



# From CMO to CEO: The Route to the Top

Insights and advice from CEOs who have made the transition



In 2009, the Spencer Stuart Marketing Officer Practice produced a set of recommendations for senior marketers considering whether to pursue a career in general management and ultimately position themselves as a candidate for the top job. It was the first detailed report of its kind, providing a road map for aspiring CEOs.

Six years on, we have returned to the topic for two reasons. First, our research shows that CMOs and senior executives with a strong marketing background continue to be viable candidates for CEO roles and in many cases have outperformed their CEO peers from different functional backgrounds. Second, the role of marketing has evolved significantly in recent years, becoming increasingly central to the success of the enterprise. High-performing CMOs have established greater influence in developing company strategy, harnessing the power of digital, and exploiting new tools and mechanisms for understanding shifts in consumer behaviour.

Many of our original observations about the skills, experiences and attitudes that make the transition to CEO possible have stood the test of time. However, our previous report appeared when the financial crisis was getting into full swing and before the digital transformation had reached a tipping point. The phenomenon of Big Data was not on the radar; few saw the true impact that social media would have on business with the corresponding shift in power towards the consumer; nor could most people imagine the number of new channels that would open up or the disruptive effect that mobile and other digital technologies would have on business models. Time has moved on. CMOs today are presented with a unique opportunity to wrest the initiative on each of these fronts, to channel their creative and analytical ability into becoming the organization's chief growth officer — in short, to use their privileged vantage point as champions of the consumer to help shape and execute the company's strategy.

For this updated report we conducted in-depth interviews with 12 CEOs from across Europe whose marketing roots provided a strong foundation on which they were able to build the leadership skills required of a successful CEO. We hope that this report will inspire marketers to continue to broaden their portfolio of skills and experiences in a way that will prepare them well for the rigours of general management.

### Consumer-facing companies: background of the CEO

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	Marketing Background (%)	Finance Background (%)
<b>FTSE 100</b>	21 <sup>1</sup>	32
<b>Fortune 500</b>	18 <sup>2</sup>	31
<b>Private Equity (UK)</b>	24 <sup>3</sup>	19

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1 Of the 57 consumer-facing companies in the FTSE 100, 12 have CEOs with a marketing background. Seven of these have eight or more years' marketing experience.

2 Of the 283 consumer-facing companies in the Fortune 500, 50 have CEOs with a marketing background. Twenty-three of these have eight or more years' marketing experience.

3 Of the 37 leading consumer-facing companies owned by private equity firms, nine have CEOs with a marketing background. Seven of these have eight or more years' marketing experience.

## GENERAL MANAGEMENT: AMBITIONS AND OBSTACLES

Only a few marketers will make the transition to CEO. This is partly a question of ambition, but it is also a question of how marketing is perceived. Positioned at the intersection between innovation, sales, supply chain, manufacturing and finance, marketers are among the most exposed members of the executive team; traditionally, they are not seen as belonging to the inner circle of general management. In recent years, things have changed: expectations of what marketing can achieve have grown, along with the belief that marketing activity can be more targeted, measurable and effective than ever before. While obstacles remain for CMOs wishing to move into general management, these are not as difficult to negotiate as they once were.

The CEOs we interviewed were evenly split between those who had always harboured ambitions to run a business and those who weren't especially preoccupied about the idea until presented with their first opportunity to enter general management. For Martin Glenn, CEO of The Football Association and former CEO of United Biscuits, there was no specific moment or catalyst that made him want to be a CEO. "I was always ambitious and interested in the wider world of business. I enjoyed reading business books and studying business theory. The rest was about opportunity, greatly helped by the fact that PepsiCo was a pure meritocracy — in a more hierarchical organization my trajectory would have taken a lot longer. It was the kind of place where if you delivered you got promoted. If you were someone who went towards the sound of gunfire then opportunities came to you."

Elio Leoni Sceti, CEO of Iglo Group and non-executive director of Anheuser-Busch InBev, admits that he wanted to be the top man from the time he became a brand manager. "I believe that real leadership is something intrinsic. It is an attitude, a quality you have or you don't. It becomes visible as of the early years of adulthood and it can be enhanced, but not fully taught. However, there is no doubt that coming from a marketing background it's easier to take the top job in a consumer-facing business — or at least one where consumers are the leading dynamic, as opposed to one that is more back-office or engineering focused."

Gavin Patterson, CEO of BT Group plc and a former senior marketer at Procter & Gamble, says that he never nurtured the idea of one day becoming a FTSE CEO, “although from my early 20s I always wanted to run a business. This was why I joined P&G in the first place. I was hooked by the proposition: ‘Run a brand at the age of 25’. I also felt it would be a great place to gain a business education as much as a marketing one.”

CMOs may not have started out wanting to run a business, but our research shows that a high proportion of those who end up doing so spent their early careers at one of the ‘academy’ FMCG companies. “You do need to have a good company pedigree,” says Elio Leoni Sceti. “I was lucky to have been trained at two excellent organizations where there was plenty of internal competition. You needed to be better and to move faster than your (generally excellent) peers. These companies set high expectations and you had to be consistently on a par with or exceeding those expectations. The main obstacle to career progression was in fact internal.”

CMOs don’t often get promoted to CEO of the same company. Usually they have to make a double transition, out of their function and into a new organization. When they are promoted from within they often have to deal with colleagues who either disagree with the decision or who wanted the role themselves. Kate Swann was promoted from marketing director of Homebase to be its managing director and immediately found that “marketing does not necessarily prepare you well for retail, where trading and operations drive so much of the business —

## TEN WAYS TO PREPARE FOR A CEO ROLE

1. Broaden your skill set at every opportunity
2. Gain experience in general management or at least one non-marketing role
3. Get involved in mission-critical, cross-functional projects
4. Build commercial credibility by developing financial expertise
5. Develop close working relationships with other functions
6. Position marketing as a creator and driver of value for your business
7. Play the role of integrator — it’s a great CEO training ground
8. Learn to speak the language of the board
9. Be comfortable making tough decisions
10. Find a mentor who is already a CEO or in a general management position

the perception is that marketing won't understand it." After Homebase, Kate Swann ran Argos before becoming CEO of WH Smith. Most recently she was appointed CEO of SSP Group. "It is hard to transition from marketing to CEO," she says. "You can be siloed as a marketer and taking a broader view of the business can be quite difficult. You need to gain additional experience, either as a bolt-on or outside marketing."

One CEO cites two main obstacles preventing the CMO from stepping up to the top job: "A lack of P&L management experience and a lack of experience in making decisions beyond marketing, especially strategic decisions affecting distribution, purchasing and people." The hurdles facing CMOs ambitious for the top job are considerable and likely to be too great for those who are unwilling to test themselves in unfamiliar roles. It is therefore vitally important to prepare properly by developing the right set of skills and experiences that will make the transition possible and to understand the pressures and challenges that come with the top job.

## **BROADEN YOUR EXPERIENCE**

The more exposure CMOs have had to different aspects of the business, the more comfortable they are when they assume control of an entire organization. The CEOs we spoke to emphasized the value of gaining experience in different functions beyond marketing, especially sales, finance and operations. It's not uncommon for marketers to progress to senior roles having spent much of their careers in a relatively narrow, specialized area. Getting isolated at one end of the business, too far from its core processes, can work against the marketer trying to move into general management.

According to Koen Slippens, CEO of Sligro Food Group, "only commercial marketers will be able to become CEO. You need to be experienced in both marketing and sales." Working closely with commercial departments and acquiring a healthy grasp of financial issues is vital preparation. Some CEOs had accomplished this by moving laterally into other functions, such as sales, supply chain, R&D or even finance, or working on cross-functional teams prior to becoming CMO. One CEO suggested that someone who has been in a "cosy blue-chip

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"Great marketers know more than their field."

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environment” their entire career would be less capable of running a big organization than someone who followed their classic blue-chip training with a series of cross-category moves.

Martin Glenn says that there is no need to be overly prescriptive about career paths. “It’s about having the courage to go into different situations — a different sector or different country — essentially, anything that gets you out of your comfort zone and puts you in front of problems that need to be sorted out, because that’s how you become a hero. You mustn’t be precious; be prepared to take on the unglamorous. If you’re a brand manager in one sector and one country, you’re not going to be a great practitioner, that’s for sure. If you can transition successfully, that is a good sign — it shows survival skills, adaptability.”

Antonio Baravelle believes that aiming for top roles at company headquarters is not necessarily helpful to the transition to CEO. “You need to broaden your set of technical and managerial skills and competencies as much as possible — possibly seeking roles in different geographies with different routes to market, or with responsibility for strategic transversal projects.”

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“If the projects you are working on are not of strategic importance to the CEO and the board, it is a waste of time — you will not progress.”

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Taking on significant roles and responsibilities in other functions — for example, being vice president of sales in a region or implementing a global project — may help prepare the marketer for a general management role in the future and make it easier for the CMO to prove himself as a leader capable of managing complex issues, although Martin Glenn cautions against becoming a “functional tourist”. There is no question, however, that it is valuable for a CMO to be part of an M&A team, or better still, to lead such a team.

Gavin Patterson believes that the transition straight from CMO to CEO is a tough one. “Variety of experience is key,” he says. “The first half of my career I was in marketing and the second half in general management, which taught me how to deliver financial performance and lead an organization to deliver. Before I became CEO of the plc, I gained valuable general management experience running one of their biggest divisions and was also on the board for six years, so that gave me a transition. So I would say, find a test market that gives you the opportunity to run a business and gives you both a quantitative and qualitative feel for that business.”



Elio Leoni Sceti agrees that if CMOs are to be credible contenders for the CEO role they have to stretch themselves. “This can happen in a number of ways and I would pick out three. First, get some international exposure: if you live and spend your entire time in only one country, where you are also “the consumer”, it is difficult to be insightful and objective about wider businesses. But go to live in another country and you are forced to reappraise consumption, to question how and why people behave in different ways ... it opens up your mind! Second, move into a different function. If you’re in marketing, go into sales; if you’re in sales, go into trade marketing. Always learn something new. Third, learn how to influence at both line and matrix level: you may be good at command and control, but as a CEO you also need to be good at influencing. You need to explore this early on in your career to understand whether you are good at both.”

Learning how to engage and motivate people, how to collaborate across functions, how to be an effective project leader, how to develop and communicate a vision — all these qualities will serve the CMO well, since they are magnified in the top job. The opportunity to manage a larger and more diverse group of people drawn from different functions and areas of the business is good preparation for the CEO role.

As CEO you will have to learn a new degree of objectivity, consciously listening to viewpoints from different parts of the business, from IT to manufacturing, from HR to operations. This is made easier the more exposure you have had to other functional areas during your career. “I had to tell myself to stop playing brand manager, to take off all my hats,” says one CEO. “You see connections between functions that you were not in a position to see before. You can only win by playing together.” Bob Kunze-Concewitz, CEO of Campari Group, says: “It is critical to accumulate significant experiences and knowledge in key contingent functional areas, including finance, sales, HR and business unit management.” Antonio Baravelle, CEO of Lavazza, believes that to be a credible CEO candidate you must have been “involved in the management of strategic and multifunctional projects in the areas of finance and operations in order to become familiar with their dynamics.”

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“Exposure to different markets and cultures is an excellent way to accelerate your learning”

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“Be involved in as many non-marketing projects as you can, particularly finance, operations, and organizational development ... test yourself outside the marketing arena.”

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## **BUILD INFLUENCE, NOT POWER**

As hierarchical corporate structures gradually give way to more fluid collaborative environments, the ability to exercise influence across functions and disciplines, as well as within departmental teams, becomes increasingly critical. For Andy Cosslett, CEO of Fitness First and former CEO of InterContinental Hotels Group, this goes to the heart of what it means to lead an organization. “There’s a misperception that leaders are all-powerful, but power to me is being able to just make decisions on your own, be unaccountable and do things that you want to do. What I say to people about their expectations is that the higher up you go, the more influence you have, but power in the strict sense you have less of. That was a surprise to me. As a leader I don’t do it on my own, I do it with groups of people. We go on a mission together as a team. You have a tremendous amount of influence, you have all this sort of apparent power but everything you do has to be checked, consulted over. With all the stakeholders that you’re managing you actually become more of a diplomat and a salesman. I was always very thankful that I’d spent a long time in sales.”

Graham Allan, CEO of Dairy Farm Group, looks for people who are good at getting results through others, especially those with very different profiles. You don’t just want like-minded people,” he says. “Your basic philosophy must be that you are not threatened by talented people (which mediocre people often are). I look at how leaders work with others and motivate others. Do they communicate clearly? Are they sufficiently positive that people are going to like working for them?”

Another CEO commented that the time spent on the senior leadership team had given him the opportunity to influence the broader business and learn from the CEO. “It was a valuable step because I didn’t know what I didn’t know. Sitting at the top table and seeing the breadth of issues being dealt with — from finance to people to external stakeholders — gave me a useful perspective.”

## GAINING A VOICE IN STRATEGY

Any CEO must know how to go about shaping strategy. CMOs should seek to acquire skills that will help them make an effective contribution to strategy development.

In the past, the roles of the CEO and CMO were quite distinct. CMOs focused on traditional marketing disciplines and tried-and-tested marketing tactics, upholding brand values and sharing best practices. It was for CEOs to focus on expanding and retaining the customer base, and developing top-line growth and innovation, among other things. These divisions of interest have now eroded, with CMOs better able to demonstrate marketing's contribution to profitability and controlling more of the levers. As a result, more CMOs have become critical strategists within the executive team. The CMO who is rigorously analytical with a sound commercial sense and who is able to develop an agenda that aligns well with the CEO, can contribute to business planning and influence the profitability of the entire organization. As one CEO said: "You and your team help set the business strategy in terms of top-line growth. In business planning meetings, you are sitting next to the CEO and driving the process."

## WHEN MAKING A LATERAL MOVE MAKES SENSE

If they think much about building their career at all, people tend to believe the best way to do so is through a series of progressive steps — climbing the rungs of the proverbial ladder. Careers today, however, rarely advance along such a linear path. The complexity of business demands a breadth of knowledge and experience — functional, operational, profit and loss, geographic, leadership — that is unlikely to be developed in a series of progressively larger general management or functional roles. Increasingly, leaders must have been tested in and survived assignments outside their comfort zone.

Stanislas de Gramont, CEO of Suntory Beverage & Food Europe, advises aspiring CEOs to work on their positioning beyond that of a marketer: “Be curious and contribute on topics that are beyond your remit. Seek out jobs that go beyond marketing instead of shiny functional roles. What matters is not to have a linear career but to acquire whatever skills and experiences you are missing.”

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“You make a lot of decisions every day, but there are two to three decisions you make throughout your lifetime that really impact and change you.”

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Some companies coordinate lateral moves as part of a development track for up-and-coming leaders, while many executives must find opportunities themselves within or outside of their organizations. While lateral moves have become an increasingly common component of careers today, there are risks and tradeoffs to consider.

Beyond the specific experience gained through moves to new geographic markets, functions or business units, lateral moves throw individuals into completely new environments, with different cultures, different priorities and ways of

working and communicating, different stakeholders and distinct vocabularies. All of this tests individuals’ resilience, their ability to learn and adapt, and their readiness for more complex and demanding positions.

Yet lateral moves carry the risk of failure. Especially when leaving a company where you have built a successful track record, a lateral move requires giving up the safety and security of the known — credibility built up over time and a support network to turn to for advice, help or a new opportunity if the assignment doesn’t work out.

Given the risks and the uncertain rewards, a lateral move should be carefully considered in light of how it fits into the larger vision of one’s career. Lateral moves can demonstrate an individual’s growth, potential and broad-based experience, but if the career progression doesn’t make sense, it can seed doubts in hiring managers about whether the individual has had the opportunity to really build successes over time.

Individuals can improve their chances of being top of mind for developmental lateral moves by having regular discussions about long-term goals and aspirations with their bosses as well as formal and informal mentors. Communicating a willingness to be open to new opportunities will encourage others to view you as a versatile asset. It’s also important to have a realistic view of the company situation, the possibilities and the potential time horizon for achieving career milestones. Ideally, opportunities will build on existing strengths in one or two areas, while helping to build capabilities in new areas.

Read the full article “*Building a career today: When taking a lateral step makes sense*” in the 2015 edition of Point of View, published by Spencer Stuart, available in print or at [www.spencerstuart.com/research-and-insight](http://www.spencerstuart.com/research-and-insight)

## PREPARING FOR THE CEO ROLE

### Develop financial expertise

All the CEOs we spoke to emphasized how important it is for CMOs to hone their financial skills. “My gap year was spent in an accountancy practice,” says Gavin Patterson. “P&G training is very numeric and financially oriented and then I held P&L jobs for 15 years. CMOs who don’t put the miles on the clock financially will not be deemed trustworthy to deliver the performance of the business.”

Some CMOs do not progress beyond a one-dimensional view of the company’s finances so developing a broader appreciation of the use of capital, liquidity, cash flow and balance sheet management is essential. To be considered CEO material it is critical to have an analytical mind and a clear understanding of what factors positively influence the P&L. It may be worth making a lateral or even a backwards move in order to gain P&L responsibility; it is not a good idea to have that experience for the first time when becoming CEO.

### Acquire operational experience

Those who have made it to the top are quick to point out that progressing from CMO to CEO rarely occurs without a prior spell in general management or category management. Running a business or a division helps you to appreciate the issues faced by those responsible for operations and enables you to form a more complete picture of the business. It encourages you to think from a general manager’s point of view, thereby broadening the insight you can offer to the company as a whole. At the very least, by involving yourself in a variety of projects outside marketing you will test yourself and develop new capabilities.

Looking beyond the marketing function and being intellectually curious about how all the pieces of a business fit together is essential. One CEO recounts how he visited several warehouses belonging to the food retailer where he was CMO: “The distribution director told me that I was the first CMO that he’d taken around the warehouse in his 35-year career. It was a valuable experience on two counts: first, I learnt things which helped me understand how I could influence the business better; and second, it helped build my credibility.”

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“Get broader experience in finance and operations as early in your career as you can.”

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### **Convince the board**

The legacy of the “silo” corporate structure and the perception of marketing as a cost centre rather than an engine of growth and profitability means that board members and shareholders may feel more comfortable promoting a CFO than a former head of marketing, particularly in those countries where the CFO role comes with a seat on the board. As one executive explained: “CFOs are perceived as more pragmatic, with a clear understanding of the financial management of the company.” By contrast, CMOs will have to work hard to ensure that the company doesn’t construe them solely as a driving creative force, a trend-changing marketer who is frustrated with financial and other limitations set on them. “You’ve got to be seen as a highly commercial individual with a track record of delivering significant growth.”

Martin Glenn advises CMOs to “speak the language of the boardroom”, for example justifying the need for capital investment in terms of ROCE, gaining an understanding of the balance sheet, not just the P&L. “Many CMOs get this wrong. You have to make the business case for the rationale and budget for marketing; it has to be in sync with the broader business mission. You have to translate the marketing agenda into future cash flows, at the same time as making it real to the lives of hourly-paid workers.” Adopting this kind of discipline will serve the CMO well, especially when the opportunity arises for face time with the board.

## **THE CMO’S ADVANTAGE**

Does this mean that CMOs are not natural contenders for CEO positions? Not necessarily. Several CEOs we spoke to see CMOs as the best candidates for CEO roles, particularly in consumer-oriented businesses — partly because they are responsible for the positioning, differentiation and development of brands (which are increasingly valuable corporate assets) and partly because it is their business to understand consumer needs and behaviours.

CMOs also tend to be good communicators, able to engage and motivate people inside and outside the organization. It has been said that CMOs have a natural advantage over CFOs because their skills as communicators will engender greater confidence. However, this is over-simplistic. Many CFOs are excellent communicators and, as Kate

Swann points out, “the language that marketers use is often unclear — it is difficult to know what success looks like unless you have the ability to translate your ideas into a form that everyone can understand.” Clearly, CMOs need to use all their communication skills to advocate on behalf of the function and to persuade the executive team, the board and other stakeholders of the value that marketing brings to the organization.

A CMO who is driving top-line growth and who exerts a strong influence over the business planning process is in an ideal position to make the leap to CEO. As one CEO remarked: “For consumer products companies, marketing is the best function to provide CEO talent. The job of the CMO is to be the person who best understands what the consumer is looking for and what the company’s capabilities are, and who is able to bridge those two things and come up with commercially viable products. In this regard, the role of marketing is perfectly aligned with that of the organization as a whole. The CMO is at the centre of the wheel.”

Graham Allan, CEO of Dairy Farm, says that the best people he has seen running consumer businesses are relentless in their quest for deeper understanding. “They are always willing to challenge their own assumptions about consumers, always wanting to understand the core reasons for today’s behaviour and anticipating the behaviour of tomorrow. They realise that consumer choices are contextual: they are curious to appreciate the way the context might change and to assess the impact of any change on consumer preferences. They usually love talking to people, especially young people who tend to shape change in most consumer categories. Understanding consumers is everyone’s job in a retail or consumer-based company, not just the marketing people. I try to push everyone in our business to offer consumer insights and to use them to rethink the paradigm that we work within. As I see it, people who are less successful tend to get stuck in one paradigm and seem unwilling to challenge it.”

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“Great marketers will also be great integrators, pulling together the different functions and sometimes acting as chief of staff, which makes marketing a great training ground for a CEO ...”

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## BE REALISTIC ABOUT SECTOR

CMOs will find it easier to demonstrate their leadership qualities in certain types of business. FMCG companies, dependent on building relationships with customers and securing their loyalty, place great value on the marketing team. CMOs in these organizations drive the business: they create demand, engineer growth, and steer business development and transformation. By contrast, CMOs in financial services or business-to-business sectors are less likely to be perceived as drivers of the business because the correlation between marketing activity and top-line growth is less clear.

Whatever the sector, it is essential that CMOs can demonstrate data-driven evidence of success in order to gain the support and respect of colleagues outside marketing. This can be a challenge in companies where a marketing ethos is not suffused throughout the organization.

Does all this mean that CMOs can only realistically become CEOs of marketing-led businesses? While most CEOs we talked to felt that it was far easier to become CEO of a marketing-led or consumer-oriented business, there were some dissenting opinions. One CEO explained it like this: “Consumers are consumers everywhere, even if the dynamics of the business are different. Providing the analytics are there it doesn’t matter whether you are selling credit cards or chocolate.” The point is, if you move into a business that is not about directly satisfying consumer needs you may not use the full scope of your professional skills, the expertise that brought you up through the ranks in the first place.



## ADJUSTING TO THE REALITY OF BEING CEO

Some of those we spoke to stressed that as much as you try to ready yourself for the role of CEO, there are certain aspects of the job for which you can never prepare. The nature of the leadership required of the CMO could not be more different from that of a CEO, who operates at a higher level than anyone else in the organization. The CEO has to acquire an understanding of corporate governance and stakeholder management which affect so many decisions, and learn to deal with governmental organizations, regulators, external business partners.

The CEO is regularly asked to make tough calls, often with less information on which to base decisions than a functional head is used to — there are more variables, more unknowns, so good judgment is critical.

One of the most important qualities for a CEO is the ability to motivate people from all backgrounds and disciplines. Stanislas de Gramont points to the significant shift from leading a marketing team — who look alike, think alike, are trained alike and are motivated the same way — to managing diverse and numerous populations. “Outstanding listening skills and empathy are key,” he says. Another CEO emphasizes that “people management is a very important aspect of the role. You have to deal with a much broader range of individuals at different levels in the organization and in different functions, with different motivation levels.”

What’s more, as CEO, people will treat you differently. They become highly selective of the information they give you. Consequently, you have to learn to read between the lines and ask the right questions. One CEO explained: “There is more leading, less doing. It’s as simple as that. It took me six months or so to really appreciate that when I asked for something people dropped everything and did it. This caused chaos! My COO would repeatedly plead with me not to set so many hares running in my well-meaning enthusiasm. It was good feedback.”

Kate Swann has a number of tips for the new CEO. “Be clear about what you are trying to achieve; if you are not, then communication becomes difficult. Take a highly commercial view of the business. Be prepared to work at a very high level, drop down into the detail when necessary, then go back up again. Be selective; marketers often find it difficult to say no to the “nice-to-do” activities and as CEO you have to be much more discriminating. Finally, be tough when the situation calls for it.”

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“Not everyone wants to make the kind of investment the CEO job demands”

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Elio Leoni Sceti takes the view that being a successful CEO is all about mindset, not capabilities, and that mindset is defined by three things: culture, growth and sustainability. “You have to have a clear idea about how you want the company to behave — performance and results are a consequence of this. So, you need to start deploying this idea early on in your career as a marketer, crafting the behaviour of your teams, because good leaders have distinctive cultures: they hire and encourage people with compatible beliefs, behaviours and culture. Having a mindset of growth means looking for clear white space rather than the status quo; just strengthening the core proposition is not a growth mindset. Finally, sustainability, which comes in two forms. The first is ensuring sustainable value creation for colleagues and shareholders. High-impact but short-term ideas normally do not deliver value over time. The second aspect of sustainability is corporate social responsibility — it is a CEO’s duty to link responsible behaviour to corporate goals.”

Aside from the obvious weight of responsibility and pressures that come with running a company and sitting on the board, the CEO must get used to the fact that it is lonely at the top. “I now know what that means,” says Gavin Patterson. “In any other job you have peers to turn to, confidants, or even a great boss who can guide and mentor you. As CEO of BT I have a great chairman and board, but they are there largely to challenge me. A good full board meeting is like a viva. A new skill I have learned is how to build a team and with it a set of relationships where you can draw on the wisdom and insights of others but ultimately make decisions your own. The CEO job requires one to be a great listener (which is not necessarily a core skill in marketers who tend to be on transmit in order to defend their ideas) and have mental toughness and resilience. It also requires you to build a team that complements you, one that works together and is open to debate and challenge.”

When you become CEO, some distance inevitably opens up between you and your reports, in contrast to the camaraderie you may have enjoyed as a functional head. This is not an easy adjustment to make, which is why so many CEOs who have made the transition retain the services of a personal coach or mentor in whom they can confide when the going gets tough.

## HIRING AND MANAGING YOUR CMO

When hiring a new CMO, the CEO with a marketing background is faced with two alternatives, according to Bob Kunze-Concewitz: “Either you choose your own alter ego or fill any gaps by recruiting your opposite.” Stanislas de Gramont says that since he can easily judge a CMO’s competencies, he spends 70 per cent of the time on the person, testing them on issues beyond marketing. “As a CEO today, I tend to be hands-off on marketing topics. I feel my job is to be an orchestra-tor of the team and coordinate all the levers, to ensure people are working well together and to make the tough decisions that come up to the CEO’s desk.”

Gavin Patterson feels that it would be foolish not to contribute to the marketing debate, given his extensive experience. “I don’t think you should be quiet. I would see myself as a source of stimulus and ideas. I like to encourage my team to be open and confident, able to take input but also to push back. Martin Glenn says that you cannot be stoical and silent if you have the skill. “It’s important to agree the rules of the road early on, so I like to get discussions going early about what problem marketing is trying to solve — but then I don’t sign off the

- > Understand your mandate for change. If there is a burning platform, so much the better
- > Keep things simple and focus the company around one core objective
- > Identify those who want to come along for the journey and those who don’t
- > Gain some quick momentum
- > Surround yourself with good people who share the same values
- > Speak the language of the boardroom

## TIPS FOR THE NEWLY APPOINTED CMO

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“If the projects you are working on are not of strategic importance to the CEO and the board, it is a waste of time — you will not progress.”

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advertising. You have got to give people space. One thing I would say is that CEOs with a marketing background tend to attract and retain good marketers.”

Elio Leoni Sceti believes that a good CMO needs to own the marketing agenda. “If the CEO does, it means your CMO is weak or will leave. I think you need to keep in touch with a few key checkpoints — the communications strategy, big innovations and culture — but beyond that you leave it to the CMO.”

For Kate Swann, the real value in a great marketer is that they can push back and be the voice of the customer. “Ultimately I look for commercial nous,” she says.

Another CEO was critical of marketers who seem to lack any real thirst for understanding the implications of what they are doing: “This is my great frustration and I am probably more intolerant of marketing managers because of my journey. While every other function in the business is reinventing itself, marketers have a contentment that is unsustainable, relying too heavily on research as if that’s some panacea. Focusing on a great campaign is not enough. The CMO should be the instigator of the debate about what can be improved, about new directions.”

## IS THE CEO JOB RIGHT FOR YOU?

Not everyone is cut out for a future as a CEO: you must have a genuine interest in other aspects of business operations and a hunger to understand how things work beyond the marketing function. One chief executive put it like this: “I would ask CMOs, ‘how much of a thrill do you get from improving the profit before tax or the return on equity or the sales performance?’ Those are the kinds of questions that help determine who is destined to become CEO and who is not.” Another CEO admired a former CMO for being “a superb marketer but an even better commercial manager. His marketing skill was always framed with a purpose — namely to achieve commercial success for the business.”

Several CEOs we interviewed spoke about the importance of self-awareness, the value of knowing where your strengths lie, and being realistic about where you stand on the marketing spectrum. Cees 'T Hart, President and CEO of the Carlsberg Group and former CEO of Koninklijke Friesland Compina, points out that “the best-in-class marketers are functional experts, but are not likely to have a CEO profile. Highly creative, they are the poets of the corporate world, possessing *fingerspitzengefühl* — flair and instinct — and are able to spot trends before anyone else. However, most of them are not financially savvy.” His advice to the aspiring marketer? “If you are the poet marketer, stay in the marketing function. If you are not, make sure your route up is commercial and ensure you develop your financial/business skills.”

According to Piet Coelewij, Managing Director EMEA for Sonos, “any marketer looking to become a CEO must possess three core capabilities: to learn; to constantly reinvent; and to fully understand and manage all steps of the go-to-market.” For Thomas Radke, CEO of Leifheit, the CMO must develop “strong leadership skills and big-picture thinking, combined with a strong network, a talent for collaboration and a pragmatic attitude.”

Nearly all the CEOs we spoke to said they had always taken a genuine intellectual interest in broader business issues and enjoyed being involved in different things, seeking out opportunities that would enhance their experience and skill set. If you are having to convince yourself to be involved in different aspects of company management as a necessary evil in order to rise to the top, then the move to CEO may not be right for you. As one CEO remarked: “If you don't genuinely love getting out there with customers, if you're not genuinely interested in how the factory works, and if you don't really care about your working capital situation or how the P&L is adding up, then don't bother to apply for the top job.”

## SUMMARY

As the role of marketing continues to evolve, many CMOs find themselves assuming greater leadership and responsibility for growth, while exerting more influence over strategy. With the increasing number of CEO positions filled by former CMOs, those in marketing should be encouraged that there is a clear route to the top, although it is not an easy one to take and often requires moving outside the current organization.

Careful thought needs to go into preparing for the transition over a significant period of time. The CEOs we spoke to were united in the view that CMOs wishing to become CEOs must grasp every opportunity to step out of their comfort zone and expose themselves to situations and challenges that will help prepare them for a corporate leadership role. Their own experience testifies to the fact that marketing can be a fertile breeding ground for future CEOs.

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