Competition, coexistence or symbiosis?
The DNA of C-suite sales and marketing leaders

The CMO perspective
In the blink of an eye, digital channels have changed marketing forever. Traditional audiences and sales channels are fragmented, the internet has empowered customers with information and unprecedented access, and big data and advanced analytics have become central to decoding customer behavior and future trends.

To prosper in this new world, the chief marketing officer (CMO) must develop improved relationships, new skills and greater customer intimacy. However, an EY survey of more than 800 sales and marketing leaders and C-suite executives, along with over 20 in-depth interviews, shows many CMOs are caught in the headlights: knowing they must change but slow to act.

The research, outlined in full in Competition, coexistence or symbiosis? The DNA of C-suite sales and marketing leaders, delivers essential insights into what it means to be a marketing leader today.
Meet today's CMO

The average CMO is a 44-year-old man, who has been in position for more than four years. They have studied hard to go far: one in two hold a master's degree and almost two-thirds (64%) are on the executive board. Their workload is growing: a rise in responsibility and activity is the most notable change over the past five years. Today's CMO can be hard on themselves: more than two out of five believe their own weaknesses, such as deficiencies in soft skills and education, are impeding their career progress. And only 14% predict they will be CEOs in five years, half the number of CSOs, with more than one in five saying they are held back by their bosses' low opinion of them.

43.9 year-old male

In the role for 4.15 years

50% hold a master's degree

64% are board members

32% of CMOs are women

The top three things that make being a CMO worthwhile

CEO 89%

Brand development

Strategic management

Getting results

Most important career influencers

Key clients 55%

CEO 89%

68% say they are measured primarily on how well they keep to their budget

73% believe effective budget management skills are vital to the role

Budgetary concerns

See personal restraints as the biggest barrier to development

Only 35% are satisfied with their work-life balance

More than one in four feel they are handicapped by limited resources

5 years

29% expect to be in the same role in five years

get most satisfaction when measured on their own performance

55%

35%
A world of change

Technology has revolutionized the CMO’s job, with web-powered and informed customers calling the shots like never before. Technical skills are essential to pleasing these more demanding customers, particularly when it comes to capturing and interpreting data. Meanwhile, corporate reputation now relies as much on internal behavior as the external image, as companies face 24-7 social media scrutiny. And, against a history of silo working, the need for sales and marketing to share data and channels, and for a seamless customer interface, is demanding greater symbiosis between the functions.

Aspects essential for becoming a CMO

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Percentage of respondents who have chosen a 8, 9 or 10 on a scale from 1 = not essential at all to 10 = absolutely essential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being able to manage change effectively</td>
<td>90</td>
</tr>
<tr>
<td>Leading and motivating teams</td>
<td>89</td>
</tr>
<tr>
<td>Willingness to work hard</td>
<td>85</td>
</tr>
<tr>
<td>Being a good networker</td>
<td>76</td>
</tr>
<tr>
<td>Having a charismatic and persuasive personality</td>
<td>76</td>
</tr>
<tr>
<td>Having a good range of soft skills</td>
<td>73</td>
</tr>
<tr>
<td>Proven track record of positive results</td>
<td>71</td>
</tr>
<tr>
<td>Being in the right place at the right time</td>
<td>58</td>
</tr>
<tr>
<td>Having a varied experience and background, e.g., international experience, other functions, other sectors</td>
<td>56</td>
</tr>
<tr>
<td>Mentoring from senior executives</td>
<td>53</td>
</tr>
<tr>
<td>Educational qualifications</td>
<td>44</td>
</tr>
</tbody>
</table>

“We’ve had similar rules since the early 1960s, and now they just don’t hold anymore.”

Mark Reinke, Executive General Manager – Group Marketing at financial services provider Suncorp
Listening to the customer

Despite accepting the need for change, many CMOs are stalling. They rarely listen to the customer: just 58% feel they add significant value by using customer feedback to develop their business, while only 44% agree the “CMO cannot thrive without exploiting big data.” They are still interacting in outdated ways. Just 56% drive forward “best marketing practices that are tailored to a constantly changing customer.” They are also lagging behind when it comes to developing the technical skills necessary to navigate the digital world. “Technical experience in using marketing analytical systems and tools” is considered the least important factor in doing a good job, and the skill they most need to improve is the “ability to implement innovative ways of marketing.”

“The biggest recent change in sales and marketing has been the shift in the ability of our customers to communicate. The industry is no longer the singular expert and source of information it has been in the past.”

Donna Peeples, Chief Customer Experience Officer at insurance and financial services company AIG
Isolated from the pack

The CMO is the loner on the board. They still focus on their traditional allies: more than 7 out of 10 think they have good relationships with the CSO and the CEO, far higher than with other peers. (Yet, despite claiming they get on well with the CSO, in reality, just 54% of CMOs believe sales and marketing work well together.) Less than half consider they have a strong bond with the CIO and just over half with the CFO. The C-suite perceives the CMO’s connections as even weaker than they do. Just 40% indicate the CMO is close to the CIO, while slightly more think the marketing chief and the CFO are on positive terms. There is a similar difference of opinion in regard to the CMO’s relationship with the CEO and CSO.

Strength of CMO’s business relationship with internal stakeholders

<table>
<thead>
<tr>
<th>C-suite</th>
<th>CMO</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>60</td>
</tr>
<tr>
<td>CSO</td>
<td>63</td>
</tr>
<tr>
<td>COO</td>
<td>54</td>
</tr>
<tr>
<td>CFO</td>
<td>43</td>
</tr>
<tr>
<td>CIO</td>
<td>40</td>
</tr>
</tbody>
</table>

(Percentage of respondents who have chosen 8, 9 or 10 on a scale from 1 = needs substantial improvement to 10 = absolutely excellent)

Only 47% of CMOs say they have a strong relationship with the CIO.

The CMO is less than half as likely as the CSO to feel that heading a team makes the job worthwhile.

Yet 89% of marketing chiefs say team leadership skills are essential for the role.
Connecting with IT

Lisa Bacus  
**Executive Vice President and Global Chief Marketing Officer at Cigna HealthCare**

“Working closely with my CIO means we prioritize what really matters and what’s realistic and reasonable, and ensures we understand the resource requirements and what’s doable and what isn’t.

“He’s never failed to help me come up with a solution. For example, I used to struggle with the fact that we often repeat research and insight that already exists elsewhere in the company. I said to him that I would like to create a knowledge management system that could serve as both a repository and a library, that collects not only work that’s in progress, so that people can join in if they want to but, as importantly, enables research that’s been done to be searchable and rich enough to allow people to know where to go to get the answers.

“And he advised that we could buy one or build it ourselves and design it in such a way that it ties into a much broader knowledge management system that is accessible for customers, clients and other stakeholders. I thought to myself, ‘The guy’s brilliant! He’s not only solved my issue, but he’s helped to solve a broader company problem.’”
Have you got what it takes to be a successful CMO?

- All customer touch points must reflect the brand. In what ways are you collaborating with other teams to create the appropriate company-wide culture, service and infrastructure?
- How are you integrating the digital experience in traditional marketing practices?
- Which analytics have you used to measure the customer experience and how are you using the results to improve it?
- What programs are you pursuing to investigate and develop the ideal customer experience?
- How are you developing collaborative relationships with customers?

- In what ways do you monitor the performance of customer-centric companies, both inside and outside your sector?
- How does your contribution to the board drive company strategy?
- In what ways have you collaborated with the CIO to ensure integrated company information systems?
- How do you ensure you and your team remain up to date with evolving technologies?
- Which means do you use to mine relevant cross-channel customer data?
Necessary networks

The CMO’s isolation undermines their effectiveness. In the age of big data, partnership with the IT chief is key to an ability to deliver essential insights. And when it comes to the finance chief, with barely one-third (34%) of CMOs happy with their budgets, better relationships with the CFO should be a priority. Meanwhile, the lack of true symbiosis with the CSO threatens the smooth customer journey. The CMO’s distance from the C-suite also sours perceptions of them and limits their involvement in key areas. Only around one-third of the executive board believes either that their company would fail without marketing or that the CMO’s methods are innovative.

Areas where CMOs add value to the company

<table>
<thead>
<tr>
<th>Area</th>
<th>C-suite</th>
<th>CMO</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and protecting the company's brand</td>
<td>40</td>
<td>68</td>
<td>77</td>
</tr>
<tr>
<td>Differentiating the company's brand from those of the competitors</td>
<td>30</td>
<td>61</td>
<td></td>
</tr>
<tr>
<td>Bringing innovation into marketing or sales practices</td>
<td>40</td>
<td>58</td>
<td></td>
</tr>
<tr>
<td>Using customer feedback to help develop the business</td>
<td>31</td>
<td>56</td>
<td></td>
</tr>
<tr>
<td>Driving forward best marketing or sales practices that are tailored</td>
<td>30</td>
<td>53</td>
<td></td>
</tr>
<tr>
<td>to a constantly changing customer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ensuring that the company effectively uses new channels of</td>
<td>31</td>
<td>56</td>
<td></td>
</tr>
<tr>
<td>communication</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ensuring interaction with the customer is consistent and</td>
<td>25</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>seamless across all channels</td>
<td></td>
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</tbody>
</table>

(Percentage of respondents who have chosen 8, 9 or 10 on a scale from 1 = does not add value at all to 10 = proactively adds considerable value)

“Just 40% of the C-suite says CMOs add value by differentiating the brand.”

“Only one in four of the executive board thinks the marketing chief offers customers seamless cross-channel interaction.”

“You need to be like the conductor of an orchestra. You need to coordinate your own actions and make sure that sales – and finance and information management – are aligned too.”

Valérie Thomassin, Senior Vice President, Corporate Marketing & Communication Europe at Xerox Corporation
The smart CMO

The average marketing chief may be evolving slowly in the face of the digital revolution, but qualitative EY research shows that some leading CMOs are way ahead of the field.

"Successful CMOs speak with the voice of the customer and drive product innovation."
Dr. Michael M. Meier, Co-Leader Global CMO Practice at executive search firm Egon Zehnder

Today’s smart CMO is ...

... responding to the empowered customer
- Using customer insights and feedback to deliver a seamless customer experience
- Encouraging relevant and personal communication with customers
- Ensuring interaction is consistent across all channels

... mastering essential skills
- Developing analytical skills to turn marketing analysis into effective action
- Ably exploiting new technologies and innovative ways of working
- Attaining fundamental sales capabilities

... strengthening key relationships
- Aligning their function with sales and the broader value chain
- Developing more fruitful relationships with the C-suite
- Raising their general C-suite profile by demonstrating their worth
- Making a real strategic impact on the board and its direction

In doing so, they become indispensable, future-proof their companies and make work more fulfilling.
Achieving customer centricity

Today’s CMO has the opportunity to be at the strategic heart of their business. The market insights they can deliver could provide the road map their company needs to become truly customer centric. To achieve this, they must transform themselves, their skills and their mindset and become an integrated part of their company value chain. And they must do so quickly: the new and fickle digitally driven consumer is in no mood to wait.

“Increasingly, customers are looking to buy an outcome. Companies must integrate all their operations, including sales and marketing, to deliver a truly differentiated and positive purchasing experience.”

Woody Driggs, EY Global Advisory Customer Leader
Appendix

This perspective draws from *Competition, coexistence or symbiosis? The DNA of C-suite sales and marketing leaders*. This EY report, which was launched in September 2014, examines the changing role of both the CMO and CSO as digitalization, proliferating channels and growing customer power transform global commerce.

The report assesses what it means to be a sales and marketing leader today, considering how:

- CMOs and CSOs view their key relationships, measure their success and core competencies and define the ideal sales, marketing or commercial leader
- The C-suite perceives the sales and marketing leader role
- The roles might evolve, including the emergence of commercial leaders who head both sales and marketing

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