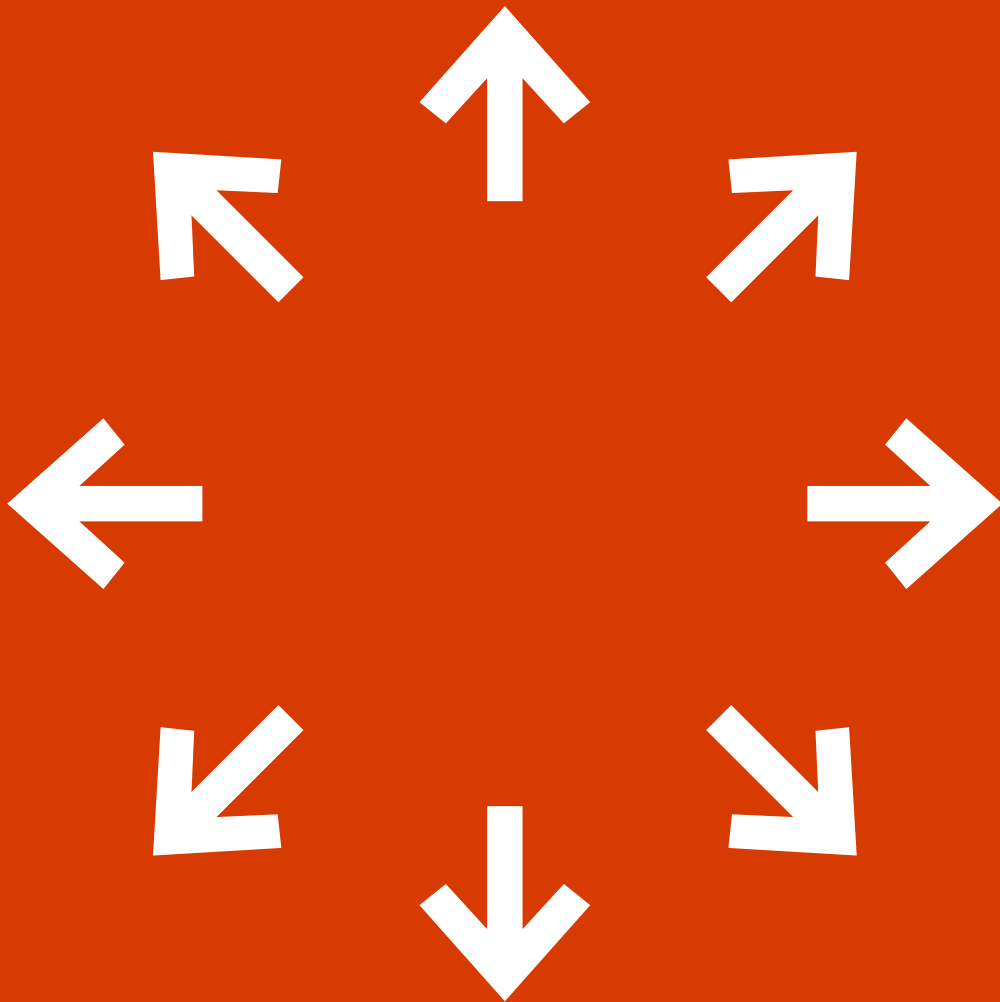


Collaboration: driving the evolution of the CMO



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Foreword

While I continue to be amazed by the amount of change in the marketing industry in recent years, even more lies ahead – and it will be pervasive and unrelenting. I’m referring to the type of change that cannot be carried by Australia’s Chief Marketing Officers (CMOs) alone.

Gartner found that by 2017, 89 per cent of marketers expect customer experience to be their primary differentiator.¹ But to build the best experience for customers, marketers need to better understand their behaviour and needs.

‘Data’ has been the catchcry of our industry for some time, with potential for catapulting marketing into a new era of success, creativity and accountability. In fact, it’s one of ADMA’s core objectives – to prepare Australia’s CMOs for the industry of the future.

But it’s a challenge. Marketers tell me they lack expertise within their organisations to extrapolate these insights. This is information that lives across different departments in the business – in finance, manufacturing, sales and product development. To reach this data, collaboration is critical.

Breaking down silos and breeding a culture of teamwork is a significant focus for organisations. To achieve this, companies need buy-in from business leaders and a commitment to company-wide digital transformation. This means improving workflow, investing in technology and creating a space where innovation is encouraged.

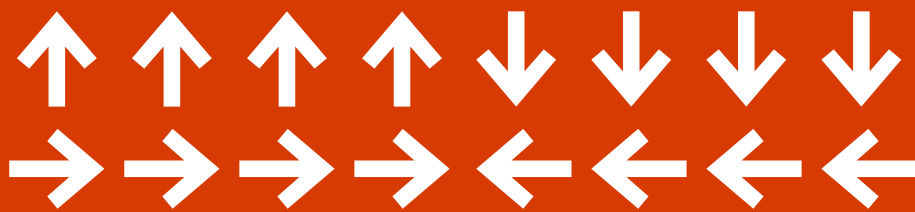
Making sense of customer data is one of the CMO’s biggest challenge. But it’s also one of their greatest opportunities. In the coming years, it’s critical that organisations make strides in this area or they risk falling behind – and they simply will not be able to do this without harnessing the power of technology to collaborate across different departments and communicate with various stakeholders.

It’s time to shift organisations towards this future and empower marketers to make the most of the insights at their fingertips.

Jodie Sangster
CEO, ADMA



¹ J Sorofo, ‘Agenda Overview for Customer Experience 2015’, <https://www.gartner.com/imagesrv/digital-marketing/pdfs/agenda-overview-for-customer.pdf>



Executive summary

The CMO role is being rapidly redefined by digital technology.

Responsibilities are being both heightened and expanded, with marketers now stretched further across the organisation.

Today, they are seen as more integral to success by the C-Suite, giving these dedicated professionals unprecedented potential to drive business change.

But what demands and what challenges are limiting them from reaching this potential?

This is the key question at the heart of this whitepaper and what we sought to uncover by engaging several senior marketing leaders in a roundtable discussion.

We tasked our experts with sharing the changes they've experienced throughout their careers since digital has come to the fore, and what points of tension it has created.

Roundtable participants

- IAG CMO Brent Smart
- Isentia CMO Richard Spencer
- Meat and Livestock Australia Group Marketing Manager Andrew Howie
- PayPal Marketing Director Elaine Herlihy
- ThinkTV Head of Marketing Rowena Newman
- Microsoft Australia, CMO/COO Rachel Bondi

→ New definitions

When CMOs look at their roles today they see wholesale change compared to previous years. They are no longer concerned with advertising outputs – they are focused on customer experience, a quotient which directly impacts the bottom line of the business.

They are responsible for more and at the same time, their departments are facing incredible squeeze. As a result, most feel their current job titles no longer reflect the work they do or the remit they are responsible for.

Critically, marketers believe:



They are fundamentally responsible for driving customer-centricity across their organisations.



They are being pulled in a number of directions given the expansion of their role.



Finding a way to extract value and manage customer insights is the collective challenge keeping them up at night.

With business – and the C-Suite – increasing its focus on marketing as a way to connect with consumers there is a great deal riding on the success of the CMO. To fulfil this they can no longer work in a vacuum.

For customer experience to be truly exceptional, it needs the buy-in of an entire organisation.

Collaboration will become a powerful differentiator for business. Those that do it well will succeed; those that fail will cease to be competitive in the digital age.

→ Bridging the CMOs' collaboration gap

With an expanded role now reaching all touch points of an organisation, the number of stakeholders under a CMO's remit can easily reach into the hundreds.

Managing collaboration across this expansive role is a significant challenge.

As well as looking at external technology solutions, marketers are looking at internal processes to create collaboration. For some, it could be a new way of conducting meetings or sharing information; for others, it is working to integrate new communication tools and reducing traditional communications channels like email.

But marketers are still experiencing challenges when it comes to managing and working with people outside their offices. This includes external stakeholders for the business and, for those in multinational organisations, colleagues abroad.

Technology can bridge this collaboration gap and the solutions which succeed in doing so are highly sought-after.

→ Driving collaboration across departments

Customer insights might be the natural domain of the marketer but in the real world, these insights aren't always born from inside the marketing department. They are gathered across organisations – from manufacturing to sales teams. For marketers to gain a single view of the customers they're reaching, they need a way to collate this information.

Driving the adoption of new technology has become an integral part of the CMO role but their traditional skillset is not naturally geared to handle this responsibility – especially when it comes to issues such as data security. There is a need for businesses to find a way to connect different skills, such as IT and marketing, to better fulfil the requirements of both.

Breaking down departmental silos to foster collaboration has widespread business benefits. Humans are social creatures and communicating and collaborating with people in different roles empowers employees to be more effective in their roles. But it's a struggle for less-agile, big businesses that have legacy issues to circumvent to get these systems right.

→ Investing in collaboration for future success

The positive news is most businesses are looking at increasing investment in collaborative tools, especially those that benefit the marketing department. It suggests technology fostering better creative processes and workflows is a solid part of the future.

Collaboration is the lifeblood of marketing. It is a critical enabler for extracting the best insights and applying it for the good of the customer experience.

Finding new, innovative ways to help marketers navigate the additional complexity of their role is vital for the success of businesses going forward.



Collaborating internally and externally

The modern marketer now has more to do; they are tasked with guiding internal teams to create a cohesive and personalised experience for the customer as they interact across an organisation.

It means the CMO has to work with different departments inside the business and obtain the help of specialists outside of it.

This is a huge challenge. To begin, there are now around five different generations in the workplace all with different levels of technological skills and engagement. Getting

the best out of them means addressing different needs. This is before you factor in learning new skills and processes, managing vastly expanded and remote teams, and being able to respond to fast-moving market conditions.

This is where tools and systems can help.

→ Creating a collaboration culture

It is important the CMO creates a culture of collaboration within the organisation, especially in bigger organisations where staff under their remit can number hundreds.

But marketers believe too often technology becomes a fail-safe for individuals, rather than a conduit for true collaboration. Email in particular is seen as a burden – creating a system of demands from different stakeholders rather than an easier way to communicate.

Instead, technology solutions need to boost collaboration rather than simply make tasks easier. As connectors within the organisations, marketers need to enable smooth workflow to gain the insights they need. This means rethinking how to empower the workforce with the right culture, policy, infrastructure and tools to maximise their potential.

CMOs need to take a more proactive approach to collaboration to properly work with different departments. Without this, many marketers are concerned their role of connecting different departments to the customer means they are starting their days in response mode.

This is particularly true of multinational companies which have the additional challenge of creating consistent messages across countries.

For CMOs in Australia, attempting to facilitate collaboration can often result in emails overnight or 2am phone calls. Flipping this construct and working with teams to align on a way of working and collaborating that best suits the organisation will yield the strongest results.

“You have to keep coming back to the basics. You need know why you’re connecting with that person, what you need to discuss and how you’re getting them on the same page. I always make sure I’m clear on my plan for the work, for the team and for our stakeholders. Those are my priorities.”

-Elaine Herlihy, Marketing Director, PayPal

→ Collaborating outside of company walls

Fostering a culture that breeds collaboration is not limited to internal employees. Marketers are often the face of the organisation for a number of external stakeholders whose needs have to be taken into account.

As the marketing department needs to do more, they are increasingly relying on the help of those with specialised experience, such as creative marketing agencies, to feed in with knowledge the CMO might not have firsthand. It means the number of external teams a CMO is managing is growing.

Technology can help make sense of insights – but no one piece of software is a silver bullet on its own. Where it gets complex is ensuring systems suit every level of technical capability.

Tools for collaboration

Tools such as Skype for Business and other collaboration platforms allow CMOs to connect with those outside of their offices. Microsoft's productivity portfolio provides a universal toolkit to support differing needs, allowing individuals to choose the tools that suit them best. It is for this reason Microsoft Teams was launched, creating a central hub for all teamwork that brings together a modern chat experience with the tools and documents needed to support people to get stuff done.

While tools and technology have broad benefits for business, their usefulness comes back to having the right culture supporting it.



MLA: Dealing with different stakeholder needs

For Meat and Livestock Australia (MLA), the marketing, research and development body for Australia's red meat and livestock industry, a key challenge is aligning the needs of its many stakeholders.

Group Marketing Manager Andrew Howie is not just working with a number of different internal and external suppliers as a marketer, but also has to ensure his outputs match the requirements of MLA's 50,000 levy-paying members.

"We've got guys out there where the only internet they have is via their handset," says Howie.

"On the other side we have huge developers of content and data. They're all equal stakeholders so you have to be forward thinking."

It has made it difficult to pull a single customer view into its business.

Customer segmentation is a huge part of the solution, identifying the profiles of MLA's many members. It means MLA knows best how to reach those members with the insights and data drawn by its marketing department; whether it's personalised emails or, for producers who are still waiting for NBN connectivity, a text message.

"Segmentation is so important," Howie says. "You need to really understand your customer base and what they want. Otherwise you can be guilty of talking to people about something they don't want or need. A lot of people don't want data – they just want insights. They see it as my job to interpret that data for them, and help them to understand the upside and downside risk of the choices they're making."



The Collaboration Champion

Undeniably, the role of the CMO has changed. Rather than constrained to advertising outputs, today's CMO must be the advocate of the customer.

Marketing has always been tasked with understanding a brand's audience and finding a way to reach them.

But in the past decade the idea of 'customer experience' has gained traction as a way to differentiate in the face of growing digital competition. Creating customer-focused outputs means the scale of a CMO's work has become more important to the business, and this shift has elevated the role in the eyes of the C-Suite.

Exceptional customer experience is needed at every touch point of a business and requires a company-wide effort for it to be truly cohesive.

Marketers are adamant this shift means their traditional job titles no longer adequately define their roles.

As PayPal Marketing Director Elaine Herlihy explains:

"I don't like the term Chief Marketing Officer because I feel like you now have to be a Chief Information Officer, a Chief Financial Officer, a Chief Customer Officer, and an Operations Officer all in one. When you're sitting at the leadership table you don't really talk about your outputs in the marketing sense. It has become a much bigger role than that."

In effect, marketing has become the lens through which the CMO looks at all parts of the business. When they're with the Chief Executive Officer they discuss share of customer; when they're with the CFO they discuss return on investment; and when they're with the Chief Technology Officer they discuss marketing software. It means the days of only contributing to above the line marketing activity are long gone – and have been for some time.

➔ Data is demystifying marketing

"The biggest thing that has changed in the past 15 years is the access to data at every level. Some of which are taken for granted. With the speed of change, the access to technology and the introduction of data, the job is not really the same by any stretch of the imagination."

–**Richard Spencer**, CMO ISentia.

This shift towards the customer cannot be separated from data.

Data is a gold mine; it presents the single greatest opportunity to uncover insights about consumers as they navigate through an organisation's touch points.

Yet, marketers also see making sense of data as their biggest challenge. Again, collaboration will be the key when it comes to making sense of data that can often be siloed across the business.

The CMO now oversees parts of the business mostly driven by data: including automation, social media, and customer relationship management (CRM) platforms.

Marketers believe this influx of data brings to life the role of the CMO by showing what it is they can contribute to the bottom line.

Departments who previously had little to do with marketing will be brought into its remit as the CMO rallies all parts of the business around the customer – meaning CMOs not only have to be data experts, but further highlighting their role in driving collaboration between departments.

Marketers also believe that data adds rigour and will act to elevate the CMO position on an executive level. No longer in the shadows of business leadership, the CMO's success is now tied to a business' fortunes.

"Data is showing what we can contribute as marketers and I think helping reposition us in the leadership forum. I can now demonstrate to the CFO or CEO the impact around what we do. As an extension of that, I'm trying to position myself as the Chief Growth Officer - focusing on 'where we see pockets of our company's next evolution of growth'. Our C-Suite now see the role as thought leadership and not just the executor of campaigns."

–**Rachel Bondi**,
CMO/COO, Microsoft Australia

→ The importance of the human touch

Data is tied to the CMO role – it provides the ability to see the consumer clearer than ever before. But what marketers are sceptical about is its ability to provide all the answers.

The data can give insights, but it cannot replace intuition when it comes to selecting which insight to follow. While marketing has broadened as a discipline, CMOs still feel the fundamentals of the role are the same.

What marketers are more concerned about is piecing together the different areas of their new and expanded role to make the most out of insights. With data being funnelled into their remit from every department, it is harder for them to focus on the big picture.

The success of marketing lies in the ability to find the human side of data to set it apart – and this means separating the wheat from the chaff. Marketers are uniquely skilled to do this by using their expertise to determine which data insight to follow. To turn insight into action, they need access to this data which is currently spread across organisations. The defining factor in collating these insights will be collaboration.

“The real issue within marketing is teams are being downsized so the CMO has fewer people. At the same time, we’re getting emails from every angle and we’re getting data from every data store across the organisation. People are just stretched way too thin and not focusing on the future and objectives.”

-Rowena Newman, Head of Marketing at ThinkTV

→ Empowering teams in the digital workplace

Within this need for staff and service suppliers to be better connected there is also a need for the systems that surround them to be integrated.

Marketers are acutely aware of the impact of data in their changing roles. To satisfy this demand, there needs to be a greater shift in their wider organisations to facilitate a better way of working, extracting data and sharing it across departments.

Organisations who make this shift will not only find collaboration easier, but it creates a mindset for disruptive thinking and empowers individuals to be more effective in their roles. This can push companies and marketing departments ahead of the curve.

“The marketing function is trying to work out how to take on board all of this data and which insight to work with. What I’ve noticed is there are a lot of marketers who are sitting there thinking, ‘how do I get my arms around this?’ It’s so big now that a lot of them no longer know where to focus.”

-Rowena Newman, Head of Marketing at ThinkTV

→ The collaboration conduit

Marketers see themselves as connectors in the business, bridging the gap between internal departments and the customer. It means they are the conduit for collaboration in a company.

Within this evolved role, one of the biggest challenges is getting leadership to support this extensive change to empower teams. Interestingly, Microsoft's Workplace 2020 study² found only 32 per cent of employees agree their organisation is committed at a leadership level to in bridging the digital skills gap.

The other challenge in making this ambition a reality is organisational silos.

Companies are swimming in data but marketers admit most are still at the tip of the iceberg when it comes to extracting powerful information from it. Part of the complexity stems from silos, with each department having their own insights and often their own systems to match.

For incumbent, large-scale organisations, legacy issues around systems mean digital transformation is harder to jumpstart, and getting different departments speaking to each other to provide a single customer view is difficult. It's a challenge that is taken for granted by start-ups or digital businesses, which have had integrated systems from inception.

Embracing Digital Transformation

Microsoft believes there are three critical success factors for organisations looking to undertake wide-scale digital transformation.

- Strong leadership buy-in
- A business culture with an appetite for change
- Access to talent

Each of these attributes allow digital transformation to be progressed, accepted and encouraged within the organisation.

You can read more in a report released by Microsoft a few months ago, Embracing digital transformation: Experiences from Australian organisations, based on qualitative interviews with 30 senior leaders of business and government organisations to uncover the success factors and obstacles involved in digital transformation.

The benefits stemming from this are extensive. Integrated systems allow staff to feel supported in their roles, empowering them to do better. From a culture and collaboration point of view, this is significant.

² Microsoft Workplace 2020 study [INSERT LINK](#)

➔ The CMO case for new collaboration platforms

Managing technology is now seen as an integral part of the CMO role. A decade ago, Gartner predicted by 2017 the CMO would outspend the CIO when it comes to technology.

While most marketers reject the idea they are the biggest technology spenders within their businesses, they do agree that having state-of-the-art tools is an important part of enabling them to do their job.

Despite this requirement, there is very little formal training that goes along with it. It means for the modern CMO to succeed they need to have the technological expertise to understand data in all the different discourses within their organisation. They also need to be able to act as the translator and conduit between different parts of the business.

As Elaine Herlihy, Marketing Director of PayPal says, "It is part of my job. You don't get much on the job training around that. You educate yourself by talking to experts in your broader team."



IAG: Marketing as an accelerator

IAG is an insurance group which includes brands such as NRMA and SGIO. Like a number of big businesses it is looking at how to digitally transform and is currently trying to centralise operations.

Given the scale of the work IAG does, it has an end-to-end capability allowing it to serve customers across sales, service, claims, technology and marketing. However, its size and heritage means it was a traditionally siloed business looking at a better way to work.

To address this challenge, IAG has launched a new division, designed to put the customer at the very heart of everything it does, called CustomerLabs. The division, which includes marketing and data analytics aims to help the entire business become more customer-centric.

IAG also included an incubator bringing 'intra-preneurs' into the company to help build innovation to further this ambition. The result of this is the culture of the company is more collaborative and agile.

"I'm always thinking about how I can join these dots and bring a marketing and a brand lens to all we're doing," IAG CMO Brent Smart says. "There are such amazing skills for me to draw from."

"CustomerLabs is built to be collaborative and built to be all about the customer. It means I don't find myself having to push collaboration as it is happening organically. I feel like marketing becomes an accelerator in that environment. I don't have to convince anyone about the power of it."



Moving forward together

→ Moving forward together

Investment in collaboration tools is an emerging business priority. With the need to place the consumer at the centre of an organisation, it means tools which assist this ambition are being prioritised with C-Suite investment. CMOs expect this to continue in the near-term.

This has resulted in a focus on tools which enable communication and collaboration, particularly systems offering agility for individuals to untether from offices. What has been missing until now is a universal platform that places all of these tools in the one place. Not having this capability has resulted in marketers needing to work with a number of different systems to reach all of their stakeholders.

Some marketers said their organisation is taking this investment one step further by including DevOps as part of the organisation. This helps businesses create data-driven, customer-first experiences. It's one way companies are looking further towards a future where marketing and technology are entwined.

→ Future steps and priorities

Marketers are clear on their priorities for the future and on a near-term horizon focused on growth. They also expect technology to help them achieve this goal.

This isn't about replacing current ways of working. Marketers are looking at technology as a way to smarten their approach; in finding new avenues of growth through segmentation, insights and improved customer data platforms.

For some, this means shaking up legacy systems through digital transformation. But the common thread among businesses is improving the way they work with others.

CMOs should embrace their role as connectors by applying a macro lens to their business and allowing the departments they work with to focus on the details. It is important that marketers continue their role as the champion of the customer.

Collaboration is the only way to achieve this.



"It's about shifting the way you're looking and changing the lens. You can become quite interspersed quite quickly around some of these big issues we come across in our roles. We're not going to solve them looking at ourselves. We're going to solve them by changing the way we work and learning from data and people around us."

—Richard Spencer, Isentia CMO

Thank you.

For more information on how to foster collaboration within your business, download this eBook.