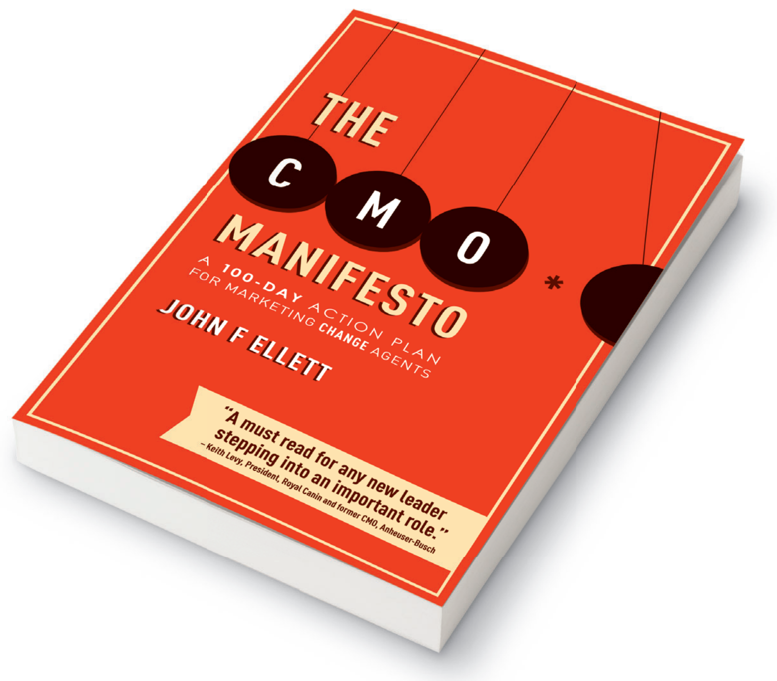


THE CMO MANIFESTO

A 100-Day Action Plan for Marketing Change Agents

JOHN F ELLETT

TABLE OF CONTENTS

THE CMO MANIFESTO

I'm not here to maintain the status quo but to be a leader of positive change for my organization.

I will bring focus where there is ambiguity, clarity where there is confusion and inspiration where there is doubt.

My ears will be open, my hand extended and my mind active. Trust will be built one relationship at a time. And we will succeed together.

The voice of the customer will be channeled through me and market insights will guide our decisions.

We can do anything, but we can't do everything, so we must be focused and intentional if we are to be great.

I will lead a high-performance team that will be accountable, agile and aligned.

My team can expect its teammates to be capable, committed and collaborative and the roster will change until those expectations are met.

We will find the right balance between chaos and stifling bureaucracy so that we can do remarkable things as efficiently as our business demands.

Our plan of action will have an emphasis on action.

We will embrace feedback, stay attuned to market dynamics, learn what works and optimize accordingly.

The latest in technology will not intimidate me but will pique my curiosity and provoke me to find innovative tools to enable sustainable progress.

By remaining resilient, responsible and relentless, we will prove the skeptics wrong and execute brilliantly in spite of the challenges we encounter.

And because of the courage of our conviction and the passion for our cause, we will make the future we envision.

I.

I'm not here to maintain the status quo but to be a leader of positive change for my organization.

CLARIFYING EXPECTATIONS

When Jim Stengel was being considered for the role of CMO at Procter & Gamble in 2001, the company was in rough shape. The stock price had plunged. Market shares for key brands were not growing. People didn't have confidence in the company. If there had been a headline describing P&G it would have been, "It doesn't matter anymore."

But things were about to change. A new CEO, A.G. Lafley, had just been put in place and he was looking for a marketing leader who could help revitalize the 164-year-old firm. Stengel, an 18-year veteran of P&G, knew the company had a proud tradition of marketing leadership. Before he considered taking the job he wanted a clear idea about what it would take to be successful.

"Before my final meeting with A.G. I went out and talked with every living ex-CEO of P&G and asked them, 'What makes for an outstanding P&G CMO?' I talked to John Smale who was CEO in the '80s. I talked to Durk Jager. I talked to John Pepper. I talked to Ed Artz. I talked to a lot of the senior business leaders as well. Then I talked to some agency leaders. I wanted to know when the CMO is really in the zone."

In classic P&G style, Stengel then presented Lafley with a one-page memo stating how he would handle the new position. "We had a great dialogue," says Stengel. "He really liked what I was saying. He saw my passion for it. He saw the plan. We were highly aligned on the vision."

When Stengel took the position, one of his first actions was to put together a global marketing team. "Believe it or not, at P&G, there was never a global team," he says. "I went to all the major business units and I said, 'I would like you to loan me a person that you greatly respect who can be part of my team.'

"I put that team together. I got them feeling like they were a part of something terrific. That became the group through which we executed and refined the plan I had shown A.G. in my conversations with him."

So what enabled Stengel to get off to a strong start in his first 100 days? "I spoke to people," he says. "I traveled like crazy. I listened. I did some data gathering, time and motion studies. I looked at what people were working on. I found out what people valued. I talked to a lot of outsiders. Then I put my team together."

Once his team was in place, planning became critical: "I was real clear on what we were going to focus on, what success looked like and what the plan was. We continually refined it. We measured against it. We met monthly and, every month, we reviewed some area of the plan. We got into a rhythm and it really worked well."

Indeed it did. During Stengel's tenure sales doubled, profits quadrupled and P&G's market value increased by more than $100 billion. In his seven years as global marketing chief he led the transformation of P&G's marketing culture and reestablished the company as one of the most admired brands in the world.

CLARIFYING EXPECTATIONS SO YOU CAN MEET (AND EXCEED) THEM

Success as a marketing leader begins with expectations. Your challenge? That you fully understand and are aligned with the expectations of your senior management team.

The beginning of your journey as a new CMO is a moment of profound anticipation. The status quo is no longer acceptable and you — as the new marketing leader — are being brought in to lead some kind of change. The challenge up front is to ensure you are locked on to the overarching goals and objectives that are critical to your organization. It's vital that there is clear agreement on these expectations. Otherwise you are vulnerable to failure in your new role. If you aren't successful in meeting the expectations of others you are doomed to disappoint.

You can't afford to be out of sync with the rest of the leadership team. Should that happen you'll be trying to instigate change that the CEO or other members of the executive suite aren't prepared to support. In many cases this leads to organizational chaos. You end up trying to effect change that the business doesn't want to make. Or else you fail to produce the results that are expected of you.

That's why this first factor in the 100-day framework is so critical. This is the point where you align yourself with the individuals who are most essential to your achievement. The steps you take from this point must be consistent with the expectations of your core team. This is the only way to build trust and confidence. This is the only way to establish momentum and continue building it. And this is the only way to demonstrate that you have truly performed in line with the organization's mission and goals.

IT BEGINS DURING THE HIRING PROCESS

The clarification of expectations actually starts during the hiring process. This is where you have your first conversations with members of your team and, most important, your boss. You typically have an opportunity to ask probing and far-reaching questions that will give you a high-level perspective of the opportunities and challenges before you.

Indeed, it's important to maximize this chance to gain access and insight. You should reach out to the individuals who will have the greatest influence on your performance — and those whose perceptions of your performance matter most.

It's important to learn as much as you can at this point. One common mistake among those seeking new roles is being over-optimistic about the results they can deliver without knowing the obstacles they face or the resources that will be available to them.

While it may be tempting to reflect on past achievements and focus on selling your strengths, it's even more important to use this opportunity to learn the landscape. You need to know: What are the expectations? What kind of change is expected? Is the level of expected change transformational or incremental? What are the resources that will be available to effect change?

This is the time for determining whether the expectations of others are realistic and achievable. If not, it is necessary to refine or reset them. You are in a strong position to suggest — based on your experience — how existing goals might be made more achievable. If, in the end, you have the sense that you are being set up to fail, you'll want to politely step away and allow someone else to step into the role.

One marketing leader I interviewed learned this lesson the hard way when he took on the role of Marketing VP for a traditional manufacturing enterprise. He was hired to lead growth efforts for the large yet old-school company, which was newly intent on moving its business into electronic delivery systems that would serve small businesses. The VP was under the impression that his job was to help transform the enterprise — to reposition it for a new digital era. So he spent his first three months developing a new strategy, building a supporting organization and designing new operating processes. He believed he was on track to drive a successful business transformation effort.

But he soon learned that he wasn't on the same track as his CEO. The chief executive began asking for leads to support the company's online properties. It turned out that lead generation was at the center of his CEO's expectations. This was his measure of success for organizational improvement.

Course correction proved impossible at this point and it wasn't long before the new VP stepped down. He says, in retrospect, he should have paid closer attention during the hiring process to the underlying concerns and measures that were motivating his boss. Having made initial assumptions that proved inaccurate (or insufficiently precise), he failed to meet expectations — leading to irresolvable conflict.

POST-ELECTION, PRE-INAUGURATION

But let's assume you accept the offer and the position. Congratulations. Much like the president-elect after an election, you'll typically have a brief transitional period leading up to the inauguration day — the day that you officially step into your new role. This is another opportunity for outreach. You have a chance to reach out to your colleagues on the senior management team as well as your direct reports — those you will be working with most actively in the marketing organization.

Some marketing leaders take advantage of this period to meet with team members on an informal basis — over coffee, lunch or perhaps a drink at the end of the day. It's a chance to get to know the people you'll be working with and begin building relationships.

In an informal and relaxed setting your colleagues might feel freer to share insights and perspectives, even war stories with you that are less likely to have been revealed during the hiring process. You also get a chance to relieve some of the stress and uncertainty that might accompany having a new colleague or boss.

KEY QUESTIONS TO CONFRONT AT THE OUTSET

At the outset of your first 100 days you need to raise a key set of questions that clarifies what is expected of you as comprehensively as possible. While there may be some distinctions from circumstance to circumstance, these questions are essentially the same no matter what your unique situation promises.

The responses you receive and the agreements you make early on must become your Polaris — the lodestar that provides guidance, clarity and inspiration as you navigate through your next set of challenges. In the absence of clarity you'll be liable to drift and perhaps lose your way. But if you ensure your key questions are answered fully, you will be well on your way to achieving impressive performance in your new role.

Question #1: What's the Overriding Goal I'm Expected to Accomplish?

The first question concerns goals and objectives. You want to know what you are expected to achieve or accomplish. You'll have lots of issues to manage once you get started but how do you make sure that the overriding goal is well understood?

Take David Roman, the CMO of Lenovo. Although business was reasonably strong, the Lenovo brand was lagging behind others in the consumer electronics sector. Roman was told he needed to build a brand that would take the business to new levels. Or consider David Ovens, the former CMO of Taco Bell. He was charged with developing a marketing strategy that would turn the business from negative growth to positive growth. The focus of his overriding goal was profitable growth.

Once you know and understand the overriding goal you are in a far stronger position to begin formulating the strategy that will help you achieve it. But don't just dive in. The purpose of addressing this question is to understand what the organization is trying to achieve. You don't need to know how you are going to achieve it at this point. You are being presented with a challenge. The solution for addressing it remains to be determined — and should be yours to decide.

Just be sure you fully understand the overriding goal as your executive colleagues see it. Ask them to elaborate as necessary to eliminate any ambiguities. Frustrations arise when clarity is not achieved around this first key question. When alignment is missing, paths will diverge. Marketing leaders will find themselves out of touch with the expectations of their executive colleagues — and lose credibility where they need it most.

Question #2: How Will My Success Be Measured in 100 Days? Six Months? One Year?

Your colleagues may be expecting you to develop a new branding initiative. Or they may be looking for a clear plan to generate leads and sales. They may even be expecting you to execute existing strategies and plans to produce quick wins.

Whatever the case, it's vital to be clear on milestones and measures of performance that are most important to your team. This will help you ensure you are taking the steps necessary to produce impressive results.

Fidelity's Chief Marketing Officer, Jim Speros, was able to capitalize on existing brand research and planning that had been done prior to his taking office. That allowed him to launch a new brand strategy and begin executing a campaign at the 100-day mark in his tenure. That's not the norm, however. More typical is the experience of Radio Shack's CMO Lee Applbaum. He was expected to develop a growth strategy and roadmap in his first 100 days. The supporting marketing campaigns would be executed in the months to follow.

What you are looking for is clarity about the pace of change. That's where the 100-day, 6-month and 12-month checkpoints come into play. Since most of a marketer's activities don't produce results overnight, you need to evaluate outcomes over time. You need to set particular milestones or timeframes and tie expected results to them.

Memories fade as time passes, so it's valuable to document expectations. A written agreement — or letter of understanding — can help keep all parties focused on the expectations that have been set and commitments that have been made. When it comes to accountability measures and milestones, it's best to eliminate as much ambiguity as possible.

I've spoken with several marketing executives who have been confronted with management dissatisfaction at a particular interval. However, they were able to respond by pointing to promised resources that had not yet been allocated. Their agreements strengthened their hands and justified their difficulties — even if their situations were not ideal.

There's clear power in the written word. If you haven't completed a letter of understanding in the hiring process then it's best to complete it in the first 30 days on the job. By ensuring you are in full agreement with your boss (and, perhaps, your executive colleagues) on the milestones that need to be reached and at what intervals, you set the stage for a far more productive relationship.

Question #3: What Is the Magnitude of Change I'm Expected to Lead?

There are various levels of change that you might be expected to lead. By understanding the magnitude as well as the rate of expected change, you ensure you are embarking on a change initiative that is consistent with the overriding goal of the organization.

Through research on transformational alignment, my firm, nFusion, has identified four distinct categories of change involving marketing leaders:

- **Business transformation.** This is a far-reaching change initiative concerned with determining what business an enterprise is in and how it will make money.
- **Brand transformation.** This approach is concerned with addressing the brand promise or value proposition and how it is expressed and delivered.
- **Organizational transformation.** This approach is focused on enhancing the marketing organization's structure, culture and processes. Particular attention is focused on the people who will be on the team.

- **Executional transformation.** This approach revolves around the specific marketing programs and activities that must be deployed to produce results. Particular attention is focused on measuring results.

While the first two categories tend to be more strategic and expansive in nature, the latter two tend to be more tactical and incremental.

As an example of business transformation take Kodak, a company that was clearly struggling to determine what business it was in and to reposition itself for the future. The company, which was traditionally known for film and photography products, was challenged to make the transition to a dynamic, digital era. Jeffrey Hayzlett, the company's CMO during this critical transition, endeavored to help transform the business and enter new markets. As a result, the company developed a diversification strategy that it hoped would position it for survival and growth as the film business disappeared.

By contrast Fidelity's Speros and Radio Shack's Applbaum embarked on brand transformation initiatives. While they knew their businesses and what it took to make money, both their companies needed to become more relevant and compelling to the marketplace.

Erin Nelson, Dell's CMO until 2010, faced the challenge of organizational transformation. She was focused on effecting structural and process-related changes that would deliver greater results. She needed to rebuild confidence in marketing as a discipline and find the right balance between centralized corporate marketing and the teams aligned with individual business units.

A CMO facing the challenge of executional transformation was Colin Buechler, now CEO of LifeSize, a maker of high-definition videoconferencing solutions that had recently been purchased by peripherals giant, Logitech. While he was LifeSize's CMO, Buechler concentrated on the operational aspects of marketing, lead generation and sales enablement, helping the company meet its growth targets and compete with market challengers Cisco and Polycom.

Some marketing leaders will find themselves engaged in multiple categories of transformation at once. Indeed, executional transformation is likely to be vital for all firms eventually. It's just a question of priorities. As you lock on to the expectations of others in your executive team you'll have to clarify what type of transformation is most critical to address. Many other decisions — to be explored throughout this book — will flow from this one.

Question #4: What Resources (Human and Financial) Will Be Available to Me?

Without the resources necessary to drive change you are unlikely to be successful as a change leader. That's why it's necessary to clarify up front what human resources and financial resources will be available to support your efforts. You want to understand the budgeting process, how you will make requests and how you will justify those requests.

One marketing executive who worked with a large global electronics company told me about the conflicts that emerged as his leadership team sought results but refused to provide the funds necessary to launch new programs and campaigns. The company, which is well known for its consumer business, had ambitious growth targets in the business-to-business (BtoB) arena. He and his team created a multipronged strategy that revolved around enhancing the company's BtoB brand, put in place new marketing infrastructure and expanded the enterprise sales coverage model. But this marketing executive was stymied by a leadership team that was unwilling (or slow) to support him financially. When they asked him why he wasn't meeting expected growth targets, he was forced to point to an absence of resources — even though these resources had been promised to him at the outset of his efforts.

Such examples demonstrate why it's necessary to be careful what commitments you make early on and to ensure that you have real support — in terms of resources — to back up your change initiatives. Of course it's difficult (if not impossible) to be specific at the expectations stage as to the type and number of resources you will require. You will need to evaluate your situation over the next 30 – 60 days to formulate your strategy and plan. So your commitments at the outset should remain contingent on necessary resources being available to you. You can further clarify your commitments later on in the strategy and planning stages when you have a better sense of what resources — what talent and funds — will be available to you.

Question #5: Which Decisions Am I Expected to Make and Which Ones Am I Expected to Facilitate?

This is where the issue of decision rights and responsibilities comes into play. It's a question of which decisions are yours to make and which ones you can merely influence. You will have decisions on activities over which you have direct control, most of which will concern outcomes you are responsible for delivering. Other decisions may revolve around corporate mandates: Many of these decisions will affect others in the company who don't report to you. Social media policies — such as who can contribute commentary on blog sites — represent one example.

Finally there are decisions you don't make but over which you can exert an influence. In many companies it's necessary to lead by influence in order to encourage the sharing of best practices and methods. You may not have control over the budgets and policies of various business units, but you can encourage them to embrace strategies and approaches that have proven successful.

The CMO's responsibilities at Dr. Pepper/Snapple Group encompass brand strategy, advertising, customer insights and product innovation with direct control over many decisions. A company such as Samsung, however, is highly decentralized, requiring the CMO to devote a lot of energy to leading by influence. The CMO there is challenged to introduce smart new marketing approaches while respecting the decision-making authority of the firm's various business unit leaders, who must be enlisted to support the CMO's initiatives.

Question #6: How Will I Interact with My Boss?

Don't underestimate this issue. One of the keys to getting the support you need is keeping your boss enrolled. For your individual success, how well you are supported by your boss comes down to how well you interact with him or her.

You need to know a few things: What's your boss's style? How should information be presented? How will the two of you communicate? When will you meet? Does he or she want to be actively briefed on your decisions and progress or is it preferable just to present updates on certain milestones and initiatives?

Some marketing leaders I interviewed for this book expressed that their bosses — typically CEOs — prefer intimate detail and exhaustive reviews. They want to be fully apprised of the progress being made in the marketing organization. Yet other marketing leaders describe bosses who prefer strategic conversations and high-level reports at agreed-upon intervals. They aren't interested in getting bogged down in extensive detail. They just want to be certain that their marketing leaders are on a path to successful outcomes.

Whatever the case in your situation, you have to be in sync with your boss and communicate effectively. This is essential if you are to build trust and establish the confidence necessary to win top-level support.

COMMON MISTAKES TO AVOID

Marketing leaders sometimes make mistakes that can undermine their success at the outset of their new appointments. One is the tendency to make changes they think are part of their mandate that, ultimately, the organization isn't committed to making. In this situation the new CMO's desired changes are out of sync with changes anticipated by the CEO and other members of the leadership team. There are limits, after all, to the amount of disruptive change an organization is likely to accept.

The second mistake is to believe that you have more control than you really do. You have to recognize what decisions you own and which ones you can merely influence. What are the big things that everyone agrees need to be done? Mistakes are made when the marketing leader has a different viewpoint on this matter than the other key leaders in the organization.

The third mistake is making expansive commitments about what you can accomplish before you understand the resources that will be available to you and the amount of change the organizational culture can accept. That will lead to frustration and disappointment. You would be over-committing without knowing the constraints you are dealing with. It’s hard to walk back commitments you’ve already made.

But not to worry: If you are diligent at the outset in terms of clarifying the expectations of others (and most particularly the members of your senior management team), you are in a great position to move on to the challenge of setting an agenda that will lead to impressive results. We’ll address this in the next chapter.

ACTION PLAN CHECKLIST

1. State your primary goal in one sentence.

2. Articulate at least one tangible measure of success for:

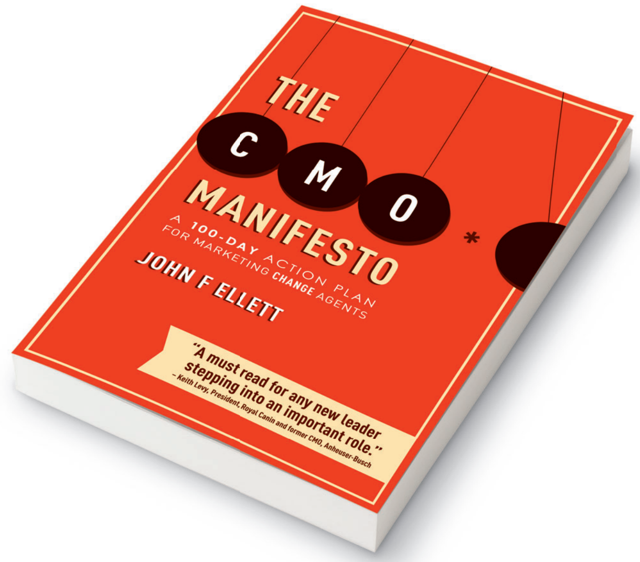
   a) Your first 100 days

   b) Your first six months

   c) Your first year

3. Describe in one short paragraph the nature of the change you will be leading and why the status quo is no longer acceptable.

4. Schedule a recurring meeting with your boss and agree on standard discussion topics.



THE BOOK

Purchase the book on Amazon.
cmomanifesto.com/buythebook

FORBES

Read John's blog on Forbes.com.
Blogs.forbes.com/johnellett

TWITTER

Follow John on Twitter.
twitter.com/jellett

MEDIA INQUIRIES

Please contact us at media@cmomanifesto.com
if you have any questions about John or his book.

SPEAKING ENGAGEMENTS

If you'd like John to present or share his experiences at your next conference or meeting, please contact us at meetings@cmomanifesto.com and provide a little information about your upcoming event.