

Marketing in the Boardroom: Guiding Directors and CMOs

Brad McLane,
Trish Shortell and
Matrice Ellis-Kirk

December 2015



Boards of directors are coming under increasing pressure from an array of stakeholders, some of whom are questioning the boards' understanding of end users/consumers and customer experience. Now may be the time for nominating committees to proactively recruit marketing officers into their ranks. From activist investors, government agencies, and changing consumer behavior to cyberattacks, new digital platforms, and the need for new disruptive innovations to drive topline growth, many company boards could benefit from marketing expertise.

With that said, this paper seeks to accomplish two objectives:

1. Examine why boards should bring more chief marketing officers (CMOs) into the boardroom; and
2. Provide a roadmap for these marketing officers to achieve that seat at the table.

But first, why exactly are marketing executives so underrepresented in the boardroom? Perhaps Mike Hughes, director general of the Incorporated Society of British Advertisers, put it best in a recent story for *The Guardian*, in which he states, "Many marketers fail to appreciate the importance of learning the language of the boardroom and even more fail to take the time to expand their knowledge of other functions in the business. In general, marketers have tended to focus on progression within



From activist investors, government agencies, and changing consumer behavior to cyberattacks, new digital platforms, and the need for new disruptive innovations to drive topline growth, many company boards could benefit from marketing expertise.



their own department in the shortest possible time. In contrast, progressive marketers see the value in taking assignments outside of their function to broaden their knowledge and enhance their prospects of being invited into the boardroom.”

According to industry research, of all the directors serving on Fortune 1000 company boards, only 0.39 percent are CMOs (that is fewer than 40!). This is not solely the fault of marketing officers either. Traditionally, marketing is often seen as a second tier of a business. Boards appreciate that marketing can be an engine of growth, but how that is achieved is a component of a bigger part of the challenge.

What’s more, the thinking of chief executives—almost always the most desired director candidate—is that the way marketing officers communicate is often overly flowered, which does not align well with the reality they face in day-to-day business. The Fournaise Marketing Group uncovered a startling fact: in its Global Marketing Effectiveness Program “80% of CEOs admit they do not really trust and are not very impressed by the work done by marketers—in contrast, 90% of these CEOs do trust and value the opinion and work of CFOs and CIOs.” Here is an opportunity to align CMOs more closely to the boardroom.

Why marketers deserve more boardroom seats

First, the lens with which the board views its company and the greater economy has changed completely. The continued emergence of new digital channels represents one change. Renewed focus on the customer experience, plays another critical role. Technology and data are converging. At the crossroads of digital evolution, data, customer experience, and the capability of communicating this to internal and external constituents is the CMO. According to Mark Phibbs, vice president of EMEA marketing for Adobe Systems Europe, “**2015 will be the year** CMOs get serious about data and technology, increasing their influence in the business.” Phibbs continued, “This will allow us to be increasingly seen as directors of customers and revenue, rather than the director of spending.” Can board governance committees afford to live without these skills and expertise on their boards? We think not.

Second, the board’s short- and long-term decision-making requires the CMO’s counsel and input. The broader strategic challenges involving the company’s competition, innovation, and core customers are tackled better when the marketing officer contributes. CMO influence at the board level is only becoming more essential. As business strategist Martin Roll said, “He or she is no longer an executioner of the board or CEO’s decisions. The CMO should not only influence decision-making but should also put relevant issues and agendas in front of the board to consider. These should be in line and reflect the customer-centric philosophy and vision that the CMO is implementing within the organization.”

“

The broader strategic challenges involving the company’s competition, innovation, and core customers are tackled better when the marketing officer contributes.

”

Third, the board and CEO can be well served by the CMO with regard to staying relevant about consumer preferences. Few have a better feel for the end-user/consumer pulse than the marketing executive. Done well, the CMO then takes a vital role in guiding corporate strategy.

Communication and transparency are paramount to board engagement with all their stakeholders. Having a colleague with the breadth and depth in the intricacies of consumer insights, public relations, and reputation management in a digital universe is a differentiator. Proxy statements have become important pieces of marketing communications as companies strive to make their positions clearly understood and supported by investors. Qualified marketers at the board level provide a company with the strategic resources it requires for any situation.

When we asked leading CMOs why boards of directors should onboard more leading marketers to their ranks, they were resoundingly consistent with the idea put forth by Matthew Anderson, CMO of Roku: “Top marketing professionals offer boards a refined perspective on how customer acquisition is fueled by marrying technology and data science. They are also often a voice for creating long-term brand value by consistently delivering on a core promise to customers.”

“

Top marketing professionals offer boards a refined perspective on how customer acquisition is fueled by marrying technology and data science.

”

How does the CMO get there?

First, to be noticed by recruiters and the nominating committees that employ them, a CMO should be a true performance marketer. This touches everything from eCommerce and geo-tracking to data analytics and content optimization. The key to success in the boardroom is having a strategic mindset and the ability to execute that strategy with proven results.

Speaking of content, being an expert at optimizing the content supply chain is a second attribute that is highly sought after by boards today. In this light, we are partnering with Bruce Rogers, Forbes’ chief insight officer, and Stephen Diorio, founder of marketing and sales solutions firm Profitable Channels, on Forbes Insights’ new CMO research program, “Publish or Perish.” Relevant behavior-changing content communicated to the core audience is critical to success. A CMO now needs to be “channel ready,” wherein he or she produces, manages, distributes, and optimizes content seamlessly. Engineering content in this fashion drives positive business outcomes across the organization. As Rogers wrote in a recent article for *Forbes*, “Ever-evolving digital channels, social media, and mobile devices have fractured the impression-based media model of marketing. In turn, customers are more informed about your company or its products and services than ever, creating a more complex buyer journey.”



Bradford L. McLane
 Managing Director
 (312) 981-8860
bmclane@rsrpartners.com



Trish Shortell
 Managing Director
 (212) 661-5726
tshortell@rsrpartners.com



Matrice Ellis-Kirk
 Managing Director
 (214) 445-4204
melliskirk@rsrpartners.com

RSR Partners is an executive search and leadership consulting firm that specializes in corporate governance consulting, director and senior-level recruiting, and strategic talent advisory.

www.rsrpartners.com

Third, the small details should never be overlooked when attempting to attain a board seat. CMOs need:

- Exposure across marketing functions: branding, insights, data, analytics, digital, public relations, and content development and distribution.
- Proven tenure at an executive leadership team level.
- Experiences that are relevant to the company’s industry, sector, and/or customer base.
- To be knowledgeable of the responsibilities of serving on boards. Hit the books when it comes to corporate governance knowledge, something most CMOs have never touched during their tenures.
- To have a footprint that demonstrates that their knowledge and skill set will be of value to a board focused on its strategy.

We spoke with Cammie Dunaway, former CMO of Yahoo! and a director for several boards, and she provided an excellent summation of what marketers need to do: “To be considered for board roles, you need to be known for delivering measurable results and adding strategic value to the organizations where you have worked. It is helpful to have a unique point of difference, like being an expert in digital transformation or having deep industry expertise.” Dunaway continued, “Recommendations are most likely to come from your CEO or from senior executives in your network, so building a reputation as a leader is critical.”

At the end of the day, these guiding points for both directors and CMOs are fundamentally all about a new learning experience. For board members, the experience is looking at marketing not through the traditional lens, but through the lens of marketing today that encompasses so much more, including data analytics, ROI, and results. For CMOs, the experience is more self-reflective, aimed at learning what it takes to get into the boardroom. For many directors, there is no such thing as a bad board experience; rather, they are all learning experiences. We hope that CMOs and all board directors learn to feel the same.