



SELLING TO THE CHIEF MARKETING OFFICER



FINLISTICS
SOLUTIONS

Contents

Intro	pg. 3
Framework for Selling to the CMO	pg. 9
Power of One	pg. 15
Summary and Action Items	pg. 18
Appendix	pg. 20

The Chief Marketing Officer (CMO) is increasingly becoming one of the key corporate decision-makers. These decision-makers spend a lot of money on services, and are spending more and more on marketing technology, also known as martech.



CMOs' key initiatives



What they want from sales professionals



A framework for planning your conversation with the CMO

Ms. Christine McDermott, VP of Marketing at Jabil, Inc. will share her real-world insights into the CMO's key initiatives and what they expect from sellers. Before we get started, here are three things you should know about CMOs.

Their key responsibility from a financial perspective is pretty simple – grow the top line.



Easier said than done!!! CMO's typically report to the CEO. That's good since they can be a key influencer for your solutions. However, **80%** of CEOs are dissatisfied with the performance of their CMO.¹ That is an unfortunate position to be in, and as a result the CMO has the shortest tenure, around **three** years, of all c-suite executives. This suggests that whatever you're selling to the CMO needs to quickly help grow their top-line and have a short payback, to get the attention of these short-timers.

CMOs have a pretty good size budget, and it's increasing.



The average spend on marketing services, technology, and people is **3% - 4%** of revenue. By comparison, spend on corporate information technology tends to run **2% - 3%**.² A report by Forrester forecasts that CMOs in the US will spend by 2022 over **\$122 billion** in marketing technology (martech) and services.³ Furthermore, Forrester predicts the spend on martech, which is currently over **20%** of the total marketing budget, will grow at a faster rate than marketing services.

CMOs have a very different persona than many other CxOs.



For example, a study by Russell Reynolds reports the CMOs are **32%** more imaginative than CIOs/CTOs and **60%** than CFOs (now that really hurts, since I'm a financial type). And, are around **30%** and **40%** more unconventional than CIOs/CTOs and CFOs, respectively.⁴ This means that you need to tailor your message to appeal to the CMO's creative side.

To help develop insights into the world of the CMO, I took the opportunity to talk with Ms. Christine McDermott, VP of Marketing at Jabil. Let's talk with Christine and then review a framework to sell more effectively to the CMO.



Stephen: Christine, please share with us your background.

Christine: Let's see, I have been in marketing in various capacities for more than 25 years. I started my career as a reporter which I think was a tremendous way to kick off any career because it teaches you how to write, which is a dying art. Then, I was recruited into a public relations (PR) company. Next, I was recruited into marketing by one of the PR company's clients. So, I kind of came about my marketing entry in a very unique way. I started in telecom marketing and then moved to software marketing. So, Jabil is my first foray into manufacturing marketing, but I really enjoy working in an industry that produces something that's tangible and considered both complex and highly valuable.

Stephen: Tell us about Jabil.

Christine: Jabil (www.jabil.com) is a world-class manufacturing solutions provider that has been in business since 1966 and has over \$24 billion in revenue. Jabil builds solutions for the world's top brands. Everything from healthcare solutions in the medical device and diagnostics space, to mobility solutions for major consumer telecom providers. Jabil helps its customers stay competitive by providing leading capabilities in such hot spaces as additive manufacturing, optical networking and acoustics. When aligned with our cutting-edge supply chain expertise and global footprint, our capabilities drive tangible financial benefits, such as higher revenue and profit from faster speed to market and enhanced capabilities.

Stephen: As Jabil's VP of Marketing what are your chief responsibilities?

Christine: My core responsibilities include all aspects of creative, demand generation and operations in support of our divisions. The central marketing organization, which I manage, consists of people who are responsible for creative resource development, like the website, SFDC implementation, and all of the sales enablement that supports our divisions, helping them facilitate faster, more efficient and ever more creative marketing of Jabil. But at the end of the day, it's all about ensuring that our divisional marketing leads can do more with less in a supported, world-class model.

Stephen: Most companies talk about enhancing the customer experience. I would assume that is one of your primary responsibilities?

Christine: Absolutely. Marketing at Jabil is all about supporting the experiences of our customers and ensuring they understand the full spectrum of value we can bring by our extensive capabilities. And then, of course, we love to share those stories through powerful case studies that articulate how a partnership with Jabil can be a game changer for the brands we support. I encourage you to experience a few [here!](#)

Stephen: What are some of your primary initiatives over the next 12 to 18 months?

Christine: Definitely enabling our divisions to focus on creating revenue and pipeline opportunities is a huge priority. By way of background, Jabil didn't have a marketing function as recently as 6 years ago, so so there was a lot of heavy lifting associated with establishing the value marketing could bring to the organization. There was a lot of work put into helping Jabil as an organization better reflect the value that it brings to the market. That meant implementing training to support selling at a higher level, focusing on our customers to better understand their goals and priorities so we could hone in on how best to engage them to better understand the breadth of our value customers. It was a real shift in mindset to think about the customer first and then how our capabilities could support their top objectives.

Stephen: So, are you saying that sales and marketing aren't always aligned? Just kidding.

Christine: I think there's always opportunity for sales and marketing to be better aligned, and there's absolutely a focus on that going forward at Jabil. For example, we won't launch an account-based marketing program without fully aligning to targets identified by the sales people, and ensuring that the down-level strategy for moving the customer along the buyer's journey is understood and bought in. We figure out together who we want to win as customers; we define the criteria to go after those customers, and then we build programs that support compelling value propositions that will bring them out of the woodwork. It's a really powerful marketing tactic – and the beauty of the model also serves to draw greater alignment between sales and marketing.

Stephen: Sounds like account-based marketing is huge. What else? Any other major projects?

Christine: Jabil's Blue Sky Center in San Jose, California, is always a major priority for us because it gives us an opportunity to engage our customers face-to-face in a way that is compelling and eye opening. We are constantly upgrading, refining and changing the experience our customers have with Blue Sky so as to ensure that it does the breadth and depth of Jabil justice. The value achieved through this effort is highly measurable and reportable – and that always hits the mark for marketing

Christine: The third major priority is a focus area for many marketing organizations. That is, consistent and compelling branding. Jabil has been operated as a house of brands for many years – having grown through acquisition. But we are committed to changing that, bringing our house under one Jabil brand roof. I think it will be good for Jabil – and I know it will be excellent for our customers.

Stephen: Christine, everyone is talking about digital transformation. From a marketing perspective, how is your organization being digitally transformed?

Christine: As we discussed earlier, Jabil spent a couple of years establishing a marketing baseline and building out foundational tools and messaging that would help us articulate our differentiators. We're at a point now of recognizing that the opportunity for us is to take all that foundational work and push it to the market to generate demand from it. There are tremendous opportunities to leverage data and insights from our reporting in order to drive greater, more prescriptive success.⁵ We are providing more and more analytics all the time to support both better marketing and better selling.



Stephen: What are some insights you can provide to those who are selling at the executive level? I find that many sellers tend to focus on features and functions versus business outcomes and financial benefits.

Christine: You hit the nail on the head when you said features and functions. I recently had a very salient example. I received a cold-call email from a salesperson basically saying, "Hey, we've worked with Jabil in the past and I'd like to help you understand what capabilities we can bring to bear now because it's been awhile, and I understand you are new to your role, etc." The seller was from a reputable company, so I started doing some research to understand what we have going on in our operations so that we could have a more productive conversation. And sure enough, there was nothing going on with this vendor, which, of course, left me disappointed because we both wasted our time. She would have been much better served to do her research and understand that our core systems were supported by her biggest competitor. The only way forward would have been to know this and highlight the best way to compliment – not compete with an anchor solution. No executive I know has time for a salesperson who hasn't done her homework.


At the end of the day, sellers must understand the needs of their customer first and foremost. It is what's going to get the seller the attention they deserve. If they go into it blindly, like this seller did, it's not going to go well. The seller could have completely changed the outcome by doing her research and understanding my business needs first.

One of the most valuable things a sales person can do is present ideas on how to help me do my job better. There's no better way to that than with a research-driven baseline to understand my business.

Stephen: Christine, thank you so much.

Christine: Oh, thank you Stephen it was my pleasure.

At the end of the day, sellers must understand the needs of their customer first and foremost.



Let's summarize what we learned from Christine.

Marketing Initiatives

- Help customers better understand the brand by creating better alignment between sales and marketing.
- Enhance the customer experience by utilizing data and analytics to better understand individual customers.
- Provide customers a more compelling value proposition and reason to act by leveraging account-based marketing.

Insights on Selling to the CMO

- Know your customer, know your customer, know your customer, e.g.
 - Goals
 - Strategies and initiatives
 - Operating environment
- Provide insights on how the CMO can better do their job (i.e. tell them something they don't know!!)
- Features and functions are not the way to sell

Christine's guidance on how to know your customer is reinforced by a study released by Accenture which shows that almost 80% of buyers (not just CMOs) think **salespeople don't understand their business.**



FRAMEWORK FOR SELLING TO THE CMO

Now let's explore a proven framework for engaging in a conversation with the CMO that is driven by business outcomes. We call it a **Line of Business (LOB) Mapping**. It can be used with any line of business. Applying it to the CMO, it includes:



Company-wide **Goal(s)** the CMO is aligned with achieving.



Strategies the CMO is pursuing to support the goals.



Initiatives the CMO is implementing in support of the strategies.



Financial and Operational Key Performance Indicators (KPIs) the CMO is using to measure the success of strategies and initiatives.

Before providing an example, here are a few insights on the benefits of the **LOB Mapping** and how to most effectively use it with a CMO or any other LOB executive.

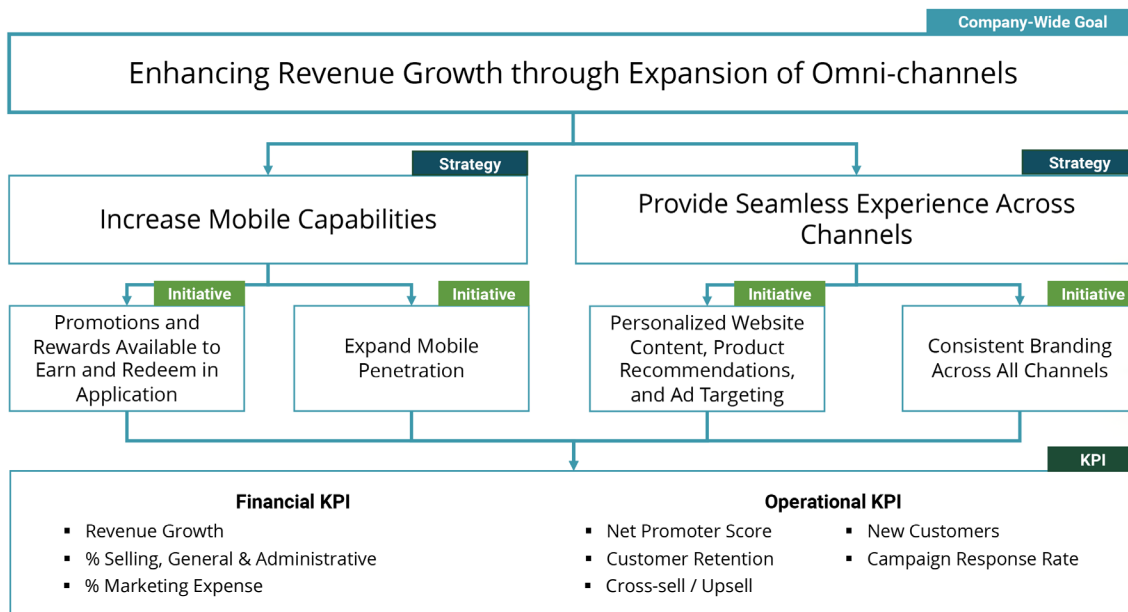
- Provides a great way to organize your thoughts before talking with the CMO
- Facilitates feedback from the CMO
- Helps build credibility since you are viewing the client from the CMO's perspective
- Promotes personalization to your approach, as you learn more about the CMO's specific strategies, initiatives, and measures of success

Develop your game plan

Figure 1 This mapping provides an example of a CMO Line of Business Mapping for the Retail industry. Using this framework, insert the target company's goals, strategies, and initiatives. Remember the LOB Mapping will change as you learn more about the CMO.⁶

(See **Appendix A** for a more detailed CMO mapping using the *FinListics Retail Industry Blueprint*.)

Figure 1
Retail CMO Mapping



Source: FinListics Solutions

Confirm Goals

Goal(s)

- In this example, the CMO is aligned to the goal of **Enhancing Revenue Growth through Expansion of Omni-channels** and New Markets. CMOs are often aligned with multiple company-wide goals, however, here we present one goal for illustrative purposes. Additional examples can be found in Appendix A, such as the goal **Enhance the Customer Experience**.
- Company-wide goals for publicly-traded companies are typically found in documents like Annual Reports and Investor Presentations.

Identify Strategies & Initiatives

Strategies

- In this sample, the initial assessment reveals the CMO's strategies are to **Increase Mobile Capabilities and Provide Seamless Experience Across Channels**. CMOs often have two or more strategies for each goal (e.g. see **Appendix A** for example of Retail CMO). Your solutions likely will not help the CMO implement all their strategies, and that's OK. Focus on those where your solutions add the greatest value.
- Strategies for publicly-traded companies also tend to be available in publicly available documents. Finding them requires more research than finding company-wide goals, but it's worth the effort to have a more meaningful conversation with the CMO.

Initiatives

- Like strategies, initiatives typically can be found in company documents by conducting a more thorough research.
- If the company does not reveal their initiatives, the alternative step is to make assumptions, using your knowledge of the industry.
- To build your case, you hypothesize the CMO's initiatives supporting each strategy:
 - Strategy: Increase Mobile Capabilities
 - Initiatives
 - 1) **Promotions and Rewards Available to Earn and Redeem in Application**
 - 2) **Expand Mobile Penetration**
 - Strategy: Provide Seamless Experience Across Channels
 - Initiatives
 - 1) **Personalized Website Content, Product Recommendations, and Ad Targeting**
 - 2) **Consistent Branding Across All Channels**

There can be two or more initiatives underlying each strategy, e.g. see **FinListics Retail Industry Blueprint** in **Appendix A**.

Focus on those where your solutions add the greatest value.

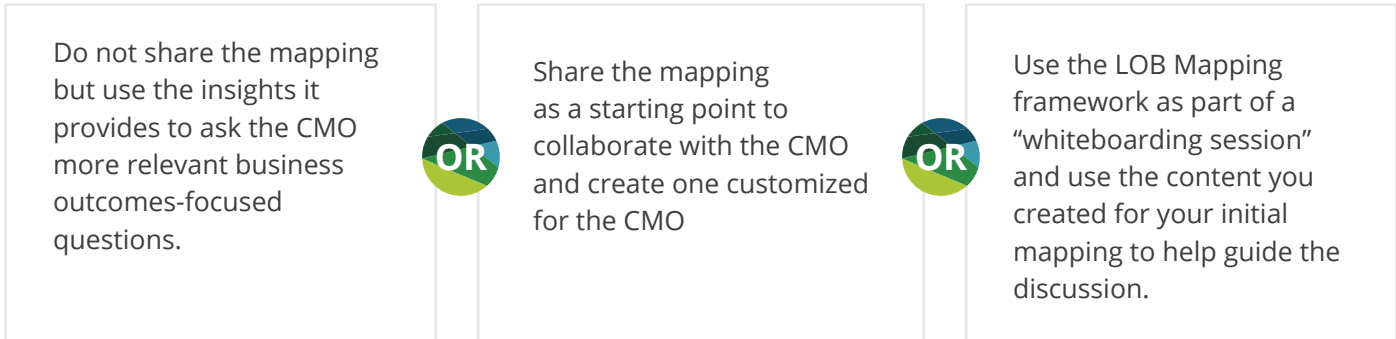
Measure of Success – Identify Financial and Operational Key Performance Indicators (KPIs)

- Financial KPIs can include 1) **Revenue Growth**, 2) **Selling, General & Administrative as a Percentage of Revenue**, and a more focused KPI 3) **Marketing Expense as a Percentage of Revenue**.
- Operational KPIs include those like 1) **Customer Retention**, 2) **Cross-Sell/Upsell Revenue**, and 3) **New Customer Revenue**.
- The operational KPIs often are not explicitly stated, but a careful review of investor presentations and presentations by the CMO are helpful in identifying which are the most important.

At this point, you have created your initial CMO LOB Mapping. It took some diligent research and time thinking through it. But experience shows it will be time well spent and will help separate you from the competition.



You might be thinking....“The LOB Mapping is kind of an interesting exercise, but how the heck do I use it with the CMO?” Great question. The approach you take using the insights from the LOB Mapping is a question of style.



Your preparation reveals that you have the insights to be a collaborative partner, can open up worthwhile conversations and take you to the next level. Regardless of the approach you take, Figure 2 is a proven framework for leveraging the LOB Mapping with the CMO.

Figure 2
Framework for Leveraging CMO Mapping



Source: FinListics Solutions

Confirm Goals

Confirm that the goals you have outlined are in line with the CMO. Goals can change, and those changes can have a significant impact. Also, make sure your understanding of the goals is identical to the CMO's.

Identify Strategies & Initiatives

Identify the CMO's strategies and initiatives. Also, share with the CMO strategies and initiatives of better performing companies with similar goals. How were they successfully implemented? What are the critical success factors. **Tell the CMO something she doesn't know!**

Explain How Your Solutions Have Helped Other Companies

- Share with the CMO HOW your solutions have helped other companies with similar goals, strategies and initiatives. Describe in business terms how your solutions potentially will help. Don't use feature/function speak. CMOs don't care.
- CMOs also want to know where your solutions have delivered results, and when they have not. No solution has a 100% success rate. By not sharing with the CMO when your solutions did not deliver the goods, they will wonder what else you are not disclosing. And whatever you do, don't tell the CMO the solution would have worked but it was poorly implemented by the client. Share with the CMO, the good, the bad, and the ugly. They will have greater respect for you. However, be prepared to explain how you learned from those "ugly" results and know how to avoid or remedy them in the future!

Identify Financial & Operational KPIs & Performance Improvement

- Identify how the CMO will measure the success of the strategies and initiatives. Have the CMO share with you what are the expected improvements. For example, if the CMO's goal is to increase revenue growth by 3%, how do they expect to get there? What impact do they anticipate from higher customer retention? What percentage do they expect from cross-sell/upsell and new customers?
- Knowing the CMO's expectations helps you size the prize which provides insights into the relative importance of your solutions. For example, suppose the CMO wants to improve revenue by **100 million** from higher customer retention. If your solution could deliver **fifty percent or more** of the 100 million, it likely would really get the CMO's attention. On the other hand, a benefit of **ten percent or less** most likely would not be of interest.

Share Your Point of View

Tie this all together. What is your assessment of the CMO's strategies and initiatives. What are their strengths? What are the risks? How can the risks be better managed? Again, tell the CMO something they don't know.

POWER OF ONE

You have used the LOB Mapping to better understand the CMO's goals, strategies, initiatives, and financial and operational KPIs. You have shared your observations regarding best practices, risks, how your solutions have helped other companies, and how potentially they can help the CMO. By doing so, you have differentiated yourself from most of the competition. Now, you need an X-Factor to provoke the CMO to explore your solutions and to do so faster.

The X-Factor... persuade with the **Power of One!** What is Power of One? It is the financial benefits from a **1% improvement** in the CMO's KPIs (e.g., customer retention) that potentially are improved by your solutions. By the way, many of your clients likely conduct their own internal Power of One analysis using their actual data. This is one reason why your Power of One will often be well received. It shows you think like they do.

Including the Power of One early in engagements with the CMO helps:

- Differentiate you from most competitors by engaging in a more financially-focused conversation
- Provide a foundation to better understand the CMO's view of the client's performance and challenges to improving performance
- Develop insights into the CMO's financial goals which are used to assess the relative importance of your solutions' financial benefits

Your Power of One observations are often used in **Identify Financial & Operational KPIs & Performance Improvement** stage for the framework Figure 2. However, like many aspects of sales the use of the Power of One is both art and science.

Let's apply the Power of One to the above CMO scenario. The CMO has shared with you the most important operational KPI's are 1) **Customer Retention** and 2) **Cross-Sell/Upsell**. You provide solutions like data and analytics that have helped other companies improve these KPIs in the context of the strategies and initiatives the CMO has shared with you.

Here is a proven approach for introducing the Power of One. Use what you know about the client and initially apply industry averages for what you don't know. Suppose in the above scenario you know the client has **\$10 billion in revenue**. What you don't know is the client's value for the three operational KPIs focused on by the CMO. This is typical early in the sales process, since companies rarely make the value of their operational KPIs publicly available.

KPI	Revenue (in 000's)
Customer Retention	\$ 93,000
Cross-sell / Upsell	\$ 7,000
Total	\$ 100,000

Here's an example of how the Power of One is introduced into the conversation.

"You have shared with me your strategies and initiatives for growing revenues and areas you expect improvement in - customer retention and cross-sell/upsell. I have shared with you our capabilities in working with other retailers to help improve those areas. A major focus of mine is to help your company improve financial performance. It is too early to say the magnitude of financial benefits that could be delivered. But for a company your size and using industry norms for the areas you are focused on, each one percent improvement in customer retention adds \$93 million in revenue and cross-sell/upsell adds \$7 million for a total of \$100 million.

Now pause and observe the CMO's reaction. They are more than likely determining what a 1% improvement would achieve for their company. You would then ask:

"How do these benefits compare to a one-percent improvement for your company?"

The most common response to this question tends to be:

"That's not the exact number but it's close enough."

A follow-up question is:

"Could you please share with me what are your goals for each of these areas?"

Suppose the CMO responds:

*"The goal is to improve these areas **two to three percent.**"*

What the CMO has just told you is that using the \$100 million Power of One, the goal is to increase revenues \$200 million to \$300 million. The CMO has just sized the prize! The question becomes how much of the prize can your solutions deliver.

Other times, the CMO may not have yet set goals for the individual KPIs, or for that matter overall revenue growth depending on how far along they are in developing their strategies and initiatives. This is a great opportunity to share your observations on the level of benefits other companies have received in similar positions.

The CMO likely will share with you the company-specific values of the operational KPIs she is focused on improving once the you have earned her confidence. Also, as you better understand the client's challenges and strengths you can collaborate with the CMO to develop better estimates of your solutions' financial benefits. But as a starting point, the Power of One has been proven time and time again, to be a valuable way engage in a more business outcome focused discussion with the CMO and differentiate yourself from the competition.

You can collaborate with the CMO to develop better estimates of your solutions' financial benefits.

Power of One Do's and Don'ts

- Use it only after discovering the CMO's strategies, initiatives and expected areas of benefits, and you have shared your capabilities. Leading with the Power of One can often lead to a very short meeting.
- Make it a part of the conversation to highlight your desire to increase the client's financial performance and that you have an executive mindset.
- The one thing known with certainty is the initial estimate is incorrect as it applies to the client. The good news is experience shows it is directionally correct.
- It is a conversation starter...not a promise.

SUMMARY AND ACTION ITEMS

The purpose of this paper is to help you better sell to the CMO. A special thanks is extended to Ms. Christine McDermont, Senior VP of Marketing at Jabil for her very valuable insights.

Here are the paper's highlights and your action items.

Provide insights on how the CMO can do their job better.

- **Knowing the increasing importance of the CMO**

- CMOs are becoming more important decision-makers and have an ever increasing martech budget to prove it. Are your sales to the CMO keeping pace? Are you gaining or losing market share?
- The average tenure of the CMO is three years. Are your solutions producing tangible increases to the client's revenues and doing so with a relatively short payback?

- **Selling to the CMO**

- Know the company-wide goals the CMO is supporting and the related strategies, initiatives & KPIs. How do your solutions help the CMO implement their strategies and initiatives and improve the financial and operational KPIs?
- Remember what Christine said, provide insights on how the CMO can do their job better. Tell them something they don't know! What are some new insights you would provide CMOs?
- Don't use feature/functions speak when engaging with the CMO. How would you explain how your solutions deliver the CMO's desired business outcomes?

- **Separating yourself from the competition**

- Use the **CMO LOB Mapping** to organize your engagement with the CMO and more effectively identify the CMOs strategies, initiatives and KPIs. What are the strategies, initiatives, and KPIs for your client's CMO?
- Make the Power of One part of the conversation with the CMO to provide a financial focus. What is the value of the Power of One for the KPIs focused on by your client's CMO and improved by your solutions? How will you make the Power of One part of the conversation with the CMO?

Please let me know if you have any comments. And, please send me your ideas on other CxOs for which you would like insights such as those provided for the CMO. Contact me at stimme@finlistics.com.

Good luck!!

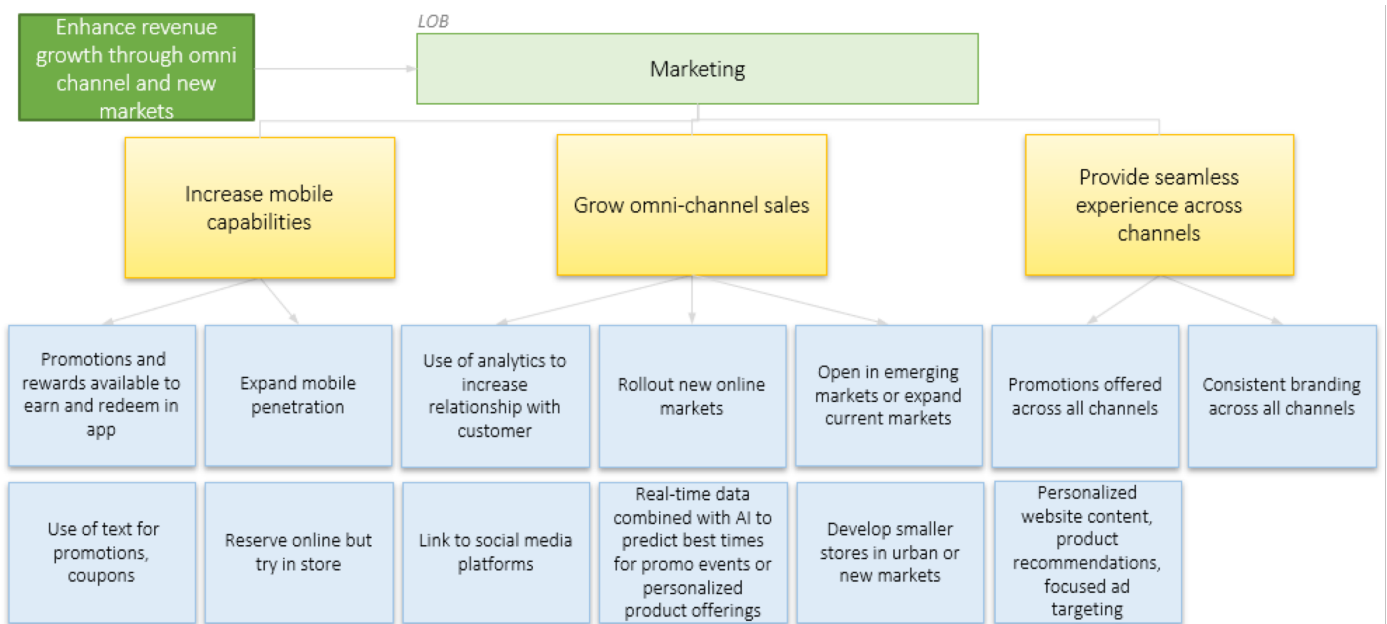
Footnotes

1. "Why CMOs Never Last," Kimberly A. Whitler & Neil Morgan, Harvard Business Review, July-August 2017.
2. FinListics Solutions, ClientIQ.
3. "CMOs Will Spend Over \$122B On Martech By 2022," H.B Duran, Forrester, Martech-Trend Report, April 30, 2018.
4. "Inside the Mind of the Chief Marketing Officer," Norm Yustin, Mallory Samson, and Melissa Swift; Russell Reynolds, December 16, 2016.
5. "Want to Beat the B2B customer Disengagement Slump? Use Data to Personalize Your Conversations," Dana Reed, FinListics Solutions, January 23, 2019.

APPENDIX A - RETAIL CMO MAPPING

A.1: CMO Goal – Retail – Enhancing Revenue Growth through Omni-Channel and New Markets

FinListics Industry Blueprint

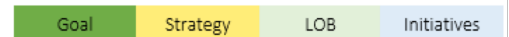


Impacted Financial Metrics

- Revenue Growth
- Selling, General & Administrative expense
- Marketing expense

Key Performance Indicators

- % Revenue from new customers
- % Cross sell/up sell
- % Sales budget
- % Marketing expense
- % Revenue from marketing campaign
- % Markdowns
- Net Promoter Score
- Price Optimization
- % Online sales
- Basket size
- Average ticket
- Conversion rate

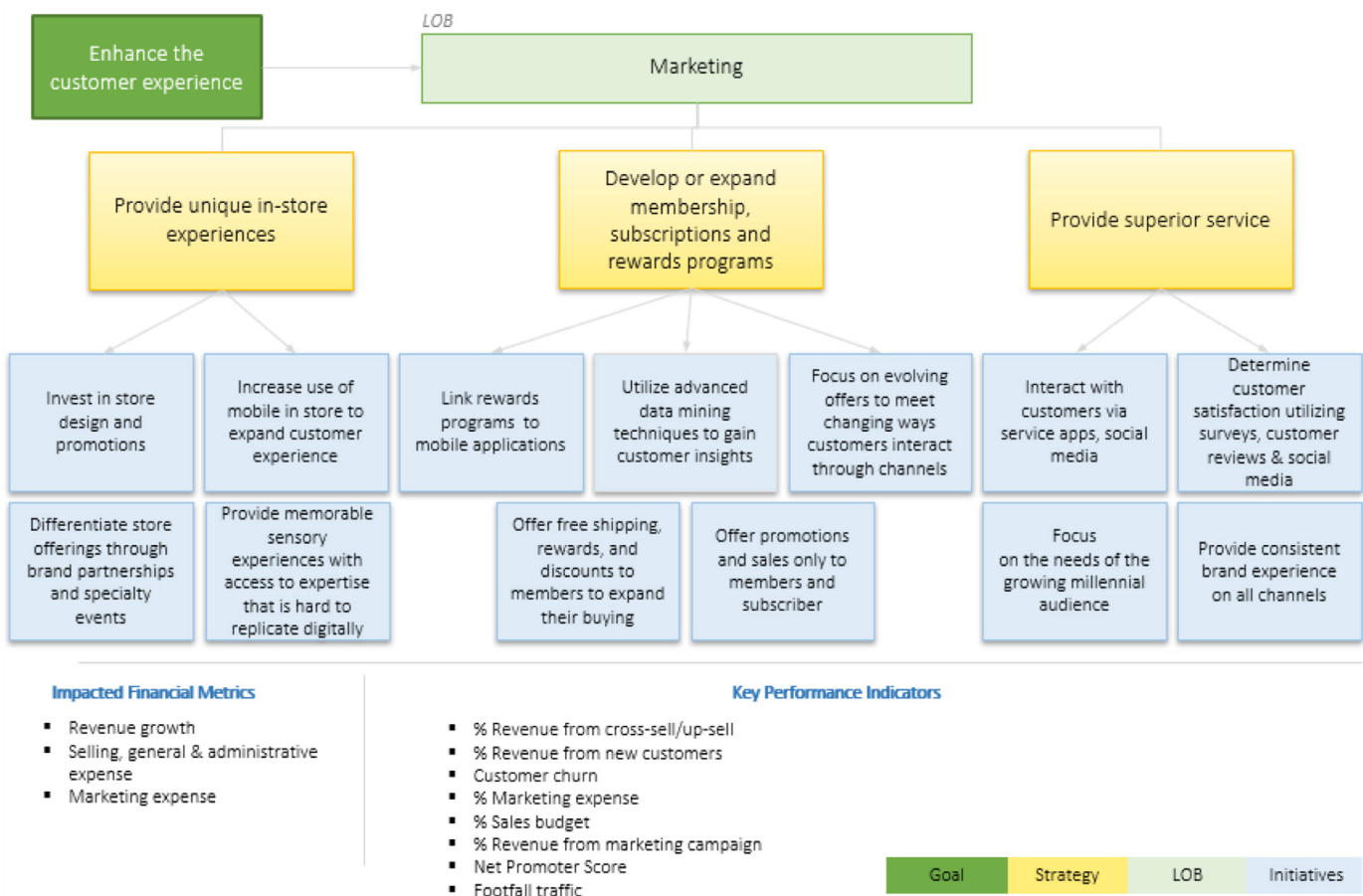


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Appendix A - Retail CMO Mapping

A.2: CMO Goal – Retail – Enhancing the Customer Experience

FinListics Industry Blueprint



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