

# The ideal CMO isn't available. Now what?

Three ways a non-traditional marketing executive can be a successful leader in the industrial sector.



# There's never a superhero around when you need one

You're a mid-to-large-sized industrial company, headquartered somewhere that doesn't exactly jump to the top of a "Most Glamorous Cities" list. For years—maybe decades—your company has relied on talented salespeople to generate new revenue. Perhaps you have a few big customers who sustain the business year after year, and the product basically sells itself. Your marketing team is focused primarily on pamphlets and trade shows.

But over the last decade, customers have been demanding more than just a quality product; they want a partner with whom they can collaborate with to solve business problems. The marketing you've traditionally done no longer works. You—or your board—recognize that something drastic must be done. Your company, perhaps for the first time in its history, needs a chief marketing officer who can, among other things:

- Increase demand and drive revenue
- Implement a shift to digital
- Improve the brand identity
- Anticipate a competitor's moves in the marketplace
- Provide sales leaders with strategic information
- Determine who really are the best customers and why they're buying
- Develop a digital B2C consumer strategy
- Develop a strategy that doesn't always revolve around price

**Many industrial companies can't find an experienced superhero CMO because the talent pool is too small.**

You and the board believe you need a superhero CMO. Your hiring committee gets to work contacting the best CMOs in your industry. Perhaps you retain an executive search firm, and it helps broaden your search by tapping into its networks. There's some interest, but it becomes apparent that the talent pool is small, and the most desirable, experienced CMOs are earning significantly more than you're willing to pay. Or the superheroes lose interest when they learn they'll have to move from a city like New York or Chicago to live near an industrial park hundreds of miles from the vibrant culture and daily inspiration they've come to enjoy. So what now?

# The Enlightened Sales Leader, the Crossover, and the First-Time CMO

There are three types of non-traditional CMO candidates who have a good track record succeeding in industrial firms. With any of these choices, there will be tradeoffs. But each of these candidates is so close to exceptional that with the right organizational structure, commitment from the broader C-suite, and onboarding coaching, these individuals will be at least as effective as a more experienced, traditional CMO.

## The Enlightened Sales Leader

The Enlightened Sales Leader is an industry veteran with sharpened sales instincts who consistently works with customers to understand what they really need. This person works across departmental barriers to ensure the customer gets what he or she needs. The Enlightened Sales Leader's understanding of the customer base

goes a long way in establishing his or her credibility. Additionally, exposure to the industry gives these candidates an instinctual gut feeling, which allows them to quickly zone in on low-hanging fruit and longer-term, innovative plays. What makes them different, too, is they have the leadership capability, which is difficult to find in many sales organizations.

## How to make the Enlightened Sales Leader successful:

It's important to build a team around this person to help structure his or her instincts into actionable strategies. Some valuable team members might include subject-matter experts in data analytics, pricing, and digital strategy. A director of marketing with a strong project-management background would also be recommended. Foundational technical education should also be offered to help this former salesperson master the tenants of marketing.

## The Crossover CMO

The Crossover CMO is an experienced CMO from a different industry, perhaps even from a B2C sector. He or she embodies best practices within the world of marketing, and worked at companies where the C-suite remained committed to the disruptive-change agenda the CMO was tasked with driving. This candidate is a good person to consider when a company needs fresh ideas and lacks external perspective. He or she will bring insights on setting up processes for data collection and CRM implementations, etc., is experienced managing a marketing budget, and has mastered the marketing strategies needed to be successful. This person will not only recommend but justify marketing investments by tying them to quantifiable results.

### The Enlightened Sales Leader

#### close to the customer

Can explain how his customer base has changed over the years.

#### industry knowledge

Always comes back from industry events with new ideas.

#### Creates holistic solutions

Focuses on helping clients solve problems instead of just moving products.

#### Understands the competition

Knows where to hunt. Natural curiosity for what the competition is doing.



**The Crossover CMO****is an experienced CMO**

Has held role before and sat at the exec committee level.

**is a disruptive**

Has successfully developed and implemented disruptive strategies in prior roles.

**has low ego**

Has seen Best in Class but understands that getting there is a journey. But also values quick wins.

**understands the channels**

Doesn't come from the industry but experience working with similar clients.

**The First-Time CMO****an excellent marketer**

Has proven to be extremely effective leading cross-functional teams, using sharp, informal influencing skills.

**dynamic background**

May have held various roles such as VP Marketing, VP Strategy, VP Corporate Initiatives, or Advisor to CEO.

**almost there**

Has never been a CMO, but has sat closely to exec committees and even CEOs.

**Understands the industry**

Is a veteran with demonstrated ability to identify opportunity, build a project team, and deliver.

**How to make the Crossover CMO successful**

Companies hiring a crossover CMO should be serious and committed to the value he or she will bring, and be ready to invest in what he or she suggests—especially in terms of team, technology, and channels. Be clear on what success looks like for the company, and agree on metrics. To ensure the new CMO can build critical bridges with different departments, an internal resource should be assigned who understands the company's dynamics and politics, has credibility, and can act as a bridge between this new person and the larger organization. (an up-and-coming "Enlightened Sales Leader" is a good choice for this)

**This First-Time CMO**

The First-Time CMO is a superb, high-potential marketer for whom the obvious next step in his or her career path is a CMO role. He or she has not yet operated at scale, but their fundamentals are strong. Most appealing about this marketer is, first, the potential return on investment will likely be the most affordable option up front—with proper coaching and development, this person can be as effective as anyone else in the role—and second, he or she will be highly motivated to make this move and prove him- or herself capable of the executive suite.

**How to make the First-Time CMO successful**

Be much more prescriptive with the first-time CMO. This person will require more onboarding and coaching, particularly around developing a complete marketing strategy and aligning the executive team around it. In some cases, it might make more sense to have this person come in as a VP of Marketing initially, adjusting the pay and role scope accordingly until more responsibilities are earned throughout the personal development plan. Either way, the role should report directly to the CEO.

# Finding the right non-traditional marketing executive

## The tradeoffs of either making a marketing executive or a sales executive the CMO

### Hiring a Marketing Executive as CMO

#### Often needs support with:

- Managing channels and categories
- Identifying key accounts

### Hiring either as CMO

#### Often needs support with:

- Developing and executing a go-to-market strategy
- Optimizing sales and marketing organizations
- Segmenting customers and portfolios
- Identifying business-development opportunities

### Hiring a Sales Executive as CMO

#### Often needs support with:

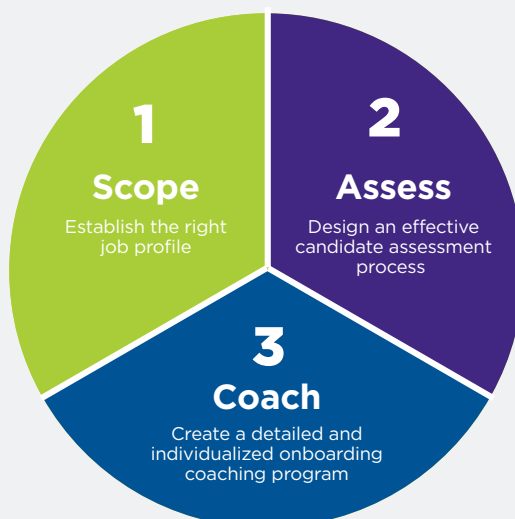
- Developing brand and product sensibilities
- Branding
- Creating a culture of product innovation

### Required Experience

1. Profit and loss mindset and understanding of the total-value chain
2. Foundational “academy” grounding at an entrepreneurial/smaller company
3. Relevant class of trade

Each of the non-traditional CMO candidates will have his or her own strengths and weaknesses, of course. His or her levels of operational excellence, ability to manage ambiguity, focus, and other measurements may not be the same as the levels found in candidates that are “best in class,” either. But that doesn’t mean these types of candidates can’t become great CMOs for an organization. To get the most out of each, organizations need to establish the right job profile, conduct a thorough candidate- and team-assessment process, and create a detailed and personalized onboarding and coaching program to accelerate impact.

## Finding the right non-traditional marketing executive



## **Establish the right job profile**

A clear definition of the top driving performance outcomes is needed. Ideally, this represents a shared commitment from the senior executive team. This might be reflected by the organizational structure and reporting dynamics. It will be difficult for a newcomer to foster shared commitment, and the CEO should establish a commitment to do so prior to bringing the CMO on board. Still, the CMO will need to foster and cultivate interdepartmental relationships—this necessity will of course determine the CMO competency requirements. *According to a recent Korn Ferry CMO Pulse survey, lack of alignment around the company's change agenda is the top reason a CMO voluntarily leaves. (Korn Ferry CMO Pulse Survey, 2017)*

The marketing budget must lie squarely under the CMO—it's a sign to a good CMO candidate that the role is crucial to the company's strategy. Allocation of resources is a point that should be clearly defined. Hiring managers often paint a picture that just isn't reality. Sometimes it's not so obvious—for example, when the CMO sits in the right place in terms of reporting structure, but the sales leader controls the marketing budget.

Next, determine which critical competencies and capabilities are required of the CMO role, ensuring that these reflect the culture and values of the organization. If the position is a "change" role, that needs to be clear, and competencies such as influence and emotional intelligence can be as critical as experience. Findings from the Korn Ferry Institute indicate that:

- 40 percent of executives fail within the first 18 months because the culture fit isn't right.
- The average tenure of a marketing leader is often less than three years.
- Learning agility is the strongest predictor of success— (companies with highly agile executives have 25 percent higher profit margins than their peer group)

Organizations also need to define the experience they desire. As already discussed, that desired experience may not be available, and a ruthless discussion is necessary to distinguish required versus desired experience, link all experience requirements back to the top performance outcomes the CMO will need to produce. *The top reason a CMO gets fired is inability to connect marketing efforts to business outcomes (Korn Ferry CMO Pulse Survey, 2017).*

## **Design an effective candidate-assessment process**

Assessment capabilities have come such a long way over the years; they can now systematically predict such critical capabilities as learning agility, growth potential, innovation, purpose-driven leadership, and team fit. There are many different assessment options and combinations, but the ideal mix will include:

- A market interview to identify the real-vs.-desired experience gap
- A competency assessment via a several-hour behavioral interview, plus job-sample simulations
- A capability assessment via self-report instruments that measure learning agility, traits, drivers, and potential.

This holistic approach to assessment paints a complete picture of the candidate, which enables a precise determination of the match to the ideal profile, a development path for closing existing gaps (few candidates are a perfect match), and the path to accelerating high performance.

## **Create a detailed and individualized onboarding coaching and consulting program**

As previously mentioned, an onboarding program for a new executive that activates the marketing strategy will ensure the new CMO's success in the role. Particularly in industrial and B2B companies where marketing historically has not played a key role, onboarding coaching for the new hire may provide the following.

**For the leader:**

- Self-awareness of gaps in traits, drivers, competencies, and capabilities from the “ideal” fit
- Reduction of gaps in competencies
- Linking competency development to the marketing-performance objectives

**For the leader's organization:**

- Development of the marketing strategy and aligning the executive team around it
- Assessing and building the team
- Implementing change plans for new processes, systems, tools, and technology

In summary, there are challenges to attracting and hiring a best-in-class CMO, but you can achieve the same or better outcomes with reasonable trade-offs. You can achieve the same or better outcomes with reasonable trade-offs. Experienced CMOs might hit the road faster, but they also may be outperformed by a highly-motivated candidate with strong competencies and potential. Such candidates will also likely demonstrate higher levels of engagement and commitment. The less experienced someone is, the more rigorous the onboarding process needs to be. But when done right, these non-traditional candidates will provide a significant return on investment.

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