

SCALING 
the **VALUE**
of the **CMO**

 Chief Outsiders™

RATE THE STATE OF MARKETING:
A C-SUITE SCORECARD

C-Suite Scorecard Of Marketing Effectiveness:
A 2021 Enterprise Performance Report



KEY TAKEAWAYS



**Positive Level Of Confidence
In Marketing's Ability To Lead
Recovery, Revenue & Sales**



**Essential Role Of CMO Is
Seen As Customer Experience
Advocate And Champion**



**Growth Is The Top Measure Of
Performance; Functional
Modernization Is The Biggest Need**



**Outsourcing Fractional Advisors
Is The Best Way To Bring New
Thinking, Impartiality And Depth**

INTRODUCTION

While revenue and sales growth rank as management's top mandate for marketers, CMOs will be more than happy with grades received in a new C-Suite Scorecard of marketing value and effectiveness benchmarked in this report by the Chief Marketing Officer (CMO) Council.

Marketing teams scored highly in a rating of 2020 performance, and most senior executives report a close level of collaboration and alignment with the marketing organization in their different areas of responsibility and functional focus.

Survey participants (120) included a mix of senior management executives across companies of all sizes, industry sectors and diverse leadership roles. Nearly 40% of respondents were in companies of more than \$1 billion in annual revenue and an additional 21% were drawn from mid-sized companies with revenues of \$100 million to \$1 billion. The balance of survey takers (39%) came from companies with less than \$100 million in annual sales.

The Business Leader Scorecard of Marketing reveals:

- Revenue and sales growth is the top deliverable for marketing, according to 80% of survey respondents, with customer acquisition and profitability a close second (71%).
- 69% of business executives are extremely or moderately confident in marketing's ability to lead growth recovery in 2021.
- 84% of business leaders are closely, regularly, or increasingly interacting with marketing teams.
- 46% rate marketing team performance as very good or exceptional in 2020; a further 45% say it was moderate.
- Collaboration and alignment between lines of business, functional areas and marketing is viewed as close, balanced, effective and well-integrated by 37% of respondents; the same percentage say it is getting better all the time.

KEY FINDINGS

CMO IS VIEWED AS THE CUSTOMER AUTHORITY

Business leaders appear to have growing confidence in the customer-centricity of marketing leadership with 62% of survey respondents considering the essential role of the CMO as “customer experience advocate and champion” in their organization. This correlates well with what management believes is the second and third most important KPIs for measuring marketing value, namely “customer acquisition and profitability” and “customer satisfaction and retention.” These follow “revenue and sales,” which is ranked number one by 80 percent of survey respondents.

The secondary management view of the CMO’s role as “digital transformation/marketing automation leader” by 54% of respondents underscores their belief that there is a need to modernize and automate the marketing function in a digitally connected world. A more common stereotype/descriptor associated with the CMO – “brand reputation custodian and value creator” – was listed by 51% of survey participants, on a par with “maestro of communications and demand generation.”

GAPS, HOLES AND DEFICIENCIES ARE HIGHLIGHTED

In terms of marketing organizational improvement, C-suite peers see the biggest gaps and holes in key areas of campaign execution, digital leadership, better use customer data, and presenting a financial case for marketing investments.

TOP FIVE DEFICIENCIES | MARKETING ORGANIZATION



MODERNIZATION OF MARKETING ORGANIZATION, SYSTEMS AND OPERATION



PROFICIENT, TECHNICALLY SAVVY MANAGERS IN KEY DIGITAL ROLES



GREATER CUSTOMER KNOWLEDGE AND MARKET UNDERSTANDING



ADAPTIVE, INFORMED DECISION MAKING BASED ON GOOD DATA



ABILITY TO MAKE A BUSINESS CASE FOR MARKETING SPEND

TOP FIVE AREAS FOR IMPROVEMENT

WHAT C-SUITE LEADERS HAVE TO SAY

Business leaders are looking for marketing to step up and lead the charge in revenue-generating activities. They're looking down the funnel and expect marketing to drive demand generation through impactful and relevant campaigns and a seamless, cohesive customer journey. To do this, marketers must overcome the deficiencies in digital leadership highlighted above.



WHAT MARKETING LEADERS HAVE TO SAY

Senior management seems to be on the same page as chief marketers who earlier in the year took part in CMO Council study on **Scaling the Value of the CMO**. This survey found an overwhelming 86% of senior marketers believe lack of capabilities has resulted in missed revenue, growth and customer acquisition opportunities.

DEMAND GENERATION AND SALES PIPELINE DEVELOPMENT

1

CUSTOMER JOURNEY, ACQUISITION AND CONVERSION

CAMPAIGN IDEATION, EXECUTION AND IMPACT

2

SEGMENTATION AND PERSONALIZED MESSAGING AT SCALE

CUSTOMER JOURNEY, ACQUISITION AND CONVERSION

3

ACTIONING ON CUSTOMER DATA INSIGHT

MARKETING PLANNING TO SUPPORT DIGITAL GROWTH STRATEGIES

4

DEMAND GENERATION AND PIPELINE

ACTIONING ON CUSTOMER DATA INSIGHT

5

CAMPAIGN EXECUTION AND MEASUREMENT

OUTSOURCED, FRACTIONAL CMOS ARE VIEWED FAVORABLY

According to Chief Outsiders, a nationwide "Executives-as-a-Service" firm, there is a growing demand for part-time, or fractional, chief marketing officers in large enterprises where transitional or short-term functional leadership roles need to be filled. This is typically triggered by CMO transitions, lack of specific skill sets, new competitive market conditions, diversification, market expansion, restructuring, acquisition, rapid growth, or a changing digital business model.

The fractional "plug and play" model is particularly appealing given the extended time it takes to find and onboard new marketing hires as well as establish credibility and operational effectiveness in the organization. Interim staffing of marketing, on the other hand, brings on-demand domain expertise and experience in whatever role is most needed to deliver both revenue and results.



The C-Suite Scorecard findings attest to this point-of-view. Business executives believe interim or fractional marketing leaders can add value by injecting new thinking and acting as change agents.

52% Inject new thinking, ideas and innovations

48% Offer objective perspectives and assessments

41% Introduce proven methodologies and practices

41% Strengthen leadership and depth in senior roles

38% Act as change agents and/or pace-setters



In the CMO Council's Scaling the Value of the CMO report, chief marketers saw value in on-demand fractional marketing leaders as having a range of competencies and a fast ramp up, which is particularly needed during this time of rapid transformation.

47% Fast ramp up and time-to-performance

46% Proven performers and doers

46% Range of competencies and capabilities

46% Domain expertise or knowledge

30% Added value thinking and leadership depth

HOW BIG COMPANY EXECS DIFFER FROM SMALL IN THEIR VIEWS OF MARKETING



LARGE ENTERPRISE EXECS

SEE MARKETING AS
CUSTOMER EXPERIENCE CHAMPION

ARE **LESS CONFIDENT** IN
MARKETING PERFORMANCE

HAVE **LIMITED INTERACTIONS**
WITH MARKETING

ARE **LESS SATISFIED** WITH LEVEL
OF MARKETING ALIGNMENT

SAY MARKETING IS MOST
CHALLENGED IN **MODERNIZING
THE MARKETING ORGANIZATION**

SAY BIGGEST AREA OF IMPROVEMENT
IS **DEMAND GENERATION**

BELIEVE FRACTIONAL
MARKETING LEADERS ADD **NEW
THINKING AND LEADERSHIP**

**Large enterprise is qualified as companies with
more than \$500M in annual sales.*



SMALL ENTERPRISE EXECS

SEE MARKETING AS
BRAND REPUTATION CUSTODIAN

ARE **MORE CONFIDENT** IN
MARKETING PERFORMANCE

HAVE **HIGH LEVELS OF**
INTERACTION WITH MARKETING

ARE **MORE SATISFIED** WITH LEVEL
OF MARKETING ALIGNMENT

SAY MARKETING IS
MOST CHALLENGED IN
ACQUIRING DIGITAL TALENT

SAY BIGGEST AREA OF IMPROVEMENT
IS **CUSTOMER JOURNEY**

BELIEVE FRACTIONAL MARKETING
LEADERS OFFER **PROVEN
METHODOLOGIES AND PRACTICES**

**Small enterprise is qualified as companies with
less than \$500M in annual sales.*

METHODOLOGY

Findings are from a 2021 survey of 120 senior corporate executives conducted by the CMO Council in partnership with the C-Suite Network, Business Performance Innovation (BPI) Network, and the Harvard Business School Association of Northern California. Sponsored by Chief Outsiders, a leading fractional CMO service provider.

The C-Suite Scorecard survey was fielded online using the Qualtrics platform in Q2 2021. Survey participants (120) included a mix of senior management executives across companies of all sizes, industry sectors and diverse leadership roles. Nearly 40% of respondents were in companies of more than \$1 billion in annual revenue and an additional 21% were drawn from mid-sized companies with revenues of \$100 million to \$1 billion. The balance of survey takers (39%) came from companies with less than \$100 million in annual sales.

The majority of respondents were from North America (84%) with some representation from Europe, Asia Pacific and the Middle East. Key titles represented in the survey population included CEO (15%), president/COO (12%), EVP/SVP (21%), line of business (LOB) leaders (14%), functional leaders (14%), department heads (8%), and business team leaders (8%). All major industry sectors were represented with the largest percentage coming from the technology, financial services, professional services, pharmaceutical, entertainment, and consumer product sectors.

EXPERT COMMENTARY



PETE HAYES
Principal and CMO
Chief Outsiders



DEMAND FOR FRACTIONAL MARKETING EXECUTIVES IS EXPLODING



This C-Suite Scorecard from the CMO Council brings compelling insight to a growing phenomenon in enterprise-class marketing organizations. Not everything is getting done. With an internal Net Promoter Score of -46 from C-Suite marketing stakeholders (extrapolated from Q2), it's no wonder the fractional CMO solution is exploding to fill the gaps and holes of critical expertise and leadership. Demand for our firm alone from enterprise businesses has shot up over 150% this year.

HIGHER EXPECTATIONS: WHEN CAN EXPERIENCED RESOURCES HELP?



This report shows the higher expectations on Marketing organizations to deliver not only a powerful brand and sales leads, but to drive overall revenue growth, plus profitability and retention (Q6 and Q10). That's a tall order. The need to augment enterprise marketing organizations surfaces most often when there is a re-organization of the team, and empty CMO or Vice President level chair, or when facing market expansion projects (Q9).

INSTANT VALUE, AFFORDABLE & FLEXIBLE



Savvy marketing leaders are used to tapping the latest SaaS offering to bolster their MarTech capabilities. Similarly, senior marketing talent can now also be sourced on-demand. You get exactly the resource you need, deployed immediately, on an interim or fractional basis. And that's a good thing since more than half of the CMOs surveyed in the recent CMO Council "Scaling the Value of the CMO" study say they are challenged by the time it takes to properly recruit and onboard senior functional leaders on their team, saying the process takes three to six months. With a fractional CMO resource, months turn into days. And the resource can scale up or down, even on a monthly basis, as needs change.

CAUTION: NOT ALL FRACTIONAL CMOs ARE ALIKE



With thousands of fractional CMOs to choose from in the marketplace, how does a business leader pick the right resource for their situation? C-Suite stakeholders are looking for highly experienced talent, individuals who can inject new thinking, bring ideas and innovations to bear along with proven methodologies and best practices (Q8). This suggests your fractional hire should have specific operational executive experience on their resume in a company of your size and complexity. The benefit of working with a firm such as Chief Outsiders is that we only hire experienced CMOs and VPs of marketing from large companies. Less than 2% of fractional executive applicants met our standards last year. Our clients benefit from the high standards we've set for our CMOs, both in experience and organizational savvy.

SELECTION, SELECTION, SELECTION



Marketing executive needs vary by organization and within an organization. One size does not fit all. You want to have choices when you're looking for complementary skills to your existing marketing teams. That's where our roster of over 80 Chief Marketing Outsiders comes in. Find exactly the talent you need, quickly. And get strategic initiatives underway. Selecting proven, senior marketing talent for your team not only delivers functional value quickly but lowers the risk of a bad hire - or worse - a failed strategic initiative.

AUGMENT YOUR TEAM; GET MORE DONE



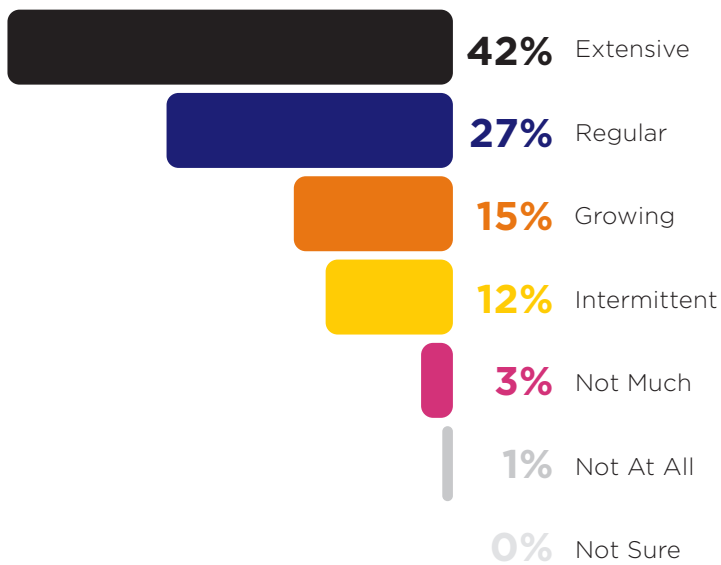
Bottom line? The expectations from C-Suite stakeholders on marketing organizations is increasing. That's not a bad thing. Corporations are counting on Marketing for delivering more growth, more of the sales function, with more accountability. The problem is keeping up with the demands for talented leadership. Leadership requirements that also change over time. That's precisely why more enterprise marketing organizations are seeking fractional executives to complement their existing teams. To fill a role on an interim basis. Or to lead a strategic initiative such as a product launch or market expansion. They need to get more done. And now they can.

DETAILED FINDINGS

Q1

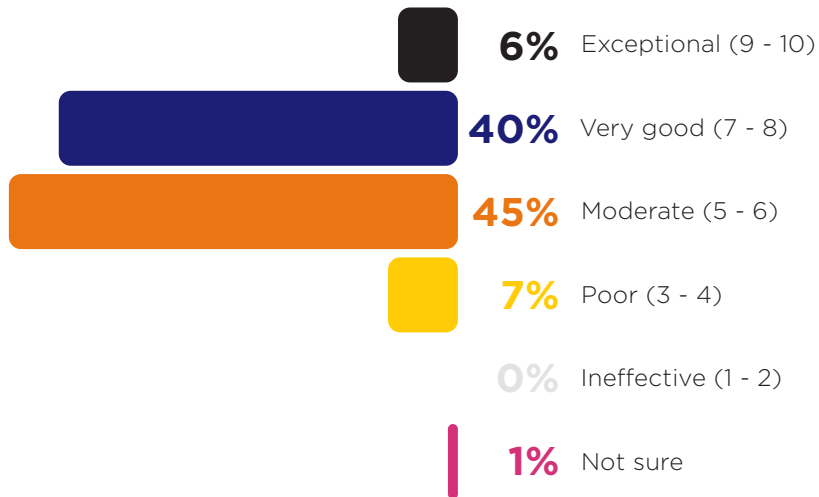
HOW MUCH INVOLVEMENT OR INTERACTION DO YOU HAVE WITH YOUR MARKETING TEAMS AND PROGRAMS?

Gone are the days when marketing didn't have a seat at the table. Just under 70% of C-Suite leaders say they have extensive or regular interactions with their marketing teams. Marketing programs are increasingly growing in importance at a strategic organizational level, and another 15% of business leaders note that while they may not yet be as engaged with marketing as some of their peers, that engagement is growing.



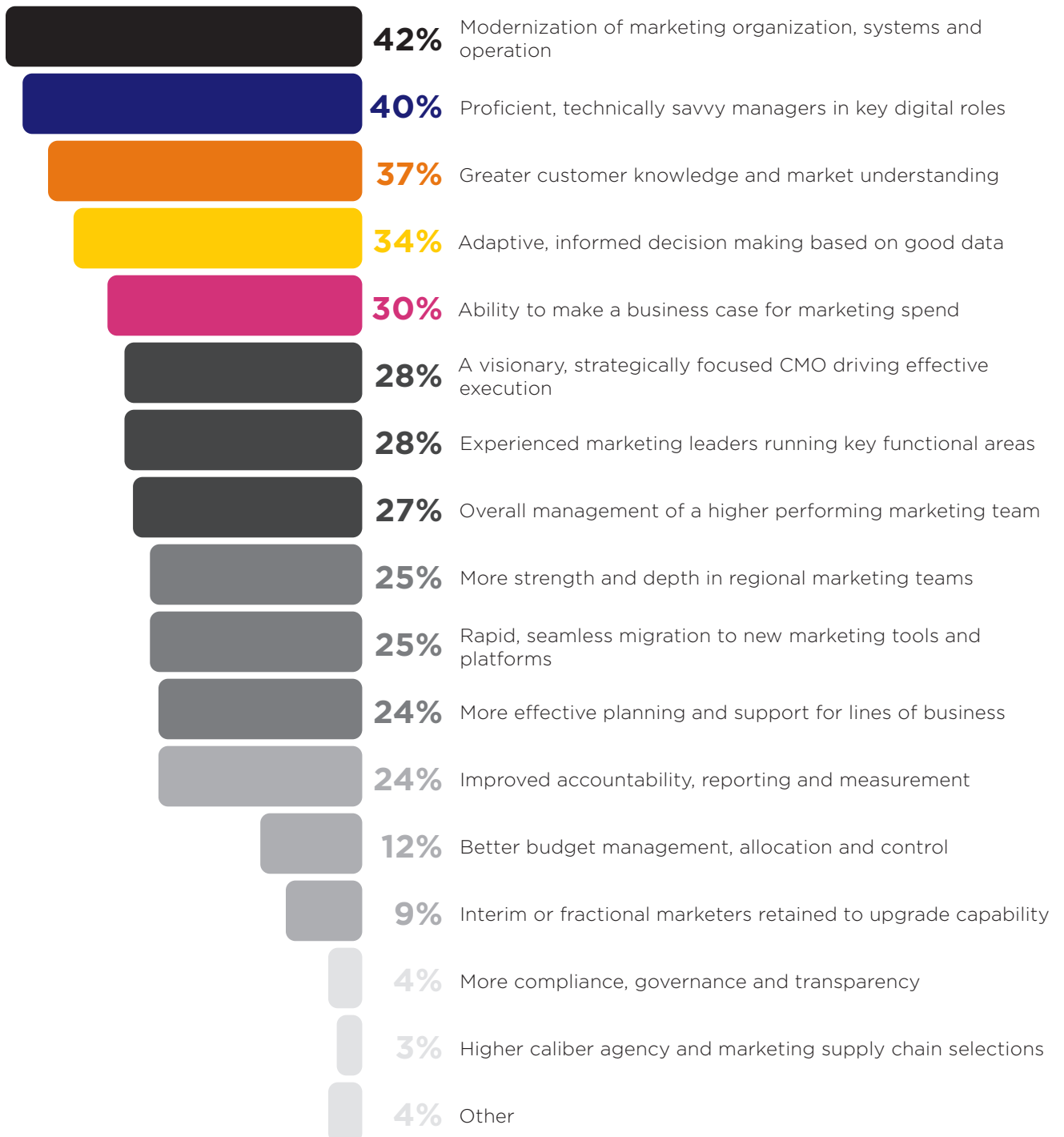
Q2**HOW DO YOU RATE THE PERFORMANCE OF MARKETING TEAMS IN YOUR ORGANIZATION DURING THE PAST YEAR?**

Despite the challenges faced in 2020, close to half of C-Suite leaders said marketing performed very well, or even exceptionally. Only 7% were unhappy with the performance of their marketing team. Marketers rebounded and pivoted quickly to create new strategies to add value to their organizations, and their peers recognize it.



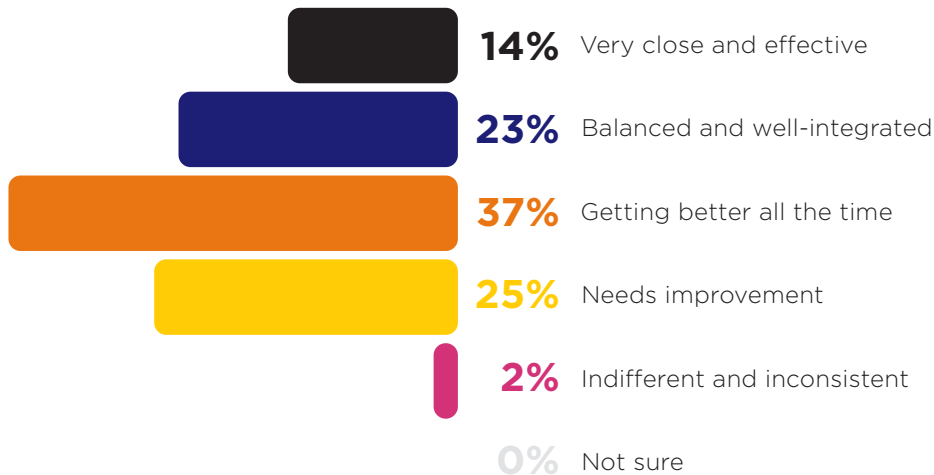
Q3 WHERE DO YOU SEE LEADERSHIP HOLES OR GAPS IN YOUR MARKETING ORGANIZATION? (SELECT TOP FIVE)

The push to a digital-dominant environment is forcing marketers to modernize the marketing function across systems and operations. This requires technically savvy leaders that can spearhead digital customer experience, but many C-Suite leaders feel their marketing team is still behind the curve in these areas if the organization is to meet the needs of the modern customer.



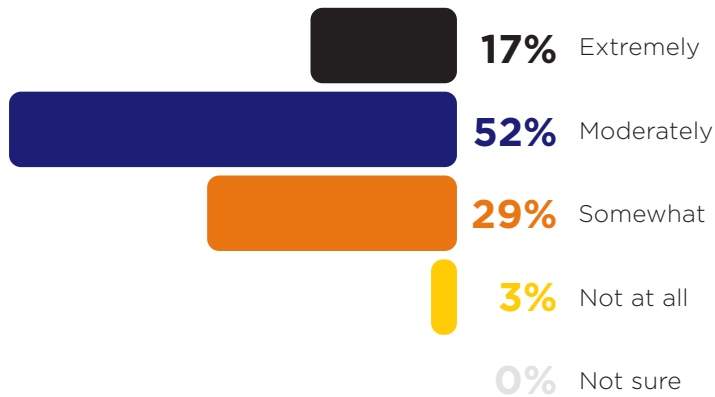
Q4**HOW DO YOU RATE THE LEVEL OF COLLABORATION AND ALIGNMENT BETWEEN MARKETING AND YOUR AREA OF BUSINESS RESPONSIBILITY?**

Overall collaboration is improving as it relates to the alignment between marketing and their functional peers. Fully 37% of respondents said this collaboration is getting better all the time. Another 37% said those relationships are already balanced and effective. Only 27% said this alignment was in need of improvement. To ensure the seamless and integrated experience consumers expect today, marketers and their peers must continue to work towards tighter collaboration.



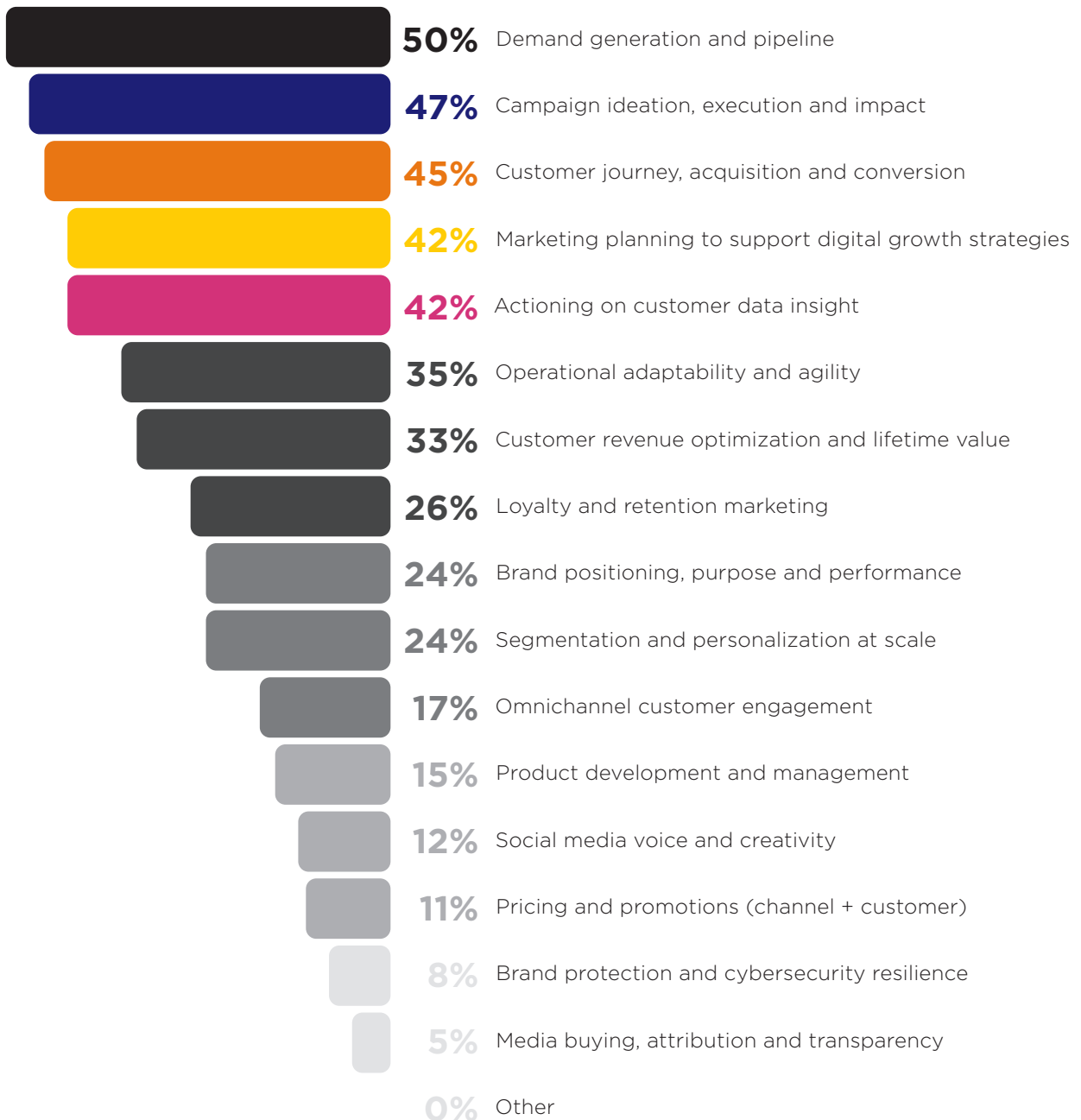
Q5**HOW CONFIDENT ARE YOU IN MARKETING'S ABILITY TO LEAD GROWTH RECOVERY IN A CHALLENGED GLOBAL ECONOMY IN 2021?**

Organizations are looking to marketing to spearhead the road to recovery, and C-Suite leaders are fairly confident in their ability to achieve success. While only 17% said they were extremely confident, another 81% said they were moderately or at least somewhat confident. Digital transformation that allows organizations to meet customers where they are, in their channel of choice, with relevant information is the goal, and marketing is the function positioned to drive it.



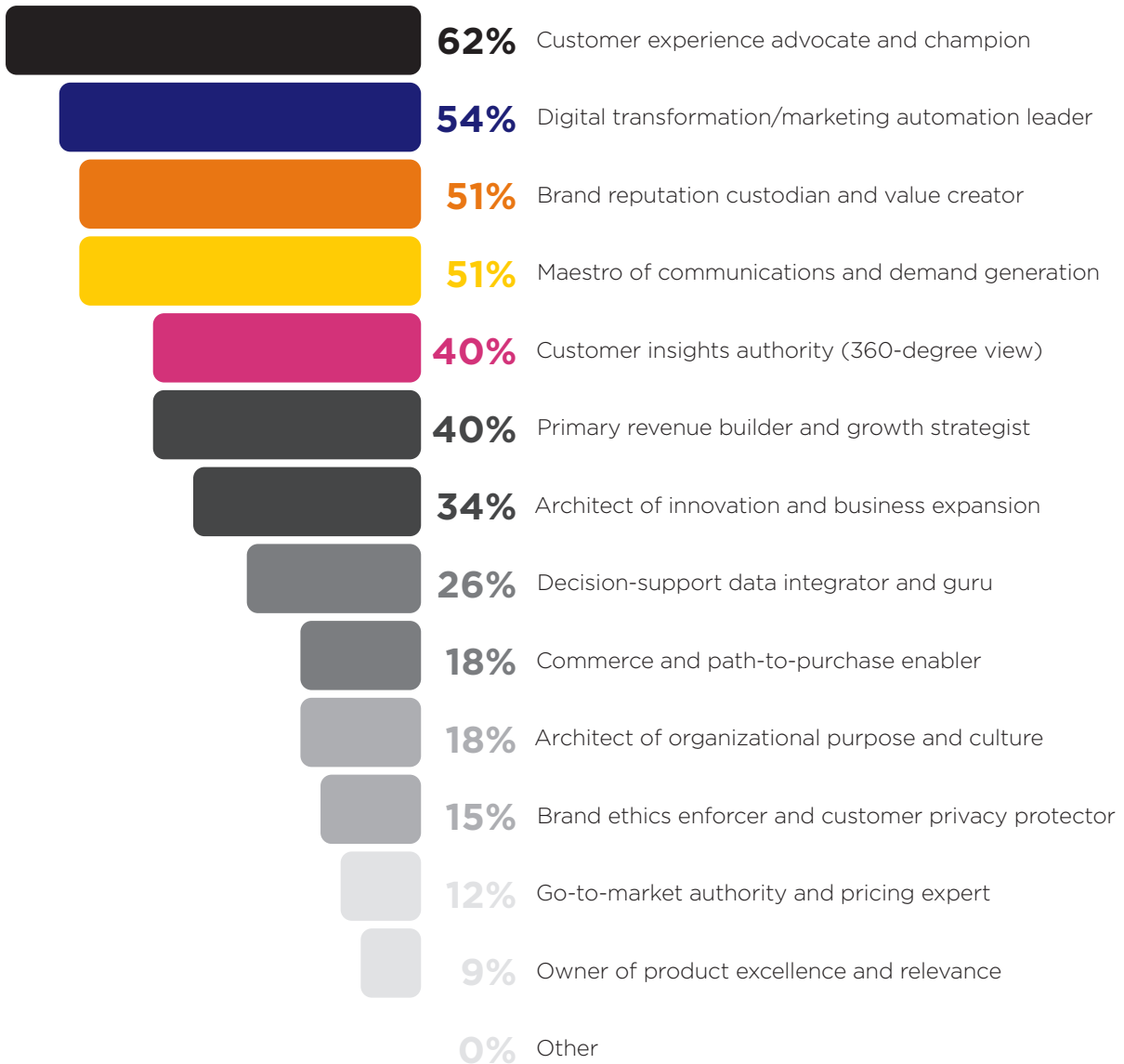
Q6 WHAT AREAS OF MARKETING OPERATIONS NEED IMPROVEMENT OR STRENGTHENING IN YOUR COMPANY? (SELECT TOP FIVE)

With the new expectation that marketing be a revenue-driver, it is no surprise that C-Suite peers point to demand generation as the number one area they hope to strengthen in their marketing departments. They also recognize that in the digital world where everything moves quickly and consumers are easily distracted, campaigns must make an impact if they are to stand out in the crowd. And to keep those customers in the long run, the overall customer journey must be improved to ensure a seamless, cohesive and personalized experience from beginning to end.



Q7 WHAT DO YOU CONSIDER TO BE THE ESSENTIAL ROLE OF A CHIEF MARKETING OFFICER IN YOUR EXECUTIVE TEAM? (SELECT TOP FIVE)

C-Suite leaders are looking to marketing to ensure the organization as a whole operates under a customer-first model. We know from CMO Council consumer research that customers are willing to defect if they don't have a seamless experience - so getting it right is more important than ever. Even laggard organizations have come to understand that they must invest in digital in order to ensure they have the ability to serve up a superior experience for their customers, and they know marketing is in the best position to serve up that stellar experience.



Q8

HOW COULD AN INTERIM/FRACTIONAL CMO OR CONTRACTED SENIOR LEVEL MARKETING RESOURCES ADD VALUE TO YOUR ORGANIZATION? (SELECT TOP FIVE)

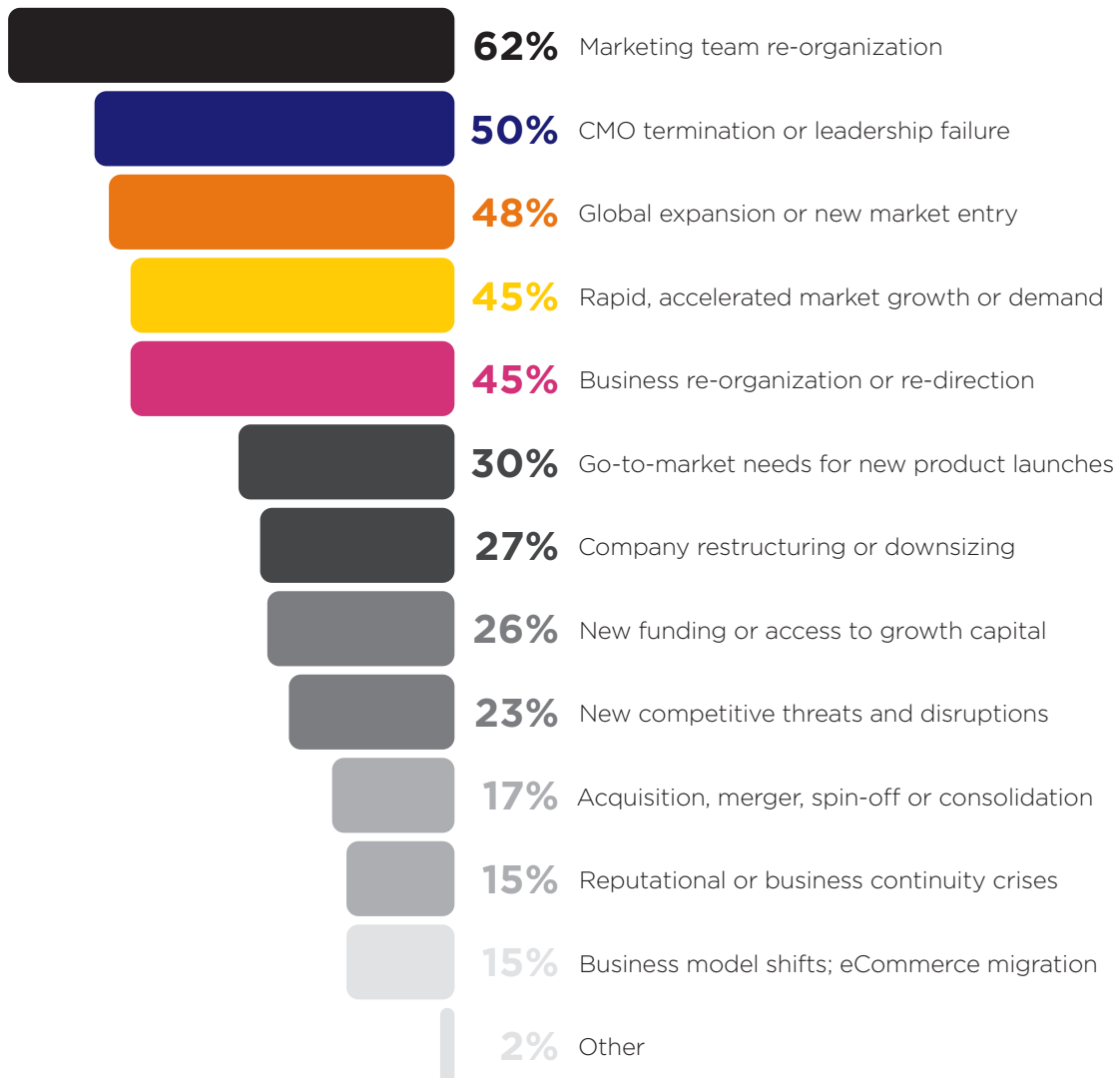
When an organization needs to transform quickly to meet the modern customer, an injection of new thinking is often required. It is no surprise therefore that C-Suite leaders believe fractional marketing leaders add the most value in providing fresh thinking to the marketing organization. These leaders often bring their own proven methodologies to the table and can act as change agents to modernize the marketing organization.





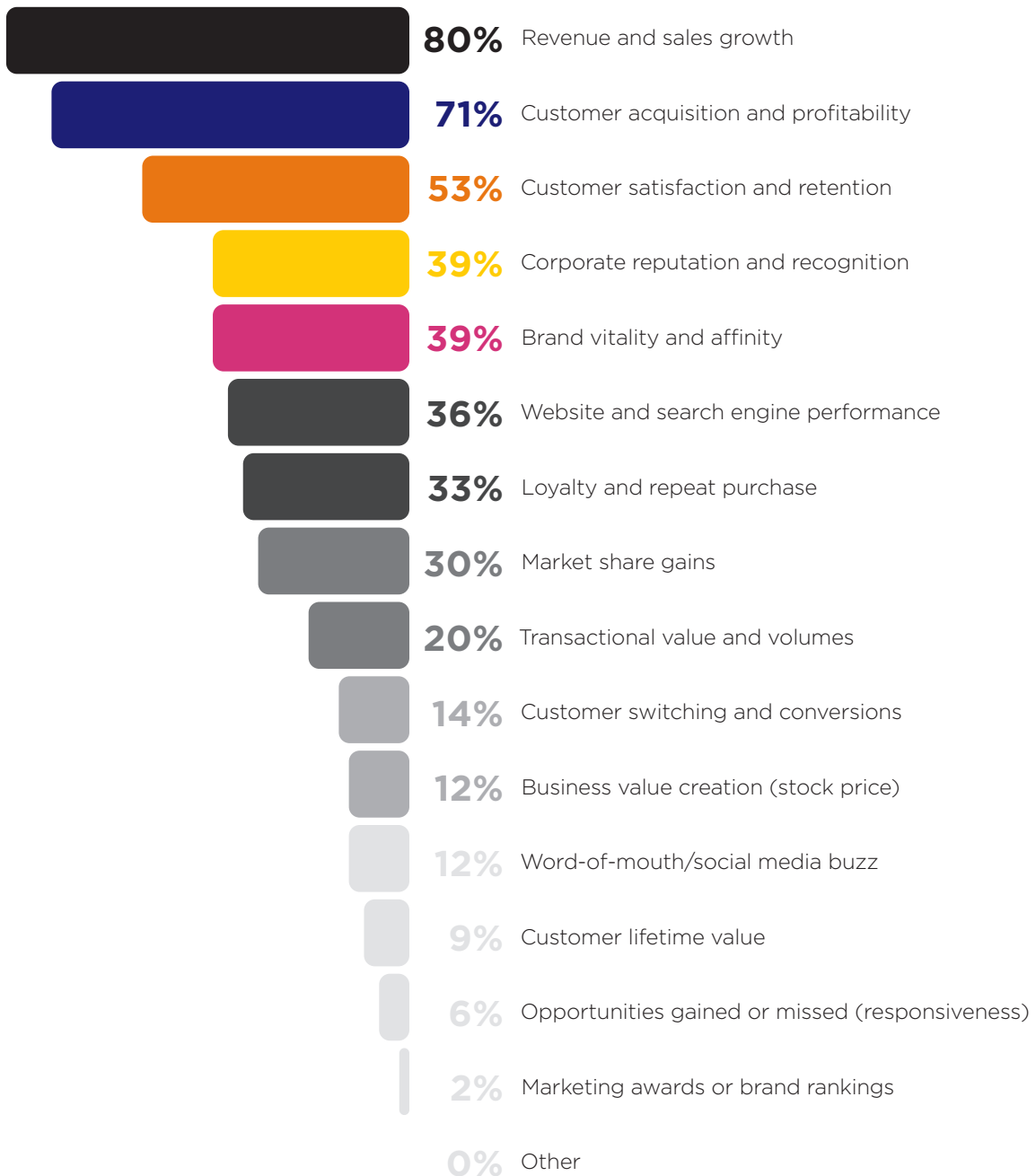
WHAT EVENTS OR DEVELOPMENTS MIGHT TRIGGER A NEED FOR ADDITIONAL MARKETING RESOURCES, PART-TIME ADVISORS OR FUNCTIONAL LEADERS? (SELECT TOP FIVE)

In terms of what might trigger the need for fractional marketing leaders, the re-organization of the marketing organization is the most likely scenario. As we saw in question 3 on marketing leadership gaps, the modernization of the marketing organization was ranked as the biggest challenge marketing faces. Modernization often necessitates a re-organization, which may demonstrate why so many business leaders are looking to fractional CMOs to step in.



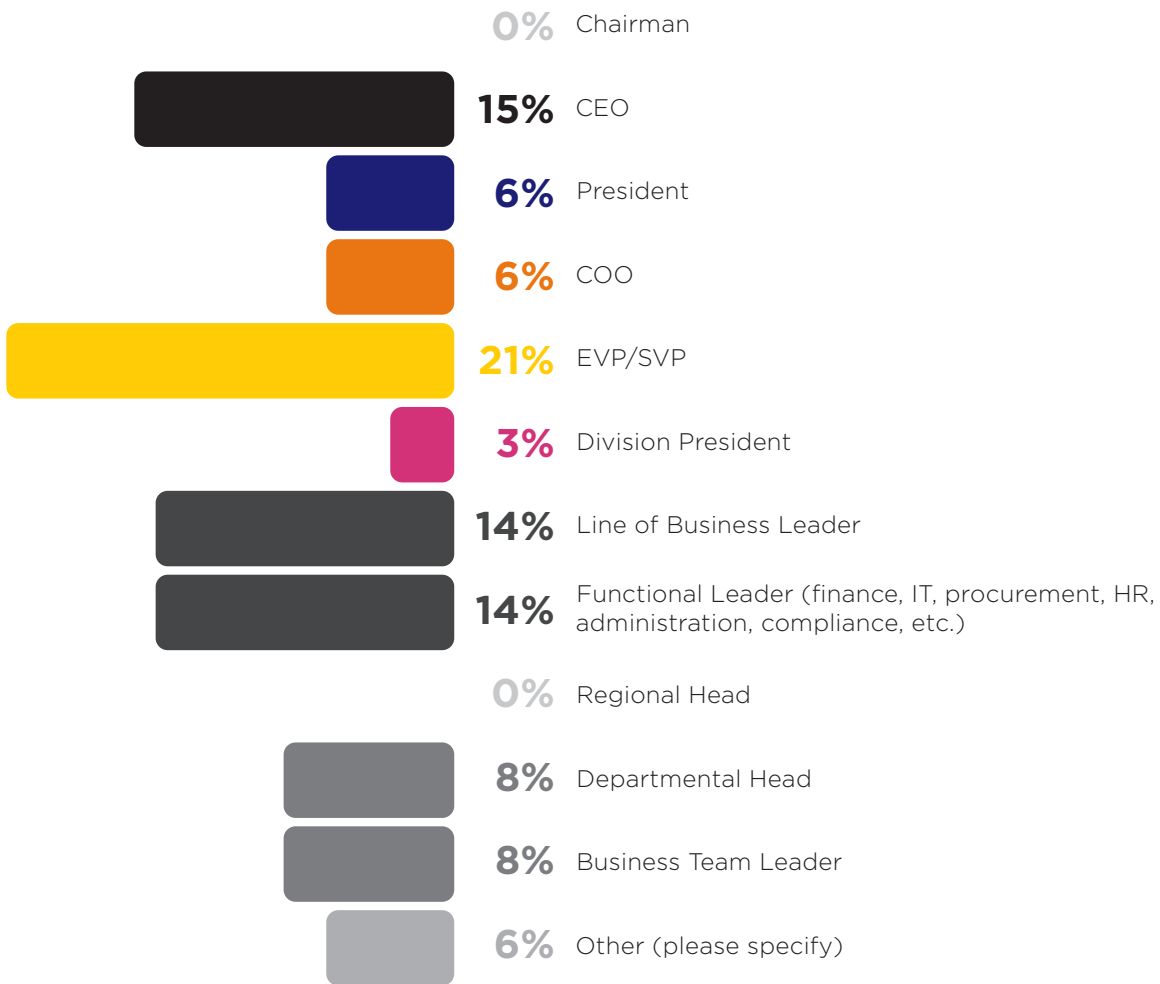
Q10 WHAT METRICS (OR KPIS) WOULD YOU USE TO MEASURE MARKETING VALUE, CONTRIBUTIONS AND PERFORMANCE? (SELECT TOP FIVE)

The mandate is clear: marketing is expected to drive revenue. This is a finding repeated across numerous recent CMO Council studies and is no different here. Marketers are now judged primarily based on their ability to produce demonstrable growth in revenue and sales. A big piece of that is marketing’s ability to acquire new customers, making that the second highest ranking KPI of marketing. Of course, the ability to actually retain those customers is imperative to the customer lifetime value and comes in third in terms of how to evaluate marketing’s performance.

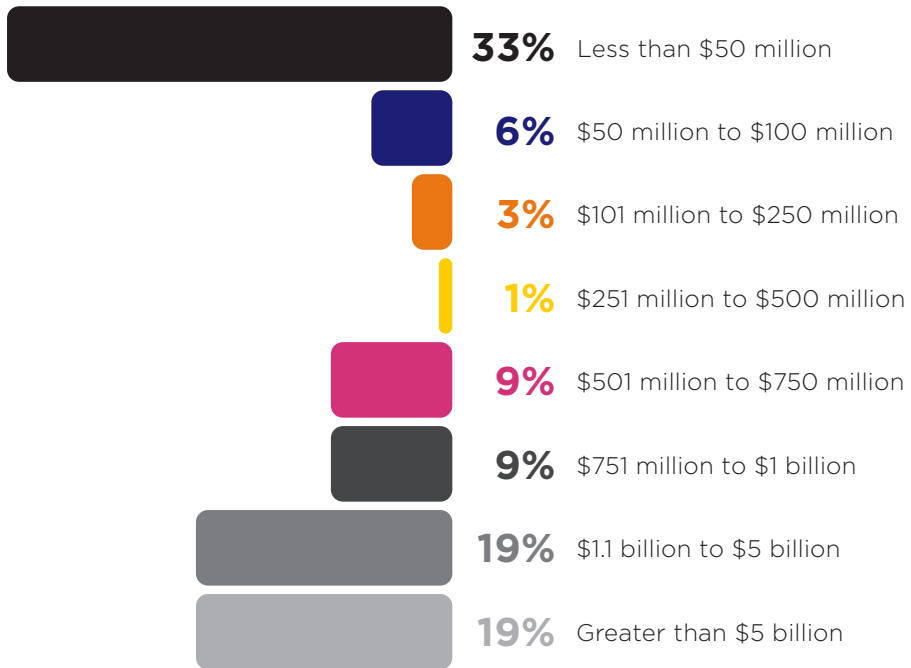


DEMOGRAPHICS

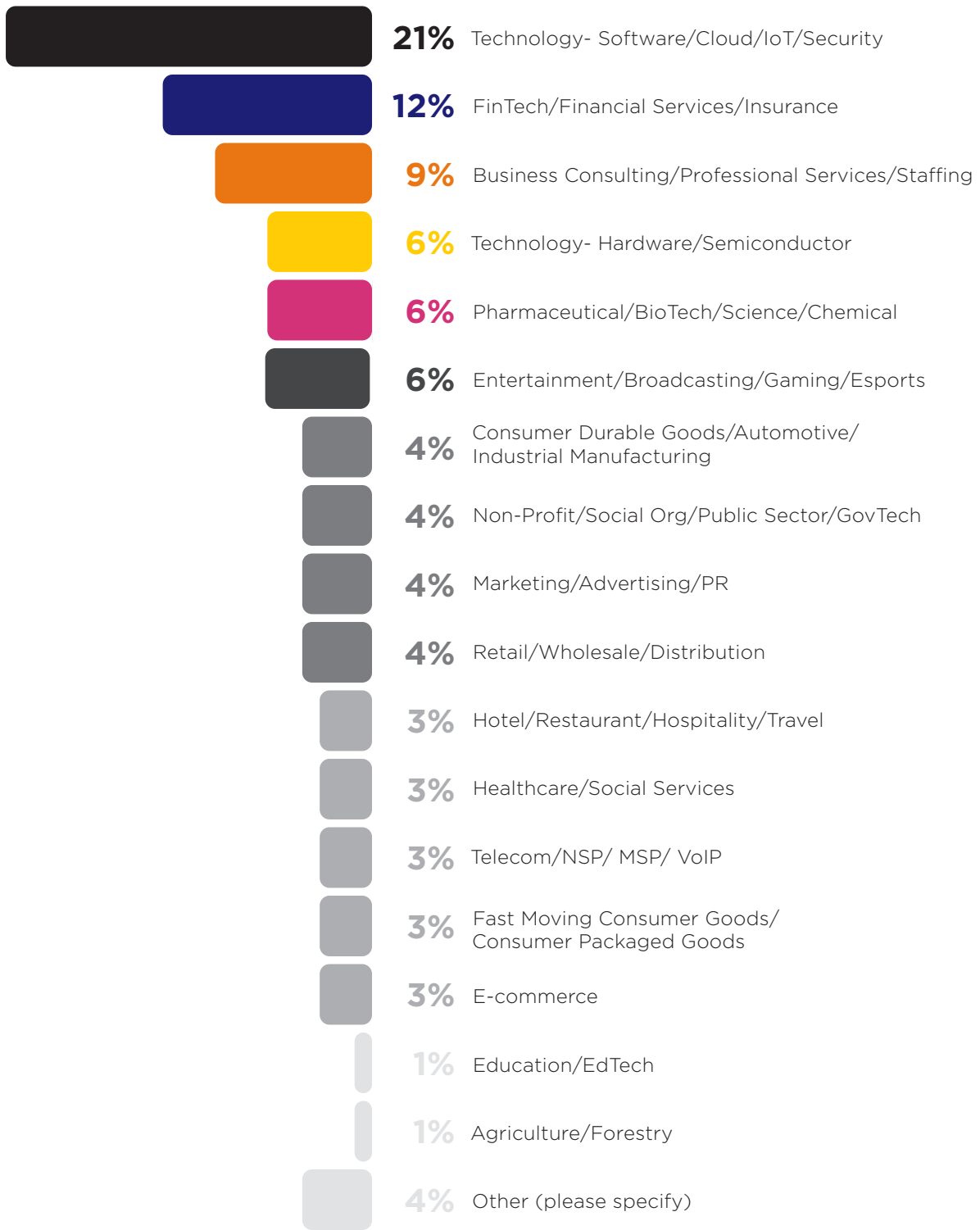
Q1 WHAT BEST DESCRIBES YOUR TITLE/FUNCTION?



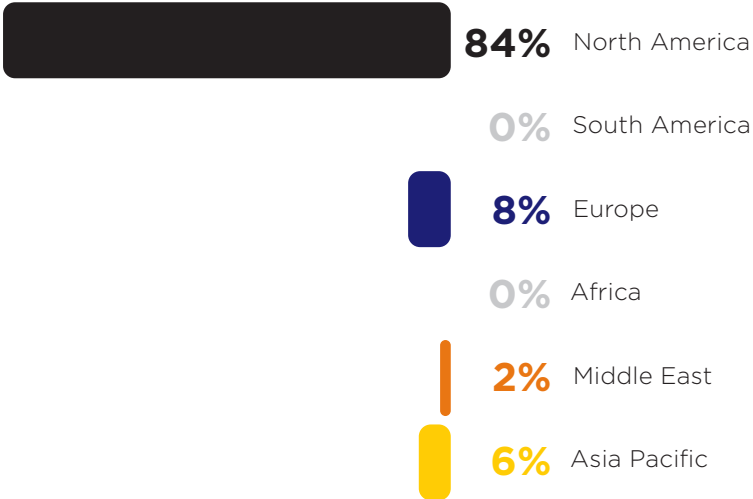
Q2 HOW LARGE IS YOUR COMPANY IN USD REVENUE?



Q3 WHAT BEST DESCRIBES YOUR INDUSTRY SECTOR?



Q4 IN WHICH REGION IS YOUR COMPANY HEADQUARTERED?



ABOUT SPONSORS



The Chief Marketing Officer (CMO) Council is dedicated to high-level knowledge exchange, thought leadership and personal relationship building among senior corporate marketing leaders and brand decision-makers across a wide-range of global industries. The CMO Council's 16,000+ members control more than \$1 trillion in aggregated annual marketing expenditures and run complex, distributed marketing and sales operations worldwide. In total, the CMO Council and its strategic interest communities include over 65,000 global marketing and sales executives in over 110 countries covering multiple industries, segments and markets. Regional chapters and advisory boards are active in the Americas, Europe, Asia Pacific, Middle East and Africa. The Council's strategic interest groups include the Customer Experience Board, Digital Marketing Performance Center, Brand Inspiration Center, Marketing Supply Chain Institute, GeoBranding Center, and the Coalition to Leverage and Optimize Sales Effectiveness (CLOSE). To learn more, visit www.cmocouncil.org.



Chief Outsiders, LLC is a nationwide "Executives-as-a-Service" firm, with more than 70 part-time, or fractional, Chief Marketing Officers (CMOs) engaged from coast-to-coast. Unlike other strategic marketing and management consulting firms, each CMO has held the position of VP Marketing or higher at one or more operating companies. Chief Outsiders have served on the executive team of over 1,000 client companies to drive growth strategy and execution plans for a fraction of the cost of a full-time executive. Because of its market-based growth plans, quality of leadership, and experienced team, Chief Outsiders has been recognized for the past seven years by Inc. Magazine as one of the 5,000 fastest growing privately held companies in the U.S. and was recognized in 2019 as a Forbes Small Giant. Chief Outsiders' CEO Art Saxby and Principal Pete Hayes are the co-authors of "The Growth Gears: Using a Market-Based Framework to Drive Business Success," an Amazon #1 best-seller for business owners and CEOs. To learn more, visit <https://www.chiefoutsiders.com/enterprise>

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C-Suite Network™ is the world's most trusted network of C-Suite Leaders, with a focus on providing growth, development and networking opportunities for business executives with titles of Vice President and above from companies with annual revenues of \$5 million or greater.



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BUSINESS SCHOOL**

Association of Northern California

HBSANC is one of the largest HBS alumni clubs in the world catering to more than 8,000 alumni across Northern California. For over 40 years, HBSANC has been helping alumni stay connected, get inspired, and create impact in their communities through a diverse set of educational, career-focused and socially conscious initiatives. HBSANC organizes over 100 events annually that enable alumni to learn and network by engaging with thought leading HBS professors, respected CEOs, and noteworthy HBS alumni making a meaningful difference in their sectors.

PARTNERS & AFFILIATES



The Business Performance Innovation (BPI) Network is a peer-driven thought leadership and professional networking organization reaching some 50,000 heads IT transformation, change management, business re-engineering, process improvement, and strategic planning. It is dedicated to advancing the emerging roles of the Chief Innovation Officer and Innovation Strategist within today's enterprise. The BPI Network brings together global executives who are champions of change within their organizations through ongoing research, authoritative content and peer-to-peer conversations. These functional area heads (operations, IT, finance, procurement, sales, marketing, product development, etc.) and line-of-business leaders are advocates for Innovation as a fundamental discipline and function within 21st Century organizations. They seek to demonstrate where and how new inventive solutions and approaches can advance business value, gratify customers, ensure sustainability and create competitive advantage for companies worldwide. For more information, visit www.bpinetwork.org.



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