

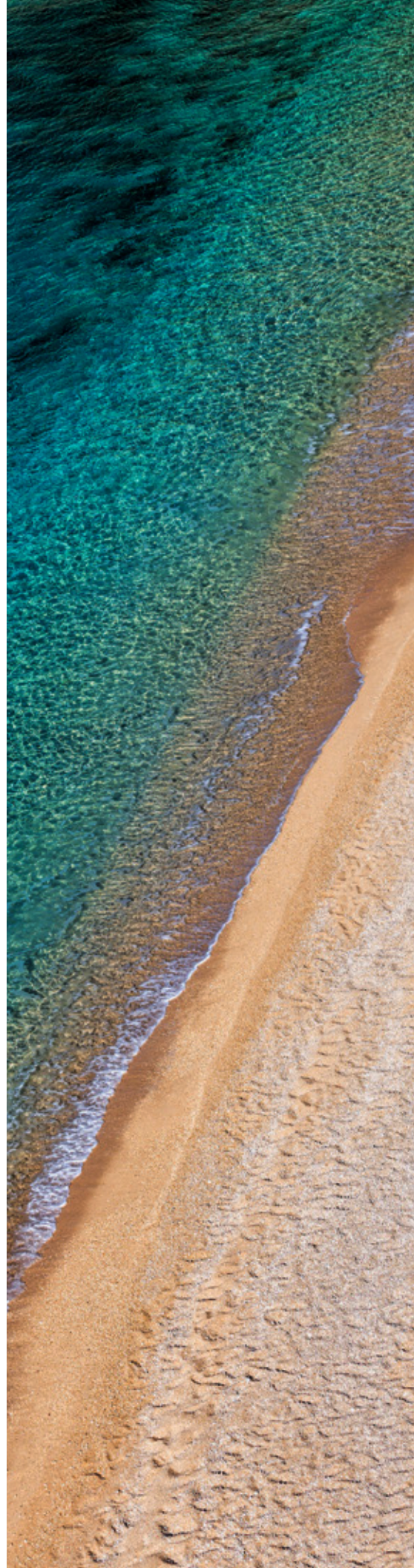
## Finding Harmony

### Why marketing groups need to align culture and strategy

Deep analytics. Personalization. Artificial intelligence. These are just some of the advancements that are dramatically transforming the marketing function.

Given the outward-facing nature of their role, marketing teams in particular must stay abreast of external dynamics that could impact the business — or the perception of the business — and incorporate these insights into internal structures and processes. This external perspective is critical to discussions around revenue (pricing), branding to external audiences (promotions), optimizing distribution channels (place) and working with internal colleagues/departments to ensure products are poised to meet customer needs (product).

To keep up with the dizzying pace of the marketplace, it's not enough to have the right marketing leaders and team members in place. In addition, it's crucial to also have alignment between culture and strategy within the marketing function. The most effective marketing teams that we have seen possess a nimble culture that can adapt to ever-changing market dynamics and align with a forward-thinking marketing strategy that embraces new practices.



Through our work in leadership and talent, we've learned that organizations thrive when culture and strategy are well aligned — which is essential when the marketing universe is changing so fast and the stakes are so high. In fact, 84 percent of executives in a recent Booz & Company survey agree that culture is crucial to an organization's success. Yet, troublingly, fewer than 10 percent of those surveyed said they've been successful in transforming their culture.

To evaluate the current level of cultural and strategic alignment, we recently surveyed several hundred team members within the marketing organizations of six distinctly different industries — manufacturing, pharmaceutical, media, consumer products, telecommunications and nonprofit. We then took our findings to the members of Marketing 50, an invitation-only group made up of global CMOs. They helped us to distill the key insights into ways organizations can turn these findings into action.

## MARKETING EMPLOYEES: AGILITY AND SPEED ARE KEY

Before we continue, let's define our terms: While strategy provides formal plans to achieve goals, culture is more elusive as it is “anchored in the unspoken behaviors, mindsets and social patterns” (HBR, Jan/Feb, 2018). Culture provides the unwritten and typically undefined social norms that determine how people act and perceive others.

In our survey, we found that 83 percent of marketing organizations emphasize flexibility, adaptability, agility and are generally open to change. The remainder said their companies worked to drive more consistency, predictability and maintenance of the status quo — and, not surprisingly, they also were more likely to have a negative view toward their culture. The clear implication: marketing cultures thrive on being agile and adaptive. Consequently, today's CMO must create an open environment in which making mistakes is acceptable.

Secondly, our analysis found an even split between organizations that focus on interdependence (coming together to make decisions and coordinate efforts) and

independence (engaging with high levels of autonomy, speed and an action orientation). Regardless of the cultural preference for independence or interdependence, 100 percent of the marketing organizations aspire to be faster, quicker and have a greater bias for action than discussion. So the question for marketing leaders becomes, “Do you have the proper level of decision making autonomy to help you reach your goals?”

Our respondents also offered advice for companies to help them become more agile, and their recommendations can be broken into three distinct categories: outcomes, innovation and talent.

## CMOs: HOW TO EFFECT CHANGES WITHIN CULTURE

To determine how to implement these suggestions, we spoke with some of the world's top CMOs from Marketing 50 and asked them to provide best practices for implementing these recommendations.

### 1. Outcomes: focus on specific priorities

To build discipline around setting priorities, the CMOs we spoke with identified the need for a distinct vision and clear strategic priorities from the top. This includes working with leaders to coalesce around priorities and the “vital few” (i.e., the small number of causes that produce a high number of effects). In addition, marketers need to terminate projects that are no longer viable. “Failing fast,” a common refrain in today's rapidly changing business environment, may mean calling it quits on various initiatives if they are not successful. Maintaining poor-performing initiatives detracts from an organization's speed and focus. We often hear young marketers bemoan the vast number of initiatives that are designated “critical,” therefore requiring immediate and exclusive attention. Wise CMOs tightly control this list, which helps keep the team's focus crystal clear.

### 2. Innovation: be less risk-averse

CMOs said some organizational change requires looking globally and questioning decades-old models

## THE AGILITY TEST

Today, it's crucial that a candidate for a senior marketing position can adjust to a rapidly changing world. Here are five questions you can ask to determine a candidate's agility:

1. As the marketing leader, how seamlessly do the right activities happen within your function?
2. How do you keep up with the level of disruption and speed in the marketplace?
3. How do you integrate this awareness of outside forces back into the organization? (If the candidate has trouble responding, he or she may not be the right choice to lead essential functions of the organization.)
4. How do you incorporate the concept of "failing fast" into the organization?
5. How do you nurture talent within your organization to grow with it?

that marketing organizations have previously accepted as a given. For instance, Rajesh Subramaniam, chief marketing and communications officer of FedEx, noted during our recent CMO Summit that globalization has led companies to dramatically change the parameters of their potential market. "Anyone in the world with a cellphone and a delivery system is now a micro-multinational — you're selling your products not to your village or city or state, but to the entire world," he said. "That's a big change, and it has been fueled by the digital revolution." Members of Marketing 50 also discussed the value of innovation hubs, including incubators, which can accelerate the organization's engagement as needed and act as "sprint teams."

### 3. Talent: invest in team members

To make the most of investments in talent, CMOs said team members' capability building (development) should be linked to marketing goals, priorities and the strategic roadmap. It's important for organizations to identify where they are headed and build capability for those skills and talents, rather than just developing capabilities as an end in itself. With this end in mind, marketing teams should:

- » try new approaches to encourage innovation and learning,
- » bring in outside experts and speakers,
- » leverage partners or agencies that can do "lunch and learns" on various topics,

- » provide continuous feedback to help employees develop for future organizational needs,
- » find a strong HR partner,
- » and lastly, check in frequently with your emerging talent to ensure that they are comfortable with their development roadmap and your investment in them.

## CONCLUSION

Not surprisingly, we find marketing organizations' cultures need to be increasingly flexible and nimble so that they can respond quickly to new challenges. In a world of immediate and exponential changes, agility is needed now more than ever. It's equally important to align culture and strategy, which ensures that processes supporting outcomes, innovation and talent can help you create the culture you're trying to build. This also applies to talent, as it's key to find candidates who can react quickly to the rapidly changing marketing world.

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Our Marketing Officer Practice brings extensive search experience and first-hand insight into what it takes to succeed in today's complex environment. We have conducted more than 1,200 senior-level marketing and sales searches over the past three years. Our experience spans every major industry sector, including consumer, technology, financial services, industrial and life sciences. Our consultants, many of whom are former senior marketing executives, are well-acquainted with the changing demands of the function. We also have deep expertise in sought-after specialties from digital marketing to e-commerce. We regularly explore issues that are critical to the marketing function through articles, studies and forums.

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Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning 57 offices, 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment and many other facets of organizational effectiveness.

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