

The CMO as driver of Humanized 'Real Growth'

Intro part 1: 500 words

The CMO role under threat

The CMO role is far from understood and interpreted in many ways

- There has been an explosion in the # of CMOs over the last decade
- Many former heads of communication have gained the title of CMOs
- But they don't have experience in the full remit of marketing:
 - Defining both where to play
 - And how to win

CMOs have been distracted

- Marketers are perceived to have spent too much time playing with 'shiny (digital) toys'
- New media, channels, agencies and 'experiences'
- New success metrics that seem disconnected from the language of business
- A whole generation of CMOs with no experience of 'making markets'

Marketers are losing influence in the board room

- With the appointment Chief Digital, Chief Experience and Chief Customer Officers
- Many CMOs are losing the connection with the Board Room and the business growth agenda

When growth is lacking... CMOs are usually the first to be let go

- CMO tenure is half the average and a third of the average CFO tenure
- Spencer Stuart 2018 data point
- Leading companies are replacing CMOs with Chief Growth Officers
- Hershey, Coke, Unilever and many more

*So, is this the way of the future? Will CMOs be replaced by CGOs elsewhere?
Perhaps not.*

Intro part 2: 500 words

The Business Growth Challenge

Traditional growth formulas are lacking

- Barriers to entry are disappearing (Airbnb)
- New players are breaking rules - providing better service at lower costs (Capsule)
- Disrupters are being disrupted (Facebook/Instagram and Google/Waze – but most *not* able to acquire their disruptors)

Growth is harder to maintain

- Market saturation
- 'Slowbalization'

There is growth – but it's much more difficult to find

- CPG manufacturers are being forced to work with new retailers - discounters
- Global companies are forgiving scale by buying niche brands (Sr Kensington)
- By going direct to consumer by large and small (Tide and Smoll)

Consumers are more demanding than ever

- Transference of customer experience expectations across categories
- Full transparency on pricing, features, product claims
- Resistance to 'fake news'

Key Stakeholders disillusioned and no longer accept 'fake growth' (3G/Kraft Heinz /ABI)

Investors

- Risks of short-termism (BBC article)
- Anger at Zero-Based-Budgeting (ZBB) used for value extraction vs. fueling growth
- Demand for long-term and more purposeful approach (BlackRock)

Communities

- License to operate under threat
- Sustainability (school strikes all over the world)
- Alternatives like the 'donut model' for growth

Employees

- War on talent – Marketing and Sales dropped a lot in recruiting ranking
- Transparency on corporate (growth) culture (Uber) is forcing better behavior

'Real growth' companies think and behave differently:

1. Real growth winners take abundant market view: 800 words

They define their market in terms of deep consumer motivations & needs

- a) They are better at spotting the right wave (IRG datapoint & 70% of growth comes from market momentum)
- b) Take a LT perspective (IRG datapoint)
- c) Stick with their bets (IRG datapoint) but re-allocate resources flexibly within the big bets
- d) They define the market so that they have no more than 3% market share
Potential case studies: Adobe (from creative products to full suite of marketing solutions), Mars (from pet-food to pet-care)

2. Real Growth winners are better connected: 800 words

They build open and connected ecosystems to move fast

- a) Focusing on breaking down internal barriers (Bain and IRG datapoint)
- b) Driving entrepreneurial growth instead process orientation (IRG datapoint)
- c) Driving internal connectivity (IRG datapoint)
 - i. LinkedIn datapoint (based on analysis of 800mn+ connections: overperformers have 5,5x more connections between junior vs sr staff and marketing staff of overperformers 3,5x more connected with HR, IT and Finance colleagues)
- d) Driving External connections and partnerships (IRG datapoint)
Potential case studies: Unilever (Founders council), Pernod Ricard (Academy as culture builder)

3. Real Growth winners build constantly evolving experiences: 800 words

They deliver constantly evolving experiences (IRG datapoint)

- a) Recognizing the customer will always be dissatisfied (speed/expectations)
- b) On growing the category instead of winning market share (IRG datapoint)
- c) Focused on identifying human needs: eliminating 'friction'
- d) Willing to work with multiple business models (IRG datapoint)
- e) Combining data with human insights to guide innovation (IRG datapoint)
- f) Combining technology and creativity to build innovative experiences (IRG datapoint) Case studies: Spotify (from music library to AI based personalization), Hyatt (from hotel beds to business travelers' solutions)

Across all dimensions: Real Growth winners *Humanize Growth* – 600 words

Articulating their ambition in terms of (positive) impact on Humans/people: colleagues, consumers and communities (IRG datapoint)

- Real growth KPI's and incentive plans are connected to impact on people (E.g. Microsoft: from selling targets to targets & incentives based on client growth) or Google ambition: making information accessible and useful measured in terms of screen time rather than sales)

“Chapter” 4: 500 words

Real Growth CMOs are different;

- Far from the Sergio Zyman type 'celebrity' CMOs
- They are business leaders that bring the 'human' into the company
- Focusing on Experience, Commerce, Communication and Technology
- They foster collaboration between Marketing and Sales and connections both internally and externally (and both horizontally and vertically)
- Fully financially literate
- Helping rewrite the culture script
- Demonstrating a very different, more human. approach
 - Courageous : Silvia Lagnado
 - Passionate : Di Eisnor III
 - Humble : SY Lau
 - Empowering : Antonio Lucio

CMOs that focus on driving 'Real Growth' won't be replaced by a CGO, but will act like one

“Chapter” 5: 500 words

Pulling it all together: Silvia Lagnado's & McDonalds' journey towards Real Growth

- Redefining the market: 1st year no focus on new campaign but on Where to Play (business strategy) and How to Win (marketing strategy)
- Open and connected ecosystems: Fast Action Teams
- Ever-evolving experiences: Experience of the Future

The Human / Real Growth Exhibit:

