

Director's Guide

Getting buy-in from the board



Any company considering a period of growth really needs to have **marketers at the top table** influencing how the business grows.

Simon Carter
Marketing Director
Fujitsu

Marketing Week, May 2014

Introduction: setting the scene

CEOs hold a number of common misperceptions about marketers. Misperceptions that, we believe, hold back business growth.

Marketers continually battle to escape the creative stereotype and sole association with promotions and advertising. They are often challenged by not being seen as a trusted input to business strategy at board level.

But times are changing.

AdAge research indicates that only 38 seats, or less than 1% of Fortune 1,000 company board seats are occupied by a CMO*.

In part, this is due to a lack of marketers prior governance experience, however AdAge also reports that as advancements in digital technology change the way customers interact with brands, directors with relevant digital experience will be needed more than ever.

*AdAge: Greg Walsh, [How Can CMOs Get Positions Serving on a Corporate Board?](#), October 2013



Today's marketers are challenged not only by data and analytics, but also the rapid growth of digital marketing channels and technologies such as relationship management and marketing automation.

The changing role of the marketer

Business expectations are higher than ever; the UK's recession is over and the economic outlook is positive. For the first time in 14 years, marketing budgets have been revised upwards (IPA).

The role of marketing within an organisation is expanding rapidly; marketers are expected to be great business partners to the rest of the organisation; to understand the customer, to provide market insight, to set priorities and to measure everything.

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as relationship management and marketing automation.

Marketers must also demonstrate:

- > value to the shareholders
- > that marketing is a valuable investment and not just a cost to the business
- > their capability to impact the top and bottom line
- > ability to empower and supercharge the sales team.



In this guide, we'll explore how marketers can empower themselves with the insight and information required to **get heard in the boardroom.**

Empowering marketers

Forrester, along with Heidrick & Struggles, conducted a global survey of nearly 200 CMOs (B2B and B2C) in 2012 and found that nearly 80% of them wanted to prove their capabilities as business or strategy leaders and energise 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.

In this guide, we'll explore how marketers can empower themselves with the insight and information required to get heard in the boardroom.

We'll address the misconception of marketers and the boardroom disconnect, the need to make metrics meaningful and the need to connect, influence and collaborate across functions.

It's not just about implementing decisions; it is about the insight to make the right decisions for business success.



The misperception of marketers



Different perceptions of marketing's role

A 2012 survey by the Economist Intelligence Unit uncovered a great disconnect across the C-suite over marketing's priorities. Non-marketing executives see marketing's top priority as driving revenue by a wide margin over finding new customers (30% to 19%).

For CMOs, the same study shows marketing's priorities are creating new products/services and customer acquisition; driving revenue ranks third.

In part, the big misperception is down to lack of results and the visibility or reporting of those results.

The smoke and mirrors image of what a marketer does or can do in their role in turn affects their ability to influence the business strategy. To make a difference, it's time for marketers to get themselves heard.

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- > **Focusing on the brand above revenue**
 - > **Focusing on the latest trends (such as social media) without evidence of ROI**
 - > **Providing marketing data that doesn't relate to the P&L statement**
 - > **Misunderstanding ROI; cost-cutting instead of adding to the top-line to increase ROI**
 - > **Being too disconnected from the short-, medium- and long-term financial realities of a business.**



The key concern for marketers is not getting a seat in the boardroom, but **gaining influence.**

Anne Godfrey
Chief Executive
Chartered Institute
of Marketing

Getting heard in the boardroom

Anne Godfrey, Chief Executive at Chartered Institute of Marketing highlights the key issue marketers should really be addressing: influence.

In an interview with Marketing Week in March 2014, Godfrey explained:

“We debate the influence, credibility and right of marketing to be part of the big conversations about growth. As long as professional marketers have access and influence at board level, and bring the voice of the customer to the decision making process, then the company will benefit.”

Whether or not a marketer has a seat on the board, marketing has to regularly and consistently demonstrate its ability to play a valuable role in business growth.

The time of marketing being an ‘art’ is long gone; it’s now truly a science. And it is the ‘measurement’ and analysis element of science that redefines the role of marketing in the modern organisation.



Starting from the bottom(line)



One of the biggest problems marketers inflict on themselves is their failure to **establish and demonstrate** that money spent on marketing really does matter to the financial performance of a business.

Tim Ambler
Author
**Marketing and
the Bottom Line**

Financial language

Speaking the financial language of the business is critical, and marketers must be skilled to tackle the accountability challenge.

There are three key ways this can be achieved:

- 1 Ideas should be expressed in terms of changes to cash flow, and plans need to show how they'll influence business profitability.
- 2 The language of brand and ideas must be put aside for healthy discussion about profit, revenue and investment.
- 3 Marketers must quantify and demonstrate the contribution of the marketing function as a whole to business – and not speak about specific channels and tactics.



[The CMO role] provides a filter for the rest of the executive team on not only how the brand is performing, but also what **innovations, cultural discussions, and new technologies or strategies** are on the horizon and how they could impact the business.

Vice President And
CMO Practice Leader
Forrester Research

But don't forget to feed from the top

The C-suite need marketers to deliver more: more sales, more market share, more sales-ready prospects and more conversions.

Marketers must not forget the top-line: the organisation's requirement for growth.

The board also want, and need, marketing to provide innovative ideas for expanding products and/or services, for entering new markets and for developing strategic partnerships – by being the voice of the customer.

It's a delicate balance between having a finger on the pulse of what customer's are saying and being a financial analyst.



Make metrics meaningful



Marketing metrics

We tend to value what we can easily measure, rather than work out what we should value and work out how to measure it.

Digital marketing techniques and technologies such as marketing automation make measurement more transparent.

The days of hiding behind vague vanity metrics are over. The CMO needs to become a number cruncher; they need to own the data and use it to gain deep insight and customer knowledge.

Metrics that matter to CEOs and CFOs concern growth and profits. They want to know the impact of each marketing investment; they want to know the likely results from marketing spend and how that spend relates to overall business goals such as customer acquisition, retention and market share.

KEY METRICS

- > **Revenue metrics – the total impact on business revenue**
- > **Campaign performance metrics – the individual impact on business revenue**
- > **Customer-centric metrics – the customer lifetime impact on business revenue.**



76% of B2B marketing professionals agree or strongly agree that their ability to track marketing ROI gives marketing more respect.

Forrester & Business Marketing Association
May 2013, Global Marketing Online Survey

ROI calculations

A clear presentation of return on investment (ROI) calculations is also a must. Marketing metrics that relate to specific campaign tactics, such as cost per lead, are becoming irrelevant.

Forrester Research confirms that 76% of B2B marketing professionals agree, or strongly agree, that their ability to track marketing ROI gives marketing more respect.

According to Marketo's [Definitive Guide to Marketing Metrics and Marketing Analytics](#), 'the fastest growing companies measure ROI to find out not just what works, but what works better. They focus on improving ROI and not just proving an ROI'.



Modern marketers need to **harness data and analytics** and embrace a forward-facing focus.

Be capable of modelling

Traditionally marketers look at past-performance. Results are based on previous activity and marketing budget requests are produced in-line with doing more or less of the same activity.

Modern marketers need to harness data and analytics and embrace a forward-facing focus. Marketing plans should include a section with a financial forecast of the marketing actions. Tying investment to revenue ensures that as the business grows, so does the marketing investment.



Build your powerhouse



How to build your power-house

Many definitions, but not all, emphasize that marketing owns the voice of the customer. Customer-centricity is paramount as an approach to effective strategy. There needs to be clarity within a business on this important issue and cross-functional working practices need to be in place to identify, anticipate and satisfy customer needs and wants.

Forrester, working with the Business Marketing Association, asked how working relationships between marketing and peer departments have changed during the past two years and found that senior marketers are starting to lead the way out of traditional working silos.

This might be due to the increased reliance on marketing technology that bridges the gap between marketing and sales, and the fact that the CMO is the guardian of customer data and the possibility of data mining for new and interesting growth opportunities.

Forrester research confirms that marketers are now:

- 1 Spending more time with IT – working more closely to ensure that systems support customer expectations as well as business decision-making**
- 2 Extending the sales partnership – reflecting marketing’s growing role as the engine in the firm’s revenue generation machine.**



97% of Business-to-Business marketing leaders

say they are doing new types of work, where new skills for marketers will be desperately needed going forward, and the pace of relentless change in their worlds is expected to pick up.

Forrester/Business Marketing Association
B2B CMOs must evolve or move on

Marketing's changing demands

Finding the right talent to address the demands of marketing's changing and expanding role is tough. A skills gap is starting to emerge; new entrants to the marketplace are specialising early and the generalist knowledge and experiences required at a strategic level will soon be missing.

Whilst CMOs must have a team to which they can delegate the day-to-day requirements, recruitment and training must ensure that talent coming through provides a balanced mix of function, business and analytical skills.

In addition, to support the pace of marketing, the tracking of leads and required visibility of the customer throughout their journey; marketing technology is required. The analytical and technical skills to implement, manage and report on the data cannot be underestimated.



Connect and Influence



Marketing is a data-driven science. People often see it as nice-to-have because they don't think it drives the future of the company, but marketing is actually about using data to target audiences and create value. It's about monetizing things.

IBM
Global C-Suite Study

Building influence

Influencing boardroom discussions is not just about having insight and knowledge; it's about relationships. The ability to provide and present hard, meaningful metrics needs to be balanced with softer people skills to get buy-in and support around the table.

Decision-making, after-all, is fundamentally emotional. Members of the board need to be convinced, and changing negative perceptions is not easy.

Fast Company reports that 'to create change, to invent a new future, you have to be vulnerable, to show passion and belief in an unproven idea, and to risk failure by pursuing it.

You, the initiator, have to find a delivery style that allows you to communicate your conviction in a compelling, inescapable way'.

Marketers do this for their external audiences every day; it's time to apply that skill internally to build a power pack that will support their board-level decisions.



Moving Forward



Best in-class marketers improve the organisation and show it. They align marketing with business outcomes and use outcome-based metrics to clearly convey their impact, to foster strategic decisions and to enable course corrections.

Laura Patterson
Author
Marketing Metrics
In Action

Staking your claim

It's clear that marketers must translate insight into commercial opportunity. CEOs are increasingly calling on their marketers for input on business strategy, customer insight and market trends.

Those that can demonstrate this as well as a direct connection between marketing activity and business results will be the ones that close the gaps of perception and earn a seat at the boardroom table.

So where do you stand?



Final thoughts

Successful B2B marketers will balance art and science. They will lead customer-centricity within the organisation, be the voice of the customer and bring insight (generated via data) to the boardroom table. To be heard, they will work hard to demonstrate their ability to impact the bottom line.

Focus on business outcomes and influence will come.





About Modern

Modern is a B2B marketing agency working with high growth technology businesses, both locally and internationally.

We're chosen by our clients for our grounded insight, metrics analysis and our ability to positively influence business performance.

Find out more at modernb2b.co

