

Digital transformation requires CMO's to take the lead

By Peter Kirk, Senior Consultant, The Customer Framework

Of the many useful insights coming out of our CMO 2019 survey ([‘Making Change Real’](#)) it was interesting to see that many CMO's don't have accountability for digital transformation. This is in keeping with another trend identified by the CMO survey – Marketing is increasingly accountable mainly for **short term tactical** measures rather than **medium to long term business** and brand health.

Today's digital economy means most established businesses are transforming to adapt (or trying to). But as the CMO survey confirms, we see a trend where digital transformation as something done *to* Marketing by other departments, such as IT or a separate "Innovation" unit, rather than something they lead. That's fundamentally damaging for the position of Marketing Departments in those businesses and for the careers of the CMO's who lead them. And, we argue, likely to lead to poorer outcomes for the business. To address it fully requires CMO's to understand how they reposition Marketing as the engine of digital transformation in their businesses.

Marketing must lead Digital Transformation

At The Customer Framework (TCF) we define digital transformation as *the change any organisation goes through to take advantage of the 'digital economy'*. The digital economy has five main themes:

- 1) Changing behaviour in the way consumers find out about, purchase and consume products, typically enabled through social and digital networks.
- 2) Increasing volume of marketing content received by consumers, causing them to consciously or unconsciously screen-out messages that are not directly relevant to them.
- 3) A vast volume and diversity of data available to organisations to understand their consumers and plan, execute and analyse interactions with them.
- 4) A step change increase in the level and nature of the competition, disrupting established companies and business models, and spawning highly funded digital-first start-ups
- 5) The potential agility offered by new technology such as workflow processes; decision engines, and AI, allowing businesses to offer new experiences more effectively and at lower cost.

The common thread running through these: they are all about the interface between an

organisation and its customers, and how that interface is optimised to the advantage of both.

Or to put another way ... marketing.

Other departments typically won't focus on the customer in the same way

A good CMO is obsessed about her customers – and will create a customer-focused culture that guides the strategic operation of the business. And this drives profitability - as [Professor Andrew Stephen, of Oxford University](#) said, “The evidence shows that when boards either have marketers or a CMO focused on customers, they tend to do better.”

This obsession with the customer, rather than a focus on technology, should guide digital transformation. Whilst technology (and technology teams) are an important enabler of digital transformation, the lead needs to come from Marketing. According to a [2018 report by Forrester](#) “62% of survey respondents whose firms have a digital transformation led by the CMO indicate their firm is experiencing double-digit growth, compared with 50% of respondents

whose firm’s digital transformation is run by the CIO.”

How to take the lead? Address the four pillars of successful change.

So how can marketing take the lead on digital transformation? From our experience helping clients in across many different sectors transform there are four fundamental pillars that need to be in place for change to happen. Figure 1 below shows what happens if one of them is poorly defined or missing. The role of the change leader – which we argue is the CMO – is to ensure all of them are clearly defined and understood by the business:

1. Marketing should describe the pressures for change

Good marketers are natural storytellers, and as the ‘voice of the customer’ the CMO should describe clearly to the business why its *customers* need the business to change, and crucially, what will happen if they don’t. Often this is best done as a ‘warning’ to the business rather than a blue-



Figure 1 The 4 pillars of successful change, and what happens when they are missing

sky dream of what could happen, as it leads to greater buy-in.

2. Create an aligned, shared vision

The CMO needs to co-ordinate the very senior levels of leadership across functions and align them around the detailed vision for digital transformation and the implication of it for all stakeholders. This needs to be grounded in reality: they need to build a full understanding of the complexity and demands of the programme, what this will truly mean for each part of the business and what is required from them to make it happen.

3. Put in place a clear, well-resourced plan to change

The CMO needs to engage and mobilise the business to build a realistic, practical transformation plan, and ensure there is a focussed, dynamic cross functional transformation team supporting leaders in managing the programme of change. This needs clear milestones, individual and collective accountability and measurable outcomes. Ensuring there is enough competent resource to manage the change may be a challenge - if no additional resource is available, focus the existing resource more carefully to free up time to manage the change. We favour an Agile approach which ensures the project keeps a strong focus on delivering business and customer value.

4. Define actionable 1st steps, with commercial impact

Ensure project teams are focussed on delivering commercial outcomes versus the plan from day 1 and move from planning to delivery, even if the benefits initially are relatively small. Intellectualising too much early in the programme is a common error – and leads to delayed benefits and squeezes delivery timescales later in the project. Build in, look for and celebrate quick wins, very publicly, building confidence in the programme of change.

About The Customer Framework

The Customer Framework is a global Management Consultancy solely focused on helping clients, typically CMOs and marketing leadership teams, achieve business growth by making change happen. We help organisations deliver sustainable business growth by clarifying purpose, simplifying structures, improving agility and creating a culture of accountability across the Marketing and wider functions. Our proven SCHEMA® methodology is designed solely for this purpose and focuses organisations on priorities that deliver commercial benefits rapidly and has been used successfully with Global clients across multiple sectors. Please get in touch if you would like to understand more.

peter.kirk@thecustomerframework.com