

For: CMOs

# B2B CMOs Must Evolve Or Move On

by Laura Ramos, July 3, 2013

## KEY TAKEAWAYS

### **The Role Of B2B CMOs Is Bigger And Better Than Ever**

Top B2B marketers indicate that they have taken on responsibilities during the past two years that create more peer and boardroom attention. While energized by their new role, many express nervous excitement about the consequent skill requirements and the greater need for cross-functional collaboration.

### **Added Responsibilities Require New Approaches**

Most believe the rapid pace of technology and business change will continue unabated. CMOs who struggle to meet deadlines in the face of limited resources and escalating expectations say that their agencies, operations, and internal teams get less attention as a result.

### **Refined CMO Job Mandate: Bridge Silos To Inspire Customer Obsession**

With less available time, CMOs must turn their attention to the business issues that matter. They need to rethink the marketing strategy over tactics, prioritize collaborative opportunities, strengthen the marketing team, and collaborate with peers about how to put real customer needs front and center.

### **To Bridge Silos, Spend More Time With Your CIO**

IT underpins customer-obsessed competitive capabilities, so marketing and IT must work together to find new ways to use technology to get closer to customers. More than half of our survey respondents (54%) agreed and said that IT is their most popular collaboration partner today.



## B2B CMOs Must Evolve Or Move On

CMOs Stand At The Crossroads Of A Redefined Marketing Remit

by [Laura Ramos](#)

with [David M. Cooperstein](#), Alexandra Hayes, and Luke Breckenridge

### WHY READ THIS REPORT

Digital channels, online social activity, and rapidly evolving personal technology cause top business marketers to take on unfamiliar responsibilities in order to succeed. While new peer and boardroom attention energizes many of these leaders, they also express concern over the evolving skills and degree of cross-department teamwork needed to meet rising business expectations. For this report, Forrester and the Business Marketing Association (BMA) jointly surveyed 117 marketing executives about how they take on new world marketing demands. Forrester concludes that business-to-business (B2B) CMOs who improve their team's agility and simplify peer working relationships will enjoy more executive confidence and move on to greater corporate leadership opportunities. Key to this transition will be the CMO's ability to span organizational silos and focus corporate strategy, energy, and budget on enhancing knowledge of and engagement with customers.

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As part of a joint effort with the BMA, Forrester surveyed 117 CMOs and senior marketing executives from 10 major industries where more than two-thirds hold companywide responsibility for marketing.

### Related Research Documents

[Make B2B Marketing Thrive In The Age Of The Customer](#)

May 21, 2013

[The Lead-Nurturing Payoff For The Tech Industry](#)

October 21, 2011

[CMO Mandate: Adapt Or Perish](#)

November 10, 2010



## B2B MARKETING'S ROLE IS ON THE UPSWING

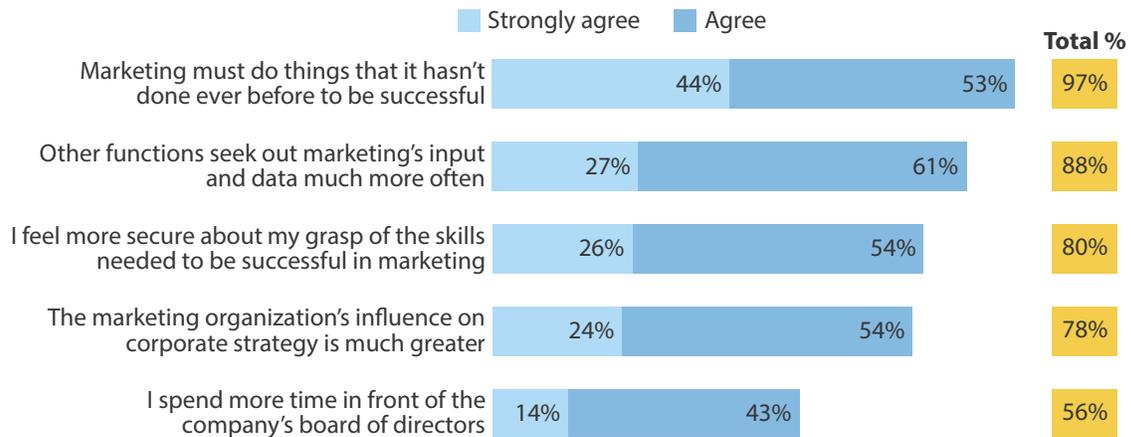
To learn how marketers respond to new buyer empowerment stemming from digital channels, social behaviors, and the burgeoning use of technology, the BMA and Forrester Research conducted a joint survey of B2B marketing leaders in May 2013. We inquired about the pace of change, skills required, and degree of collaboration needed to deliver the personal always-on experiences buyers now expect. The survey generated responses from 117 CMOs and vice-president-level leaders in the high-technology, professional services, and manufacturing industries as well as seven other major industries. Most hold companywide responsibility for marketing (68%) and operate in multiple geographies (81%). Respondents include companies such as Avnet, Dow Corning, Emerson Electric, General Electric Energy Management, IBM, Infosys, KPMG, Motorola Solutions, SAP, and Xerox.

Our survey results show that there has never been a better time to be a B2B marketer (see Figure 1). Compared with its remit just two years ago, marketing's responsibilities have become significantly broader, with 97% of respondents saying that they find it increasingly necessary to take on new activity to be successful. However, this expanding role now allows these senior marketers to enjoy:

- **Premium peer consultation.** Regional, line of business, and operational leaders recognize that marketing holds the keys to customer insight and market trends — 88% of respondents say that these functions seek out marketing data and want marketing to provide active input when they strategize, set objectives, and plan.
- **Greater corporate swagger.** Despite the nonstop deluge of digital, mobile, and social media confusion, our B2B marketing execs remain a confident lot. Eighty percent told us that they feel secure in their grasp of the skills they need personally to be successful in this post-digital world. With CMO tenures rising to 45 months in 2012, nearly doubling from the 2006 low of 23, it looks like respondents have good reason to be so sure of themselves.<sup>1</sup>
- **A stronger hand on the company steering wheel.** Those marketers who better demonstrate a direct connection between marketing activity and business results earn a more prominent seat at the leadership roundtable. More than three-fourths of respondents (78%) say that marketing's influence on corporate strategy is greater today, and 56% say that they spend more time in front of the company's board of directors where final strategy decisions get hammered out.

**Figure 1** B2B Marketing’s Role Wins New Influence And Importance

**“Compared with 2011, to what extent do you agree or disagree with each of these statements about marketing’s changing role in the business?”**  
(4 or 5 on a scale of 1 [strongly disagree] to 5 [strongly agree])



Base: 117 B2B marketing leaders  
(percentages may not sum to the total shown because of rounding)

Source: Forrester/Business Marketing Association May 2013 Global Marketing Online Survey

96881

Source: Forrester Research, Inc.

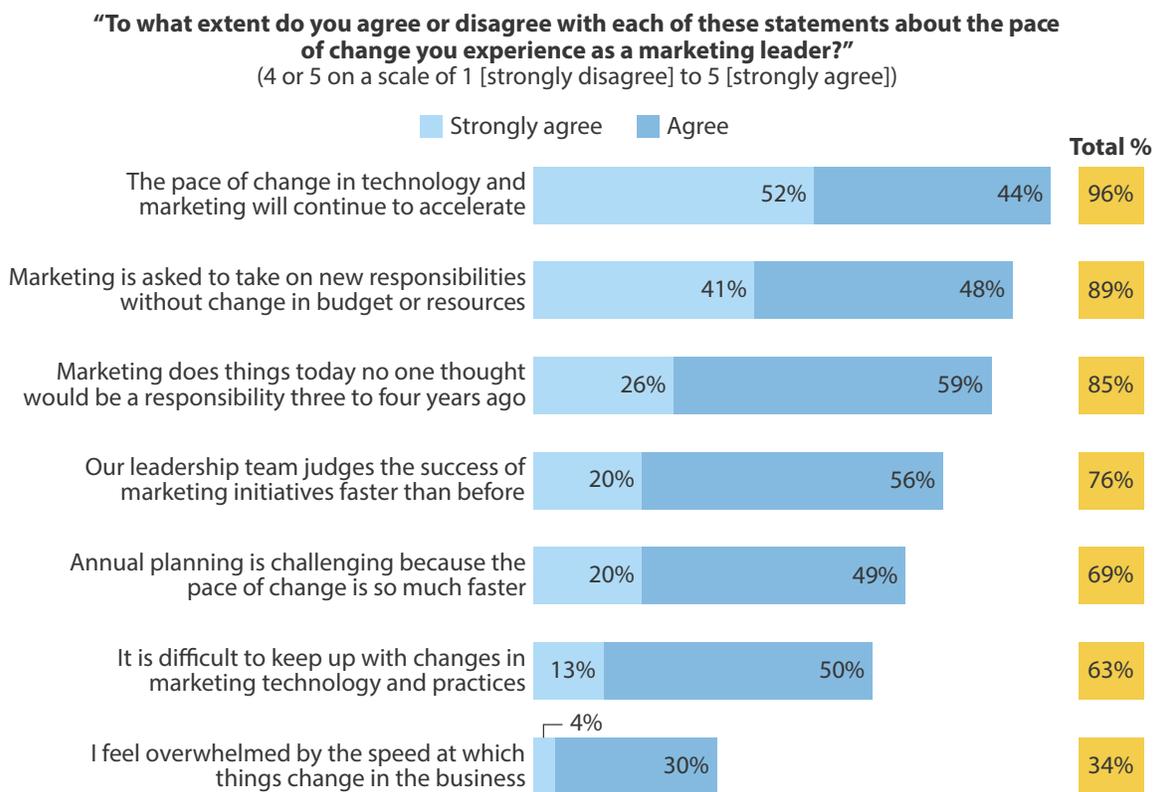
### More Responsibility Is Not Met With More Support

To respond to the opportunity and competition that comes as unexpected, fast-moving, and easily funded disruptions enter the market, these B2B CMOs must set new directions at break-neck speeds. Almost all survey respondents (96%) believe that the use of new technologies and marketing approaches will continue to accelerate, but approximately two-thirds (63%) find it very difficult to keep up with the changes (see Figure 2). This indicates some pretty steep challenges ahead, as marketing execs must:

- **Meet more demands with fewer resources.** Executive leadership asks marketing to take on extraordinary new responsibilities, like crafting social media policy and setting new hiring standards across the organization. But the cost is high, since 89% of respondents say that they must do this without change in budget or resources.
- **Suffer accelerated executive scrutiny.** Digital technology and marketing automation make measuring marketing progress more transparent. The days of hiding behind vague metrics like influence and awareness are over, as 76% of respondents say that their leadership team now judges marketing successes and failures faster by using online systems and dashboards.

- Make more rapid midcourse adjustments.** The traditional annual planning routine is ripe for extinction, as 69% of our B2B marketing leaders say that conditions change too quickly to keep plans current. Accelerating the test, revise, and run cycle on campaigns can help marketing compare planned activity with actual results better, but B2B CMOs must be careful not to develop the execution myopia that relegates marketing to a support role rather than a strategic one.

**Figure 2** Growing Expectations Place A Staggering Burden On Marketing



Base: 117 B2B marketing leaders

Source: Forrester/Business Marketing Association May 2013 Global Marketing Online Survey

96881

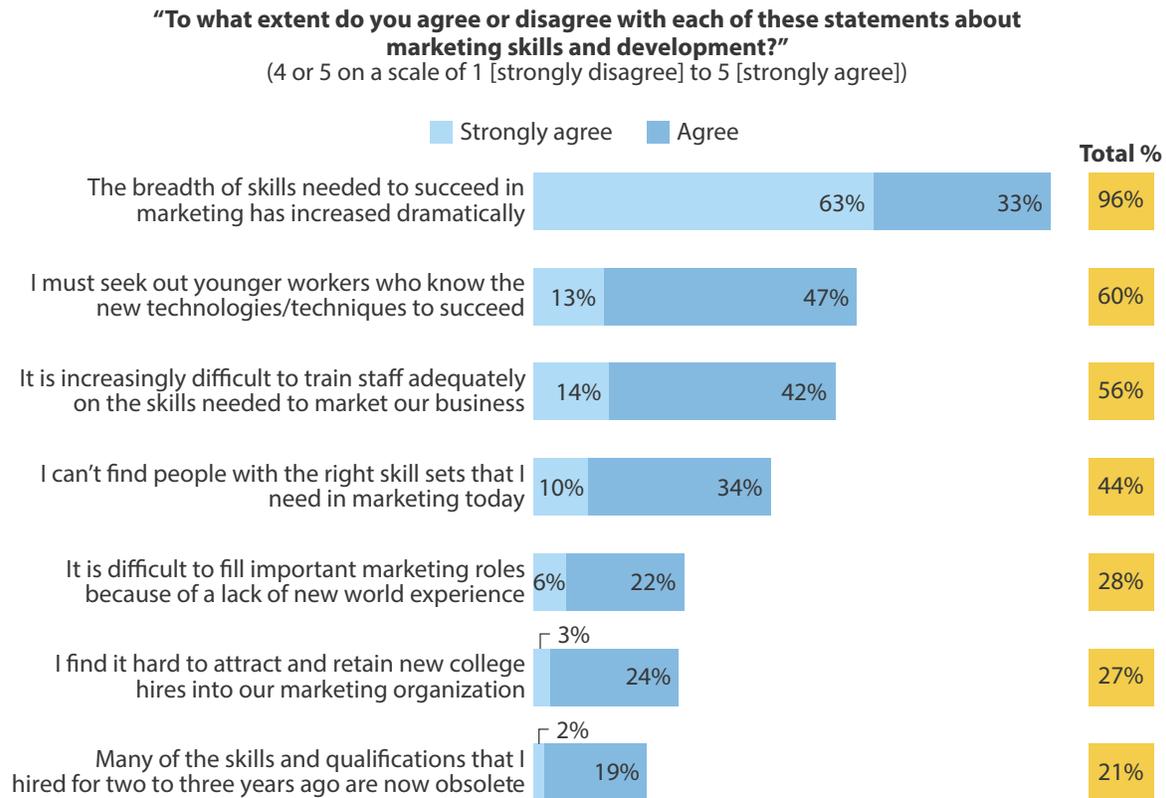
Source: Forrester Research, Inc.

### Skill Development And Hiring Must Be Rethought

Finding the right talent to address the demands of marketing’s expanding role is more of an ordeal today than ever before. With almost unanimous agreement, 96% of respondents feel that the breadth of skills required to succeed in marketing has increased dramatically, and 44% say that they can’t find the right combination of people and skills in the job market (see Figure 3). To overcome a growing talent and skill gap, senior marketers tell us that they:

- **Prioritize hiring first and training second.** More than half (56%) of respondents told us that they find it increasingly difficult to train staff adequately on the skills needed to market their businesses. To solve this problem, respondents expect to bring in grads and fresh talent. Relatively fewer of our marketing leaders agreed that they find it hard to attract and retain new college applicants (27%) or that a lack of new world skills prevents them from hiring important positions (28%). Striking a balance between acquiring and retaining talent is important to the expanding marketing role, since a flexible attitude is the most successful factor in adapting to change. As one exec described, “Staff development must be a priority to keep pace with the flood of new demands on marketing. Fortunately, my team sees acquiring these skills as future job security.”
- **Give the nod to tech-savvy Millennial traits when recruiting.** To fully utilize the technologies and techniques needed to succeed in the new digital world, 60% of respondents told us that they seek out younger workers in the hiring process. Integrating social, mobile, and digital marketing into effective customer engagement programs requires a comfort and facility with technology that Millennials possess to a greater degree.<sup>2</sup>

**Figure 3** Marketing Skills And Talent Development Pose Specific Challenges



Base: 117 B2B marketing leaders

Source: Forrester/Business Marketing Association May 2013 Global Marketing Online Survey

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Source: Forrester Research, Inc.

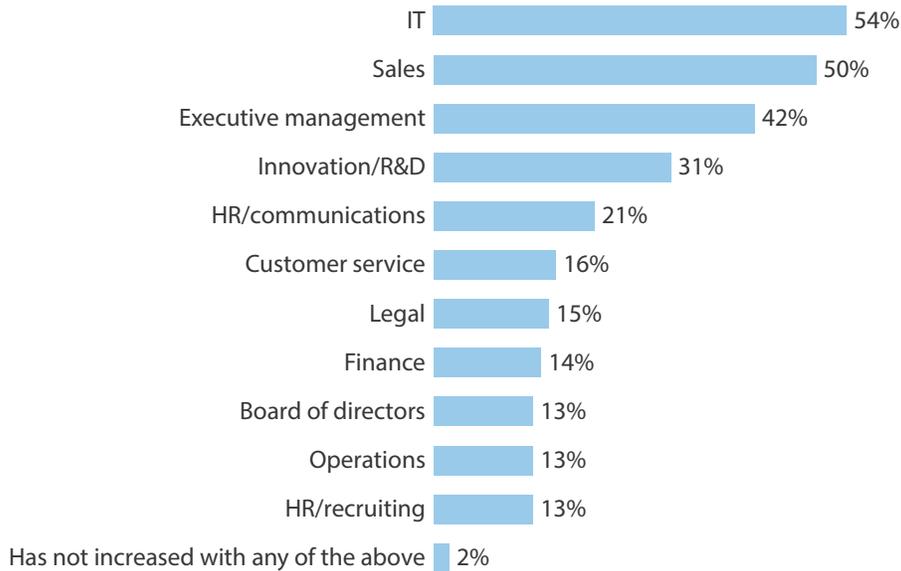
## Marketers Need To Lead The Firm Out Of Traditional Silos

As business marketing's role evolves from brand steward, collateral producer, and corporate megaphone into custodian of the voice of the customer, marketing leadership must find new ways to work across functions to architect a customer-obsessed culture companywide.<sup>3</sup> When we asked how working relationships between marketing and peer departments have changed during the past two years, we found that senior marketers:

- **Spend more time with IT.** IT underpins customer-obsessed competitive capabilities, and firms like Amazon.com, Best Buy, and IBM use technology to learn continuously about their customers. This means marketing and IT must work closer together to ensure that systems support customer expectations as well as business decision-making. More than half of our survey respondents agree (54%), making IT marketing's most popular collaboration partner today (see Figure 4).<sup>4</sup>
- **Extend the sales partnership.** Second only to IT, 50% of senior marketers said that they find they still spend dramatically more time with sales. Perhaps surprising at first, since sales and marketing have always been joined at the hip, we see this finding reflect marketing's growing role as the engine in the firm's revenue generation machine. Digital marketing and automation require marketing and sales to work much closer to engage with buyers earlier in the purchase process to educate and persuade long before first negotiations begin.<sup>5</sup>
- **Steal time away from agencies and internal teams.** Stepping outside of traditional marketing boundaries to interact with other functional areas takes considerable attention and effort. To compensate for more time spent with IT, sales, and the board, survey respondents told us that they find they spend less time with their agencies, internal operations, and marketing teams (see Figure 5). What's at risk as a result? Most would say message consistency, brand experience, and tactical execution.

**Figure 4** Relationships With IT, Sales, And Executives Are Deepening

**“Has marketing’s working relationship increased dramatically with any of the following areas during the past one year to two years?”**



Base: 117 B2B marketing leaders  
(three responses accepted)

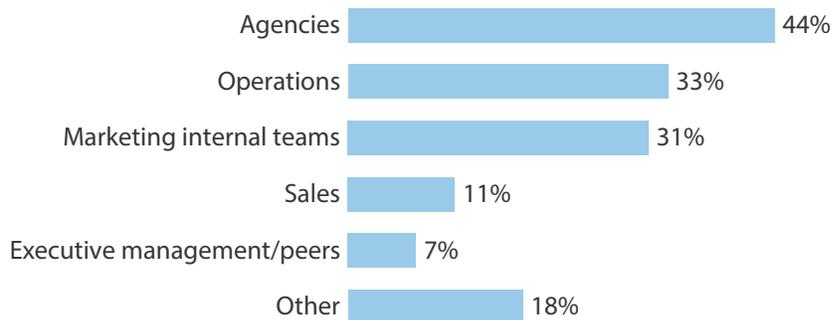
Source: Forrester/Business Marketing Association May 2013 Global Marketing Online Survey

96881

Source: Forrester Research, Inc.

**Figure 5** CMOs Have Less Time To Spend With Agencies, Operations, And Their Teams

**“As a result of increased need to collaborate with other areas, where do you spend less time to compensate?”**



Base: 117 B2B marketing leaders  
(three responses accepted)

Source: Forrester/Business Marketing Association May 2013 Global Marketing Online Survey

96881

Source: Forrester Research, Inc.

## TIME TO REFINE THE B2B CMO JOB DESCRIPTION

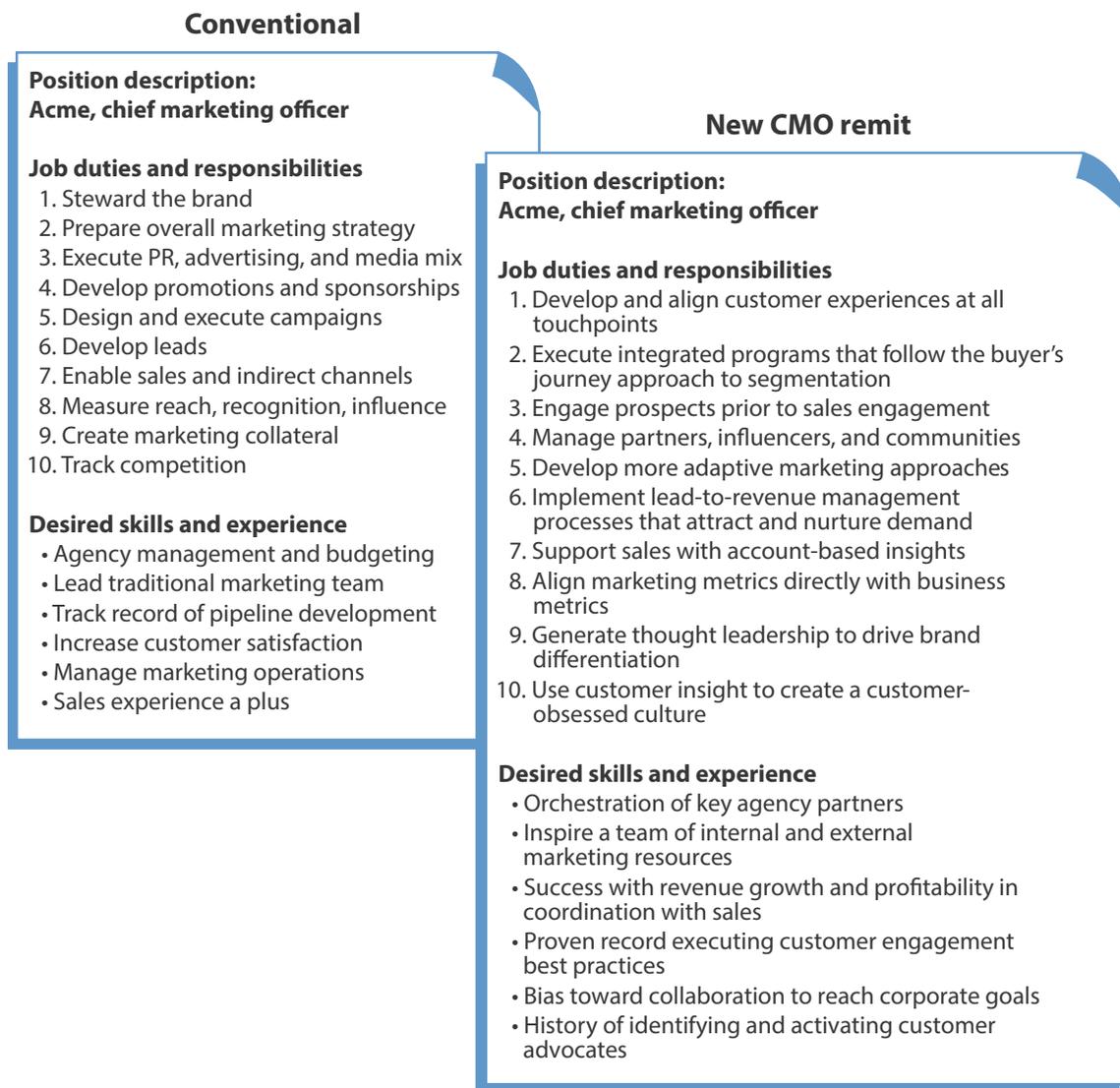
Looking over the survey results, we were struck by the scope and scale of change experienced by the senior-most marketing role in B2B firms. From skill development to board-level decision-making, CMOs have moved from a walk-on role to headlining the play. Yet, when we asked how they compensate for the growing demands to collaborate, staff up, and set direction, most admitted to simply rolling up their sleeves and working longer, harder hours at the expense of personal time.

While chief marketers recognize that the job has gotten much bigger, this finding and the tone of the responses in general show that it's time to redefine the job of the B2B CMO and focus the range of responsibilities imposed on the marketing team (see Figure 6). CMOs who rise to the challenges of this new job mandate work smarter when they:

- **Keep their eye on company strategy, not campaign tactics.** Contributing more to business strategy means closer scrutiny from the CEO and the chief financial officer around marketing's impact on company goals. Effective CMOs embrace executive demands for accountability by adopting objectives and metrics linked directly to overall business goals — like customer acquisition, retention, market share, and account penetration. They also drop marketing-only metrics — like cost per lead, conversion rates, and campaign return on investment — when reporting on marketing results.<sup>6</sup>
- **Collaborate with peers to get more obsessed about customers.** Empowered customers demand that sellers know them as well as they know the sellers — even before the first sales calls occur. Developing a customer-obsessed perspective to meet this expectation requires more than the marketing department alone. CMOs committed to deeper customer engagement gather input across the enterprise — with the chief information officer (CIO), chief operating officer, and the head of sales, for instance — to identify gaps in customer insight, purchase and implementation experiences, sales engagement, and thought leadership that inhibit fanatical attention to customer interactions. They then make the business case to plug those holes with investment strategies and tradeoffs that make customer knowledge more available — and the sharing of it more consistent — across the organization.
- **Get fanatical about delegation.** Until scientists can slow the earth's rotation and add more hours to the day, the result of “doing more with less” will always be burnout. To avoid this unfortunate outcome, top marketing executives hire well and give their staff, agencies, and service providers increasingly more responsibility. Rather than taking on more tactical activity, top chief marketers prioritize their calendars based on three factors: 1) strategic importance; 2) customer value; and 3) long-term brand health. If the request doesn't fit one of those categories, give it to someone else to do.
- **Transform internal perceptions about the role of marketing.** Perceptions that marketing equals brand and advertising persist despite the broader mandate our respondents describe.

Top marketers break this mold when they challenge enduring views with data-fueled insights about marketing's role in driving revenue growth, new market penetration, and customer-led innovation. Jonathan Becher, CMO of SAP, regularly shares a view on his tablet of SAP's simple yet elegant dashboard that enables marketing to have fact-based conversations with business leaders about its impact. In describing his marketing transformation journey at the enterprise technology giant, he boldly contrasts old brand perceptions about SAP with the new reality of the firm's changing market position and scope of operations.<sup>7</sup>

**Figure 6** Redefining The CMO Job Description To Meet Evolving Challenges



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RECOMMENDATIONS

**STRENGTHEN YOUR MARKETING TEAM TO TAKE ON NEW DEMANDS**

Empowered, always-on business buyers create more unanticipated demands on B2B marketing to deliver the information and experiences widely available in the digital world. CMOs need a strong marketing team to support the need to ride this tsunami of change. When evaluating midyear 2013 staffing and program plans, top marketers will set aside time to:

- **Evaluate staff and recruit for adaptive skills.** Maturing digital marketing channels, with greater flexibility, targetability, and real-time tracking of campaigns results, vastly change the abilities required of successful marketers. While new functional skills are highly sought-after, CMOs should sit down with human resources (HR) counterparts and discuss benchmarking staff against attitudinal competencies as well as fluency in marketing technology and technique. For example, the ability to analyze data is crucial today, but the best marketers also combine experimental curiosity with execution rigor to objectively judge their successes and iterate on failures.<sup>8</sup> Qualities like moxie and perseverance can't be acquired through education or training programs.
- **Explore different agency management models.** In a world where learning about and engaging with business buyers gets increasing complex with each passing day, the last thing that marketers need is to deal with misdirected and misaligned agency partners. With a diverse amount of talent available today, the role of the lead agency has outlived its usefulness. Instead, chief marketers should consider one of three more agile models — rotating lead, centralized executive oversight, or ad hoc multiagency teams — to redefine agency roles and have them handle more executional and tactical responsibility.<sup>9</sup>
- **Adopt adaptive leadership habits to transform marketing's role.** Fast-paced market and competitive moves, propelled by new digital channels and technology, require marketing teams to respond quickly to align buyer and company goals while ensuring a positive brand experience. To transform the marketing department into a more agile and innovative organization, CMOs must adopt five key leadership habits: 1) Accept change; 2) dare the status quo; 3) act continuously; 4) participate personally; and 5) tear down boundaries. To grow their business faster, build stronger brands, and create a competitive advantage in both the short term and the long term, top marketers should meet with internal peers and agency partners to determine steps to take to accelerate habits No. 4 and No. 5 first.
- **Define and prioritize new marketing best practices.** With so many new demands coming at marketing from every corner of the organization, understanding what you can do (and won't do) is key to crystalizing marketing's new remit. Sit down with your senior team and build a list of current and desired best practices needed to address changing marketing responsibilities. Create a shortlist of weighted criteria — like quantified business potential,

ability to execute, and budget required — to help prioritize the list and set expectations. Brainstorm pro/con reasons for placing certain practices below the line. This type of planning helps marketing leaders prepare for tough peer conversations about which responsibilities marketing will take on, what resources are required to do so, and how to account for accomplishments without giving up newly earned status.

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## SUPPLEMENTAL MATERIAL

### Methodology

As part of a joint study, the BMA and Forrester Research surveyed 117 B2B executive marketing professionals from each respective customer base or membership list. For quality assurance, we required respondents to provide contact information and to answer basic questions about their firm's location of operations, industry, and number of employees.

We fielded the global survey online in May 2013 with the support of Erickson Research, a Chicago-based market research firm. Respondent incentives included a summary of the keynote presentation as delivered on May 29, 2013, during Blaze, the BMA's 2013 annual global conference, and a complimentary copy of this report.

Exact sample sizes are provided in this report on a question-by-question basis. Survey responses are not guaranteed to be representative of the population. Unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes.

## ENDNOTES

- <sup>1</sup> Executive search consulting firm, Spencer Stuart, reported in its ninth annual survey that the average tenure for chief marketing officers rose to 45 months in 2012, a two-month gain over the 2011 average. Firm spokespeople attributed the steady gain in tenure since 2006 to larger roles, broader scope, and greater impact of marketing from the emergence of digital, social, and mobile. Source: "Chief Marketing Officer Tenure Now at 45 Months," Spencer Stuart press release, May 1, 2013 (<http://www.spencerstuart.com/about/media/77/>).
- <sup>2</sup> In Forrester's North American Technographics® research, we found Millennials to be achievement-oriented, tech-savvy team players. Compared with their Boomer parents, they have a strong affinity for new technology and are much more likely to use social tools and mobile devices while multitasking — all traits that marketing chiefs seek when hiring new interactive marketers. See the June 14, 2011, "[Marketing To Millennials: The Next Generation Of Purchasing Power](#)" report.
- <sup>3</sup> Since 2011, Forrester has warned that competitive barriers like manufacturing strength, distribution power, and information mastery can't save traditional business models from the disrupting power of new buyer behaviors fueled by technological ubiquity. In this age of the customer, the only sustainable competitive

advantage is knowledge of and engagement with customers, and the most successful companies will be those obsessed over their customers. See the June 6, 2011, "[Competitive Strategy In The Age Of The Customer](#)" report.

- <sup>4</sup> Empowered buyers shift rapidly from stodgy, high-priced, self-absorbed companies to those obsessed with giving them what they want, based on continuously customized offerings and relationships. As keepers of customer insight, CMOs must collaborate with CIOs to emphasize speed over strength and versatility over lock-in when designing the experiences that retain current customers while increasing their loyalty and share of wallet. See the June 22, 2011, "[CIOs Must Become Customer-Obsessed](#)" report.
- <sup>5</sup> Today's empowered business buyers are two-thirds of the way through their buying process before they engage with sales teams. Now more than ever is the time to shift the conversation from a decades-old model about funnels and brand/advertising to a customer engagement cycle that views marketing as a source of revenue and customer insight. Forrester believes that robust lead-to-revenue management gives companies the opportunity to engage with buyers in the early, formative stages of their buying cycles to develop a personal relationship that will shape the buying process and affect sales outcomes. See the October 21, 2011, "[The Lead-Nurturing Payoff For The Tech Industry](#)" report.
- <sup>6</sup> In early 2012, Forrester and Heidrick & Struggles conducted a global survey of nearly 200 CMOs (B2B and business-to-consumer) and found that nearly 80% of them want to prove their capabilities as business/strategy leaders and energize the enterprise around customers. To prove the value of their role and justify new investment, these CMOs said that they must tie their marketing plans closer to business results and engage technology and sales peers to create a consolidated vision of how to succeed with customers — findings consistent with this current study. See the February 22, 2012, "[The Evolved CMO In 2012](#)" report.
- <sup>7</sup> To learn more about how Becher worked to transform SAP's approach to marketing, visit the ITSMA site. Source: Dave Munn, "War Stories, Wisdom, and Wine: A Recap of the 2012 Marketing Leadership Forum," ITSMA press release, June 29, 2012 (<http://www.itsma.com/ezone/recap-of-the-2012-marketing-leadership-forum/>).
- <sup>8</sup> Experimental curiosity combined with execution rigor, fluency in marketing technology, and a customer-centric outlook across media and functions are the hallmarks of the adaptive behaviors and attitudinal skills needed to redefine the talent required to ensure a marketing team's ongoing success. See the December 20, 2012, "[Marketers Need To Acquire Adaptive Skill Sets](#)" report.
- <sup>9</sup> B2B marketing execs should consider one of Forrester's three models for agency management or create a unique version that blends components. Regardless of the model implemented, marketers must set clear agency roles and responsibilities, own the relationship and keep it strategic, as well as establish brand steward and operations director roles to successfully orchestrate agency portfolios. See the January 20, 2012, "[New Models For Agency Orchestration](#)" report.

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« CATHERINE MELISSA OLIVER, client persona representing CMOs

