



EVOLUTION OF THE CMO: THE PATH TO CEO



GRACE BLUE
PARTNERSHIP

 The
Marketing
Academy



Introduction



In 2023, research by McKinsey indicates that “CEOs who place marketing at the core of their growth strategy are twice as likely to have greater than 5 percent annual growth”. Yet, 40% of Fortune 500 companies don't even have a single, overarching customer-centric leader on their executive board. 66% of CMOs report that their organisations have two or more C-Suite leaders overseeing marketing activities which leads to a further blurring of roles and overlapping remits, and in effect, a dilution rather than acceleration of business performance.

Growth requires ownership and accountability, and this presents an excellent opportunity for CMOs to be more assertive in demonstrating the impact they can have on the future direction and growth of their company.

Introduction

The CMOs jurisdiction has rapidly evolved into a “*multidimensional, technical discipline, and modern marketing has become increasingly complex. Consumer journeys have more touchpoints. Data is at the core of every marketing activity. And technical skills are now a must-have for marketing organizations*”, says McKinsey, and evidence shows that of the Fortune 500 companies that are considered outperformers, 60% have a clear marketing, customer, or growth leader on the executive committee.

Given that only 4% of FTSE 250 CEOs have a marketing background, there's also considerable potential for CMOs to be more ambitious in their own careers and bring a customer-centric understanding at the highest level. Whilst a typical route to CEO has been via the CFO, COO or a divisional director, there is evidence that the CEO seat is not one that precludes leaders who have risen up with a marketing skillset, as illustrated by businesses such as Diageo with the appointment of Debra Crew or Avon with the appointment of Kristof Neiryndck.

This paper summarises advice from Sherilyn Shackell, AAR, and Grace Blue, and looks to address what CMOs should capitalise on in their current roles to be able to quantify their impact on business growth and be a genuine CEO contender for the future.



1- Act like a business leader

There is a traditional perception that CMOs do not have the broader business acumen to be a consideration for a CEO role. It is important to therefore position yourself as a business leader with marketing skills that demonstrably deliver growth, not vice versa.

- Shift your perspective from purely marketing to a broader business context. Understand the business objectives, challenges and growth opportunities and demonstrate how the marketing strategy can both influence and inform overall outcomes. Show clear business ROI highlighting the contribution that a customer-centric approach is making to the broader strategy and different functions. The utilisation of a robust business measurement framework vs simply brand KPI's e.g. new customer acquisition, improvement to customer journey etc. will highlight the real contribution that 'marketing' can deliver to a business.
- Be the voice of the customer. CMOs are uniquely positioned to understand and influence customer behaviour, and in turn this can shape, inform and influence significant business decisions. With the increase of first party data, and greater data gathering technology, the CMO sits on a gold mine of tangible information. Highlight clear metrics that show how a joined-up focus on customer experience can lead to better business outcomes. By translating customer insights into actionable strategies, CMOs can guide the company towards sustainable growth.
- Lead strategic initiatives that directly contribute to business growth and profitability, such as increased market share, the commercial value of customer loyalty, identification of new revenue streams or product innovations in response to customer needs.

2- Be fully aligned with the CEO's goals & objectives

Whilst every CMO will have a relationship with their CEO, there is a difference between a functional one that is accountable for delivery of the 'marketing' efforts and a value add and trusted one that shows an interest and understanding of the CEO's viewpoint.

- Regularly engage with the CEO to understand their vision and challenges. Take the time to understand the complexities of the CEO role. Acknowledge their responsibilities and the impact of their decisions on the entire organisation. Show empathy and understanding of the CEO's pressures, fostering a supportive relationship.
- Demonstrate your value as a strategic partner to the business. Clearly translate marketing initiatives in line with the CEO's top priorities. Use data and metrics as evidence of the value and impact of marketing efforts on performance. Regularly review and adjust marketing plans and offer practical solutions to ensure support of the CEO's vision and business objectives. Proactively identify and address potential issues before they escalate.
- Have the confidence to say what needs to be said as opposed to what may wish to be heard. Be factual and evidence-based, offering perspectives and solutions that align with the CEO's goals, showing your commitment to the company's success. Create a culture where it is acceptable to take risks and learn from mistakes. Be courageous in pursuing innovative strategies that can propel the organisation forward.

3- “Walk in the CFO’s shoes”

The biggest barrier for many CMOs is an apparent lack of robust financial skills, stretching beyond the ability to manage a marketing budget. Every CEO will need to work closely with a CFO, and so as a CMO by proactively leaning into the financial management of a business and using every opportunity to be exposed to and familiar with the fiscal responsibilities, this will ensure this is an equally mutually beneficial relationship.

- Build relationships with the CFO and finance team. Collaborate with them to understand financial challenges and opportunities, pressure points and KPIs for decisions. Where credible, align marketing strategies with financial goals.
- Gain a deeper understanding of the full P&L, including revenue streams, cost structures, and most importantly profit margins. Be cognisant of how to decipher the audited annual report. Expand your knowledge beyond marketing budgets to include broader financial concepts such liquidity and cash flow, CapEx versus OpEx, debt financing, gearing, audit, and risk etc. as well as the broader remit of the CFO around areas such as ERP, organisational structure, technology platforms and sustainability.

4- Be embedded in enterprise growth & transformation

Outside of the public sector, growth is a key metric for any business whether privately owned or answerable to shareholders or the investment community. Continual transformation is fundamental to delivering growth, and this should be in anticipation/ response to evolving customer needs.

- CMOs have long been experts in driving marketing strategy, but now they also need to be experts in operational strategy to support that vision. The CMO must own this transformation with a clear outlook for marketing and an articulation of its role in the business that everyone can support.
- Providing evidence of being able to effect and implement change is both valuable and a translatable skillset. With changes in technology, channels for consumer engagement, and the rise of Generative AI, marketing departments are often at the forefront of being able to pioneer business transformation through new organisational structures, operating models and vendor relationships. Harnessing these opportunities to improve efficiencies and drive positive business impact offer excellent case studies and learnings for career development.

5- Learn the Board Language

The relationship between the executive and non-executive board is critical, and for many CEOs one of the most valuable in terms of guidance, accountability, and governance.

- Build strong relationships with all the board members, particularly non-executive directors (NEDs). Engage with them regularly to understand their perspectives and priorities.
- Learn to communicate in terms that resonate with board members. Focus on business impact and avoid marketing jargon. Tailor your message to address the board's concerns and interests.
- Identify a NED board member who can act as a mentor. Leverage their experience and insights to refine your communication and influence strategies. Ask for guidance on how to effectively present your ideas to the board.

6- Understand the impact talent can have on determining success or failure

Arguably the greatest asset in any high performing company is its talent base, and no matter how impressive, charismatic or results orientated a leader is, if they are unable to galvanise and inspire their talent base, business growth will never be sustainable. Focusing on talent acquisition and retention, empowering your team, and optimising your leadership approach will not only strengthen your organisation but also allow you to achieve greater success and take on bigger challenges.

- Invest time and resources into attracting top talent and retaining your best performers. Create an environment where employees feel valued, engaged, and motivated to contribute their best work.
- Develop a high-performing team. Trust your team members to execute their responsibilities and provide them with the autonomy to innovate and solve problems. This will foster a culture of accountability and ownership. This will also ensure your team is prepared to operate seamlessly in your absence and frees you to take on larger, more strategic initiatives. This enables you to drive greater impact within the organisation and pursue personal and professional growth opportunities.
- Exhibit behaviours that inspire trust and confidence. Lead by example, showing integrity, accountability, and a strong work ethic. Encourage collaboration and innovation within your team.

Conclusion

Today, the evidence is overwhelming that CMOs have a unique opportunity to drive growth and influence at the highest levels of their organisations. By focusing on business impact, building strong relationships, reframing their contribution, pioneering change, nurturing talent and developing exceptional leadership skills, CMOs can play a key role in enabling their company to outperform the competition.

This will also provide the best foundation to position themselves as strong candidates for the CEO role and be part of a movement that sees considerably more of the FTSE 250 led by leaders who can bring a customer-centric vision to the boardroom.



About Us

Grace Blue:

Grace Blue is a global executive search firm specialised in sourcing transformational leadership talent for brands, agencies, sports, media, entertainment and technology organisations. We combine the knowledge, reach and rigour of a global business with the empathy, integrity and values of a local boutique specialist.

With offices in North America, EMEA and Asia-Pacific, we offer our clients a unique perspective on, and access to, the world's leading talent. We operate as one team, removing all barriers to ensure collaboration. This allows our clients and candidates to benefit from our shared knowledge and expertise, globally.

Contact: Linzi Cameron, Managing Partner for Consumer Brands - linzi.cameron@graceblue.com

AAR:

AAR are consultants to the marketing industry with a focus on building and optimising marketing operating models. Data and Technology has driven a truck through how marketing gets delivered, which is why an effective marketing operating model is now just as crucial as brilliant marketing strategy.

The AAR team is packed full of experts who get extremely excited at the idea of getting under the bonnet of marketing operating models and who can ensure your people, partners, processes and performance are firing on all cylinders, unleashing the potential of a great marketing strategy.

Contact: Victoria Fox, CEO - vfox@aargroup.co.uk

Sherilyn Shackell & The Marketing Academy:

Sherilyn is the Founder & Global CEO of The Marketing Academy - a unique non-profit organisation dedicated to developing leadership talent in Marketing, Media & Advertising. The Marketing Academy opened in 2010, bringing together some of the world's best known & popular brands to provide world class learning for all levels of talent from emerging leaders to CMOs. Their highly respected programs are delivered in the UK, Australia, APAC & USA.

A highly popular keynote speaker and podcast guest, she's also in demand as a business coach and you'll often find her delivering leadership development programs around the world. Sherilyn is also a Board Advisor to Grace Blue.

Contact: Sherilyn Shackell - sherilyn@themarketingacademy.org