

SCALING 
the VALUE
of the CMO

HOW TO GLOBALIZE, MODERNIZE &
OPTIMIZE ENTERPRISE MARKETING
OPERATIONS WITH INTERIM CMO
DOMAIN EXPERTS AND ADVISORS





CMO DEMANDS + CHALLENGES

Chief marketers are stretched and challenged like never before. The global pandemic has disrupted markets, operations and customer behaviors. Agile recovery and new routes to revenue are the new imperatives.

Leaner, more digitally proficient marketing organizations with shared purpose and greater productivity are a key deliverable for 2021. Better integrating and leveraging new automation platforms, tools and actionable data insights critical to campaign performance are now an essential CMO mandate.

CMOs also have greater distractions and demands on their leadership and expertise. Markets are consolidating. Consumers have become more digitally demanding in their desire for instant and satisfying omnichannel engagement. Massive shifts are occurring in customer purchasing through both online and physical channels.

New cloud and web-native entrants are disrupting and transforming under-performing companies and categories. And global enterprises are re-organizing, shedding, merging or acquiring new assets to compete in a tighter, more unpredictable geo-political and economic environment.

Savvy, seasoned leadership is in short supply and those in the office of the CMO are being challenged by talent turnover, transformation and testing times. Management and boards are looking to marketing leadership for inspired thinking around business recovery. They want to see predictable and profitable revenue growth, improved operational capacity and efficiency, effective demand generation and pipeline provisioning, as well as new areas of customer value creation and revenue optimization.

These are tough deliverables for one leader, often having the CMO title but not the territory or authority to effect change and improvements in all areas of customer experience and growth. Indicators of this are the increasing proliferation of specialist chief titles (revenue, growth, digital, data, relationship, commercial, brand, etc.) eroding the CMO's capacity to operate effectively, seamless and transparently without close collaboration and shared interests.

FILLING LEADERSHIP GAPS AND HOLES

The CMO Council predicts fractional CMO use in large global enterprises will likely grow in 2021 filling essential holes, gaps, functional deficiencies, escalating digital marketing complexities and strategic leadership demands. Interim resources bring on-demand, experienced and mission-ready skills to the table.

Time -to-value creation is short and each fractional leader comes with relevant domain expertise, “plug and play” immediacy, proven best practices, as well as a network of executional resources for outsourcing additional work.

While many industry sectors have struggled in the past year, it appears most chief marketers have already done all the cutting, pruning and restructuring of budgets and teams in 2020. Key indicators of a positive outlook come

from a year-end **“Getting It Done in 2021”** audit of around 200 CMO Council members across all regions worldwide. Key findings reveal:

- A surprising 65 percent will increase marketing spend in 2021; just 10 percent will reduce their budgets, while 24 percent expect no change.
- A large percentage of chief marketers (70 percent) report significant or growing investments in marketing technology to improve effectiveness.
- Most important areas of marketing automation and transformation will be sourcing and using customer data insights, executing campaigns more effectively, as well as improving operations and performance.
- Just a quarter of marketing leaders say they will downsize or re-structure their marketing organizations in 2021, in contrast to 64 percent who will not.
- Working more effectively with lines of business is the number one priority for marketing leaders, who are also keen to lower cost, increase efficiency and do a better job of both globalizing and localizing campaigns.
- Over half of marketers surveyed want to optimize their customer journey, and more than a third want to boost acquisition and conversion rates through better data-driven interaction and digital innovation.
- Interestingly, across company sizes, regions and industries, priorities remained consistent: marketers are looking to increase spend and automate. While at the same time, they are looking to save costs through efficiencies rather than through staff cuts.



NEW RESEARCH INITIATIVE: SCALING THE VALUE OF THE CMO

A CMO Council research and thought leadership initiative was undertaken with Chief Outsiders in Q1 2021 to assess internal marketing capabilities and the use of fractional marketing leadership to multiply the performance of enterprise marketing organizations in a complex, pandemic-challenged digital world.



In a crowded, digital-only marketplace, CMOs are being challenged to create revenue through targeted, data-driven engagement that fosters customer loyalty. Do CMO reports have the right skills, management depth and domain expertise across all functional areas? Are there critical gaps, holes and deficiencies impacting both business opportunity and marketing performance? Can the office of the CMO deliver more value and revenue growth through the use of interim or fractional marketing leaders in key functional roles?

These were among the questions fielded in an online global survey of 150 CMO Council members in tandem with a companion survey of executive business leaders. The latter is aimed at understanding how management views the value and effectiveness of the marketing function in their enterprises.

SUMMARY OF KEY FINDINGS

This new research, based on a global survey of 150 CMO Council members, uncovers gaps, holes and deficiencies across key functional areas in the office of the CMO. Over half of marketing leaders surveyed concede they are struggling to effectively execute multi-channel campaigns on both a global and local level.



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As a result, an overwhelming 86% of senior marketers believe lack of leadership depth and capabilities has resulted in missed revenue, growth and customer acquisition opportunities.

Underscoring the problem, a surprising one third of senior marketers surveyed in early 2021 admit lack of resources, capabilities and effective leadership in key functional areas “consistently” impair performance of their team; over half concede this is an “intermittent” problem.

A large number of CMOs (43%) admit that it is “very difficult, time consuming and always challenging” to find experienced, proficient and knowledgeable functional leaders and direct reports; a further 40% acknowledge that it is “moderately difficult.”



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Most senior marketers say they are challenged by the time it takes to properly recruit and onboard senior functional leaders on their team. More than half of survey respondents say the process takes three to six months and another 15% indicate this can take more than six months.

Findings from the latest CMO Council survey, reveal an overwhelming 93% of chief marketers say they have had a “very positive, quite good or favorable” experience using interim marketing leaders. Not one reported a “poor” relationship and only 5% stated it was inconsistent.

While respondents say sourcing permanent employee talent is complex and time-consuming,

only about a third of chief marketers have retained experienced contractors or part time staff at the director and above level. Despite leadership gaps and holes, a surprising 41% of chief marketers report they have not used contractors, while 25% say they are assessing this option or plan to do so in 2021.

MARKETERS NEED A ROBUST SKILL SET TO SUCCEED IN TODAY'S COMPLEX DIGITAL ENVIRONMENT.



YET OVER HALF OF MARKETERS STRUGGLE TO EXECUTE COMPLEX MARKETING CAMPAIGNS

86% SAY A LACK OF RESOURCES AND CAPABILITIES IMPAIRS THE PERFORMANCE OF THEIR TEAM

THE TOP DEFICIENCIES THEY POINT TO INCLUDE:



Customer journey, acquisition and conversion **44%**



Segmentation and personalized messaging at scale **42%**



Actioning on customer data insight **37%**



Demand generation and pipeline **31%**



Marketing planning to support digital growth strategies **30%**

TOP 5 ORGANIZATIONAL DEVELOPMENT PRIORITIES IN MARKETING



61% Expand marketing automation and data analytics

58% Deepen marketing capabilities across all functions

49% Improve digital marketing across all channels

39% Better align marketing with lines of business

32% Upgrade marketing competencies of my team

TOP 5 AREAS OF EXPERTISE SOUGHT AFTER IN MARKETING LEADER RECRUITMENT:

1 GO-TO-MARKET EXECUTION AND OPERATIONS **45%**

2 CONTENT AND DEMAND GENERATION **38%**

3 DIGITAL INTERACTIVE MARKETING **33%**

4 STRATEGIC PLANNING, BRANDING AND POSITIONING **25%**

5 SALES INTELLIGENCE & CRM **24%**



EXPERT COMMENTARY



PETE HAYES
Principal and CMO
Chief Outsiders



DEMAND FOR FRACTIONAL MARKETING EXECUTIVES IS EXPLODING



This CMO Council report brings fresh insight to a growing phenomenon. 10 years ago, no one had ever heard of a fractional CMO. Now there are thousands. It is perhaps the fastest growing category of C-suite consultants. Demand for our firm alone has shot up 65% in the past two years. With 86% of CMOs saying lack of leadership depth and capabilities has resulted in missed revenue, growth and customer acquisition opportunities, it's no wonder the fractional CMO as a solution is exploding.

PANDEMIC RESIDUAL: EXECUTIVES CAN WORK REMOTELY



The pandemic has also accelerated the acceptance of fractional and remote-working executives. While the technology for remote meetings is not new, the practice was not commonplace in the enterprise until 2020. As a result, an executive consultant who spends most of their time “out of the office” is accepted as a new norm. This gives those acquiring the skills of an interim or fractional executive significant flexibility.

NOW, EXECUTIVES-AS-A-SERVICE



Savvy marketing leaders are used to tapping the latest SaaS offering to bolster their MarTech capabilities. Similarly, senior marketing talent can now also be sourced on-demand. You get exactly the resource you need, deployed immediately, on an interim or fractional basis. And that's a good thing since more than half of the CMOs surveyed in this study say they are challenged by the time it takes to properly recruit and onboard senior functional leaders on their team, saying the process takes three to six months. With a fractional CMO resource, months turn into days.

CAUTION: NOT ALL FRACTIONAL CMOs ARE ALIKE



With thousands of fractional CMOs to choose from in the marketplace, how does a CMO pick the right resource for their situation? With 83% of CMOs admitting it's challenging to find experienced, proficient and knowledgeable functional leaders, clearly looking for the right experience is the place to start. But note that while single-shingle fractional CMOs are plentiful, there are no qualifications to declare the title. So the first thing to look for is the specific operational executive experience on their resume in a company of your size and complexity. The benefit of working with a firm such as Chief Outsiders is that we only hire experienced CMOs and VPs of marketing from large companies. Last year we had over 700 applicants. And hired 9. Our clients benefit from the high standards we've set for our CMOs, both in experience and soft skills.

SELECTION, SELECTION, SELECTION



Marketing executive needs vary by organization and within an organization. One size does not fit all. You want to have choices when you're looking for complementary skills to your existing team. That's where our roster of over 80 CMOs comes in. Find exactly the talent you need, quickly. And get strategic initiatives underway. The good news is that 93% of CMOs surveyed have had a "very positive, quite good or favorable" experience using interim marketing leaders. This figure only increases in relation to the number of fractional CMO available to choose from. Selecting proven, senior marketing talent for your team not only delivers functional value quickly but lowers the risk of a bad hire - or worse - a failed strategic initiative.

YOU NEED TO GET MORE DONE, YESTERDAY



Bottom line? The pressures mounting on marketing organizations is only increasing. That's not a bad thing. Corporations are counting on Marketing for delivering more of the sales function, with more precision, driven by more technology, while buying behaviors change, and markets dynamically shift. The problem is keeping up with the demands for talented leadership. Leadership requirements that also change over time. That's precisely why more enterprise marketing organizations are seeking fractional executives to complement their existing teams. To fill a role on an interim basis. Or to lead a strategic initiative such as a product launch. They need to get more done.

Chief Outsiders have served as fractional CMOs on the marketing and management teams of over 1,100 companies including numerous Fortune 1000-class companies in various industries such as Business Services, Healthcare, DTC Online Retail, Multi-unit Medical, Industrial Goods, Media, and IT Services

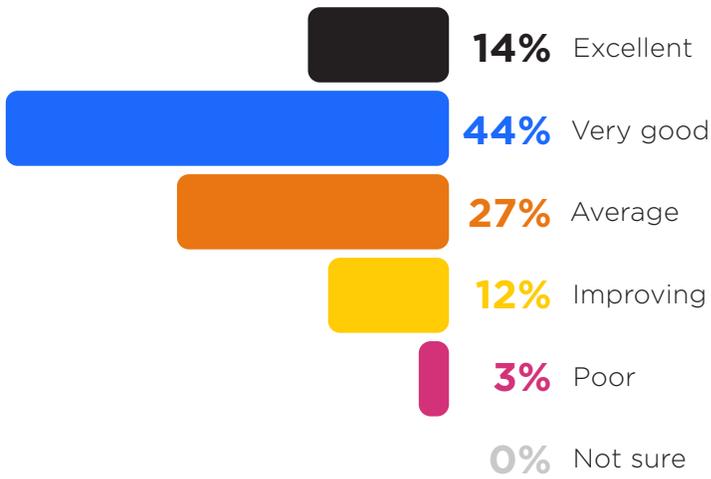
The background features a complex pattern of white lines on a black field. In the upper right, there are several parallel diagonal lines. On the left side, there are multiple layers of wavy, horizontal lines that create a sense of depth and movement. In the center-right, there is a prominent sunburst or starburst shape composed of many thin white lines radiating from a central black circle. In the bottom right corner, there is a grid of white dots that appears to be receding into the distance, creating a 3D effect.

DETAILED FINDINGS

Q1

How do you rate the caliber of your global marketing team?

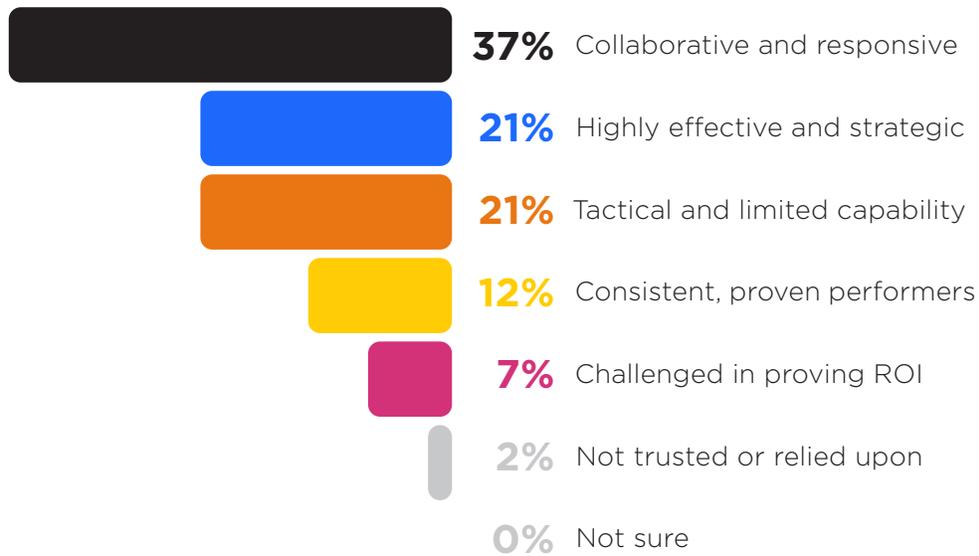
With only 14% of marketing leaders rating the caliber of their marketing team as excellent, it's clear marketers know they still have obstacles to overcome to truly execute effective marketing campaigns. While 44% feel they are very good, an almost equal number (42%) think of themselves as average at best, improving or poor.



Q2

How do you think your marketing organization is perceived by executive management and line of business leaders in your company? (Select one)

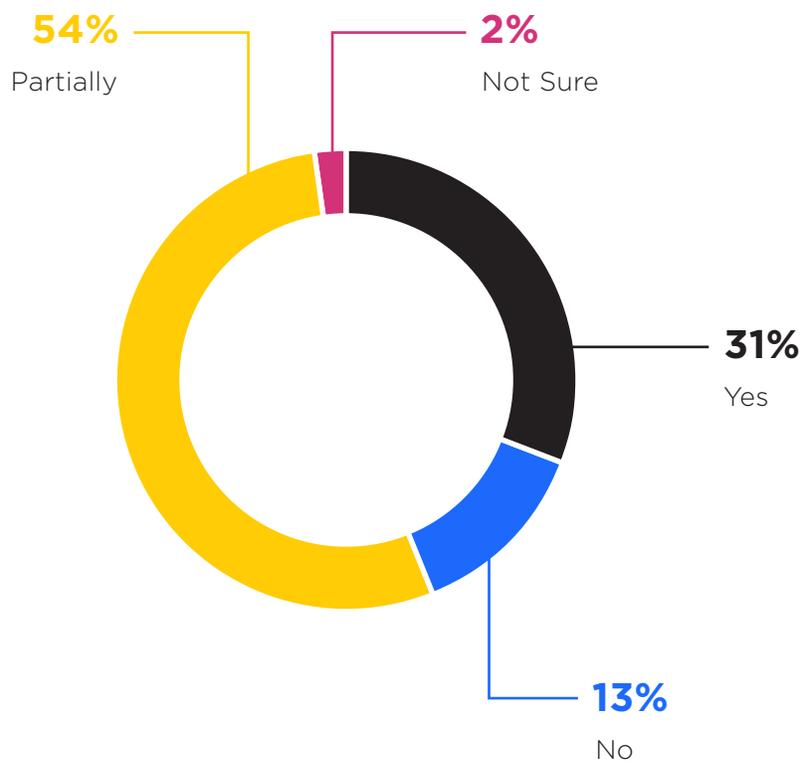
Despite ongoing challenges, the bulk of marketers still see themselves as collaborative and responsive in the eyes of business leaders in their organization. Interestingly, an equal number (21%) felt their business leaders saw them as strategic and effective versus tactical and limited in their capabilities. Luckily, only 2% recognized that they were not trusted allies in the organization. Overall, the perceptions of the marketing function vary greatly across organizations.



Q3

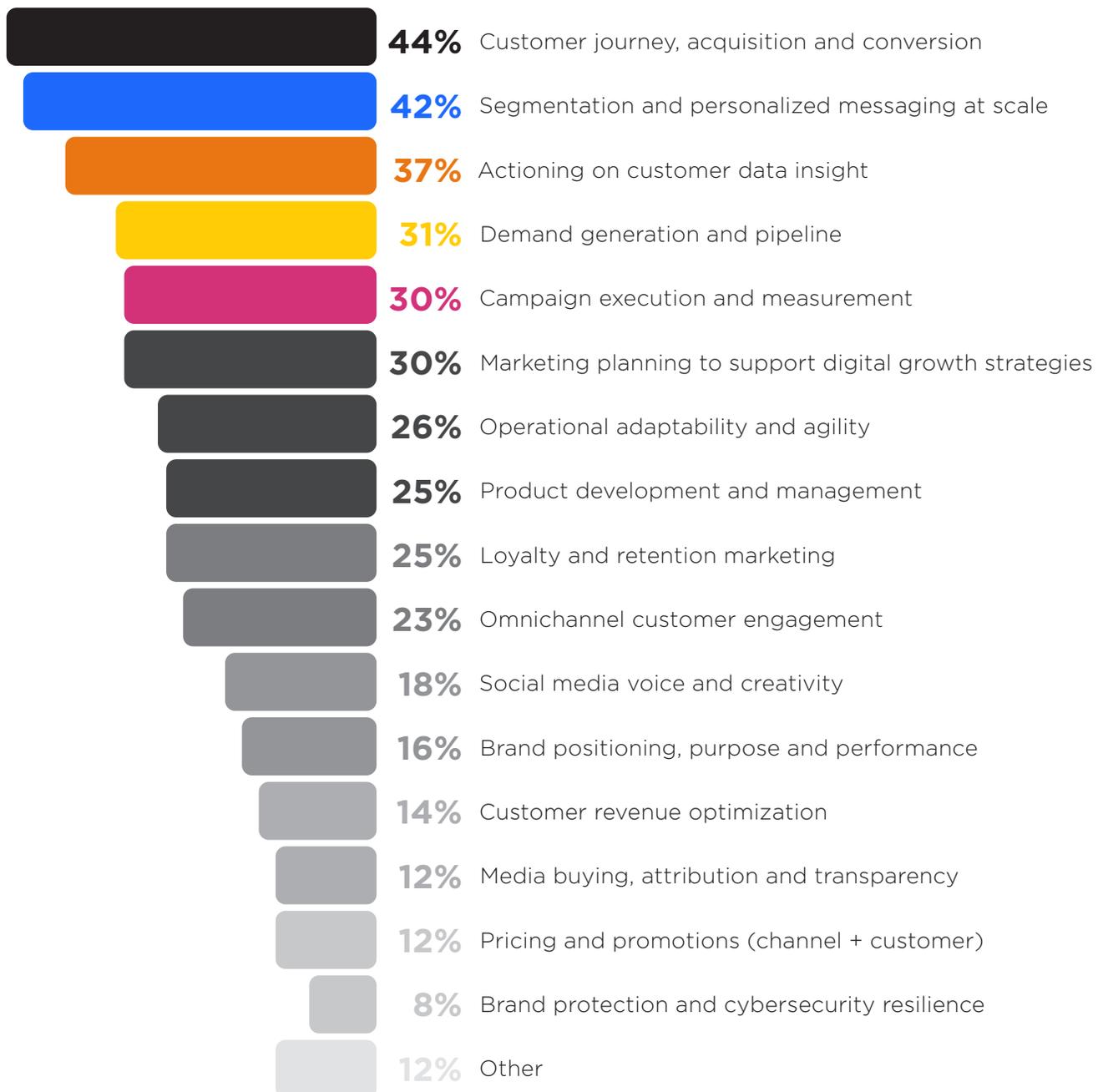
Do you have the capacity to execute multi-level, multi-channel marketing campaigns seamlessly on both a global and local level?

Less than a third of marketers have the capacity to execute multi-level, multi-channel campaigns. While only 13% said they were not able to do this at all — which frankly, is still concerning — over half were only able to do this partially. We know that today's customers will not stand for a disjointed, muddled journey. Marketers need to get this figured out, quickly.



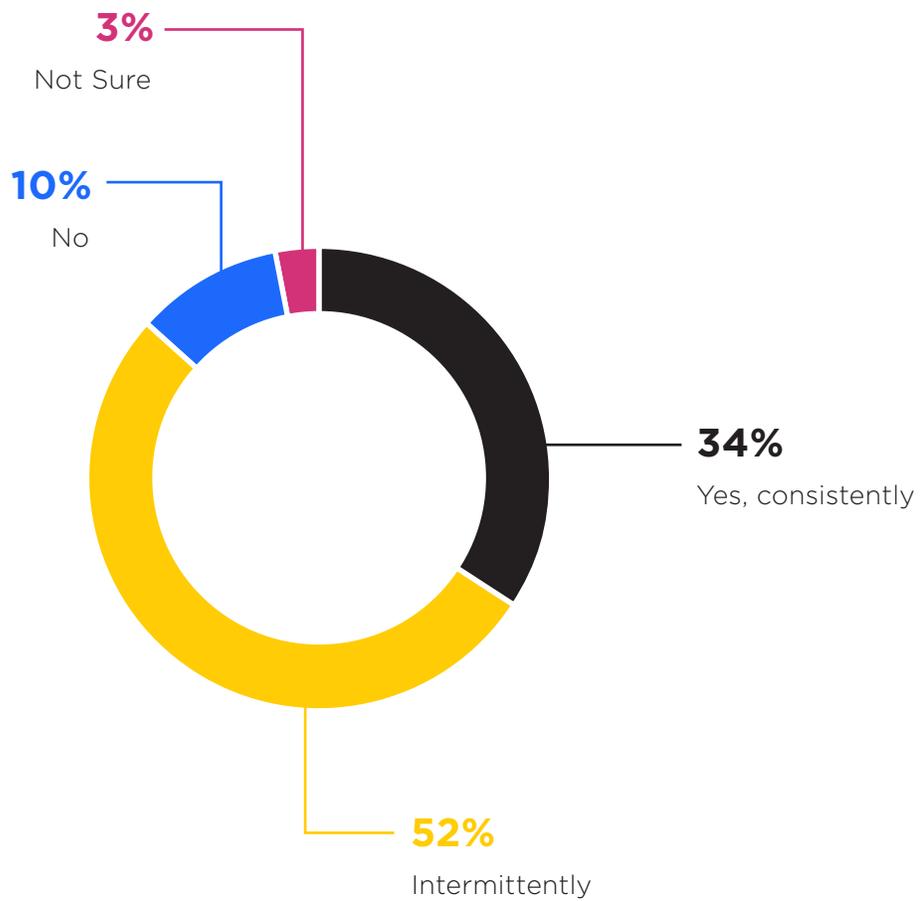
Q4 Where do you have marketing leadership gaps, holes or deficiencies in your organization? (Select top five)

Marketers feel confident in their storytelling and brand messaging, but when it comes to the customer, they're missing the mark. The top three gaps marketers identified are all customer-centric. Whether it's meeting customers in their moment of need, personalizing engagement based on relevant data insights or interacting in the right channel, marketers continue to struggle with the evolving consumer landscape.



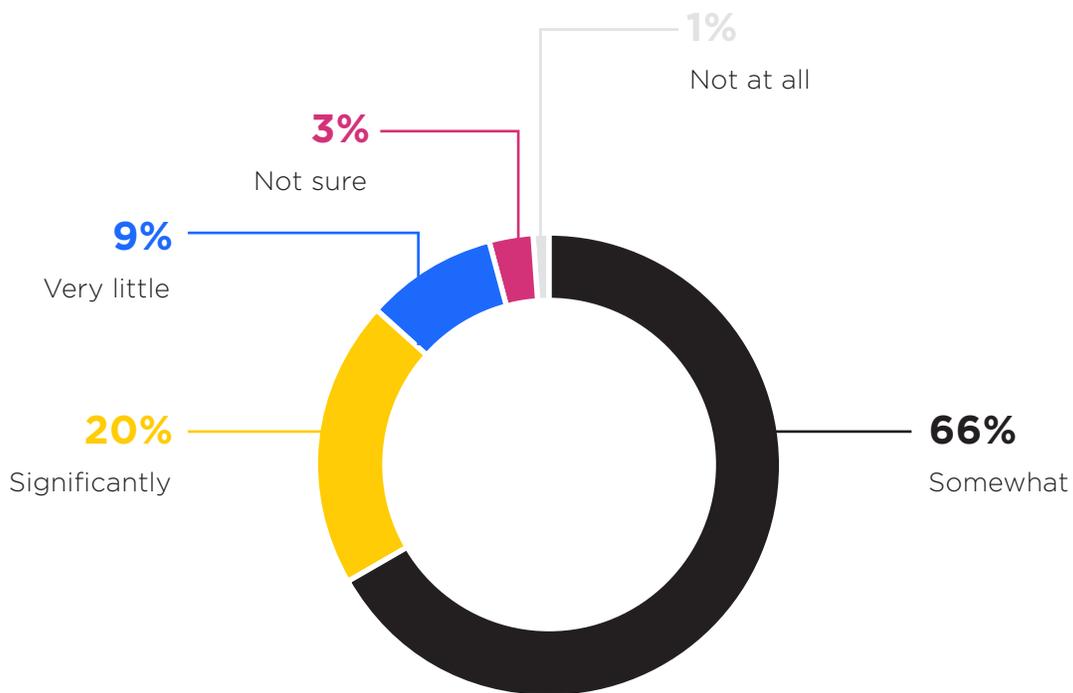
Q5 Have a lack of resources or capabilities in key marketing functions impaired your performance or ability to execute effectively?

A shocking 86% of marketers admit that lack of resources or capabilities impairs their performance. One in three marketers admit this happens consistently! As the responsibilities shouldered by the marketing function expand, marketers must ensure their skill sets evolve along with those new responsibilities.



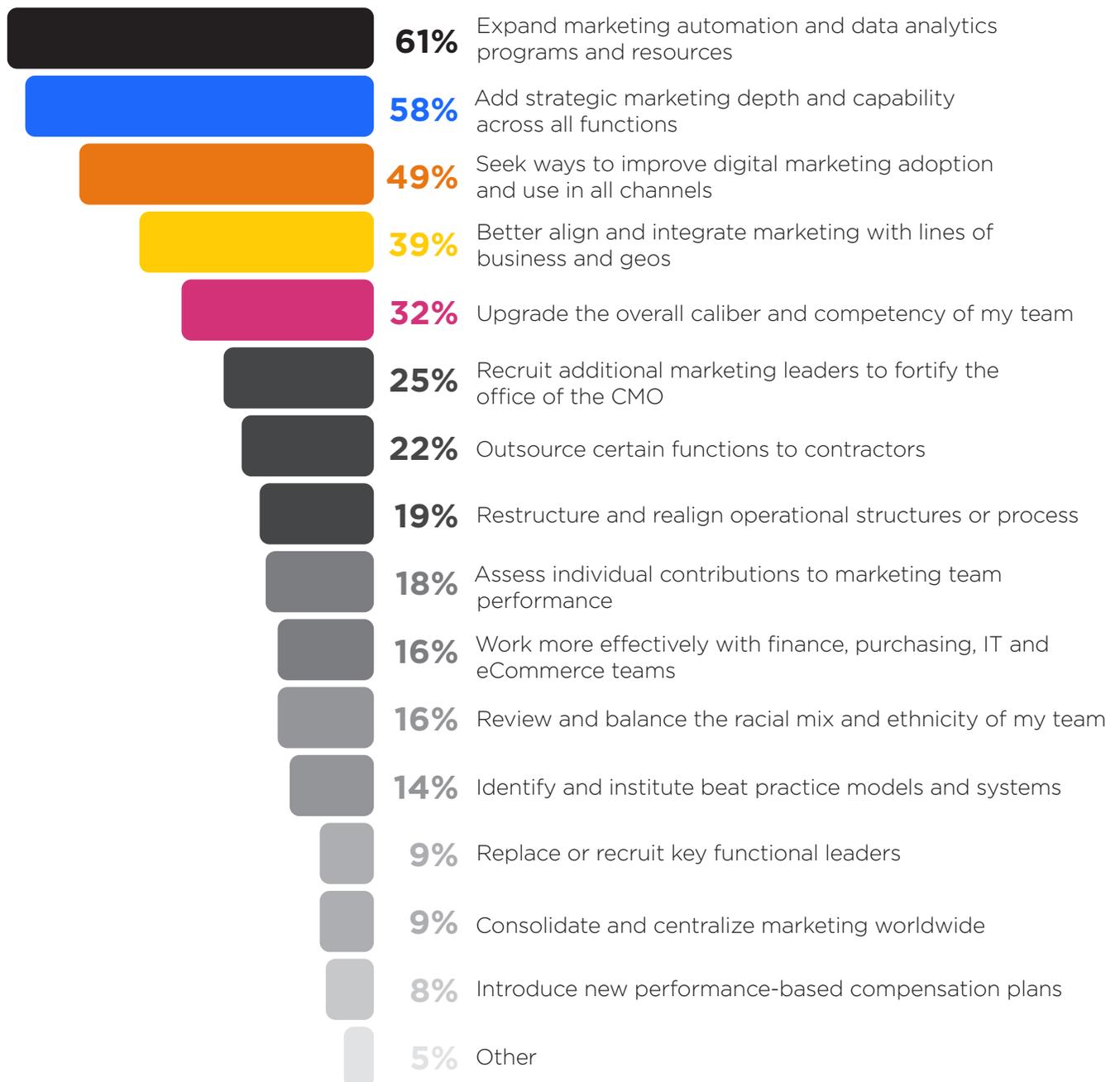
Q6 To what degree has this lack of resources or capabilities resulted in missed revenue, growth, or customer acquisition opportunities?

For those that admitted to a lack of resources or capabilities, another 95% said this has resulted in missed revenue. With marketing under increasing pressure to contribute revenue to the organization, finding the right resources is imperative.



Q7 What are your top organizational development and diversity priorities in 2021? (Select top five)

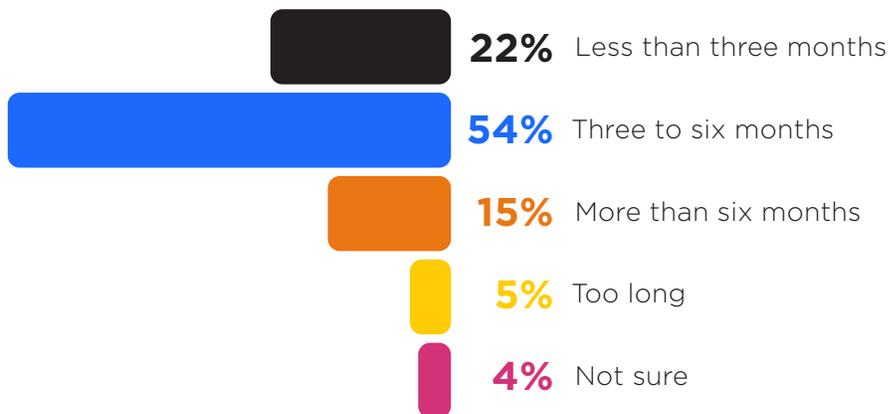
As the previous questions highlighted, marketers are acutely aware that they have some gaps to fill in order to fully achieve their goals, as is evidenced here as the second highest priority they have for 2021 is to improve strategic marketing depth and capabilities. But their number one priority, as also evidenced in our recent "Getting it Done in 2021" report, is to expand their MarTech stack.



Q8

How long does it typically take to recruit and onboard senior marketing leaders (director and above) on your team?

Most senior marketers say they are challenged by the time it takes to properly recruit and onboard senior functional leaders on their team. More than half of survey respondents say the process takes three to six months and another 15% indicate this can take more than six months.





What functional leaders/areas do you plan to recruit or upgrade in 2021? (Select all that apply)

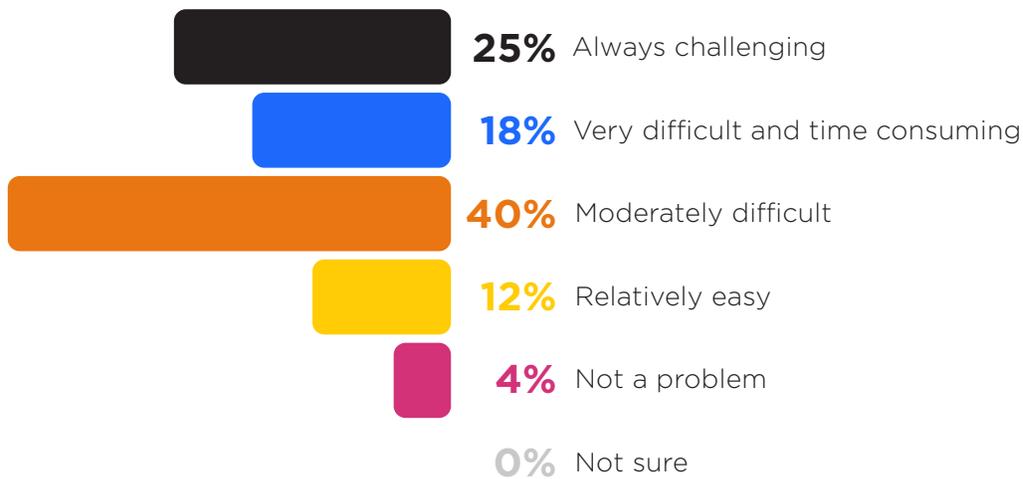
CMOs are challenged to fill critical leadership roles, particularly when it comes to using digital marketing technology and actionable data to improve go-to-market strategy, customer targeting, conversion, and ongoing engagement.



Q10

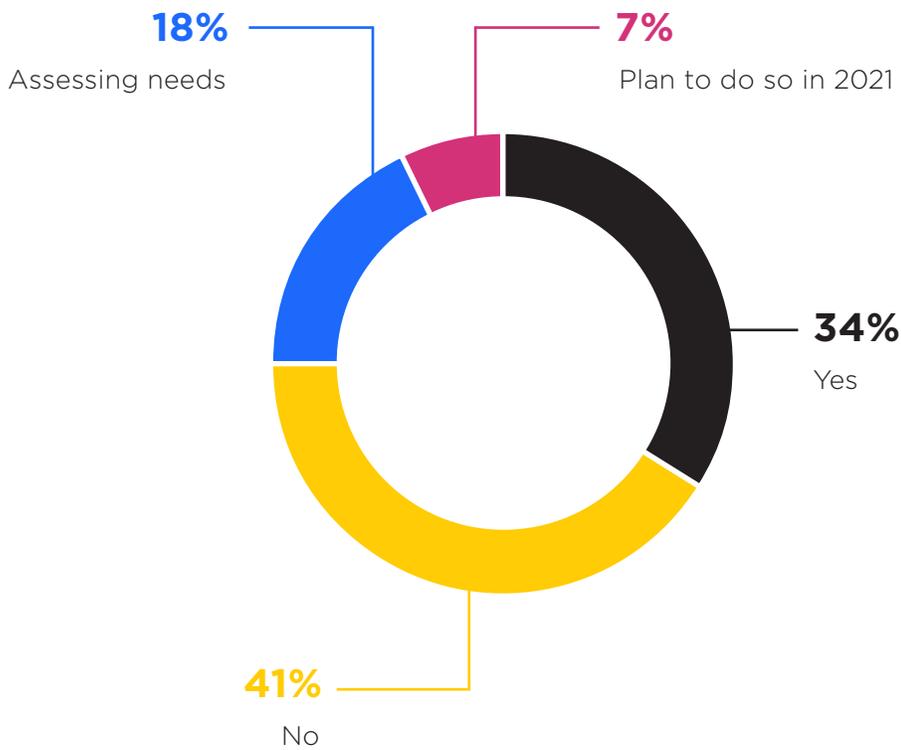
How difficult has it been for you to find experienced, proficient and knowledgeable functional leaders and direct reports?

Fully 83% of marketers admit it is difficult to find experienced and proficient leaders and reports. Increasing pressures are only exacerbated by the skills gaps currently facing the marketing community. And with each organization facing unique environments, finding the right combination of skills for each context can be challenging.



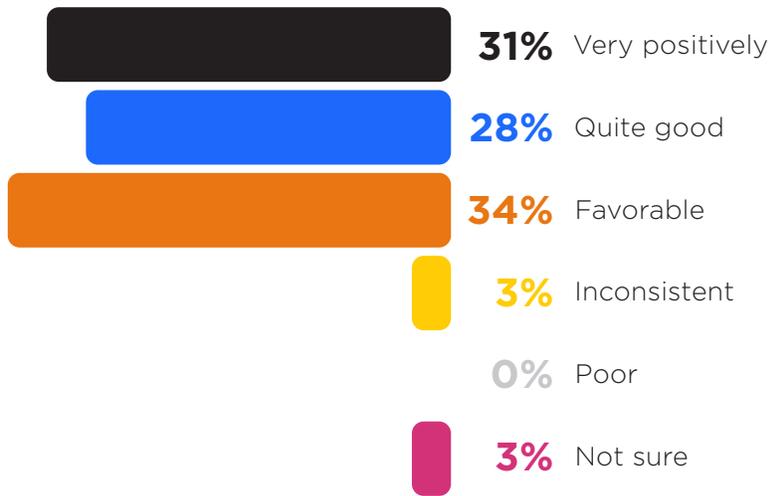
Q11 Have you retained experienced contractors to fill interim functional leadership or interim staffing needs at the director level or above?

While respondents say sourcing permanent employee talent is complex and time-consuming, only about a third of chief marketers have retained experienced contractors or part time staff at the director and above level. Despite leadership gaps and holes, a surprising 41 percent of chief marketers report they have not used contractors, while 25 percent say they are assessing this option or plan to do so in 2021.



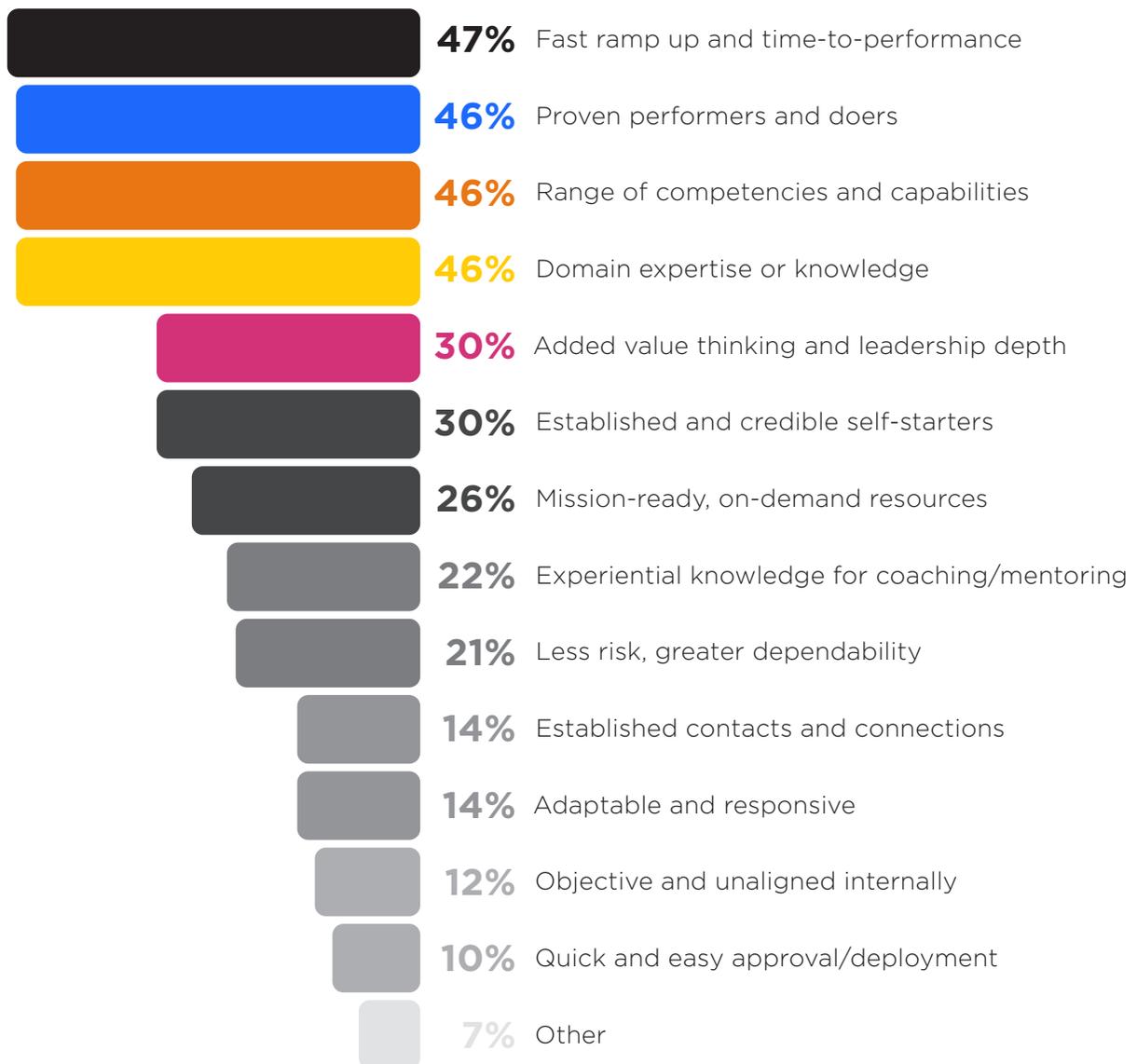
Q12 How do you rate the experience and value delivered from that interim leader?

Of those marketers that had hired contractors fill interim functional roles, 93% had a favorable view of the experience and value delivered by that leader. The ability to find a "plug and play" leader to help bridge a functional gap or execute a transformation project is a big advantage to marketers struggling to juggle a wide range of responsibilities.



Q13 What do you see as the benefits of these contractual, on-demand marketing leaders? (Select top five)

If properly selected, these contractual leaders bring to the table specific expertise to address a given need. It is therefore unsurprising that the main benefit to these types of leaders is their fast ramp up time. Of course, the fact that they have proven leadership in this given area tends to lend to successful execution, and equally, having a good range of competencies can help more complex transformation initiatives.



ABOUT SPONSORS



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 16,000+ members control more than \$1 trillion 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). To learn more, visit www.cmocouncil.org.



Chief Outsiders, LLC is a nationwide "Executives-as-a-Service" firm, with more than 70 part-time, or fractional, Chief Marketing Officers (CMOs) engaged from coast-to-coast. Unlike other strategic marketing and management consulting firms, each CMO has held the position of VP Marketing or higher at one or more operating companies. Chief Outsiders have served on the executive team of over 1,000 client companies to drive growth strategy and execution plans for a fraction of the cost of a full-time executive. Because of its market-based growth plans, quality of leadership, and experienced team, Chief Outsiders has been recognized for the past seven years by Inc. Magazine as one of the 5,000 fastest growing privately held companies in the US, and was recognized in 2019 as a Forbes Small Giant. Chief Outsiders' CEO Art Saxby and Principal Pete Hayes are the co-authors of "The Growth Gears: Using a Market-Based Framework to Drive Business Success," an Amazon #1 best-seller for business owners and CEOs.