

**Driving
change in
a digitally
transformed
world:**

**From
collaboration
to team
integration—
best-in-class
CMOs and CIOs
converge**

Introduction

“CMOs need a good CIO, and the other way around. Strong collaboration between the two can lead to advances such as greater multichannel customer engagement and mobility. . . integrating all the pieces to maximize the mobile platform.”

— Randy Burdick,
CIO, SuperValu

“Big Data is only one part of this. It’s about digital transformation—interacting completely differently with customers, having more data and using it more effectively to do better targeting. Digital strategies enable the data, which in turn enable a better experience for the customer. IT and marketing are sitting squarely in the middle.”

- Eduardo Conrado, senior vice president, Marketing & IT
Motorola Solutions

It’s no secret that chief marketing officers (CMOs) and chief information officers (CIOs) must work closely together; they realize it and have been talking about it extensively. But talk isn’t enough. In the most progressive customer-focused companies, best-in-class CMOs and CIOs are taking it to the next level by integrating their teams to the point of intentionally blurring—and even overlapping—the boundaries between their respective departments in pursuit of enterprise-wide goals. As more enterprises create hybrid teams and roles, the technology and marketing leaders of tomorrow are living in both worlds, seamlessly integrated.

The catalyst is *digital transformation*, which is being closely watched as it fundamentally changes the way organizations do business. Going well beyond Big Data, digital transformation facilitates more accurate and specific customer insights, enabling new ways of engaging customers. These customized solutions are being deployed not only in what have historically been consumer-led businesses, but also in B-to-B organizations that were traditionally led by operations and sales.

The language of digital transformation.

The integrated world of technology and marketing is a far cry from the past. For years, CMOs and CIOs each spoke their own unique language. This was often a significant obstacle as brand-driven marketing conversed in ideas, while technology tended to be largely process driven. In some cases, marketing and technology were polarized to the point of competing against each other internally.

Now, best-in-class CMOs and CIOs are fluent in each other's vocabulary: CMOs exhibit greater appreciation for what technology can do, while CIOs are savvier about the need for customer-centric solutions. And they are using a progressive and integrated "third language" that is closely aligned with the enterprise-wide goals and priorities of the CEO and board. "When each knows what the other is trying to accomplish, there is a basis for true partnership, which should be aligned with the company's strategic plan," said Janet Sherlock, CIO of Carter's.

"Both sides come from a place of trust and understanding. Setting aside marketing or technology, we are both in sync with the business strategy and coming at it with the perspective of being completely aligned at the strategic objective level."

— Sanjay Gupta,
CMO of Allstate

Developing customer-led models using real-time data.

“It’s amazing what can be learned [by capturing data to track]... exactly the steps that consumers take along the customer journey. This implies big investment in complex technology and seamless interaction between the CMO and CIO...With greater philosophical alignment between the CMO and CIO, technology turns into a weapon—instead of a cost.”

— David Rubin
head of brand,
Pinterest

A deeper relationship between CMOs and CIOs has evolved with a sense of urgency to harness the power of digital technology to drive customer-centric business solutions. “Mutual needs drive accelerated collaboration,” said Hubertus (Huub) Devroye, global director of marketing & demand generation, The Dow Chemical Company.

One of the benefits of seamless marketing-technology collaboration is an enhanced ability to create customer-centric solutions using a high level of analytics and more granular segmentation that is well beyond traditional customer relationship management (CRM). “It’s not just about making contact; you also need to foster emotion and continuous dialogue in that contact,” said Alfredo Gangotena, CMO of Sotheby’s. For example, Sotheby’s business of matching potential customers with unique works of art requires “a multi-faceted CRM system ... IT needs to enable this, and marketing needs to operate it.”

The integrated 'hybrid' team.

Creating cross-functional fluency starts with awareness and education. The CIO and the IT team educate marketing about what's possible by using technology tools, data, and analytics that can create more interactive and targeted marketing to drive higher customer engagement and retention. The CMO and the marketing team help IT understand the business value of having the right data, as well as greater market expectations for speed, transparency, and personalization. Each side brings out the best in the other, with mutual strengths and complementary skills that overcome weaknesses. "IT appreciates marketing's know-how and understanding of the customer, while marketing appreciates IT's innovativeness and capability to translate customer requirements into effective and efficient solutions," said Robert Blackburn, president, chief supply chain officer, and group CIO, BASF SE.

"Marketing brings the voice of the consumer and trade, and pushes the need for speed and flexibility, and avoidance of big one-size-fits-all solutions," added Jean-Marc Levy, former CMO of British American Tobacco. "IT brings skills in project management, discipline, alignment, avoidance of duplication, clear processes, and strategic 'cleanliness.'"

Creating the customer experiences of tomorrow will require an even deeper level of team partnership than ever before. "We found that someone in IT needed to be included in marketing discussions to make sure what was being asked for could be delivered, and we're about to put a marketer in the IT function—someone who has great technical acumen but also understands ... the consumer perspective," said Eric Lent, CMO and chief technology officer (CTO) of Herschend Family Entertainment.

Through closer affiliation, marketing and IT jointly project the voice of the customer into the organization. Together they "speak" with the authority of customer data to illustrate how to positively impact customer experiences. As a result, financial and technical resources can be more readily committed in support of strategic imperatives. Hybrid teams are most effective when they are formed to achieve specific, challenging objectives. This kind of enhanced collaboration happens when teams are given the mandate to operate beyond the narrow scope of their respective functions and technical expertise and focus on bigger goals linked to enterprise-wide outcomes.

Building effective teams.

“A cross-functional team goes beyond IT and marketing to where people think end-to-end . . . Our cross-functional team in this area has been a real enabler for us.”

— Karen Quintos,
senior vice
president and CMO
Dell

While we recognize that it is important for CMOs and CIOs to develop, lead, and ultimately integrate their teams, we have found that, paradoxically, these leaders have a crucial blind spot: the ability to get work done through others. Korn Ferry research shows that CMOs and CIOs may not be the skilled managers/leaders of people that they think they are. To be best-in-class in the digitally transformed world, these leaders must develop and improve their skills to build and manage effective teams—especially teams capable of the kind of collaboration that brings departments together seamlessly and fluidly.

Best-in-class CMOs and CIOs who can partner most effectively share a common mission and jointly celebrate the milestones achieved. They exhibit *learning agility*, a capability that enables leaders to succeed in tackling new or novel challenges and situations. As Korn Ferry research has demonstrated, learning agility is a highly desirable capability at the most senior level as well as within the teams that work across the enterprise, enabling people to tolerate ambiguity, handle and even create necessary disruption, and innovate in ways that take advantage of a changing environment to create new business solutions. Among IT and marketing professionals, learning agility is a crucial strategic capability that enables thinking beyond their functional areas of technical expertise.

The next generation of marketing-IT collaboration can be seen in firms such as Motorola Solutions or Herschend Family Entertainment where there is no distinction between marketing and technology. Instead, they exist in the same department and with the same leader. The result is a matrixed organization in which IT has been embedded within marketing and sales. Combined, these functions have greater understanding of how to carry out enterprise strategy and enhance the customer experience.

Effective teams for the long term.

At Korn Ferry, our work with numerous teams has yielded important lessons about what it takes to form and sustain teams that are aligned and effective for the long term.

Be ruthless about membership. Putting together a cross-functional or matrixed team involves some hard decisions about who will contribute best to accomplishing the team's goals. Not everyone who wants to be on a team should be included, and some who don't want to be included should. The team needs members who bring the right blend of technical, interpersonal, and business skills—and shouldn't be too large (avoid double digits).

Set a compelling direction. Make sure the team members know and agree on what they're supposed to be doing together. Unless you articulate a clear direction, the marketing and IT team members will likely pursue their own agendas.

Embrace your uniqueness. There's no one right style for leading a team, so don't try to ape someone else's leadership approach. Let the team members bring their own strengths and weaknesses to the effort. Exploit what the team is great at, and get help in the areas where the team is not as competent.

Focus team coaching on group processes. For a team to reap the benefits of any coaching that is provided, you'll need to focus that coaching on enhancing group processes, not on guiding and correcting individual team member behavior. Also, timing is everything. Those on the team will need to know how to:

- Run a launch meeting, so members become oriented to and engaged with their tasks.
- Conduct midpoint reviews on what's functioning well and what isn't. This will enable the team to fine-tune its performance strategy.
- Take a few minutes when key deliverables are finished to reflect on what went well and not so well to identify ways of making best use of team members' knowledge and experiences going forward.

Protect your contrarian: The contrarian team member whom you designate will say things that nobody else on the team may be willing to articulate such as, "Wait a minute, why are we even doing this at all?" or "We've got to stop and maybe change direction." These observations can open up creative discussion, but they also can raise others' anxiety levels. People may feel compelled to crack down on the contrarian and try to get him/her to stop asking difficult questions—maybe even knock him/her off the team. Don't let that happen: if you lose your contrarian, your team will become mediocre.

Enter the ‘matrix.’

Beyond marketing-IT teamwork, there can be even a greater degree of affiliation that brings together multiple business units and functions. In this context, the marketing-IT integrated team becomes the first “axis” in an organizational “matrix” in which diverse entities are closely aligned. Developing an idea or launching a new product might bring together research and development and marketing, with technology providing data. Or, finance and legal may team up as a joint venture is being formed or an acquisition is being made.

The result is a collaborative, deeply integrated ecosystem that is supported at the top of the organization. “An IT-literate CEO can make a big difference. If there is enough pressure coming from the top, the whole organization will be able to make better use of the benefits of a good CMO-CIO alliance,” said Ricardo Diaz Rohr, CIO of Media-Saturn.

When efforts are fully integrated, initiatives are no longer labeled “technology projects” or “marketing projects.” Instead, such endeavors are organized to support achievement of overarching business strategies and are viewed as organizational requirements and accomplishments. Teams come together fluidly as they add their capabilities to a particular project, driving innovation through a company’s stage-gate process.

Doing business in the digitally transformed world.

In today's digitally transformed world, CMOs and CIOs must foster a culture of collaboration that creates alignment within and among their teams to drive enterprise-wide results. "Both functional leads need to be tied into the company culture and working toward the same end goals. If the leaders are working well together because they are looking at the same goals, then their team members will follow suit," observed Brad Willis, CIO of Deckers.

World-class CMOs and CIOs are partnering to the point of intentionally blurring and even erasing functional boundaries. This approach is imperative for implementing data-driven solutions to address heightened customer expectations and the complexity of today's extremely competitive and fast-moving business environment. For those who are no longer content with talking about change, best-in-class CMOs and CIOs offer a powerful example of what it takes to drive change and win in a digitally transformed world.

Contributors

We would like to thank the following for contributing comments and perspectives:

Thaddeus Arroyo

President, Technology
Development
AT&T

Robert Blackburn

President, Chief Supply Chain
Officer, and Group CIO
BASF SE

Randy Burdick

CIO
SuperValu

Kevin Cai

CIO
China Eastern Airlines

Richard Cheung

Executive Director,
Customer and Marketing
The Hong Kong Jockey Club

Scott Collary

CIO
ANZ Bank

Eduardo Conrado

Senior Vice President,
Marketing & IT
Motorola Solutions

Vittorio Cretella

CIO
Mars Information Services

Hubertus (Huub) Devroye

Global Director of Marketing
and Demand Generation
The Dow Chemical Company

Ricardo Diaz Rohr

CIO
Media-Saturn

Alfredo Gangotena

CMO
Sotheby's

Sanjay Gupta

CMO
Allstate Corporation

Johan Jervoe

Global Group CMO
UBS

Eric Lent

CMO and CTO
Herschend Family Entertainment

Jean-Marc Levy

Former CMO
British American Tobacco

Howard Melnick

Senior Vice President, Global CIO
Ralph Lauren

Filippo Passerini

Group President, Global Business
Services and CIO
The Procter & Gamble Company

Karen Quintos

Senior Vice President and CMO
Dell, Inc.

David Rubin

Head of Brand
Pinterest

Paul Ryan

Vice President and CIO
The Wrigley Company
(Division of Mars, Inc.)

Janet Sherlock

CIO
Carter's, Inc.

Jens Siebenhaar

CIO
REWE Group

Art Smith

Chief Communications
and Marketing Officer
MUFG Americas

Frank Sottosanti

CMO
Protective Life Corporation

Francesco Tinto

CIO
Kraft Foods Group

AJ van Triest

Category Director - DBB
FrieslandCampina AMEA

Vinoo Vijay

CMO
TD Bank USA

Ken Volk

CMO
Macerich

Brad Willis

CIO
Deckers

About the Authors



Caren Fleit

Senior Client Partner
Leader, Global Marketing Center of Expertise
caren.fleit@kornferry.com
+1 212-984-9417



Anne Park Hopkins

Senior Client Partner
Information Technology Officers Center of Expertise
annepark.hopkins@kornferry.com
+1 404 222-4055



Peter Uher

Senior Client Partner, Leadership and Talent Consulting
peter.uher@kornferry.com
+1.404.222.4041

Additional Korn Ferry contributors:

Jacques Amey
Paul Chau
MacLean Craig
Jennifer DeCastro
Elaine Dinos
Keith Feldman
Emmeline Kuhn
Mark Polansky
Hagen Schweinitz
Kevin Sealy
Craig Stephenson

About Korn Ferry

At Korn Ferry, we design, build, attract and ignite talent. Since our inception, clients have trusted us to help recruit world-class leadership. Today, we are a single source for leadership and talent consulting services to empower businesses and leaders to reach their goals. Our solutions range from executive recruitment and leadership development programs, to enterprise learning, succession planning and recruitment process outsourcing (RPO).

About The Korn Ferry Institute

The Korn Ferry Institute, our research and analytics arm, was established to share intelligence and expert points of view on talent and leadership. Through studies, books and a quarterly magazine, Briefings, we aim to increase understanding of how strategic talent decisions contribute to competitive advantage, growth and success.

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