

THE CMO'S GROWTH DRIVING PLAYBOOK



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CMO
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INTRODUCTION

The CMO Council, in collaboration with Deloitte, recently embarked on an initiative to investigate if and how chief marketing officers are embracing their roles as growth drivers. According to new data revealed in the study, **“CMOs and the Spark to Drive Growth,”** some marketers have adopted a short-term gains focus fueled by traditional marketing activities such as demand generation, and campaign-driven marketing. Still others have embraced a more creative and engaging strategy fueled by storytelling and branding, positive progress in the journey beyond a short-term gains focus, but these activities can only go so far.

Yet the research also identified a budding cohort of marketers with a long-term growth mindset, who are taking marketing’s traditional role of Chief Brander and Storyteller even farther to help drive profitability. Indeed, 18 percent of the study’s respondents indicated they

were “extremely poised to succeed” as the growth leader their organizations expect them to be. What sets this group apart from other marketing leaders? Do they approach growth initiatives with specific priorities? How do they overcome the challenges that continue to stymie other marketers?

A closer look reveals that these leaders do, in fact, prioritize, focus and collaborate differently. What follows, **The CMO’s Growth-Driving Playbook**, is a compilation of insights drawn from this group. Their “plays”—common goals, mandates and approaches—provide a glimpse of how today’s marketing vanguard is helping advance the growth agenda and reshape the role of the modern CMO.



Many growth drivers not only define growth—they spell out the difference between short-term gains and long-term growth and profitability.

GAINS = Short-term “pops” of engagement and transaction, typically resulting from efforts such as individual sales-enablement programs and demand-generation campaigns.

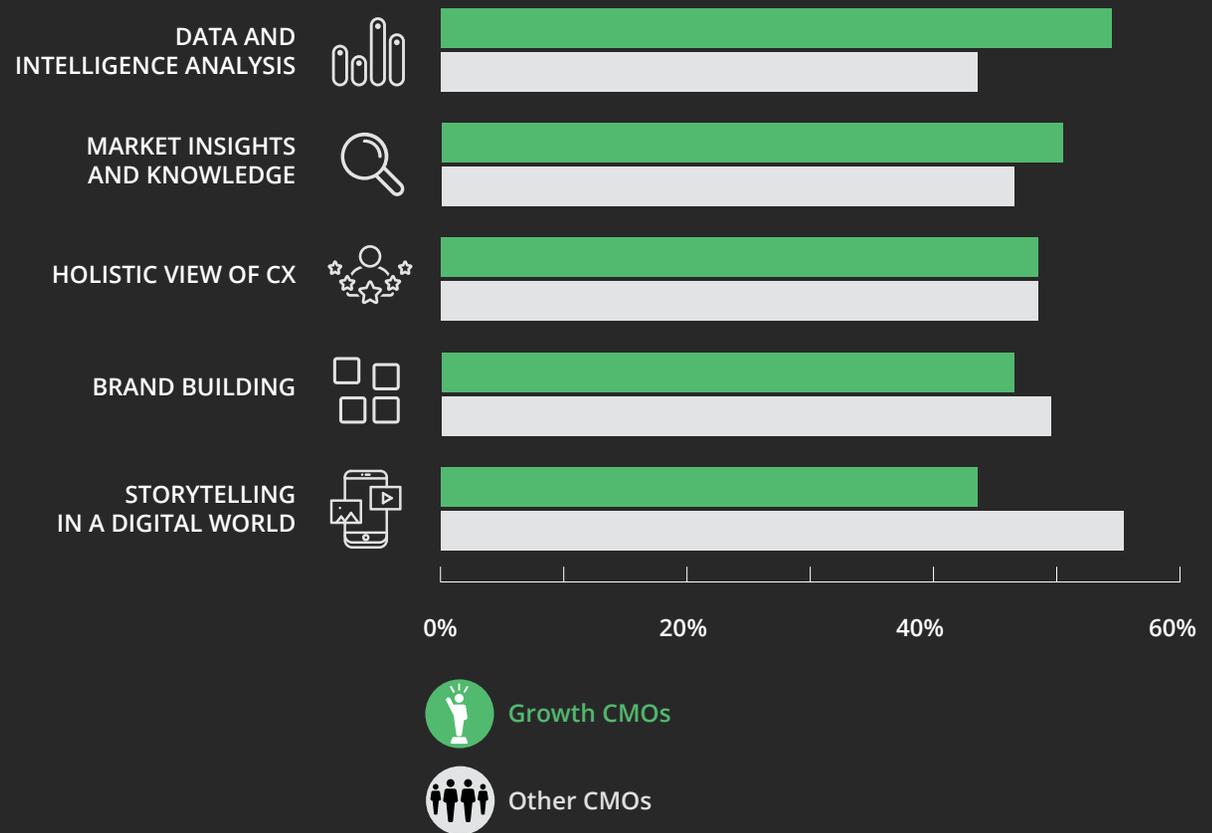
GROWTH = Long-term, sustainable expansion delivered through corporate-wide, revenue-focused strategies and decisions.

Striving for gains focuses the CMO's attention on storytelling and branding as the cornerstones for a campaign-based model. Each story communicates the value of the business in an effort to engage an individual. While these can be effective, foundational activities, they typically are limited in their ability to drive growth.

Growth leaders, by contrast, often focus on the longer-term pursuit of sustainable revenue growth. These CMOs commonly seek to shape the landscape ahead by identifying new product strategies, global market expansion, M&A viability, and other opportunities. They also seek to improve operational effectiveness and efficiency to better manage costs and maximize margins for profitability.

For the growth CMO, using data to gain a deep understanding of both customer and market can be critical. Storytelling remains an important vehicle, but customer insights can determine the plot.

KEY SKILLS DRIVING THE GROWTH AGENDA



Q: WHAT SKILLS HAVE HELPED YOU, PERSONALLY, TO SHAPE AND EVOLVE THE GROWTH AGENDA?

DEFINE THE DIFFERENCE BETWEEN GAINS AND GROWTH

GROWTH LEADER PLAY



SHOUMYAN BISWAS

*Vice President of Marketing,
Flipkart*



At e-commerce retailer Flipkart, Shoumyan Biswas, Vice President of Marketing, focuses on what he calls the “gross business growth,” specifically the gross merchandise value or topline value to the business, followed by the volume topline, or the number of transactions or units shipped. These two measures can be critical to the entire business, with leaders frequently asking, **“Is your value business going up? Is your volume business going up?”**

Biswas believes marketing is evolving to become the voice of the customer and will be responsible for ensuring the end-to-end experience. “The CMO’s role in revenue growth will start to shift from focusing solely on the everyday customer funnel management, which is about tomorrow’s growth, and will instead look at how growth is achieved one or two quarters down the path. The CMO must be more strategic, not as tactical or short term.”

“Marketing will evolve to be the voice of the customer and experience, being responsible for ensuring the end-to-end experience.”

RECOMMENDATIONS FOR THE GROWTH CMO



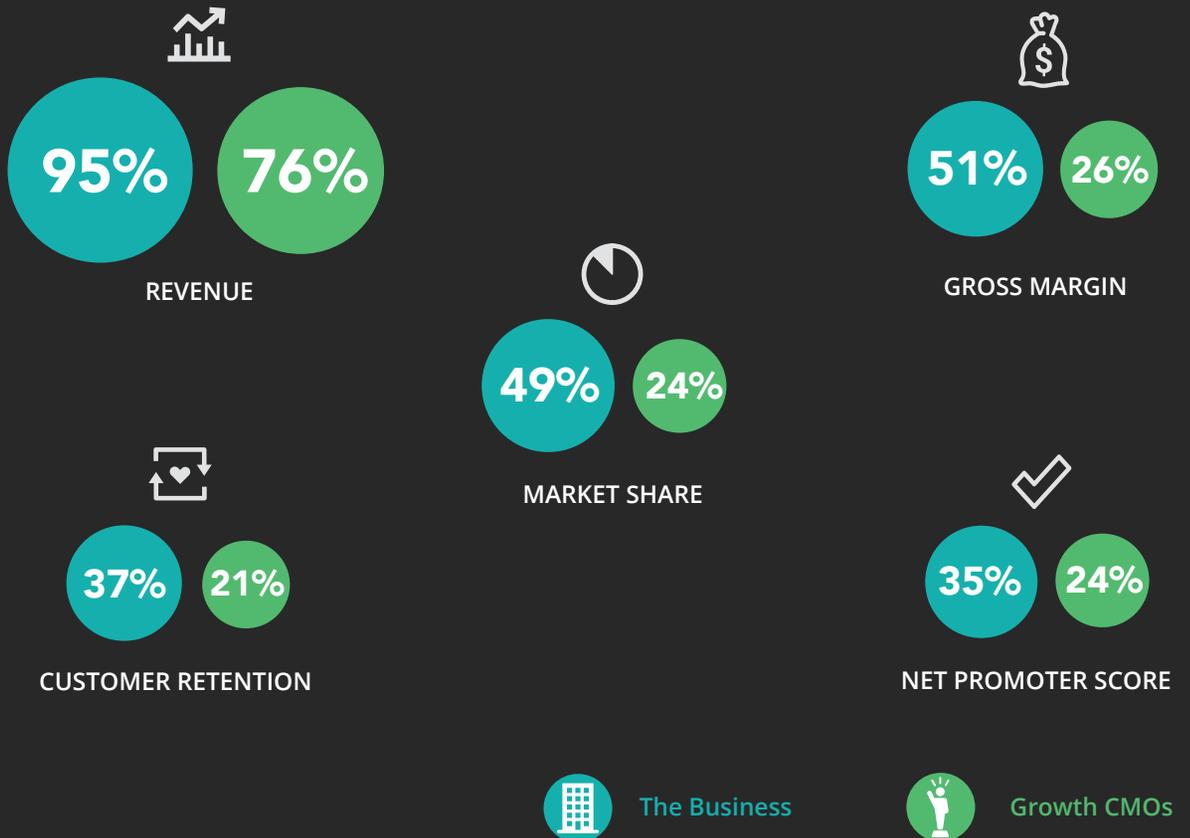
- Clearly define growth with key stakeholders from across the business
- Share data-driven insights about customer preferences and expectations with stakeholders—especially the CEO, COO, and CFO
- Be an active participant in mapping growth, including identifying the viability of M&A opportunities
- Focus on developing and implementing an end-to-end customer experience strategy that connects short-term, campaign-driven gains to the long-term corporate growth strategy

Generally, with a mandate to drive growth, CMOs should change the language in which they report results back to the business. Growth drivers have often shifted from more limited conversations about campaign metrics to broader discussions about revenue, market share, customer lifetime value, and margin.

Many of the growth drivers interviewed for this research advised that marketers should establish and embrace business metrics—not just marketing metrics—to gain more solid footing with senior leadership. Many growth leaders also advocate a “one team” approach, in which the business speaks, behaves, and engages with customers as one entity and not as a multitude of loosely connected parts.



MEASURING GROWTH: HOW THE GROWTH CMO ALIGNS WITH THE BUSINESS



Q: HOW DOES THE ORGANIZATION DEFINE AND MEASURE “GROWTH”?

Q: IN YOUR CURRENT ROLE, WHERE DO YOU PERSONALLY FEEL MOST PREPARED TO IMPACT IN THE NEXT 12 MONTHS?



MONICA DERETICH

Vice President of Marketing and CRM, TechStyle Fashion Group (JustFab)

TechStyle
FASHION GROUP

At TechStyle, the company behind subscription fashion brands including JustFab and Fabletics, all dialogue starts and stops around “Her”—the customer and what she envisions for herself, according to Monica Deretich, Vice President of Marketing & CRM within the JustFab business.

While the entire organization focuses on key profitability metrics including revenue and lifetime value, data about the member sits at the center of every business decision. “We are an extremely data-driven company,” Deretich notes. “Yes, we collect data and feedback directly from our members so we can optimize her experience and keep an eye on the market around us. But as an organization, we are also committed to actively analyzing revenue performance data and looking for signals that identify and support efficiencies.”

This analysis has centered the business around a concept known internally as “one team.” “We’re one team at the end of the day and we are all tied to the same bottom-line goals. One department achieving their own initiatives means very little if the rest of the business is struggling,” Deretich explains.

“As an organization, we are ... committed to actively analyzing revenue performance data and looking for signals that identify and support efficiencies”

The one-team mentality is evident in everything from overarching business strategies to marketing-led acquisition and retention programs. “We build for the business in tandem, knowing that as we innovate and optimize experiences and strategies, we can foster collective buy-in from cross-functional teams.”

Perhaps most important, this cultural outlook has resulted in the entire business, regardless of focus or function, speaking a universal language that is rooted in data, measured by profitability, and laser-focused on the member. “Speaking in one voice for one team helps prioritize initiatives, with results always appearing on the same scoreboard with the rest of the company,” Deretich says.

RECOMMENDATIONS FOR THE GROWTH CMO



- Establish revenue as the common language across all functions
- Define how specific investments and campaigns have improved the customer experience and accelerated or augmented growth
- Measure the business, not how marketing does business
- Learn the lexicon of finance, operations, and IT. As one CMO noted: “You don’t have to be an expert, but you should be able to have an informed dialogue about common business goals and requirements.”

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CONNECT ACROSS FUNCTIONAL SILOS

“Functional silos” have long been highlighted as a common constraint to success for today’s marketer, blocking everything from the development of an organization-wide customer experience strategy to the integration of comprehensive customer data.

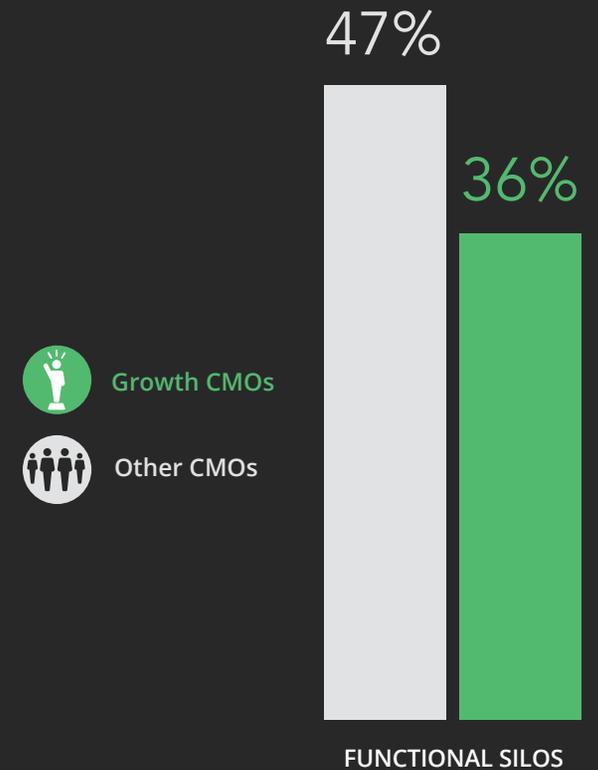
Silos, as some respondents point out, typically are built out of necessity to develop operational and functional centers of excellence. However, their evolution into impenetrable fortresses often has more to do with corporate culture and politics than necessity. For many growth leaders, building connections across these functional silos is a priority.

Functional silos plague many CMO respondents, including the growth-driving leaders. According to 36 percent of growth leaders, and 47 percent of all other respondents, functional silos that keep data and touchpoints separated threaten to derail the success of growth strategies.

A key, as growth-driving executives agree, isn’t to attempt to remove silo walls, which can threaten functional stakeholders and heighten a company’s aversion to risk. Instead, these executives actively build connections, treating each group as a center of functional and tactical excellence that can be integrated and aligned into the overarching customer strategy.



TOP CONSTRAINT TO SUCCESS



Q: WHAT THREATENS TO DERAIL THE ORGANIZATION'S GROWTH STRATEGIES IN THE COMING YEAR?



JULIE SATALOWICH

Vice President of Corporate Marketing, Century Communities



For some organizations, a merger can be disruptive to the internal culture and the external customer experience. Yet for Century Communities, it has highlighted a need—and offered an opportunity—to break down communication barriers, connect siloes, and establish a comprehensive, organization-wide playbook for action.

“Through rapid growth, we have maintained consistency across the organization. It has to be flawless, or it’s difficult to execute,” says Julie Satalowich, Vice President of Marketing at Century Communities.

The company has created task forces of cross-functional leaders from HR, IT, sales operations and marketing, with one function taking the key role of driver. “We establish exact time frames, what’s going to happen and how we all execute together. **The more we cooperated with one another, across the silos and functions, we started to recognize how much faster we could operate.** We weren’t hitting roadblocks or tripping over operations that were not in sync with the growth plan. That started during the mergers, but it’s how we operate on a day-to-day basis now.”

“Through rapid growth, we have maintained consistency across the organization. It has to be flawless, or it’s difficult to execute.”

Cross-functional collaboration didn’t come easily, however. “The first time, it was a big puzzle. It was trial and error and a little bit messy. But now we know we can execute immediately. We’re all walking shoulder to shoulder to tackle this growth.”

RECOMMENDATIONS FOR THE GROWTH CMO



- Partner across silos to solve the big issues quickly. Leverage these partnerships to address the day-to-day challenges that could be impeding growth
- Formalize a growth playbook across all functions, establishing a single customer experience path that can drive growth
- Collaborate with the specific intention of innovation; by setting a clear mission and path, the entire organization can champion their own functional expertise while teaming to advance the overarching agenda

Some 71 percent of all marketers surveyed see the president or CEO as their primary ally, followed by the head of sales (56 percent) and line of business leadership (38 percent). However, growth drivers also see the board of directors as a key ally, with 35 percent indicating the board is a champion of growth strategy development, compared with 24 percent of the remaining respondents. This difference could indicate that the path to growth may be smoother for those with greater support from line of business leadership and the board.

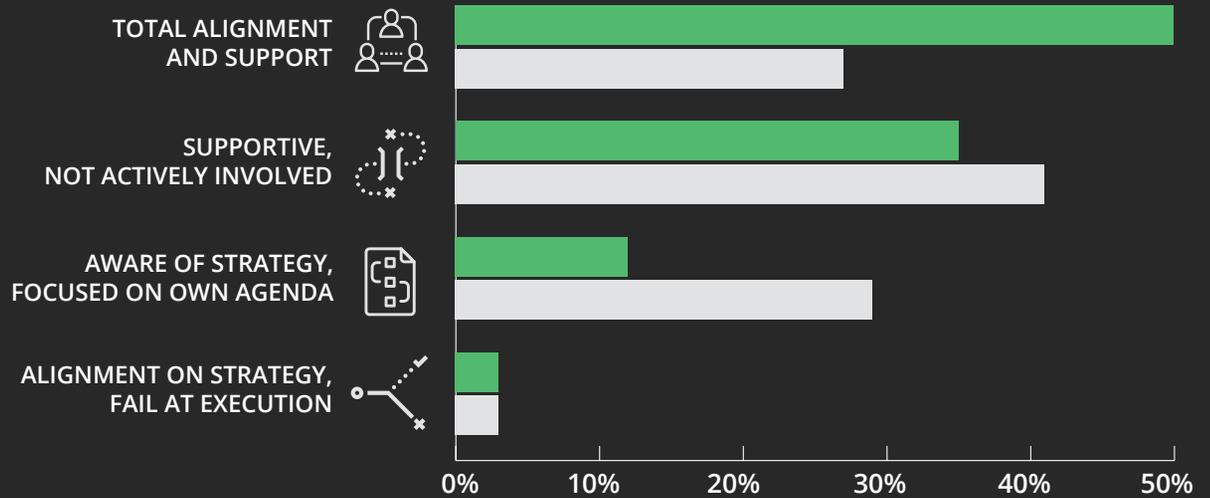
Many growth-driving CMOs indicate they are working to rally corporate leadership around the customer. Half of the growth drivers surveyed believe they are totally aligned with their champions and allies, and that these corporate power centers are in full support of their growth agenda and activities. This is a notable contrast to the 27 percent of the remaining marketers surveyed who indicate the same. In fact, the majority of non-growth marketers believe their champions and allies, though supportive of marketing's efforts, are not actively involved in advancing the marketing-defined growth agenda.

Partnership and, in some cases, even deep respect and friendship, mark the relationships many CMOs have

forged with cross-functional partners and collaborators. Just as savvy marketers seek to understand their customers' needs and expectations, growth leaders often seek to develop deep insights into what makes internal stakeholders tick.



CHAMPION AND ALLY SUPPORT OF THE MARKETING-LED GROWTH AGENDA



Growth CMOs



Other CMOs

Q: HOW AWARE AND ALIGNED ARE YOUR ORGANIZATIONAL ALLIES TO YOUR GROWTH STRATEGIES AND GOALS?



SIMON SPROULE

*Chief Marketing Officer,
Aston Martin*



Simon Sproule, Chief Marketing Officer of automotive brand Aston Martin, stepped into a business ready for transformation. When Sproule joined alongside CEO Andy Palmer, with whom he had previously worked at Nissan, the company developed an organization-wide, seven-year plan for global growth. With this global center point, growth became something relatively simple to define and measure. “For us, growth is very simple: EBITA, the bottom-line, profitability of the business. The scorecard for the management team is sustainable profitability.”

In a time of transformation, this vision demanded that the business's internal culture be reexamined and retooled. “The biggest single factor we looked at was culture, and that started with management,” Sproule says. “A lot of companies forget the importance of the ‘soft stuff.’ Do you have a management team that actually likes each other? Are they pulling in the same direction? If the top team is cohesive and setting examples, there is a better chance that the rest of the organization will follow.”

*“For us, growth is very simple:
EBITA, the bottom-line,
profitability of the business. The
scorecard for the management
team is sustainable profitability.”*

“We are seeing the return of more human values in how we deal with others, be it with our customers or with our leadership groups. It all comes back to how a leader leads and how a leader respects the expertise and value of the person standing right next to them.”

RECOMMENDATIONS FOR THE GROWTH CMO



- Align across all leaders, especially the CEO, board and line of business heads. Ensure these champions are actively supportive and participate in the evolution of the customer experience and growth strategy
- Adopt a common view of the customer, the journey, and the destination that all functions must advance toward. Don't waste energy trying to teach the organization about marketing; instead, educate about marketing's impact on revenue, operations, and organizational effectiveness
- Actively engage with other functional leaders to understand their agendas and help advance their strategies and priorities. Growth demands partnerships, not land-grabs and political posturing

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THINK LIKE A CEO – AND PREPARE FOR THE ROLE

In the past, the career path for marketers typically started in digital, communications, or branding and, for those who rose through the ranks, culminated with the CMO role. Today, as CMOs actively play the part of customer champion, experience strategist, and growth leader, a new and exciting path extension has emerged: the CEO role.

Brands including McDonald's, Chipotle, Taco Bell, Campbell Soup, Mercedes Benz, Gilt Group, Royal Dutch Shell and H&R Block have brought on CMOs to fill the CEO post. The hallmark of these executives is that while they were passionate about the brand, they led by understanding and embracing the business. In an interview with Deloitte Insights in CMO Today, H&R Block CEO Jeff Jones, a self-described career marketer, noted that his most important piece of advice for marketers is to learn and understand the business.

Jones shares his experience in his first role serving as CMO with a public company: "I didn't know or understand how the business made money. I couldn't speak the language of finance or relate to the CFO. I got so excited about the brand and its potential that I made mostly brand decisions, not business decisions."

This revelation encouraged Jones to make a critical pivot in mindset and strategy, actively seeking out deeper knowledge about the drivers and priorities of business peers and functional leaders. "I learned that my future success hinged on my ability to dig deep and get smart about the business and the domains of other C-suite leaders."

Jones notes that CMOs too often diminish their power and potential to lead. "They think too much about execution and not enough about customer strategy. They fret about what they don't have—in terms of budget, talent, or control—rather than commanding what they have."

Despite what can be a steep learning curve, CMOs have a tremendous opportunity. No other office in the C-suite is as equipped with a direct understanding of the customer. This knowledge, powered by data and analytics and wrapped in a deep understanding of the





STEVEN SCHILLER

President, International Business, The Hershey Company



Steven Schiller, a former marketing executive who is now President of International at the Hershey Company, says there are two types of marketers: Those who are general-management-centric and those who are brand-equity-centric. While both are important roles, he notes, focusing solely on brand equity can make marketing's impact on the P&L less clear.

"In reality, both parts of this equation are required; you need that whole brand approach as both brand equity driver and business builder," he says.

Schiller's advice for marketing leaders looking to advance beyond the office of CMO is simple: Stay focused on the core drivers of the P&L. **"You always want to take some shots and make a few bets, but you've got to keep measuring how it is driving financial performance."**

"You need that whole brand approach as both brand equity driver and business builder."

And for today's marketers looking to fully embrace the role of growth driver, Schiller offers this: "The world has gotten far more complex and it will get even more complex as we move forward, which makes the job of a CMO very difficult.

"The most gifted marketers, the most successful CMOs, will be the ones who can take the complexity and can make it simple. This is the leadership that galvanizes an organization to move in a profitable direction."

RECOMMENDATIONS FOR THE GROWTH CMO



- Focus on the core drivers of the P&L
- Merge the traits and philosophies of the brand equity driver and the business driver, galvanizing support for engagement strategies across the organization
- Translate the complex into simple, promising opportunities for growth
- Recognize the path to CEO is not necessarily linear. Take on international, field, and even business development roles to gain experience beyond brand-building.

PARTING WORDS OF WISDOM

Each of the marketing leaders interviewed as part of this research was asked the same question at the conclusion of each conversation: What advice would you give to your marketing peers looking to accelerate their advancement as a growth driver? Their advice ranges from the pragmatic to the inspirational. Overall, it is a call for leadership, for bold strokes, and for CMOs to seize the opportunity to be brand champions *and* business builders.



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*US and Global Head, Marketing,
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*VP, Marketing,
Lending Tree*



MONICA DERETICH

*VP, Marketing & CRM,
TechStyle Fashion Group*



JULIE SATALOWICH

*Vice President of National Marketing
Century Communities*

PARTING WORDS OF WISDOM



"Never stop thinking. Always innovate. The day you stop thinking is the day your brand probably will start stagnating."

MOHAMED LADHA

US and Global Head, Marketing
ARIAD Pharmaceuticals



"Be bold. Don't be afraid. Take some calculated risks, but make sure you are learning from everything you do. Feed that learning to make every day a better day of marketing at your company."

SUSAN BEERMAN

Chief Marketing Officer
Ellie Mae



"Talk about real people. We all talk about knowing the customer, but really it is on a spreadsheet. Don't use data as an excuse not to engage personally with your customer."

SIMON SPROULE

Chief Marketing Officer
Aston Martin



"Collect every single experience you can find. Be broad without being a generalist. You have to be passionate about what you do every single day. If you're not, you're in the wrong job!"

WENDY WAHL

Head of Enterprise Marketing
Aetna

PARTING WORDS OF WISDOM



"Get fluent in technology. Understand the language...understand how things work from a technology perspective. Technologists want to be closer to the business and by understanding that language, you turn a resource into a trusted partner."

JOSH FRANCIA

VP, Marketing,
Lending Tree



"Be open-minded, and always research other industries to see what's working. Try to stay ahead of the technology before everyone else catches up with it."

JULIE SATALOWICH

Vice President of National Marketing
Century Communities



"Have the right people and have the right plan. Both are vital components that are not mutually exclusive. You can have the best people with no vision. You can have a great plan, but no people to put it into practice. Without both, you are going to waste an awful lot of energy running in different directions."

MATTHEW MOORCROFT

VP, Global Marketing,
Cambrex



"Pay attention to the nascent markets. Constantly look at who is going to disrupt an industry; look at the VC world and see who is getting funded."

KELLY STARMAN

Vice President, Marketing,
Athenahealth

PARTING WORDS OF WISDOM



"Challenge your teams...ask hard questions. I love putting challenges in front of my team because I want them to ask 'why', I don't want them to just take performance at face value."

SAMANTHA GOLDMAN
Head of Enterprise Marketing
Lyft



"Data holds the power and is the key for growth. It is important to test, learn and if you fail, fail fast."

MONICA DERETICH
VP, Marketing & CRM,
TechStyle Fashion Group



"Stay close to the customer. Thinking from the customer perspective and understanding their pain points helps identify problems facing customers BEFORE solutions are developed."

RAVI RAVISHANKAR
Vice President Marketing
Equinix APAC

ABOUT CMO COUNCIL



The Chief Marketing Officer (CMO) Council is dedicated to high-level knowledge exchange, thought leadership and personal relationship building among senior corporate marketing leaders and brand decision-makers across a wide-range of global industries. The CMO Council's 15,000+ members control more than \$500 billion in aggregated annual marketing expenditures and run complex, distributed marketing and sales operations worldwide. In total, the CMO Council and its strategic interest communities include over 65,000 global marketing and sales executives in over 110 countries covering multiple industries, segments and markets. Regional chapters and advisory boards are active in the Americas, Europe, Asia Pacific, Middle East and Africa. The Council's strategic interest groups include the Customer Experience Board, Digital Marketing Performance Center, Brand Inspiration Center, Marketing Supply Chain Institute, GeoBranding Center, and the Coalition to Leverage and Optimize Sales Effectiveness (CLOSE).

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