

Global Leadership

Confronting the CMO Succession Gap: Five Key Findings for Improving the Readiness and Retention of Future Marketing Leaders

Trends like Big Data, mobile devices, e-commerce and globalization are significantly reshaping the role of marketing and those who are responsible for it. Yet, while much has been written about how these trends are impacting the mission, organizational structure and leadership competencies required for success, not enough attention is getting paid to preparing the next generation of marketing talent. Are rising marketing leaders getting the developmental experiences they need? Are they being groomed for the demands of tomorrow and not just today? Are they engaged?

To help chief marketing officers (CMO) and rising marketing leaders answer these critical questions, Russell Reynolds Associates launched a major quantitative research study, capturing responses from nearly 1,500 senior marketing professionals globally. Below are our key findings, as well as a number of support tools, designed to help rising marketing leaders prepare for the next level and to help CMOs boost retention and team productivity.

Time frame:
Fall 2012

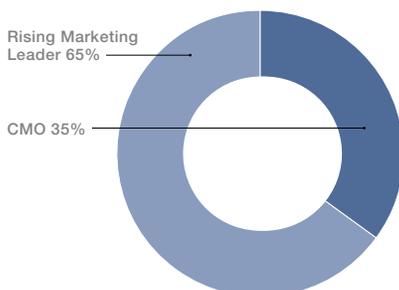
Respondents:
1,400+

Industries:
All major industries

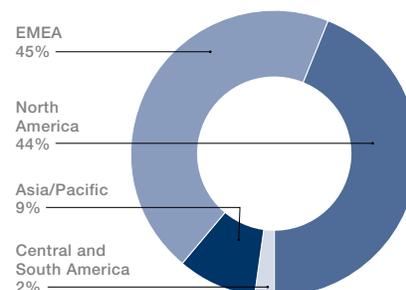
Four Key Questions:

1. How is the CMO role evolving—and how ready are rising market leaders to step up?
2. Which developmental experiences matter most?
3. How effectively are organizations providing these experiences?
4. What are the implications on rising marketing leader retention?

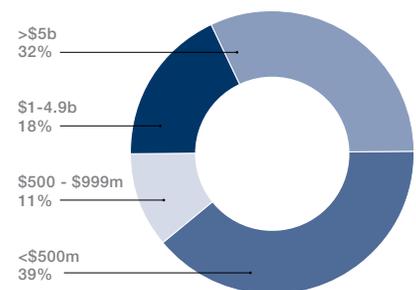
Roles



Geography



Revenue



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Summary of Key Findings

1. CMOs lack confidence in the next generation and struggle to name successors.
2. Rising marketing leaders lack confidence in their managers' ability to develop them—and a significant number expect to leave their organization in two years or less.
3. Leading CMOs identify 18 experiences as most critical to the effective development of rising marketing leaders.
4. A significant majority of CMOs prioritize strategy, people and emerging marketing experiences as most important.
5. Rising marketing leaders believe their organizations are ineffective at providing the development experiences that CMOs feel are most important.

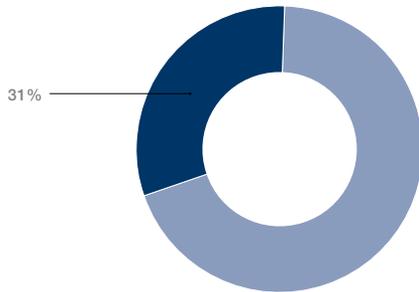
Conclusion

As the CMO role faces new expectations and changing business requirements, it is increasingly important for CMOs to improve the development of their team members and succession planning efforts. Helping rising marketing leaders grow by investing in the right developmental experiences will not only boost their productivity and retention today, but it will ensure a CMO's legacy and continued success of the marketing function over the long term. To that end, we hope the findings from this study provide a useful guide.

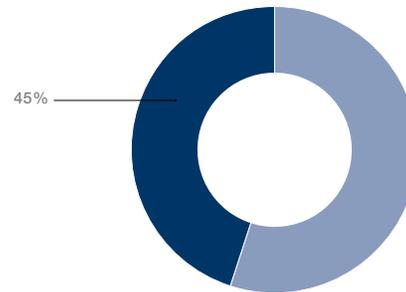
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Key Finding #1: CMOs lack confidence in the next generation and struggle to name successors.

Percentage of CMOs Who Are Highly Confident in the Bench Strength of Their Company's Marketing Leaders



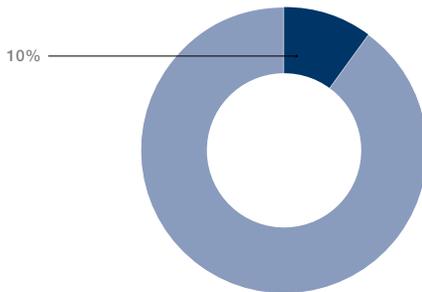
Percentage of CMOs Who Can Immediately and Confidently Name a Successor



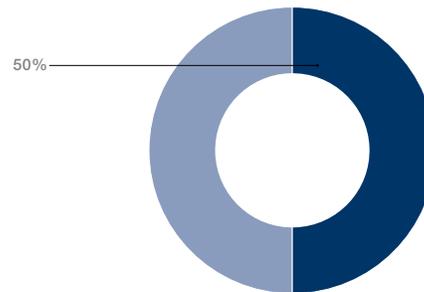
- Less than one-third of CMOs are confident in the bench strength of their teams.
 - Less than half of CMOs can name a successor if a replacement were needed tomorrow.
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Key Finding #2: Rising marketing leaders lack confidence in their managers' ability to develop them—and a significant number expect to leave their organization in two years or less.

Percentage of Rising Marketing Leaders Who Feel Their Superiors Are Highly Effective at Developing Them



Percentage of Rising Marketing Leaders Who Expect to Leave Their Current Employer in Two Years or Less



- Only 10% of rising marketing leaders feel their managers are highly effective at developing them.
 - Half of rising marketing leaders expect to leave their organization in two years or less.
 - If ignored, Findings #1 and #2, collectively, portend significant challenges for companies across sectors and geographies. The ambitions of companies' marketing strategies soon may be undercut by a scarcity of capable marketing talent.
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Key Finding #3: Leading CMOs identify 18 experiences as most critical to the effective development of rising marketing leaders.

Strategy & Innovation

- Setting strategic vision and designing a strategic plan
- Managing innovation/launching new products
- Leading a brand turnaround

People & Relationships

- Building cross-functional relationships at the executive level
- Leading a cross-functional team
- Turning around the performance of a struggling team
- Recruiting and training direct reports
- Being mentored by senior leaders

Emerging

- Using marketing analytics/ROI tools and techniques
- Developing, launching and integrating digital marketing and social media campaigns
- Working internationally or on global marketing assignments

Operational

- Gaining experience in sales or working closely with customers
- Owning a P&L
- Building and using financial/profitability models

Traditional

- Conducting and managing primary consumer/market research
- Managing agency relationships
- Developing, launching and integrating in-store brand activation
- Developing and launching major advertising campaigns through traditional media

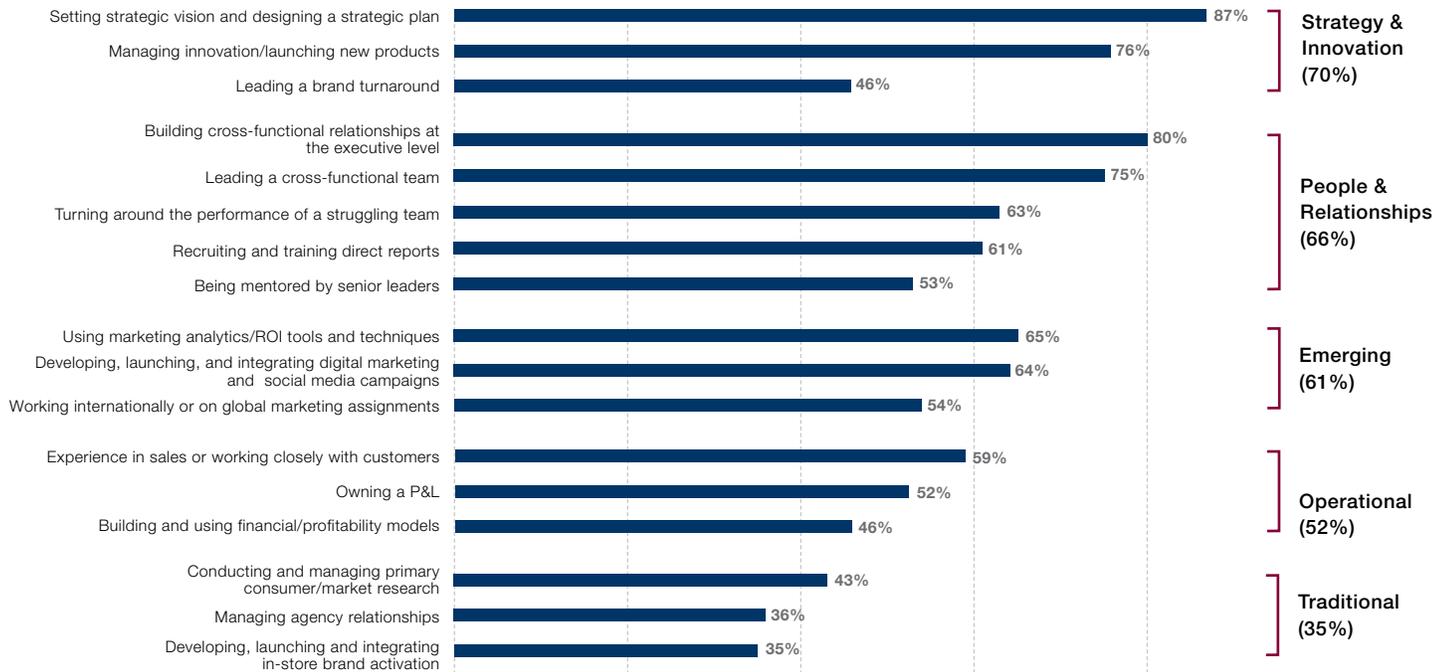
- During the initial stage of our research, we engaged a number of leading CMOs to identify the developmental experiences they feel matter most. They responded with the 18 experiences listed above.
- These activities are critical to overcoming the challenges highlighted in Findings #1 and #2, as experiential learning arguably is the most effective means of individual development.

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Key Finding #4: A significant majority of CMOs prioritize strategy, people and emerging marketing experiences as most important.

CMO Experience Importance Ratings

% of CMOs Rating 8 or 9 on a 9-point Scale



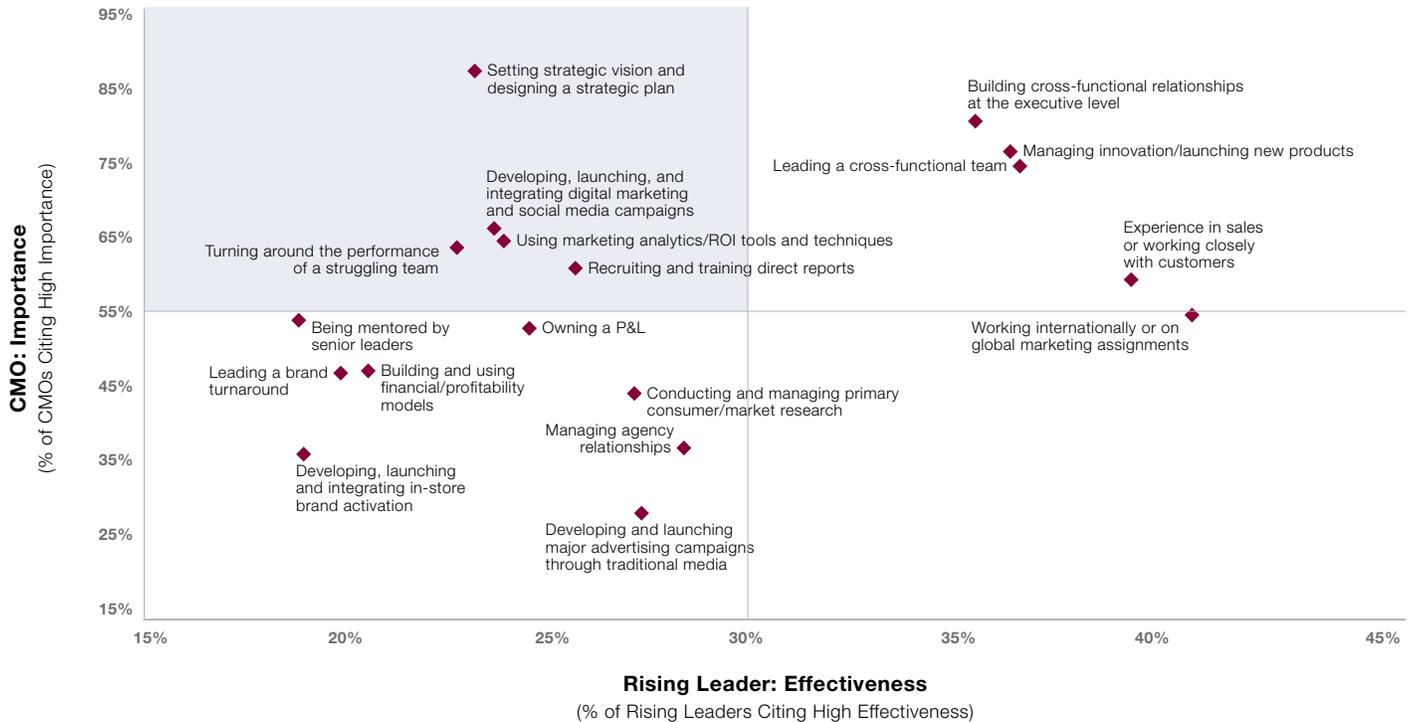
How to read this graphic: This graphic shows the percentage of CMOs scoring each of the 18 developmental experiences an 8 or 9 on a 9-point scale where 9 is of highest importance.

- Of all the key developmental experiences available, CMOs prioritize Strategy & Innovation, People & Relationships and Emerging marketing experiences (e.g., using Big Data and launching a social media campaign) over Operational and Traditional marketing experiences.
- *In other words, CMOs seem to prioritize having a clear vision of the future and effectively leveraging people to achieve that vision while using new marketing techniques and tactics.*
- These findings provide helpful clarity, showing CMOs and rising marketing leaders exactly where to invest their (limited) time and effort in terms of development.

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Key Finding #5: Rising marketing leaders believe their organizations are ineffective at providing the development experiences that CMOs feel are most important.

CMOs' Perspectives on Experience Importance vs. Rising Marketing Leaders' Perspectives on Experience Effectiveness



How to read this graphic: This graphic compares the importance that CMOs place on the 18 developmental experiences and how effectively rising marketing leaders feel their organizations deliver these experiences.

- Key gaps.** A comparison of the activities CMOs believe are most important for success and those that rising marketing leaders say their organizations are the least effective at delivering reveals the following key gaps:
 - **Strategy:** Setting strategic vision and designing a strategic plan.
 - **New Marketing Techniques:** Developing, launching and integrating digital marketing and social media campaigns, and using marketing analytics/ROI tools and techniques (Big Data).
 - **People:** Recruiting and training direct reports and turning around the performance of a struggling team.
- Interestingly, the experiences that CMOs believe are most important for success also are those that rising marketing leaders feel their organizations are the least effective at offering (see upper left quadrant of the figure above).
- CMOs should continue to invest in the experiences listed in the upper right quadrant (high importance, high effectiveness) and focus on improving how effectively they deliver those in the upper left quadrant (high importance, low effectiveness).

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Taking Action

To help CMOs optimize the productivity and retention of their team members—and to help rising marketing leaders develop key skills required for success at the next level—we provide below a number of tools and diagnostics.

CMO Team Diagnostic

EXPERIENCES	PERSON A	PERSON B	PERSON C
Strategy & Innovation			
Setting strategic vision and designing a strategic plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managing innovation/launching new products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leading a brand turnaround	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People & Relationships			
Building cross-functional relationships at the executive level	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leading a cross-functional team	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Turning around the performance of a struggling team	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recruiting and training direct reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Being mentored by senior leaders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Emerging			
Using marketing analytics/ROI tools and techniques	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Developing, launching and integrating digital marketing and social media campaigns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Working internationally or on global marketing assignments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Operational			
Gaining experience in sales or working closely with customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Owning a P&L	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Building and using financial/profitability models	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Traditional			
Conducting and managing primary consumer/market research	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managing agency relationships	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Developing, launching and integrating in-store brand activation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Developing and launching major advertising campaigns through traditional media	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

How to use this tool: 1) Identify key direct reports. 2) For each experience, check the box if the report has received adequate exposure. 3) Identify individual needs running vertically and aggregate team needs running horizontally (i.e., rows with the greatest number of unchecked boxes).

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Rising Marketing Leader Self-Diagnostic

EXPERIENCES	My Needs	Importance to CMO (H,M,L) ¹	Current Degree of Exposure (H,M,L)
Strategy & Innovation			
Setting strategic vision and designing a strategic plan	<input type="checkbox"/>		
Managing innovation/launching new products	<input type="checkbox"/>		
Leading a brand turnaround	<input type="checkbox"/>		
People & Relationships			
Building cross-functional relationships at the executive level	<input type="checkbox"/>		
Leading a cross-functional team	<input type="checkbox"/>		
Turning around the performance of a struggling team	<input type="checkbox"/>		
Recruiting and training direct reports	<input type="checkbox"/>		
Being mentored by senior leaders	<input type="checkbox"/>		
Emerging			
Using marketing analytics/ROI tools and techniques	<input type="checkbox"/>		
Developing, launching and integrating digital marketing and social media campaigns	<input type="checkbox"/>		
Working internationally or on global marketing assignments	<input type="checkbox"/>		
Operational			
Experience in sales or working closely with customers	<input type="checkbox"/>		
Owning a P&L	<input type="checkbox"/>		
Building and using financial/profitability models	<input type="checkbox"/>		
Traditional			
Conducting and managing primary consumer/market research	<input type="checkbox"/>		
Managing agency relationships	<input type="checkbox"/>		
Developing, launching and integrating in-store brand activation	<input type="checkbox"/>		
Developing and launching major advertising campaigns through traditional media	<input type="checkbox"/>		

¹ H, M, L: High, medium, low

How to use this tool: Rising leaders should focus on the experiences that are 1) development areas, 2) those of high importance to a CMO and 3) those to which he/she currently receives low exposure.

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Experience Corollaries

EXPERIENCES

COROLLARIES

Setting strategic vision and designing a strategic plan

Perform a SWOT analysis for a specific business unit²

Conduct an assumption-based planning exercise to test the core beliefs supporting the organization's strategy

Developing, launching and integrating digital marketing and social media campaigns

Connect with digital marketing/social media heads from other (successful) organizations to discuss key learnings

Analyze competitors' digital strategies

Using marketing analytics/ROI tools and techniques

Partner with a data/analytics specialist from another function (e.g., finance) to witness how they structure and analyze data

Connect with counterparts from other (successful) organizations to discuss key learnings

Turning around the performance of a struggling team

Root cause the team's underperformance and build a turnaround plan accordingly

Create a workplan with key action steps, metrics and deadlines

Provide regular updates to CMO

Recruiting and training direct reports

Hiring

- Develop a hiring plan that lists broad skill gaps across the team
- Design competency-based interview questions and role play exercises

Training

- Help a direct report identify a skill for development
- Identify an existing, on-the-job activity that requires the target skill
- Ask the direct report to reflect on his/her learning before, during and after the experience

² SWOT: Strengths, weaknesses, opportunities, threats

How to use this tool: When designing Individual Development Plans (IDP), CMOs and rising marketing leaders can utilize these corollaries to identify a large number of potential/relevant developmental experiences.

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