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Bridging the CMO-CIO Gap

How Marketing & IT Leaders Can Find Common Ground

There is a gulf separating Marketing and IT—a new kind of **"digital divide"** that organizations must address to meet user demands and create more innovative products.

The explosion of digital has created an irresistible magnetic force—pulling Marketing and IT groups together like never before. Resistance is futile. Gartner has made waves by boldly predicting that by 2017 CMOs will spend more than CIOs on IT.

As recently as a decade ago, people rarely mentioned Marketing and IT in the same sentence. Thanks to the Internet of Everything, you can't talk about one without bringing up the other. But there's a big difference between including them in the same discussion and having them work well together. Many organizations struggle mightily with the latter.

I. The CMO-CIO Rountable

Celerity hosted a CMO-CIO Roundtable, "Crossing the Digital Divide," providing an opportunity for digital leaders to come together and engage in meaningful dialogue about the real-world issues causing dissonance between Marketing and IT teams.

CMOs, CIOs, and VPs of Digital/Product Management from eight companies participated. Industries represented included media, financial services, non-profits, hospitality, natural gas, and information services.

Facilitated by Lisa Nirell, award-winning author of the "Mindful Marketer," the session featured interactive breakouts, brainstorming, and the development of actionable strategies for pioneering a more collaborative relationship between the two functions.

Three Reasons Why Marketing & IT Need Each Other:

1. Digital Growth

A recent AdWeek survey indicated that CMOs are preparing for digital to grow to 75% of marketing budgets, but almost half are worried about managing this change.
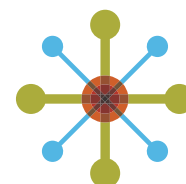
2. Leveraging Data

Harnessing and mastering data is key to achieving competitive advantage.

3. Customer Experience

Marketing manages the brand, but technology, data, and analytics are behind every successful customer experience—inextricably linking the two groups.

II. Causes of Conflict

During the roundtable, digital leaders weighed in on the **biggest challenges** with their cross-functional counterparts. Communication, culture, and data rose quickly to the top of the list as the areas needing immediate attention.
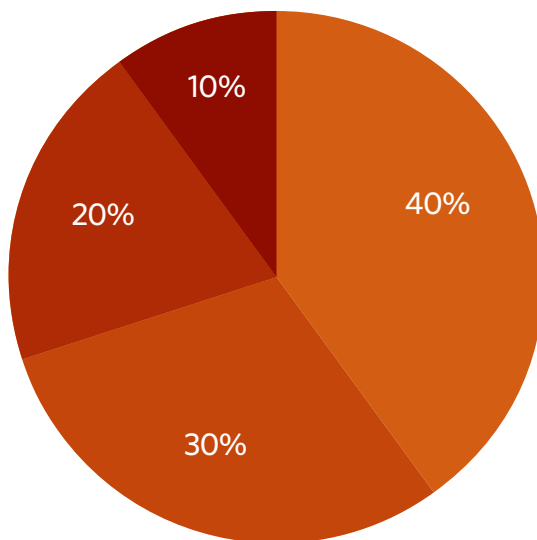
40% Communication:

Marketing and IT reside in different silos and speak different languages. IT often overlooks the intense pace of customer demands, which Marketing confronts daily.

30% Culture & Philosophies:

IT is rewarded for managing risk and controlling costs, while Marketing is encouraged to deploy new products and grow the business. Role clarity and fundamental philosophic differences (such as Agile vs. Waterfall) undermine team effectiveness and collaboration.

20% Reporting, KPIs & Big Data:

It's difficult to get to "one view of the customer" with overwhelming amounts of data. Marketing obsesses over campaign metrics while IT values performance metrics.

10% Prioritization:

IT is more confident that it understands Marketing's priorities (68%), whereas Marketing struggles to communicate IT's priorities (49%). Agile project prioritization is difficult and scope creep is a recurring issue.

"Be compassionate. Compassion starts with understanding the recurring pressures that most CIOs are facing—and recognizing that some of these pressures are the same ones that Marketing must address." – Lisa Nirell

III. How to Close the Gap

Marketing and IT professionals agree on one thing: their largest sources of friction are cultural differences, poor communication, and difficulty managing data and KPIs. Here are some ways Marketing and IT teams can find common ground:

Establish collaboration protocols

Create a plan for managing conflict in cross-functional teams, learning from failed initiatives and making sure everyone participates.

IT teams need to work hard to dispel the notion that they're merely a support mechanism and build more strategic, communication-rich skillsets.

Focus on culture and building a bridge

Everyone wants to participate in creating an aligned culture. Here's how:

- Listen to those who drive change all the way up the chain. Use brainstorming and data to establish norms and a working plan with IT.

- Engage the whole IT team more in business strategy so they can support it.

- Find shared purpose.

Define KPIs between Marketing and IT to get one view of the customer

Agree on how you will collect, analyze, and take action on customer data. Have conversations to make sure you don't look at customers differently on different sides of the house.

Improve prioritization

Both IT & Marketing need project prioritization and strong discipline to define digital initiatives and avoid taking on projects that bottleneck and distract the organization.

- Use ranked priority lists to focus less on medium priorities and more on big bets.

- Simplify the requirements process so there is less emotion involved in project prioritization.

- Ask "why?" when a new project is introduced.

Make candor your rallying cry

Agree to bolster a few core areas, such as integration and reporting standards, without caring who gets credit. Work to extract concern early and address silent contributors.

IV. Recommendations

The roundtable yielded several recommendations and action steps CMOs and CIOs can apply today to start improving collaboration. The top three recommendations were:

1. Walk a Mile in the Other's Shoes

To work better together, Marketing and IT teams need to first understand the different priorities and mindsets of their counterparts. *Figure 1* illustrates these differences and provides further insight into why the two groups will need to work hard to get aligned.

2. Determine if Your Organization Is Project-Driven or Strategy-Driven

While CMOs are generally customer- and strategy-focused, CIOs tend to be more project-focused. But both groups can quickly lose sight of their organizations' broader strategic priorities.

Figure 2 provides a framework to help Marketing and IT teams build more strategic programs—ultimately closing the gap between what Marketing wants and what IT delivers.

3. Start Small, but Start Now

If you improve just 1% per day, in 70 days you are twice as good. With that principle in mind, roundtable participants committed to take one action to help drive better alignment between Marketing and IT.

Figure 1:

CIOs & CMOs Seek Growth in Different Ways

CIO Priorities	CMO Priorities
• Support sustainable business growth	• Grow the business
• Improve business process through technology	• Align the whole enterprise around the customer
• Be a source of innovation	• Define the future of customer relationships
• Maintain control of technology costs	• Create the new brand experience
• Minimize and control risk	• Organize Marketing for adaptability
• Prove the value of IT	• Prove the value of Marketing

Source: Forrester Research, Inc.

Figure 2:

Closing the Gap Between What Marketing Wants and What IT Delivers

Objective	Sample Activities	People to Involve
Level 1: Determine IT resources & technical aspects. Perform the technical work	Select proprietary tools or "off the shelf" options that meet the requirements. Implement the solution	Business Relationship Manager (IT). Service Level Manager (IT). Technical Specialists (IT)
Level 2: Identify service requirements & high level service design	Determine data security & customer exposure considerations. Identify service levels (e.g. hours of availability, customer response times, etc.)	Marketing Representatives. IT Business Relationship Manager / Service Level Manager (IT). Subject Matter Experts (IT)
Level 3: Identify tactics to achieve those outcomes	Explore online & offline methods as well as internal (IT) & external (service provider) services	Marketing Team. Technology Visionaries (IT or other). CIO Representative / IT Business Relationship Manager
Level 4: Establish Marketing strategy & business outcomes	Determine business objectives. Identify leading & trailing indicators of business improvement	Marketing's Internal Customers. Marketing Team. Technology Team

V. Close the Gap for Good

When Marketing and IT learn to align as strategic partners, they will be poised to drive business value through the roof.

But alignment doesn't happen overnight. Both groups need to work on improving communication and changing processes. It will require healthy doses of patience and compassion—but will be well worth it in the long run.

How Can Celerity Help?

Celerity brings together leaders from Marketing, IT, Product Development, and Operations to design and deploy leading-edge digital products that drive customer engagement and bridge business gaps.

With deep expertise in digital strategy, UX design, web and mobile applications, Agile development methodologies and business processes—we inspire IT and business teams to collaborate more effectively throughout the product lifecycle with more holistic digital approaches.

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Additional Resources

- "What Marketing Leaders Can Learn from their CIO" A Conversation with Dell CIO Andi Karaboutis http://tinyurl.com/dellandi

- CIO Magazine's "State of the CIO" Report

- "How to Make Your CMO Love IT" BMC Software blog http://tinyurl.com/bmcblog

- "The Agile Tipping Point: How Iterative Development Can Transform Your Organization" Celerity eBook

- Teaming: How Organizations Learn, Innovate, and Compete in the Knowledge Economy, Amy Edmondson

- Digital Maturity Framework (Celerity)

Bridging the Gap

A Celerity Whitepaper