

The Quest for Growth

How global marketing leaders are approaching the growth challenge

In this age of immense global change, the traditional approach to business growth is no longer fit for purpose as the certainties on which it depends are disintegrating — so much so that growth in many sectors is increasingly being led by small, agile companies, displacing larger-scale organizations. Disruptors are themselves being disrupted.

For today's CMO, understanding what drives real, sustainable business growth is an urgent matter. Spencer Stuart has tracked C-suite tenure over many years and across many functions, and has seen time and again that when growth targets are missed, it is often the CMO who is first to pay the price.

Yet there is a wealth of knowledge and expertise among the CMO population that could be put to the service of identifying and achieving real growth. It is to harness the insights of high-growth, digital-first companies that the team that led Marketing2020 and Insight2020 has launched the Institute for Real Growth (IRG), in partnership with a group of global, multi-disciplinary marketing and growth leadership specialists, including Spencer Stuart (*see sidebar*).

THE INSTITUTE FOR REAL GROWTH

The Institute for Real Growth (IRG) is not-for-profit and independent. Its co-founders are WPP, Spencer Stuart, Google, Facebook, Kantar, LinkedIn, Saïd Business School at the University of Oxford, and the New York University School of Professional Studies.

IRG helps growth leaders measure and drive sustained, long-term “Real Growth” by connecting growth leaders to peers and expertise through live-action programs. Based on the findings of the 2019 Real Growth study, IRG provides the opportunity to collaborate with non-competitive peers to work on what it takes to drive ‘real’ sustained business growth in your own business.

The study identifies four leadership characteristics necessary to meet different aspects of the growth challenge. Leaders need to be:

Courageous — for driving humanized growth strategy and more holistic real growth metrics

Passionate — for inspiring ever-evolving experiences and a whole-brained approach to growth strategy

Empowering — to push decision making to client-facing colleagues and embrace new ways of doing business

Humble — to see the world with a fresh perspective, redefine markets and collaborate effectively

For more in depth information about the program, please visit www.instituteforrealgrowth.com.

Our Interview Participants

Bill Bien, former CMO of Alliances & Strategy, Signify (formerly Philips Lighting), now CEO of Agricultural Lighting for Signify

Roger Chacko, CCO, Planet Fitness

Stephan Croix, CMO, Pizza Hut Europe

Leanne Cutts, group chief marketing officer, HSBC

Mark Evans, marketing director, Direct Line Group

Chiara Occulti, Senior vice president of brands and communication management, Luxottica

Philippa Snare, EMEA head of global business marketing, Facebook

Stefan Streit, general manager, global marketing, TCL Communication

Jay Sung, CMO & operating partner, Brentwood Associates

David Wheldon, CMO, The Royal Bank of Scotland Group

By forensically examining three core growth elements — strategy, structure, and capability — the IRG intends to build and share an integrated knowledge platform to identify what drives sustained growth.

Spencer Stuart works day to day with numerous successful marketers, scrutinizing leadership and its related talent demands, so we are collaborating with the IRG to help develop this practical framework to support growth leaders. As part of that wider effort, we have conducted a series of in-depth interviews with 10 leading marketers to identify the characteristics that underpin real growth and to understand the implications for top marketing leaders.

This tight focus reflects the extent to which the pressure to drive growth affects CMOs in particular — Spencer Stuart research shows that average CMO tenure is two-thirds that of a CFO, for example. By discussing the key factors that the IRG identifies as real-growth-critical, we hope to extend the conversation about what achieving real growth looks like in practice for the CMOs who are closest to it.

WHOLE BRAIN MARKETING — THE CMO'S WEAPON

As accelerating tech advancements open the door to unprecedented levels of customer insight, marketing leaders are thinking very carefully about how to build teams that thrive in a data-driven marketing culture — and thus what “makes” a marketer. The traditional view of marketing as necessarily stacked with primarily creative professionals has been displaced by an understanding that without a “whole brain” approach that integrates sophisticated data and analytical skills at the core of the team, creative endeavors can be only poorly exploited.

This means that competition for whole-brain talent is fierce in a profession whose talent pipeline — thanks to the perceived logic/creativity split — has been historically under-supplied from areas that are now mission-critical. How best then to attract, develop — and retain — whole-brain talent? It may entail careful merging of classically trained marketers alongside a cohort of digital natives; it can also mean finding, or developing, a marketer with digital capabilities, or an analyst with marketing flair.

Thus, HSBC is actively “recruiting people who have more than one arrow to their bow,” says Leanne Cutts, group chief marketing officer at HSBC. “And because we’re building these digital acquisition engines with our digital counterparts, it’s becoming clearer and clearer how much we need to have people who are much more fluid in terms of their roles. You want people who can travel across a couple of different things, not just people with a narrow set of skills.”

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For Philippa Snare, EMEA head of global business marketing at Facebook, her approach has been to look at the people already inside the company: “I’ve focused less on bringing new talent in to model the behavior and more on liberating the talent that we have. Understanding the data you have unlocks the power to do so much more.”

At Signify (formerly Philips Lighting), Bill Bien, who is CEO of Agricultural Lighting and the former CMO of Alliances and Strategy, says the talent emphasis is on “acquiring more and more digital talent, people who can think how to do e-commerce, the internet of things, machine-learning.”

Mark Evans, marketing director of Direct Line Group, says that they maintain their focus equally across both retaining their talent, including the increasing use of assistive technologies for people with neurodiversity, and continuously evolving their recruitment processes to give a level playing field to all types of talent.

And, Evans adds, “because Direct Line has been very proactive around all aspects of diversity, a knock-on benefit is that this flows through into our brands being more relatable to the public at large.”

LET CULTURE SERVE STRATEGY

When company culture fails it can take down the most insightful of business strategies with it. Culture is a nebulous and often imperfectly understood concept, but it is now recognized that when culture is aligned with strategy and leadership it is an implicit driver of growth.

The CMO who works to ingrain innovative thinking across the company’s culture gains hundreds or thousands of willing collaborators, rather than a small team sequestered away somewhere. Stephan Croix, CMO at Pizza Hut Europe, says the organization’s culture was one of the reasons he joined. “We’re a fast-paced, fact-based and consumer-focused organization. Our company culture is based on collaboration, humility and personal development — and on minimizing behaviors driven by pride and fear, as they’re detrimental to producing the best results.”

DEFINING CULTURE

“Culture is the tacit social order of an organization. It shapes attitudes and behaviors in wide-ranging and durable ways. Cultural norms define what is encouraged, discouraged, accepted, or rejected within a group. When properly aligned with personal values, drives and needs, culture can unleash tremendous amounts of energy toward a shared purpose and foster an organization’s capacity to thrive.” *Read more about Spencer Stuart’s culture framework in The Leader’s Guide to Corporate Culture, Harvard Business Review.*

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Organizations often talk about aspects of their culture as being part of the company's DNA, but it's essential that culture is seen as something that can evolve in response to changing opportunities and demands. Jay Sung, CMO and operating partner at private equity firm Brentwood Associates, explains how that can work in practice: "They encourage me to mentor teams to help them achieve their potential. In my role, I can use my experience to run interference and keep them from wasting time on things that aren't likely to work. For example, if a team doesn't have a lot of experience with a range of technology and analytics tools, but have 100 different sales people trying to sell them on their software, I can be the first line of defense — boiling it all down and helping them focus on a subset of solutions because they've been proven to work elsewhere in the portfolio and are the right tools for their business situation."

Several of the CMOs we talked to found it hard to stress one focus for organizational culture over others, so interdependent are the markers of a healthy culture. Likewise, for Roger Chacko, CCO of Planet Fitness, the thought of singling out innovation as a function or role felt strange because "that's kind of how we show up at work every day — to innovate with solutions."

THE JOY OF ANALYTICS — YES, REALLY

Any viable business seeking to achieve real growth must put data and analytics at the core of its strategic decision-making. A CMO able to deploy data and analytics to connect customers to the brand is a covetable company asset, but the strategic task is immense.

Croix of Pizza Hut Europe says the business tracks intensively the performance of every product: "We scrutinize the whole consumer journey. The Online Conversion Rate is one of the KPIs we drive very hard, because it's a good proxy for customer satisfaction; and as a "digital first business" it also links directly into sales. We look at it every day and we work hard to improve it — every gain counts, 0.1% at a time."

Directing how data serves growth is what brings the marketer to the desks of the CEO and the CFO armed with growth-strengthening strategy leads and innovations. At Chinese handset manufacturer TCL Communication, Stefan Streit, general manager, global marketing, acknowledges that the nature of the product delivers a huge amount of data. The challenge is figuring out where best to put it to work.

Streit knew the business had great B2B relationships, but perceived that it could improve its relationship with its users. That insight is now TCL strategy. “We’re building what I call a mobile customer management program to manage the consumer life cycle,” he says. “It’s having an app on the phone that drives incentives for the consumer. [The data] means we can do very targeted marketing. We can make a direct offer when we see the customer is getting to the point where the product needs to be replaced.”

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DIVERSITY IS MORE THAN JUST ‘NICE TO HAVE’

There is a growing body of evidence showing that companies that build diversity and inclusion into their strategies are more likely to benefit from sustainable profits and increased market share.

“With most towering entrepreneurs there’s a high level of focus and yet receptivity for diverse opinions and perspectives, something that’s truly valued,” says Chacko of Planet Fitness. At his business, he says, “building that same agility into decision-making is a key ingredient to success”.

Cutts at HSBC describes how the bank is re-framing the way it talks about fulfilling staff potential — the discussion is now around building “the healthiest human system in financial services.” That is underpinned by working towards full diversity, especially by building talent pipelines.

PUSH PAST INTERNAL BARRIERS

Companies bound by clunky organizational rules and procedures are at an immediate disadvantage when it comes to capitalizing on innovation and opportunities for real growth. A 2016 Bain survey cited in the *Harvard Business Review* found that a full 94% of executives in the largest global companies believe that some of the biggest impediments to growth are internal.

While CMO of Alliances and Strategy at Signify, Bill Bien saw that a lack of accurate online content being delivered to customers was a key internal barrier to growth. Bien was not talking about fixing a few dozen descriptions: he was looking at overhauling content on more than one million product SKUs [stock keeping units].

“You’re talking about a thousand product managers responsible for getting that information on time into the content engine. We had to build all that, and then make sure it works,” says Bien.

Chiara Occulti, senior vice president of brands and communication management at Luxottica, has this advice for anyone looking for board buy-in on dismantling a particular barrier to growth: “Put concrete facts on the table, and show why things could be done differently. Bring examples from other markets, other players, other companies. And make it compelling as a story.”

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NIMBLE TEAMS ARE FREE TO BE SMART

Companies modeling sustained growth tend to be fluid and nimble. By freeing people to work autonomously in small cross-functional teams, they foster a kind of corporate ambidexterity. Cutts at HSBC, believes that when this agile way of working flourishes, “it helps you to be a better corporate citizen.” In her sector in particular, she adds, it also greatly improves how the business works with regulators.

Her point is supported by David Wheldon, CMO at The Royal Bank of Scotland Group. The sector must be ultra-mindful of governance when seeking to cast off unnecessary layers of control, but “where there’s been clear accountability and empowerment it’s been very good, and that’s down to whoever the scrum master or mistress is — setting it up properly and making sure they’ve done all their stakeholder management before they get going.”

Jay Sung of Brentwood Associates fields reports from numerous directions. His style has to be, as he puts it, “incredibly interdisciplinary” and it dismays him when he comes across leaders “who keep people in different buckets [who then] don’t know what’s going on with the other buckets”.

From the day Sung arrives at an organization he looks for leaders with the confidence to empower smaller teams to act smartly, independently, yet collaboratively. In his experience it is those leaders with the imagination “to cut across their organization and think of their reportees almost as utility players who can be interchangeable with each other” who most successfully build internal cultures of ambidexterity.

AND FINALLY...

As some companies create the role of chief growth officer, we asked our group of marketing leaders how effective a driver of growth they believe this role to be. Most were skeptical — ambivalent at best, believing that the CMO’s role should be synonymous with growth. As Direct Line’s Evans puts it: “Any CMO that does not inherently see themselves as fully accountable for growth should do a re-frame of their perspective.”

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ABOUT SPENCER STUART

At Spencer Stuart, we know how much leadership matters. We are trusted by organizations around the world to help them make the senior-level leadership decisions that have a lasting impact on their enterprises. Through our executive search, board and leadership advisory services, we help build and enhance high-performing teams for select clients ranging from major multinationals to emerging companies to nonprofit institutions.

Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning 58 offices, 31 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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