

THE
LATEST
THINKING





BY CAREN FLEIT

Customer-Centric CMOs Leading the Charge

The role of the chief marketing officer has changed radically in just the last five years. Digital transformation and the availability of big data, when embraced and properly leveraged, enable companies to know, understand and engage their customers like never before. Customer-centric companies are strategically positioned to emerge as the winners in this new world order—and within these companies, very often the CMO is asked to lead the customer-centric agenda and orchestrate the organizational alignment required to put the customer at the center of everything.

While this change has spawned great opportunities, it has also created challenges for CMOs. Customers are empowered as never before, and they know what is possible, thus creating high expectations that companies must address. Cutting-edge marketing departments are leading the charge in interpreting customer data and teasing out meaningful insights to drive their businesses and create measurable results. Indeed, marketing is no longer a cost center but a revenue generator.

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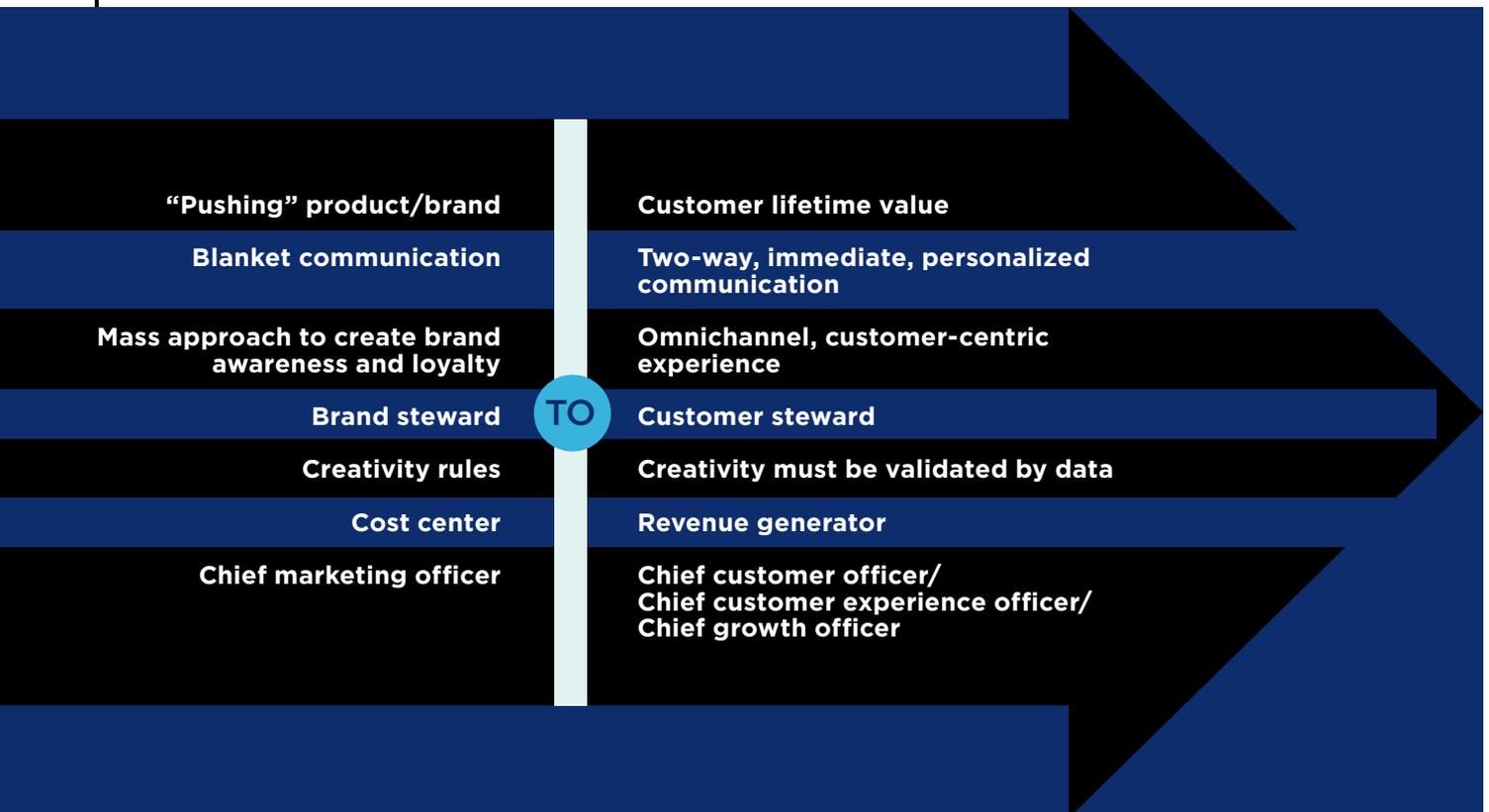
CMOs need to leverage data to shape initiatives that affect all interactions with customers. The CMO must become a customer steward instead of a brand steward. And creativity, while still a hallmark of marketing, must be validated by data and connected to results. The days of a mass approach to brand awareness and loyalty are over; things have moved from blanket communication to two-way, real-time personalized communications with customers. The focus must be on creating a seamless, omnichannel experience across all communication and purchase channels.

The CMO must thoroughly understand what digital transformation means. Digital is not an end unto itself but rather a means to an end. Digital technology can

boost a business, but having data and knowing the latest “cool” digital means of connecting to consumers is not enough. Using digital technology to derive the right insights is critical. Marketing leaders must find innovative ways to listen to customers and use that information to create products and services that engage them.

Consider some of the most customer-centric companies—Amazon, Apple, Starbucks, USAA, Walgreens—all of which share a data-driven, analytical approach to understanding their customers. Early adopters of leveraging digital technology to glean insights and customize customer approaches, they have created successful, customer-centric business models. These companies have made it their business to know their customers and adapt to their evolving needs.

EVOLUTION OF THE ROLE: FROM “MARKETER” TO KEY BUSINESS DRIVER



Source: KORN FERRY

Customer-Centric CMOs Leading the Charge

Our research has shown that if organizations want CMOs who can lead a customer-centric business agenda and be effective in this digitally transformed world, they will need leaders who have more than just the right set of experiences. They will also need to ensure that they have a differentiating set of leadership competencies:

Customer-centric marketing leaders must be capable of bringing together the entire organization and working seamlessly across traditional organizational silos.

In many cases, the CEO puts the CMO in charge of a huge organizational change: to shift the company from a focus on products, sales and/or operations to a focus on the customer. Creating this new mindset is a paradigm shift and cannot be done by the CMO alone. He or she needs support from the top, but to be successful, that is not enough. The CMO must also build effective relationships; be empathetic, and relate to and maintain relationships with others regardless of their level, personality or background. The CMO must inspire trust by modeling integrity, treating others fairly and delivering on commitments. And it is critical that he involve others in decisions and plans that affect them, address and resolve conflicts directly and constructively and focus on issues rather than people in order to promote collaboration across the organization. To become truly customer-centric, the entire company needs to be aligned.

The CMO must build the right team and maximize performance.

Customer-centric CMOs put significant focus on developing talent—coaching and guiding, planning succession and hiring, and promoting diversity. They identify the employees with the most learning agility so that they can create specific career tracks, understanding which of the “specialists” can become “generalists” over time. They engage and inspire their team, encouraging high standards, fostering a sense

of ownership and rewarding excellence. And they ensure execution, redirecting efforts when goals change or aren't met, and holding people accountable for their work. Successful CMOs must do all of this while developing a team that is directly connected to creating revenue and is linked to the company's overall objectives.

These leaders drive customer-centric revenue strategies

They foster a customer-focused environment, leveraging data that allow them to really know their customers and to anticipate their needs. They combine data with insightful judgment to innovate and create new paradigms, integrating useful information, making decisions in the face of uncertainty and fostering creativity of thought and risk-taking. And, they think strategically, carefully weighing strengths and weaknesses, balancing short- and long-term goals and always ensuring alignment with the broader company objectives.

Companies are actively seeking to become more customer-centric because it is simply better for business. When done well, this strategy results in more loyal customers who promote the business to others and buy more, leading to increased revenue, stock price and market share.

For organizations, it is not enough to say the customer comes first. Customer-centricity must truly become part of the corporate DNA—and it is increasingly the responsibility of the CMO to understand and implement this visionary thinking. Given that the leadership competencies that differentiate customer-centric CMOs focus on building teams and performance, creating organizational alignment and revenue—it is likely that the most successful of these CMOs will be well positioned to take on CEO positions in the future. //