



INSIGHTS FROM CMOs
MAY 2009

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INTRODUCTION

In January of 2009, Pete Krainik asked Truman Company, an executive marketing consulting firm, to help The CMO Club develop a set of actionable stories — advice, insights, and ideas from successful marketers — that would help members navigate these trying times and build successful strategies for 2009 and beyond.

The result is this first edition of *Insights from CMOs*— the collective wisdom of nine CMO Club members based on in-depth interviews with Truman Company conducted in early 2009.

Truman found that while the participating CMOs hail from a cross-section of industries and have diverse experiences and backgrounds, they all share a common optimism about their profession, even in today's climate. Marketers are continuing to solidify their position at the highest levels of business and wield ever more powerful influence on their company's corporate strategy and vision. Indeed, the future for marketing is bright.

TOP 5 THINGS

From the CMO interviews, five key takeaways emerged as most important for marketers to consider:

1. Customer centricity is all important.

Marketers must focus first and foremost on driving the business through the voice of the customer. Spend time talking directly to customers and telling their stories. Understand your customers' businesses and how to add value. Tell those stories within your organization.

2. Demonstrate value and ROI to secure strategic role.

Marketers need to systematically link marketing investments to business value outcomes. Understand how your own business creates value. Take the perspective of your key stakeholders in crafting effective measures of return and impact. It's not about budget - it's about value to the business.

3. Marketing as key agent of change.

Marketers can and should lead their organizations to the promised land of customer focus. Take the role of strategic change agent. Educate and demonstrate impact of effective customer outreach by securing internal stakeholder involvement.

4. Internal stakeholders are just as important as customers.

Marketers should focus significant time on educating and managing internal stakeholders. Show both value and passion: pitch your C-suite peers like you are pitching to a venture capitalist when you share marketing investment ideas. Shift the view from cost to opportunity.

5. Drive short-term revenue but ensure the longer term view.

Marketers need to respond to short-term demands to drive revenue in this environment but they should be the voice of longer term reason. Keep the lens on strategic customer segments and growth opportunities. Maintain the focus on the brand promise to the customer and ongoing value. Invest in deepening customer relationships.

WHERE CMOs SHOULD FOCUS



- "The more customer insight you have, the more value you bring to the table."
- "Spend 50% of your time educating internal stakeholders about the business value of marketing."
- "Authentic conversations build trust."

WHAT SHOULD CMOs TALK ABOUT? More? Less?



BUSINESS

There is not enough talk about business value, balance sheets and gross margins. To gain the respect of the C-suite, colleagues, and customers, marketers should talk more about the language of business. "Get out of marketing speak and quick talk. This is just business."



STRATEGIC VISION

There is not enough talk about the potential for marketing to drive the business strategy and align the organization around a common vision. Marketers should talk more about "marketing as a growth driver and an agent of change for the total organization."



THE MARKETING PROFESSION

There is not enough talk about the unique profession of marketing. Marketers should talk more about the value that marketing brings to business. "The reality is that marketing's unique value proposition is not universally understood."



CUSTOMER ENGAGEMENT

There is not enough talk about how to truly engage with customers. Marketers need to spend more time digging into what customers think, need and want. "You have to know your business really well to connect with customers."



BUDGETS

There is too much talk defending historical marketing budgets. To spur support for strategies and plans, talk less about budgets and more about the business opportunities marketing can help to create. "We're too focused on marketing as a stand-alone discipline that's trying to protect its budget."



QUALITATIVE WITHOUT QUANTITATIVE

There is too much talk about qualitative outcomes. To earn a seat at the table, marketers should talk less about the "soft things" and more about how marketing investments directly impact the pipeline and the bottom line. "Data is the rock I stand on."



SOCIAL NETWORKING

CMOs should continue to talk about social networking — how others are using it, what works and what does not. Everyone is using it, and more can still be learned and gained from it.

HOW TO BECOME CUSTOMER CENTRIC

The collective wisdom provided by the CMO Club interviews offers some concrete ideas and insights into tackling the top priorities identified by the participants. Ideas for becoming more customer centric include:

- 1.** **Gain access to the customer** through programs such as: case studies, advisory boards, satisfaction checkups and net promoters score analysis.
- 2.** **Leverage customers to tell your story** through a customer reference program, customer stories and a customer showcase program.
- 3.** **Translate learnings and insights from customers** back into the organization through systematic **tools and programs** to enable deeper conversation.
- 4.** Study and **understand the customers' business** and develop the proof points and the ROI case for customers.
- 5.** **Go on sales calls** so you can hear first hand directly from the customer what's working and what is not.
- 6.** Work to **be loyal to your best customers**, rather than asking them to be loyal to you.

HOW TO MOTIVATE YOUR MARKETING TEAM

The interview participants agreed that in these challenging times it takes creativity and focus to continue to encourage and motivate the marketing team. Ideas include:

- 1.** Actively give marketing team members cross-functional exposure to special projects, other marketing roles and skills within the marketing function and different geographies to help them **develop their careers** and their expertise.
- 2.** Use the link to business value to **translate for the marketing team how marketing drives** and helps **the business** to inspire their ideas.
- 3.** Encourage your marketing team members to **build relationships** in other parts of the business to provide direct insight into the business and **expand their own network**.
- 4.** Give your marketing team members the **training and information** to be able to communicate as true subject matter experts for your business.
- 5.** Give your team members at least one area that is a **“fire free zone”** where they can have clear authority, some autonomy and be able to **control the completion** of a project.
- 6.** Encourage your team to **go on sales calls**.

KEY WAYS TO ELEVATE THE PROFESSION

What can marketers do to help the business community understand and truly value our profession? Here are key ideas offered by the collective wisdom of the CMOs interviewed:

- 1. Position marketing as playing a necessary, integral role in business.** CMOs should ensure that marketing is not a stand-alone discipline. Demonstrate how marketing plays a role in business growth, in revenue acquisition, and in product development.
- 2. Demonstrate a deep understanding of your company's core business.** CMOs must be able to speak knowledgeably about their company's products: how they work, how they're developed, and how they fit in the customers' organizations. This knowledge not only helps create better marketing, it helps garner respect for the entire profession.
- 3. Develop a penchant for the quantitative.** Marketing data is much more than a tool for developing budgets and tracking campaigns. Data provides the leadership team with the confidence to invest in marketing and to see its limitless possibilities.
- 4. Be your company's expert on the customer base.** CMOs need to get to the heart of what motivates and drives their customers by finding opportunities to engage with them in conversations that lead to open and honest relationships.
- 5. Invest in the strategic growth of the company.** CMOs must focus less on defending program budgets and more on uncovering ways to use marketing dollars to invest in programs to drive business growth.

PARTICIPANT DIRECTORY



MITCH BISHOP

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In charge of overall marketing strategy and execution at iRise for the last 5 years, Mitch Bishop has built strong ties to CIOs and IT leaders at both large and small companies. With his leadership, iRise has grown its customer base tenfold and become the market leader in a new industry category: application visualization. Mitch has many years of marketing and sales experience building successful enterprise software businesses at Scopus, Sybase, Wind River Systems and Ingres. He also held senior engineering positions at Altos Computer Systems, Zilog and Amdahl. Mitch holds a B.S. in Computer Science from the University of Connecticut. He also has a history in motor sports and sits on the governing council of the non-profit International Motor Racing Research Center (IMRRC) based in Watkins Glen, NY.



PHIL CLEMENT

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Philip B. Clement is the Global Chief Marketing and Communications Officer for Aon Corporation. He has responsibility for all Aon's marketing, including branding; market analysis, external and public; and demand creation. Previously, Clement was a managing partner of The Clement Group, a management consulting firm that he founded in Chicago. In that role, Clement served a wide variety of clients as an expert in revenue-oriented growth strategies. Clement is an advocate of "value marketing" and has an impressive track record in leading rapid-growth initiatives at professional services firms. Clement received his Master of Business Administration from the University of Chicago's Graduate School of Business and a Master of Public Policy Analysis from the University of Chicago. His undergraduate studies were at the University of Southern California.

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Jean Foster is a dynamic, results driven Chief Marketing Officer with a successful track in turning around marketing organizations. With 20 years of international experience in the telecommunications and IT industries, she has provided leadership in marketing, business development, product management and product development. Most recently as Vice President of Marketing for BT Americas, Jean was a key player in growing the business to over \$2Bn.



MIKE HOGAN

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Mike Hogan is the Senior Vice President and Chief Marketing Officer for GameStop, Inc. Mike joined GameStop in February 2008. Mike brings 20+ years of corporate sales and marketing experience gained from key leadership roles in the US and worldwide. Mike has built and led numerous brands and marketing & sales organizations, and has directed brand management, strategic planning, product development, advertising, merchandising, as well as managing several national sales organizations. Prior to joining GameStop, Mike served as a Principal with Strategic Frameworking, Inc., a marketing and strategy group based in Seattle, WA. His consulting experience includes engagements in packaged goods, restaurants, technology, manufacturing, and healthcare. Mike received a Bachelor of Science degree in economics from Northern Illinois University and an MBA in finance and marketing from Northwestern University.

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CHUCK MARTZ

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Chuck Martz is the Global Marketing Director for Dow Water Solutions. He is responsible for directing and implementing the global marketing programs related to Dow's water strategy. Chuck oversees a marketing team across North America, Europe and Asia. The marketing organization of Dow Water Solutions, a business unit of The Dow Chemical Company, works to provide value from innovative, technology-based solutions to a broad spectrum of water needs—from making seawater fit for human consumption and industrial use, to purifying industrial and residential water, and reducing and reclaiming water for reuse and efficiency. Martz joined Dow in 1982 and has held positions in Research and Development, Supply Chain, Marketing and Specialty Chemical sales. Martz holds a bachelor of science degree in ceramic engineering from The Ohio State University and a master's degree in marketing from Drexel University.



HEIDI MELIN

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Heidi Melin joined Polycom in September 2007 as Senior Vice President and Chief Marketing Officer. She is responsible for Polycom's high-touch marketing strategy which includes global branding and corporate identity, field and channel marketing, corporate communications, analyst relations, enterprise solutions, demand generation, and events. A marketing veteran with over eighteen years of corporate and agency experience, Heidi brings a proven track record of successful, award-winning marketing programs that deliver bottom line results. Prior to joining Polycom, Heidi served as chief marketing officer at Hyperion Solutions, the leader in business performance management and business intelligence, and as group vice president of Marketing for PeopleSoft. Heidi holds a BA in Political Science from Willamette University.

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Ram Menon is responsible for Product Strategy, Product Management, Product Marketing, Field Marketing, Corporate Communications, Branding and Customer Programs at TIBCO worldwide. Prior to this role, Ram served as the Chief Strategist of the company, responsible for defining and executing corporate strategic initiatives, including new product strategy, M&A direction, and emerging vertical markets. Prior to joining TIBCO, Ram was with Accenture, a global consulting firm, where he specialized in supply chain and e-commerce strategy, consulting with Global 1000 companies. Ram holds an undergraduate degree in Industrial Engineering and pursued graduate work in Industrial & Management Engineering.



MARGARET MOLLOY

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Margaret Molloy is Vice President of Marketing at Gerson Lehrman Group (GLG), a position that she has held for almost three years. GLG's clients—more than 850 of the world's leading investment firms, corporations, and professional service firms—use the service to find and consult with subject-matter experts across a broad range of industries and disciplines. Prior to joining GLG, Margaret spent six years in marketing leadership positions at Siebel Systems. Margaret also served four years as the VP of Marketing at Telecom Ireland US (eircom). In 2008 Margaret was named by *Business & Finance* magazine as one of the "Most Influential US-Irish American Leaders." Earlier this year she was recognized as one of the "Top 40 under 40" by the *Irish Echo* newspaper. Margaret holds a BA in European Business from the University of Ulster (Ireland) and the Universidad de Valladolid (Spain). She earned an MBA from Harvard Business School.

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John Moser is Chief Marketing and Brand Officer of Denihan Hospitality Group (DHG), responsible for the company's marketing, advertising, public relations, brand standards and growing internet presence and strategy. John works directly with DHG Co-CEOs and the development team to help expand the Affinia, The Benjamin and James brands nationwide. John was awarded the 2008 Marketing Executive of the Year award by HSMIA's Big Apple Chapter and was named one of the "Top 25 Minds in Sales and Marketing" by HSMIA. In his two-decade career with DHG, John has held a variety of leadership roles. Prior to his appointment as CMO, John served as general manager for The Benjamin, DHG's luxury brand, where he oversaw the hotel's opening in 1999 and spearheaded the launch of its world renowned sleep program. He was also general manager at several of the independent properties managed by DHG.

ABOUT THE RESEARCH

About the Research

In February of 2009, The CMO Club launched a unique effort to help members navigate these trying times, and to leverage our collective knowledge – the *Insights from CMOs* program.

The research involved an initial set of 9 in-depth interviews with CMO Club members to help all of us better understand how the economic environment is impacting our membership, and what you and your colleagues are thinking about *now* as you respond and look for opportunities.

The goal was to develop a set of actionable stories – advice, insights and ideas from successful peers – that will help members build successful strategies for 2009 and beyond. We are looking to understand what marketing executives are *talking about* – not only with each other, but with their teams, their vendors, their CEO, their line-of-business heads, and their customers – all of their key stakeholders.

Insight into Action

We have collected the insight garnered from the interviews into a compendium of stories, recommendations, and best practices for CMO Club members to leverage in their own settings. We thank those participants willing to spend their time to share their thinking and their ideas with The CMO Club.

For those of you who did not have a chance to participate in this round of research, we encourage you to reach out to Pete Krainik (pete.krainik@thecmoclub.com) for inclusion in the next round of interviews.

About Truman Company

The CMO Club engaged Truman Company to help us uncover, evaluate and synthesize your insights for this project. Truman Company is an executive marketing firm based in Burlington, Massachusetts, dedicated to helping companies engage, sustain, and capitalize on executive relationships. Their approach is driven by gathering and leveraging executive insights and helping their clients effectively deploy content for conversation in their sales, marketing and relationship-building programs. Learn more about them at www.trumancompany.com.

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