

## Three Magic Words that Unlock Stalemates of Power and Politics in Marketing

In most Global 1000 companies, power struggles inhibit the development of further insight into marketing's impact on the bottom line. Lack of money, resources, and inability to focus all play a role, but the real culprit may be too much emphasis on individual power — how much control one is perceived to have over outcomes.

Many of today's CMOs were schooled from an early age in the belief that "knowledge is power." Unfortunately, too many seem to interpret that as "perceived knowledge is power." And between the two lies the true understanding of the payback on marketing.

Simply put, marketers are afraid to admit what they don't know for fear of losing perceived power.

In fairness, the complex and subtle dimensions that determine where and how a marketer should be spending money — which tactics drive the greatest return, or how specific investments in customer experience enhancement would pay back — make it challenging for CMOs to build the breadth and depth of fact-based evidence around marketing's impact on short- and long-term business performance. This is compounded daily by the continuously evolving marketplace, where analytical truths are like small islands of insight in oceans of anecdotes.

Paradoxically, the very same CMO who feels trapped by power dynamics is often a root cause of them. They are very likely to respond to questions of marketing's financial impact in one of three ways:

- a) Presenting whatever hard data they have (e.g. web stats, responses to campaign initiatives, brand research) in the hope that quantity will substitute for comprehensiveness;
- b) Applying well-honed powers of logic/persuasion/risk-enhancement to inspire what Regis McKenna once called "FUD" — fear, uncertainty, and doubt ("if we don't invest in the brand, we may not be able to withstand price competition"); or,
- c) Saying nothing and avoiding the tough questions rather than acknowledging they don't have all the answers.

The simple answer "I don't know" is perceived as a sign of weakness. So power dynamics like those above are employed as a defense mechanism, often having the very negative impact of impeding true understanding by inhibiting information sharing, and creating turf wars around resources, access, and insights.

This is more than somewhat ironic when the eventual result of tactics a, b, or c above almost always lead to misalignment of expectations between the CMO and their CEO or CFO. This quite likely explains why the CMO's average tenure is shorter than the other two C-level positions.

### Understanding the Value of Power

Power is a perceptual currency. You have as much power as people perceive you to have, based largely on their perceptions of your knowledge and experience, and how you interact with others.

Disclosing the limits of your knowledge — by admitting that you don't have an answer to a problem — comes with a risk of reduction in power. But sometimes, placing a little of that power base at risk to get better knowledge is exactly the right thing to do.

Start with the recognition that there are multiple tiers of knowledge:

- what you know you know,
- what you think you know, and
- what you know you don't know.

Being able to distinguish between them clearly is the first step towards transforming perceived power into real power — the kind that comes from a track record of successful outcomes.

“Having all the answers for any question that might come up isn’t what’s most important,” says Jane Stevenson, global managing partner, chief marketing officer practice, Heidrick & Struggles. “More important is being able to read a situation, read the market, and understand how to take advantage of opportunities for growth.”

Which is a terrific way to highlight how knowledge is not static. It involves learning — specifically listening — over time, to build confidence and credibility. The goal is to get to a productive baseline of understanding that all business unit and functional leaders agree on — and contribute to — regarding marketing’s contribution to the bottom line. Without this alignment, it’s difficult to set (and subsequently measure) expectations as to what improvements the CMO can make and over what time period.

To be successful at such collaboration, a CMO needs to engender trust by demonstrating a willingness to constantly re-evaluate their beliefs in the face of new evidence that is continuously and methodically unearthed. This builds effective and lasting peer relationships based upon competence and mutual respect instead of cordial standoffs rooted in shifting temporary advantages derived from blocking and diversion tactics.

### **The Truth Is...**

Think of all the areas where marketers don’t have clear data: the value of word-of-mouth marketing; the payback on trade show participation; the economic benefit of traditional TV or print advertising; and increasingly, the tangible advantages of advertising your green strategy. The first step in filling these gaps is to acknowledge the areas in which you just don’t have a lot of fact-based knowledge.

“The truth is, I think this is the way things work, but I don’t know for sure.”

That’s a good start. But don’t stop there. You’ve got to take a proactive stance:

“Here are the steps I’m proposing we take to give us better insight into these knowledge gaps, and here is how I could use your help...”

Building credibility with C-level peers begins with this willingness to confess to marketing’s limitations:

1. “Here are the things I have factual evidence on;
2. Here’s where I have anecdotal evidence; and,
3. Here are the things I don’t know but am making some guesses on. I want to make sure you’re comfortable with our assumptions.”

Laying out this scenario accomplishes two important objectives: setting clear expectations and soliciting collaborative input. Backing up acknowledged gaps with a plan to fill them will both disarm and engage other senior stakeholders. Further, by getting agreement on a set of short-term assumptions or hypotheses, you can begin the process of experimenting to get closer to the truth.

For example, if the impact of advertising on awareness is known, but the impact of awareness on incremental sales isn’t, some “waterfall” assumptions can be applied based on widely published standards (i.e. 70% awareness leads to 40% favorability, which leads to 25% purchase intention; the net being that a 1% increase in awareness leads to a 0.07% increase in sales). These assumptions can serve as placeholders while test/control markets are created running advertising at different levels and measuring the actual conversions at each stage.

### **Starting With A Baseline of Trust and Credibility**

Developing a baseline of credibility requires a CMO to “understand the underpinnings of the business, how things really get done, not just at the top line,” says Stevenson. “Assume that smart things have been done previously and that you don’t have all the answers.”

A CMO, particularly one who’s new to the position or the company, should first develop a fact-based understanding around past initiatives — the successes as well as the failures. This will establish a baseline on the known versus unknown elements of the ROI of marketing programs. “Gaining a baseline is a lot about listening and learning,” says Stevenson. “It requires talking to customers, consumers, peers and also key influencers several levels down.”

A recently hired CMO, in fact, can often gain credibility more quickly by listening rather than just talking. Use the grace period to admit you don’t have all the answers — even if you’ve been brought in as a high-profile turnaround expert. Take the time to develop a list of key questions the company needs to know about its marketing effectiveness. Prioritize the questions based on expected value of the information versus the cost of getting the answers, and then develop an action plan. (For more on this process, see “Searching for Better Planning Assumptions? Start with the Unknowns,” MarketingNPV Journal, Volume 4, Issue 3.)

Stevenson suggests focusing initially on a few priority learning initiatives designed to deliver incremental insight quickly. These quick wins will build confidence among both your peers and your marketing team. “Select one project that has been a major frustration and get it successfully over the finish line,” she suggests. “Find ways to listen and collaborate that allow you to build solid business relationships.”

Abraham Lincoln was quoted as saying, “Better to remain silent and be thought a fool than to speak out and remove all doubt.” Unfortunately, Honest Abe was never asked to justify a multi-million-dollar marketing budget. In the realm of marketing measurement, silence and bluster can be career-threatening, because inevitably, the truth about marketing performance always comes out for all to see.

A higher-probability path to success lies in speaking truth to power, starting with “I don’t know” and working systematically to define, prioritize, and close the knowledge gaps. Admitting limitations sets accurate expectation levels, generates buy-in from all stakeholders involved, and ultimately increases the CMO’s knowledge.

Then your actual (versus perceived) knowledge will translate into a more productive source of power.