given the department a new name. “I recently just renamed our department from Marketing to MX – Marketing and Experience, specifically because our team has expanded to include more technical talent, and people who understand human-centered design and agile methods.”

Rather than bringing more functions into marketing, Thalberg observes, “It’s best for marketing to serve as the hub or engine within an organization to bring cross-functional partners together to develop and implement programs. Collaboration is possible when you set up the conditions for success, and this is where marketing can really excel.”



OUTSOURCING STRATEGY

Finding the right balance of internal and external talent

The decision to outsource marketing functions and/or build an in-house agency ebbs and flows with the continuous transformation of marketing organizations. For many, the speed, bandwidth, and ability to achieve scale quickly offered by an external agency outweighs the benefits of bringing the work completely in-house.

Asked what functions they outsource partially or completely, 59 percent cite creative, followed by insights and analytics at 31 percent; 13 percent report

no outsourcing (figure 12). The decision to outsource impacts staffing. Of those who report outsourcing, nearly 63 percent reported driving the project, impacting 14 internal individuals, on average (figure 13).

In spite of largely outsourcing the creative function, 64 percent of CMOs report having an internal agency (figure 14), and 61 percent cite making and executing the decision to create an in-house agency for the primary reasons of speed, agility and savings (figure 15).

What functions do you outsource either partially or completely?
(Select all that apply)

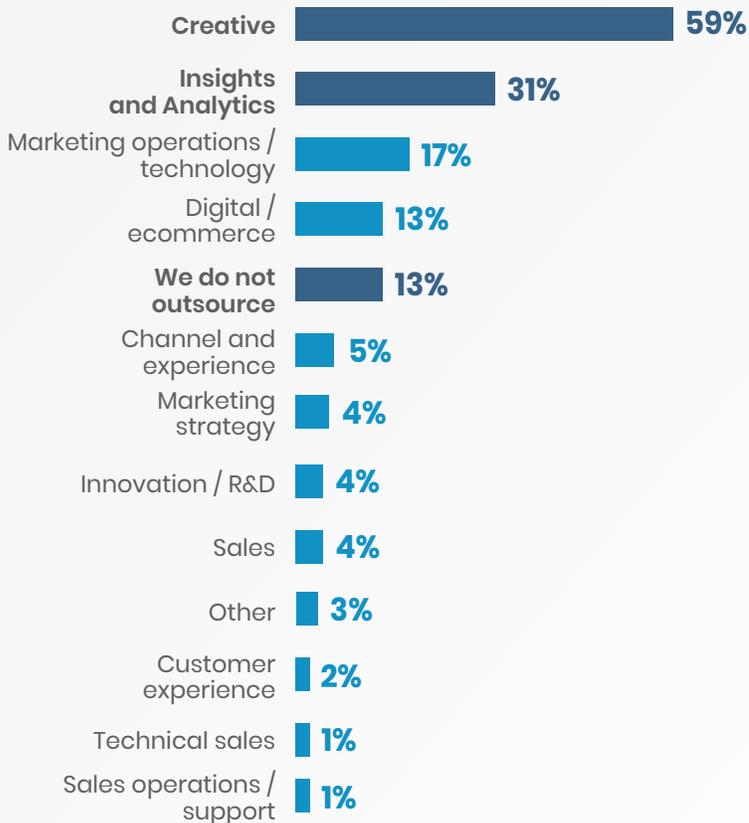


FIGURE 12

If you outsource, how many internal individuals (FTEs) did that impact?



FIGURE 13

Do you have an in-house agency?

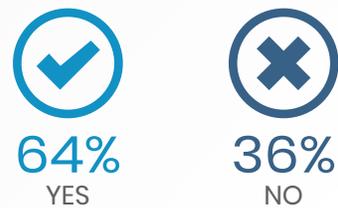


FIGURE 14

Did you make and execute the decision to create an in-house agency?

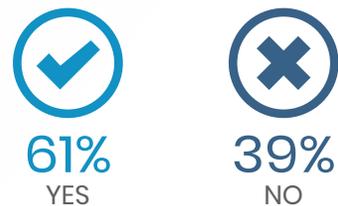


FIGURE 15

OUTSOURCING STRATEGY

Aon has found great success with their internal agency, according to Miller. He says the team, led by a “rock star” creative director, has elevated the group’s game internally, generating some 200 projects a month. “Our team has a deep understanding of our objectives and audience,” Miller says. “Over the last five years, the creative director has shifted the model and perception of our team from being order-takers to an advisory organization, earning the right to own the brand.” Aon has also built-out an internal agency hub in Singapore with capabilities to produce projects 24 hours a day.

Another consideration is that **an outside agency brings up-to-date skill sets and mindsets that an internal group might not have the experience in**. Mc Laughlin explains, “We don’t have a lot of turnover at Capital, which is great because our team has such a deep knowledge and understanding of our markets, products and services. So we work with an external group of designers and writers that bring additional value from an outside perspective.”

For more than one third of respondents, **a hybrid model has merits for those not quite ready to support a complete in-house agency**. Petco’s Hassan says when he came on board, “My team had visions of being a full-service, in-house agency. But the reality was we weren’t quite ready yet.” Hassan says he is a proponent of a blended model and partnerships with external creatives and content makers. His team works with external advertising, media and public relations agencies, while utilizing their in-house agency as a production service.



MARKETING'S IMPACT ON P&L AND SALES

Responsibility for one, but not the other

A clear majority (68 percent) of marketers are responsible for profit and loss (figure 16), yet only 14 percent have responsibility for the sales force (figure 17). In spite of this, marketers continue to work more collaboratively and agilely to deliver on business outcomes.

Do you have P&L responsibility?

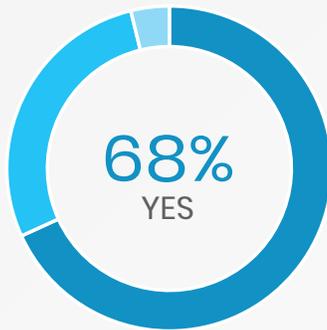


FIGURE 16

Do you have responsibility for the SALES FORCE?

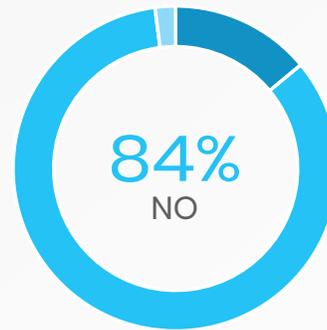


FIGURE 17

Figures 16-A and 17-A show that among respondents who report directly to the CEO, there is a higher level of P&L ownership. However, the same cannot be said for their ownership of sales. This could indicate that in organizations where the CMO role is valued enough to report to the CEO, then it also values the equal, but distinct, importance of both the marketing and sales functions, thus keeping them separate.

Do you have P&L responsibility?

(amongst respondents who directly report to the CEO)

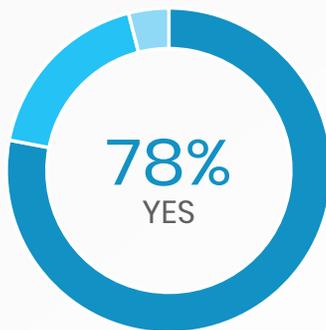


FIGURE 16-A

Do you have responsibility for the SALES FORCE?

(amongst respondents who directly report to the CEO)

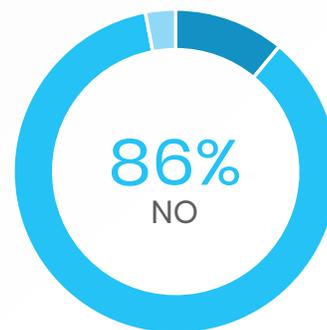


FIGURE 17-A

■ Yes
■ No
■ Shared

MARKETING'S IMPACT ON P&L AND SALES

The role of today's CMO is often ill-defined, according to Chad Lusk, senior vice president and chief marketing officer with Hostess Brands. "Expectations are often misaligned between what the CMO thinks they are hired to do and what they are ultimately responsible for," he explains. "But a lot of that ambiguity would be solved if we just started calling the Chief Marketing Officer the 'Chief Revenue Officer'," Lusk says. "All joking aside, at the core, the CMO needs to be oriented around driving growth. But you can't grow by managing process, you have to manage outcomes."

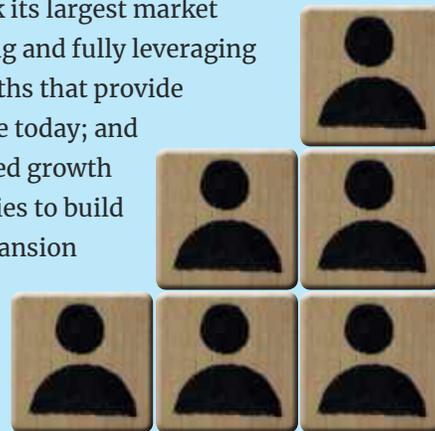
Andrew Miller, Aon, concurs. "There's a very tangible connection between the CMO and growth today," he observes. "So CMOs have to demonstrate a measurable impact on sales."

In the one-on-one interviews, CMOs revealed the headway they are making on revenue growth. For example, Mc Laughlin says, "Because of better targeting and a more agile way of working, we've been able to send better leads to our sales force. Leads that

are closing sales 300 percent over the previous year. That's ultimately what gives undisputed value to the role marketing plays in sales."

With 64 percent of CMOs surveyed responsible for lead generation (see figure 11), Mc Laughlin paints a clear picture of the importance of **agility and procuring good data science to be effective in generating leads.**

Lusk employs a three-part process to manage positive outcomes, consisting of: 1) making sure the team has the right frame of reference with regard to what market the company plays in - and what it does - rather than narrowly what products they sell, in order to unlock its largest market potential; 2) evaluating and fully leveraging the underlying strengths that provide competitive advantage today; and 3) uncovering untapped growth levers and opportunities to build new strengths for expansion opportunity.



METRICS AND MARKETING SUCCESS

Results expected in awareness, sales, ROI

The expectations of marketing outcomes are at an all-time high, especially from the top. We asked CMOs what they considered to be the most important measures that define “marketing success” in the eyes of the CEO. Figure 18 indicates awareness (51 percent) sits firmly at the top, followed by sales/revenue (32 percent), media ROI (29 percent), lead generation (27 percent), and customer retention (23 percent). This tracks with responses to funnel responsibility: 57 percent cite upper funnel (awareness and consideration) as most important, while 44 percent focus on the mid-funnel (preference/lead generation), as seen in figure 19.

As this benchmark study revealed, the majority of CMOs have responsibility for P&L. A similar majority (67 percent) report a clear metric alignment between sales and marketing. Additionally, the question of objectives CMOs are measured against reaffirm the expectation of marketing delivering on sales and revenue outcomes with overall company sales/revenue cited by 86 percent of respondents.

Which are the most important measures regarding your marketing organization that define what “marketing department success” looks like to your CEO?

(Select the top 5)

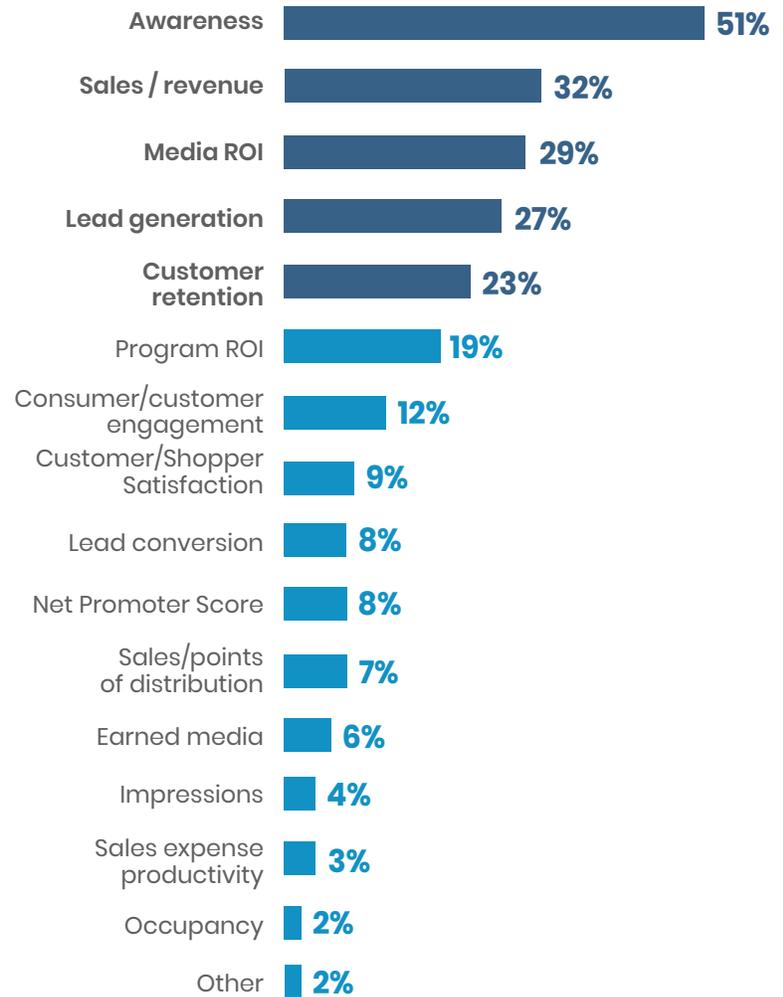


FIGURE 18

For which of the following is your marketing function responsible?
(Select all that apply)

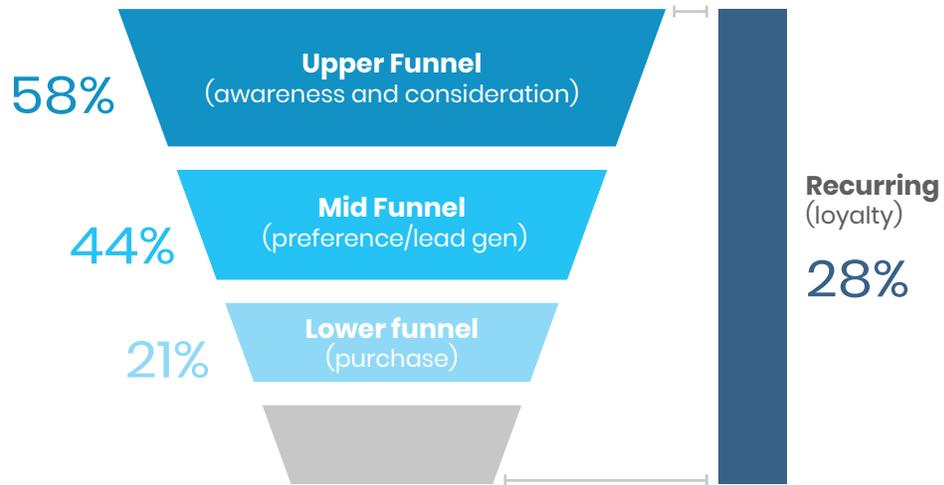


FIGURE 19

insights & takeaways

METRICS & MARKETING SUCCESS

For companies in the health care industry such as Highmark Health, Donohoe explains, “sales” take the form of patient volume and new patients. But marketing’s effectiveness can still be measured and attributed. “We experience patient volume and new patients every day,” she says. “Using marketing mix modeling, we can measure how marketing drives that volume. It is extremely effective in demonstrating the ROI we contribute.”

WHO DRIVES WHAT?

Making an impact and inroads

With a seat at the C-suite table, most marketers are in a position to lead key strategic conversations. CMOs reported they most often lead C-suite conversations pertaining to **customer experience (63 percent)** and **digital transformation (60 percent)**. See figure 20 below.

CMOs cite other key conversations being led by their C-suite peers: conversations led by CIOs include innovation/R&D (48 percent) and growth (37 percent), while CEOs lead conversations around business transformation (59 percent).

During typical C-suite discussions, who generally leads the conversation on the following topics?
(Results indicate how CMOs rate their influence)

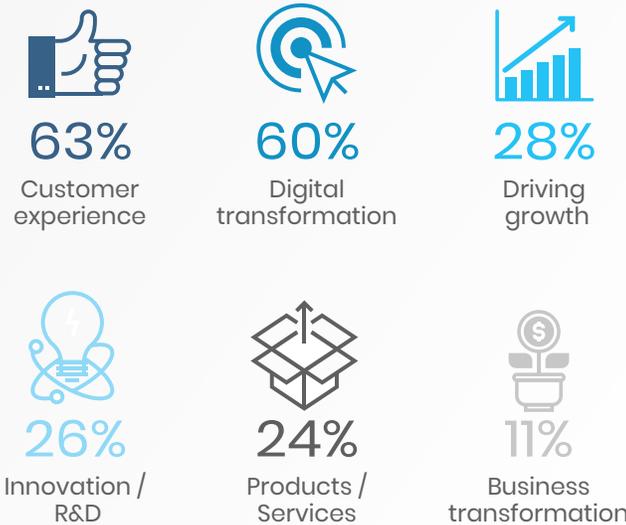


FIGURE 20

CMOs share responsibility of driving strategic initiatives most frequently with the CEO (45 percent) and Chief Sales Officer (26 percent).

If you share ownership on driving strategic initiatives, with which of the following C-Suite peers are you sharing responsibility most frequently?

(Select up to 3)



FIGURE 21

CMOs strongly agree (61 percent) they have a significant impact on the strategic decision-making process. But it falls dramatically when it comes to ability to easily garner support from peers (26 percent) or have a significant impact on the direction of the business (26 percent). See figure 22.

Interestingly, in this benchmark study, only 15 percent of CMOs share responsibility with CIOs, yet they often share overlapping goals and responsibilities. In contrast to CEOs, CMOs also have overlapping goals with CEOs but collaborate with them three times more than with CIOs. This could offer insight into why “ability to easily garner support from peers” is relatively low.



FIGURE 22

WHO DRIVES WHAT?

Some of the disconnect uncovered in the survey around leading conversations and influence, could be explained by exploring how well marketers are “marketing” themselves in the broader organization. It could be an overt approach to connecting the dots to business value or a behind-the-scenes strategy, conveying that value to peers outside of C-suite meetings and allowing them to advocate for marketing on their behalf.

It comes down to the 90-10 adage in marketing, says Trish Mueller, a board member with The CMO Club and former CMO at The Home Depot: “Ten percent of your time is spent talking about what you do, and 90 percent doing the work. But if in that 10 percent, you fail to convey the value of what you are doing, that 90 percent goes to zero.”

To maximize that 10 percent, **CMOs should find the best strategy to earn their way into the conversations and decision-making process that determines the strategic direction of the business.** With only 12 percent of CMOs sharing ownership of strategic initiatives with CFOs (figure 21), this remains a challenge. However, some CMOs experience success co-leading or partnering with others to gain the respect and stature they need to have a broader impact.

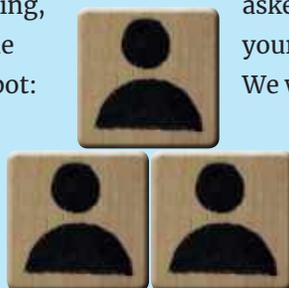
This could help bridge the gap between CMOs’ shared responsibility with CEOs and having a significant impact on the overall direction of the business, reported at a much lower percentage (26 percent) by CMOs surveyed.

For example, Donohoe’s team partnered with corporate communications to revamp the company’s mission, vision, and brand promise and rolled it out to its 40,000 employees. The process sparked the beginning of a complete change in corporate culture. One inspired from a strategic business direction, but also for employees personally.

“We started by asking ‘Why do we do what we do?’ ‘How do we win?’ Then we took it a step further and asked ‘What’s your purpose in life? ‘What is your passion? ‘How do we bring it to work?’ We wanted to make a personal connection to the brand and everything we do as a company,” she explains.

This spawned “The Why” tour of corporate-wide workshops, which Donohoe describes as “unbelievably well received.” The longer-term result of this initiative, she notes, is, “Now my role is to make a purpose-driven company,” which allows her to make a significant impact on the decision-making process and the direction of the business.

Thalberg sees the marketing officer of an organization as ideally suited to lead conversations centered around strategy and growth: “When it comes to driving short- and long-term growth, there’s no function that has more capabilities and the right mindset for that than the marketing leader.”



SKILLS GAPS

Seeking “center-brained” contributors

The digital transformation of marketing is ever-expanding, and the corollary demand for technology savvy talent in marketing organizations only continues to grow. Thus, it is no surprise that the most critical skill gaps cited by CMOs surveyed center around data.

Data science ranked first at 78 percent, followed by analytics (68 percent), user experience (60 percent), customer experience (58 percent), and new technology capabilities (56 percent). See figure 23.

It is interesting to note that beyond these top five critical functions, other skills such as creative, strategy, social, and sales drop significantly in importance in this study, garnering barely 9 percent or less of responses. Many of these are well-established disciplines and/or have begun to take on a lower priority in the increasingly data-driven environment.

What are the most critical skills gaps in your organization?
(Select up to 3)

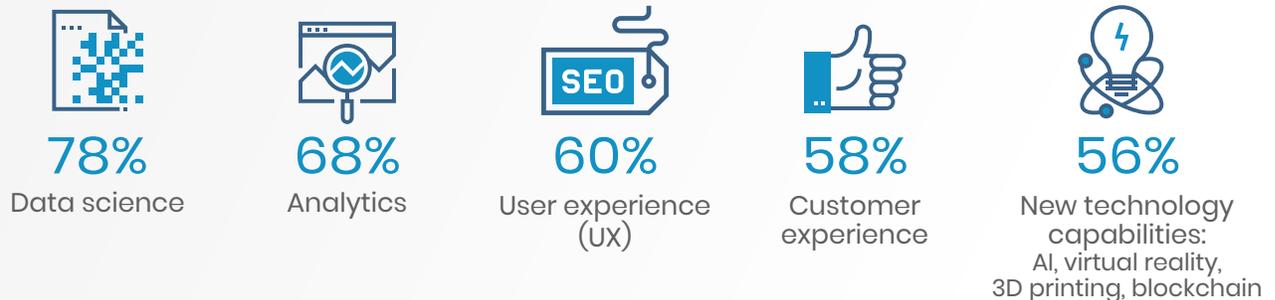


FIGURE 23

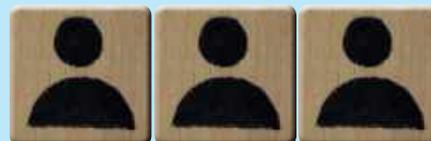
SKILLS GAPS

As he builds out the transformation of the marketing organization at Petco, Hassan sees the need for more capabilities in customer experience and customer experience design. “Everyone talks about customer journey, but we need to master how to fully understand it and design against what ends up being amorphous projections of the customer,” he explains. Moving forward, Hassan says he also seeks to build out capabilities in data science, search, CRM, and performance marketing.

Mc Laughlin takes a hard line on the digital experience with new hires. “We are always looking for data-driven marketers. But I won’t consider anybody unless they have a digital background.”

Lusk points to closing gaps in technology as well as skill sets. “Our goal is to make sure we are aligning data systems internally with both rear view mirror insights and with front windshield, proactive problem solving. Then determine what we need to do to provide our leaders with real time tools for better decision making and outcomes.”

Center-brained candidates—those with technical acumen in tune to the human aspect of marketing—will be highly sought after as marketing organizations evolve.



LEADERSHIP VOID

Grooming a successor

Skill gaps leave marketing organizations underserved, but also can lead to voids in clear paths to leadership. Leadership roles today are being driven by complex business dynamics, big agendas, and intense pressure to deliver results. That leaves little time to focus on training and professional development for direct reports to prepare them for their next move up the ladder.

This could very well shed light on the alarming results of a simple, yet key, question regarding CMO succession: When asked if they have a direct report who could step into the CMO role tomorrow, if needed, a full **61 percent of respondents said “no.”** (figure 24)

Do you have a direct report who could step into the CMO role tomorrow, if needed?

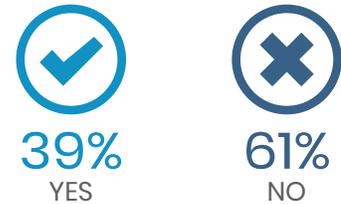


FIGURE 24

insights & takeaways

LEADERSHIP VOID

“The toughest transition to make is from individual contributor to manager,” observes Lusk. “It requires a very different skill set to go from owning a marketing function to owning a department or building a team.” He recommends that all leaders should make time to develop organizational readiness and a succession plan with their team. “We should always work with our direct reports to build the skills required for their next job, not just the one they have at hand.”

Aon takes a proactive approach to professional development to avoid leadership vacuums. Internally, they offer a leadership development program, consisting of five levels through the course of one’s career, from college graduate to senior executive level. Externally, the firm partners with Harvard and Booth on leadership programs for its promising talent. On a personal level, Miller says, “I always make a point to provide exposure of rising reports to top leadership, including the CEO. This gives them visibility and also helps me gauge their ability to interact with higher level stakeholders within the company.”

Propelling the Marketing Evolution Forward

Overall, in reviewing the results of both the quantitative and qualitative aspects of this benchmark study, one major conclusion reveals that the state of marketing organizations today is one of constant change.

69 Avg total team size	59% report to the CEO	64% own lead generation	68% responsible for P&L
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Embracing the relentless, inevitable evolution of the lead marketing role and organization can require a firm grasp of priorities, C-suite relationships, measurement of success, professional development of team members, and succession planning.

As the lead marketer, you can help advance the process by evaluating the current—and future—state of your marketing organization with the following questions:

- 1. What are you seeking to lead?** Be clear and set the agenda with the CEO upfront.
- 2. To drive cross-functional change, do the right functions directly report into marketing** (e.g., customer experience or transformation)?
- 3. Driving in the C-suite is often more about developing deeper relationships than being simply a functional expert. Are you dedicating time to this?**
- 4. If you answered no to the third question, you likely need to cultivate stronger leadership in your direct reports.** How can you invest in them and pay dividends for your executive leadership success?

If no one understands what you and your team are doing, did you actually do it? It is more important than ever for the organization to understand how you support the business and drive outcomes.

Consider the “light bulb in the broom closet” analogy shared by Tariq Hassan:

“When you’re driving a tremendous amount of change, prioritization becomes very critical and provides a road map to driving changes based on one very critical element: ‘What is the highest value for the customer?’ This helps you avoid what I refer to as changing the light bulb in the broom closet that nobody goes into. Because it’s burnt out, you change it, and feel really good that it works again. But there’s no value to it.

Instead, you have to understand what the drivers of satisfaction are for your customer and what the implications of the short-term outcome in the marketplace will be. That will give you the signals to make changes in the right order because they drive value for the customer—and for the business. In the end, this will help organizations prioritize which light bulb is actually out and needs to be changed to achieve the highest value, or return, for their efforts.”

Facing organizational and professional transformation in a positive light—and demonstrating that across the C-suite—can help CMOs change the right “light bulbs” in their organization and illuminate the path to a brighter future.

EDITOR’S NOTE: this article is solely for educational purposes and is based on the interviewees’ knowledge of the subject and the views expressed by them are solely their own. This article should not be deemed or construed to be for the purpose of soliciting business for any company.”

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