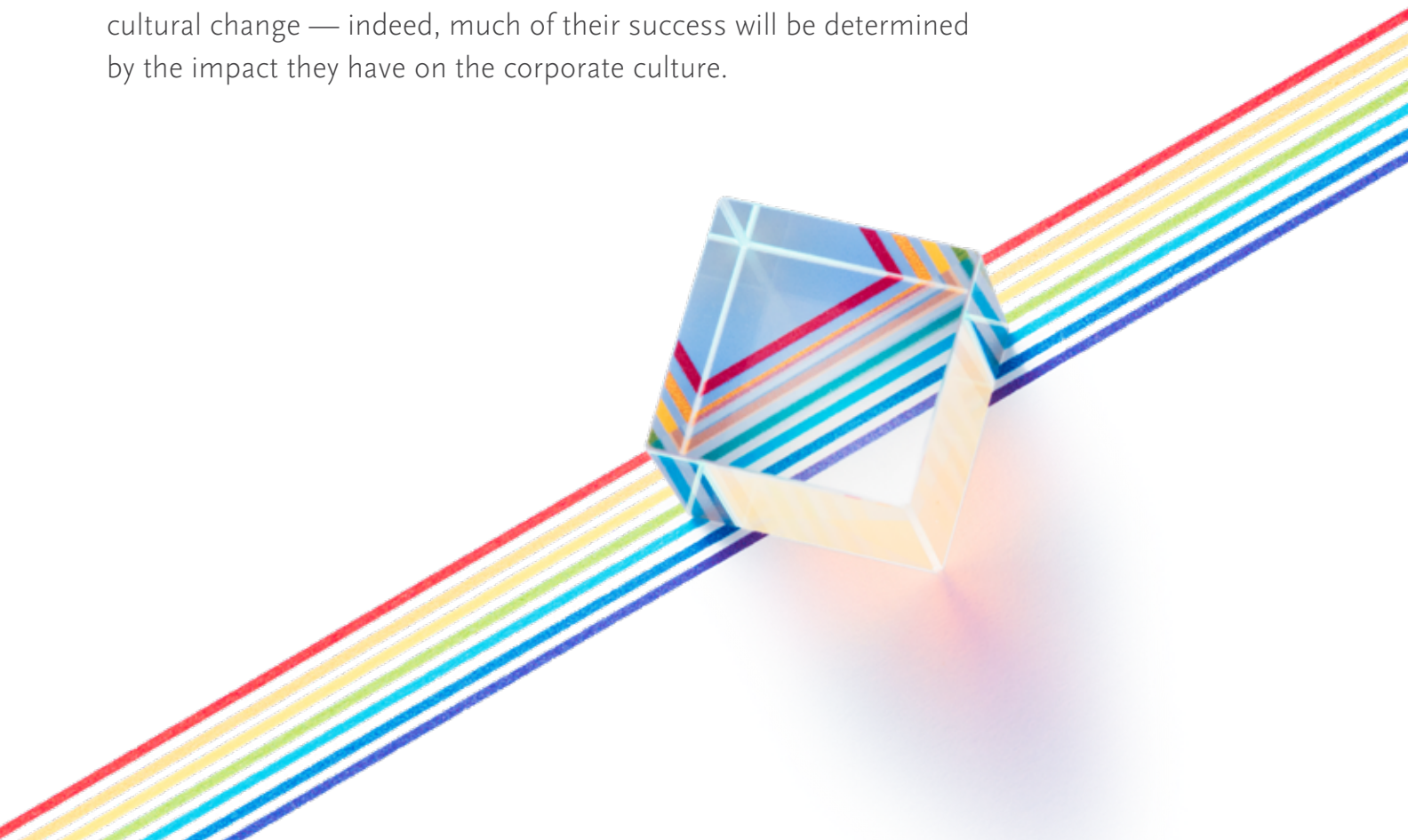


The Anatomy of a Disruptor

The CMO as an agent of change

Marketing in the digital age is an entirely different discipline to the one learned by most of today's CMOs at the start of their careers. Marketing leaders need to use all the skills they have acquired — as brand-builders, product developers, category experts and communicators — and apply them to a heavily disrupted business environment in which AI, machine learning and data analytics are rapidly becoming essential weapons in the marketing arsenal.

The very best CMOs, however, go a step further. They are themselves disruptors. They drive change in their organisations with a relentless focus on the customer, often using data management and analytics to secure funding for an agenda of innovation, and even challenging the whole business model. They are also leaders of cultural change — indeed, much of their success will be determined by the impact they have on the corporate culture.



DISRUPTING THE STATUS QUO

Just about every business is going through some kind of transformation. The best leadership teams understand that what works today won't necessarily work tomorrow; they are highly aware of the potential threats facing their business and know that some disruption to the organisational status quo will be needed if they are to stay in front of the competition.

No one knows this better than the CMO who is running a function that must adapt and innovate constantly to keep pace with changing consumer behaviour. Creating customer value is a continual work-in-progress and there is no room for complacency. "Good disruptors are driven by an underlying anxiety that things could change for the worse," says Emma Woods, Wagamama's customer director. "With the way consumer behaviour is changing, brands can be built and destroyed so much quicker. However, since consumers are more up for change than in the past there are lots of opportunities for those who are bold."

Any marketing team that wants to respond effectively to changing consumer expectations will need to adopt new behaviours of its own. Encouraging new mindsets and behavioural change is likely to provoke resistance, but effective disruptors counter this by creating a sense of urgency — "if we don't act now it will be too late".

CULTURAL CHANGE

How quickly an organisation can pivot from one way of doing things to another depends on multiple factors — from the nature of the threat to the size of the business to the capabilities of the senior leadership team. The most critical (and elusive) factor is usually culture.

The CMO needs to be a principal agent of cultural change — both in the marketing function and across the wider organisation. The goal is to align people with the strategy. However, the first challenge is to persuade them to believe in the strategy, which can be a challenge when this means leading people away from the comfort zone of their classical business model towards a more agile and digital organisation. "The entire management team has to be on board," says Elke Guhl, CMO of Swiss Life. "We set up initiatives to create awareness for change, support the skills needed and drive engagement in the whole organisation as part of the transformational process."

"All CMOs should be automatically looking for disruption."

Ian Wilson, Heineken's global head of marketing and digital development, went to considerable lengths to get the senior leadership team to buy into the changes needed as he sought to shift the emphasis of brand communication towards mobile and making use of data management platforms, programmatic targeting and dynamic content. "We took the executive team to Silicon Valley and arranged visits for them. We built partnerships with key vendors, like Facebook, creating awareness among the executive team that a disruptive rather than an evolutionary approach was the way forward," he says.

Şükrü Dinçer, CMO of Unilever Food Solutions Global, says that cultural change is the most critical dimension of disruption. "I have worked in Asia and Europe and seen lots of different cultures, but Turkey is a uniquely hierarchical country. So, in our teams in Turkey we deliberately rejected the hierarchy and created an environment in which discussion could take place without titles and eventually ideas win, not the titles. That ensured that everyone could participate in the co-creation stage and importantly we had inclusive decision-making." Sergio Fuster, president of U.S. Yogurt, Danone and former CMO of Dannon USA, says that risk-taking is a critical skill to develop. "Driving an entrepreneurial spirit, a sense of ownership, is the key to success. I think organisations need less process and more action."

THE DIGITAL FUSION OF SALES AND MARKETING

The shift in dynamic between sales and marketing has been one of the most visible consequences of digital transformation. As we described in our report "Going Digital", marketing has moved away from its sales support role and has taken centre stage in the transition towards a consumer-centric organisation.

"The majority of the marketing budget was applied to sales support so we had to create an entirely new discipline," says Thecla Schaeffer, CMO of G-Star, a Dutch designer clothing business. "Our assignments came from sales. With G-Star's transformation towards a consumer business, the entire chain had to be turned upside down, starting with generating insights from each of the channels — wholesale, retail and e-commerce — so we could address consumers in the best possible way."

"Drive disruption with clarity of brand positioning and purpose."

"It is essential to eliminate the barriers between marketing and sales."



For Jessica Spence, chief commercial officer of Carlsberg Group, the role of marketing is to demonstrate and create long-term growth. “It fails by becoming a service function delivering short-term tools to feed the sales machine. Therefore, it was critical to return marketing to its fundamental role.” Jennelle Tilling, founder of Marketing with Insight and former global chief marketing and innovation officer of KFC, agrees. “Our biggest barrier to change was fear of short-term sales loss; that big crazy brand ideas would detract from sales. We needed to be more insightful, to know our consumers better than anyone else, to be more creative and to go digital. We had to drive sales overnight and the brand over time.”

Keith Weed, Unilever’s chief marketing and communications officer, says that whereas in the old world the consumer experiences of marketing and sales were entirely separated, e-commerce has changed everything: “When you are on Amazon you don’t think ‘I’m reading the reviews so now I’m in the marketing department ... Oh, I’m going to press the ‘Buy It Now’ button so I’m moving to the sales department’”. In this new world, companies have to be much more joined up in how they meet the needs of consumers, and this is what a successful digital transformation can deliver. “It is no longer digital marketing, it is marketing in a digital world,” says Weed.

THE TRANSFORMATION OF MARKETING

Marketing disruptors know that achieving their ultimate goal of driving commercial growth requires a new way of working. Their greatest challenge is to build a team of people who can adopt fresh ways of looking at problems. It is impossible to disrupt an organisation, let alone a marketplace, without first disrupting the marketing function itself. This is a multi-layered process and takes up a lot of management time: making new hires (to plug gaps in expertise and bring in change agents), assessing existing talent (to uncover potential and ensure people are in the right jobs), and investing in skills training (to create a base level of competence across the function and ensure continued professional growth).

Jennelle Tilling realised that transforming her marketing group at KFC meant changing the recruiting brief. “We realised we needed the classically FMCG-trained candidates who were digital savvy, but most importantly people who showed creativity and courage. I spent about 50% of my time on talent — recruiting, coaching and mentoring. I looked for people who could describe consumer insights, the risks they had taken, what the pay-off had been, where it had gone wrong, and the legacy they left with the business. We wanted to focus on impact, not activity. We looked for low-ego people who wanted the team to succeed.”



Reinventing the marketing function can be a painstaking, time-consuming process. Keith Weed, who has an engineering degree and is equally comfortable with the magic (inspiration/creativity) and logic (data/technology) of marketing, hired a CIO to join his leadership team to work alongside experts in data, consumer insight, media, digital, comms, sustainability, marketing and services. If it's not possible to recruit a technologist into the team, then creating a bridge with IT is essential — and not just at the leadership level. Collaboration has become a guiding mantra for CMOs as they seek to develop truly effective teams, encourage those teams work closely with other functions, and build strategic partnerships with outside organisations.

In addition to team-building and collaboration, marketing disruptors place a high value on experimentation, instilling the idea of testing and learning as a fundamental organisational behavior. “In this era you have to be really, really curious. You have to experiment, pioneer, make mistakes and learn. You have to be willing to scale quickly the things that work and bury those that don't,” says Weed. CMOs increasingly take the view that classical market research techniques are becoming less effective and that the priority is to become more agile in the way they problems are approached. While developing fact-based insights is vital, it is also necessary to take calculated risks, be willing to make mistakes and see failure as an opportunity to learn. “Companies must foster a culture of trial and error, allowing the organisation to be proud of what does not work,” says Sergio Fuster.

THE ANATOMY OF A DISRUPTOR

As they bring change to their organisations, disruptive marketers need to retain a strategic, commercial and pragmatic approach. Deniz Aktürk Erdem, general manager, product and marketing at LC Waikiki, points out that “execution is as critical as strategy; the leader should have sound operational skills as well.” Marketing disruptors value both the art and the science of marketing and view their work through a commercial prism. As Peter Duffy, former chief commercial officer of easyJet, says: “You have to get that balance between doing the right thing and making sure that doing the right thing is driving the return.” For Mark Evans, marketing director of Direct Line Group, establishing the function's commercial literacy was essential to gain the credibility and support of the board and the CFO. “Creating a perception that marketers are as much economists as they are creators is really helpful for cutting through some of the preconceptions about what we do,” he says.

“Our role in marketing is to bring the future forward and the outside in.”

Effective marketing disruptors possess a wide range of attributes. We have identified **five key characteristics** shared by the most successful:

Creative and compelling communicators

The better you tell your story to different stakeholders, the more you will convince and engage them. It takes a great deal of personal energy and capital to be an evangelist for change. The CMO's first task is to engage their internal audience, especially if the pursuit of sustainable, profitable growth means disrupting existing working practices and behaviours. The ability of the CMO to communicate a compelling vision for how to achieve that growth will play a big part in overcoming resistance and uncertainty. The task may be complex, but distilling and simplifying the message is critical. "When people feel there is a clear storyline it gives them safety," says Carlsberg's Jessica Spence. "The narrative coming from leadership must be simple, clear and under control. It is important to be realistic about what can be achieved, but also to convey a sense of optimism based on actual results."

"If you can convince yourself, it will not be hard to convince others."

Setting a clear direction and then constantly reiterating the message is a vital part of the disruptor's job. Keith Weed at Unilever has significant numbers of followers on different social media channels and considers his most important followers to be his marketing staff. "Why? Because when people read things externally they think it's true; when they read things internally they think it's propaganda. My leadership model is to be really clear where we are going and to invest a huge amount of time and effort in engaging everyone to then deliver and make things happen. Our role is to bring the future forward and the outside in and I repeat that with monotonous regularity."

Committed to learning

Disruptors are suspicious of the status quo and constantly seek ways to stay ahead of the game. They are intellectually curious, keen to understand changes in the external environment and in the minds of their consumers. With the business environment in a constant state of flux, they have to rely less on what they know and more on what they and their teams are capable of learning from the market and from each other.

"Go out and learn and have fun! Miserable people deliver miserable results."

As we describe in [The Rise of the Learning Culture](#), today's executives need a high level of self-awareness to acknowledge what they do not know, enough humility to shed their preconceptions, and a deeply held curiosity about what they might discover. Disruptors demonstrate ambidexterity — the dual capacity to deliver results now and adapt to evolving challenges — and prioritise learning, which is closely linked to agility. Only an agile, learning organisation can maintain a truly competitive edge in today's increasingly complex and unpredictable business environment.

Team players

If a learning mindset is a key component of the disruptor's toolkit, then it pays to develop open and inclusive communication with people from different functions and at every level in the organisation, especially those who engage with consumers, says Lale Saral Develioğlu, the former global CMO of pladis, a biscuit and confectionery company that owns the Godiva and McVitie's brands. "We prepared a document called 'Ways of Working Together' and shared it with everyone in the marketing function to build, align and endorse. We then shared it with regional managing directors so that they would understand our strategic goals and our way of doing business."

Disruptors have an ability to break down silos and bring together diverse groups of people under a common purpose. They are not hierarchical, but instead they model inclusive and collaborative behaviour. They start by building strong relationships with their functional peers — change happens faster for CMOs who share their vision with the C-suite. Gaining trust there is important and also reduces the risk of marketing being isolated and blamed if things don't work out.

"You have to be commercially mature," says Peter Duffy. "You have to have the finance teams, the operational teams, the IT teams working with you. A very collaborative style is essential if you're going to begin to drive the sort of change that's necessary."

Team builders

Marketing disruptors need to build effective teams, working closely with HR to define the skills and capabilities needed over the next few years. "The people who can deliver during the transformation stage are not necessarily the ones you would hire in a steady-state business," says Jessica Spence. "In marketing, there is a tendency to look for brilliant technical talent from blue chip backgrounds. They may be the right people to manage over the long term but not necessarily during a period of transformation."

Shaping a marketing team that will thrive in a disruptive environment is a critical task for the CMO. Developing and motivating existing people while integrating external marketing talent is likely to take up a significant amount of management time. So too will the effort required to connect marketing to the core of the business. For Steve Langan, CEO and group chief marketing officer of Hiscox, team-building went well beyond the marketing function; he needed to demonstrate to the entire business both the art and the science of marketing and the difference that it

can make. “You’ve got to socialise marketing throughout a business, particularly when it’s not established,” he says. “To show its value, you must build a bridge between what you do in marketing and what others do — for example, in financial services there is a gravitational pull towards numbers-based marketing. You’ve got to show you understand your numbers, while keeping people excited by the big idea.” Indeed, following a successful and groundbreaking ad campaign Langan was able to recruit the entire company into the marketing effort.

Courageous and resilient

Disruptive CMOs need plenty of self-belief and the courage to go against the grain. As they ruthlessly champion the needs of the consumer and run up against traditional thinking they will face cultural resistance. They will have to show resilience in the face of frustrations and setbacks and will need the demonstrable support of the CEO, who is the most important stakeholder for every change project.

Langan was given a brief at Hiscox to build the brand and grow the business into the retail space. “Lesson number one is to have the courage to clarify the brief before you go into something like this. So many people don’t. I can’t emphasise enough the importance of getting the first three months right.”

Boldness is a theme to which disruptive CMOs return again and again. “Take leadership, claim your space, position yourself as the customer value creation champion and enabler of profitable growth,” says Stefan Svärdenborn, global director of digital communications at Tetra Pak.

One final piece of advice comes from Unilever’s Şükrü Dinçer, who believes that “being and staying fresh” is the most important thing for marketing leaders in the contemporary world. “I would strongly recommend focusing on your physical and mental health and pursuing hobbies that support your health and personal development and authenticity.”

“If I had my time again
I’d be more courageous
in what I did.”

“Show belief and resolve
and remain confident in
your plans.”

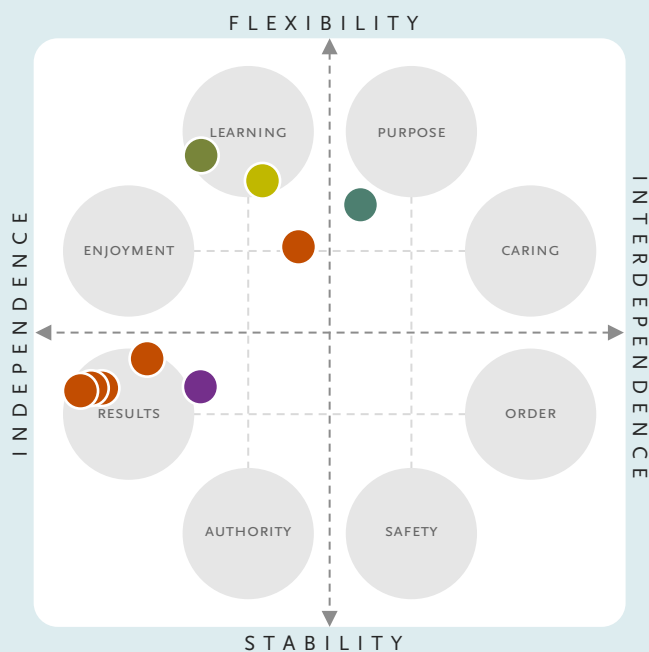
10 Tips for Disruptors

1. Aim to disrupt and be bold about it.
2. If that makes you unpopular with some people, don't let it get to you.
3. Show belief and resolve and remain confident in your plans.
4. Always think like the consumer, not like an executive; act as the chief customer officer.
5. Give people a simple, clear storyline; the better you tell your narrative to different stakeholders, the more you convince and engage.
6. Focus on impact, not activity; carry a commercial mindset everywhere you go
7. Be curious, have an open mind; try new things and share ideas.
8. Take nothing personally and learn from your mistakes. Ego and politics do not add value; they merely make people unhappy and frustrated.
9. Create an atmosphere where creativity and entrepreneurship can flourish.
10. Go out, learn and have fun! Miserable people deliver miserable results.

The individual style profile of disruptive leaders

“You can be the best marketer in the world, but if you land in the wrong culture you will fail.”

Spencer Stuart has developed a culture alignment framework that describes eight primary and universal styles that between them shape social and cultural behaviour. Each style represents a distinct and valid way to view the world, solve problems and be successful, both as individuals and as organisations. While no single style can fully depict a culture or personal style, individual styles and organisational cultures tend to be more heavily weighted in two to three styles that reflect their orientation toward people and change.



We have plotted the individual styles of nine of the CMOs we interviewed on the chart to the left, which highlights differences among the CMOs in this group. Individuals are placed on this graph based on their response to the assessment.

People on the left side of the chart are more independent and outcome-oriented. People on the right have a greater orientation towards groups and relationships.

Those positioned towards the top of the graph have a more flexible and open style and those at the bottom tend to emphasise stability and pragmatism more.

The profiles of marketing leaders whom we consider to be successful disruptors reveal three important insights:

- » Safety and order appear at the bottom of the scale in every profile.
- » Given the drive needed to effect cultural change, authority appears less important than might be expected. This confirms our view that disruptive marketers achieve most when they bring their influencing skills to the fore, preferring a collaborative approach to one of command and control.
- » Disruptive leaders have a strong orientation towards learning and enjoyment.

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Mark Evans

Marketing Director, Direct Line Group

Sergio Fuster

President U.S. Yogurt, Danone and former CMO, Dannon USA

Elke Guhl

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