

# ONLY THE STRONGEST CMOS WILL SURVIVE

Senior-level marketers must anticipate and embrace a massive reinvention of the marketing function



**MARY DILLON:** The McDonald's CMO ensures marketing plays a global role, going beyond promotions and ads



**CAMMIE DUNAWAY:** As CMO of Yahoo, she anticipates the needs of multiple audiences in a way that ties back to measurable results



**JOHN HAYES:** Since joining AmEx in 1995, the CMO has used customer research to launch innovative products such as OPEN



**SHIRA GOODMAN:** The exec VP-marketing has been integral to Staples' resurgence, proving marketing's relevance through customer research

## By SCOTT DAVIS

OVER THE PAST TWO YEARS, my contributions to *Advertising Age* have ultimately supported a single theme: Our fast-changing world is forcing a massive reinvention of the marketing function and its leadership. And those senior-level marketers who can't anticipate and embrace the implications and opportunities will be marginalized, at best, in their roles.

Of course, you often read about those who are not just along for the ride but are charting the course. Folks like American Express' John Hayes. Staples' Shira Goodman. Yahoo's Cammie Dunaway. McDonald's Mary Dilllon.

These are the executives who aren't about to be marginalized anytime soon. They're what we call empowered CMOs.

They've earned this status by demonstrating the power a strong marketing organization can wield in propelling profitable growth for the business. By showing their ability to deliver, they've been granted this status by their savvy CEOs, who understand marketing's importance as owner and driver of the customer relationship. And they've earned this status from their peers, who recognize marketing's role in fostering internal unity around on-brand behaviors.

But getting there, becoming a firm leader—that's the challenge.

At its most basic, this requires senior marketers to take command, within their own function and among their peers, of what it takes to succeed—according to pure business values—as a customer-focused organization. This means understanding and executing against business goals, including increased market share, volume, profit and share price.

On a loftier level, however, those who aspire to be empowered must be

poised to address four key mandates.

First, they must deliver on the mandate to enhance the business' reputation and, ultimately, the power of its brand. The importance of public opinion has never been more critical. A strong brand and exemplary reputation go hand in hand. Moreover, they ensure a stock price that remains strong despite the vagaries of broader market conditions.

But it's not just external perceptions that empowered CMOs are charged to shape. They must have forged the necessary alliances with their peers that allow them to meet a second mandate: to marshal internal alignment around a clearly articulated and well-positioned brand. If businesses hope to be able to go above and beyond in meeting customers' expectations of the brand, those charged with upholding it—in every reach of the organization—must understand what it means and how it impacts their day-to-day operations.

With external and internal perceptions in alignment, empowered CMOs will be well-positioned to deliver on the third mandate: playing an instrumental role in driving top- and bottom-line growth. Empowered CMOs understand that the business exists for the fundamental reason of achieving growth and, with it, shareholder value.

Finally, empowered CMOs meet the increasingly pressing mandate to optimize marketing (and sales) effectiveness. This means deepening marketing's understanding of the independence and interdependence of various kinds of marketing spend, and responding accordingly in such areas as offer development and media mix. It means better matching investments to customer priorities. And, most important, it means understanding and demonstrating how marketing investments influence business metrics.

You increasingly hear how these mandates play out in action: businesses where marketing, IT and research find creative new ways to understand what matters most to customers. Businesses where marketing and HR team up to design new-hire training programs that reinforce how internal culture and values influence the customer experience. CMOs who risk shifting marketing dollars to other critical customer touch points to (successfully) create maximum brand and business impact. Marketers who bring a dynamic test-and-learn approach to their initiatives to ensure they're making the most of traditional and new media tactics, without breaking the bank in the process.

Marketing decision makers today are grappling with a Dickensian best-of-times/worst-of-times world. The opportunities presented by proliferating channels to customers, a renewed focus on and capabilities in innovative techniques and tactics, and expanded permission to play in new arenas are creating exciting vistas.

But the increasing complexities of a hotly competitive global economy combined with savvy and more discerning customers make it harder to achieve success according to solid business measures. The ability to address these opposing pressures is what's going to distinguish the empowered CMO moving forward.

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marketing to drive profitable growth.

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