

## Note to CMOs: Get a Contract

We've all read the studies that set CMO job longevity at something less than two years. The 17 months or so CMOs last on the job hardly gives you tenure enough to see your initiatives through. The implication seems to be that either CEOs feel CMOs fail to achieve what they were brought in to do or CMOs depart frustrated that they couldn't do what they thought they were brought in to do.

A recent study by the Association of National Advertisers and Booz Allen Hamilton suggests that CMO success is highly correlated to five key components:

### 1. Knowing What Role You're Signing Up for

The study identified three basic types of roles for marketing.

MARKETING SERVICES	MARKETING ADVISOR	GROWTH DRIVER
Service provider to the rest of the organization. Provides benefits of centralization in: <ul style="list-style-type: none"> <li>■ Media buys</li> <li>■ Marcomm materials</li> <li>■ Coordination of vendors and agencies</li> </ul>	Leader of a corporate marketing function who helps align divisional marketing plans with corporate strategies: <ul style="list-style-type: none"> <li>■ Brand compliance</li> <li>■ Best-practice sharing</li> <li>■ Training/education</li> </ul>	Partner with CEO in driving corporate growth agenda; responsible for alignment of all necessary resources: <ul style="list-style-type: none"> <li>■ Brand strategy</li> <li>■ Customer touchpoints</li> <li>■ Business development</li> <li>■ Innovation</li> <li>■ Marketing accountability and ROI</li> </ul>

Knowing which of the three the CEO has in mind will clearly outline what lies ahead.

### 2. Getting It in Writing

Although it's best to do this before you even accept the job offer, a marketing contract between CMO and CEO is a good idea any time there isn't perfect alignment between the two on what's getting done and how. Too many times, both assume that they're on the same track when in fact they have very different perspectives.

A good marketing contract details how you plan and execute your charter. Without a contract, it is difficult to impossible for either you or the CEO to measure performance and unlikely that either of you will be satisfied.

<b>MARKETING CONTRACT</b>
<b>Agenda</b> <ul style="list-style-type: none"><li>• What is the CMO supposed to accomplish?</li><li>• What is the role of marketing?</li></ul>
<b>Controls</b> <ul style="list-style-type: none"><li>• What autonomy and authority accompany CMO responsibilities?</li></ul>
<b>Outcomes</b> <ul style="list-style-type: none"><li>• How will marketing measure success?</li><li>• How will it align expectations of the short vs. long term?</li></ul>
<b>Visibility</b> <ul style="list-style-type: none"><li>• How will the CMO market marketing?</li><li>• How active will the CEO be in promoting the marketing agenda?</li></ul>

### 3. Developing Organizational Linkages

Unique in the organization, CMOs influence not only their direct reports, but many others throughout the organization, including such traditionally unaligned groups as sales, manufacturing, R&D, even marketers within other divisional profit centers. That exposes the marketing group to lots of entropy from the rest of the organization. Set boundaries on clear responsibilities and decision-making autonomy with functional peers on the executive committee to avoid letting the pressure of "urgent" issues drive out collaboration on the important ones.

### 4. Driving a Marketing Capability Agenda

Because CEOs (and CFOs) are asking more of marketing these days, marketing definitely needs a team capable of meeting high and escalating expectations of financial returns, measurement, and accountability. Blending data collection, analysis, and planning adaptability takes on paramount importance. Without a rigorous assessment of the team's ability to succeed on these dimensions, you're metaphorically walking into a gunfight with a pocket knife.

### 5. Taking More, Smarter Risks

Marketing, almost paradoxically, also needs to take some bigger risks. Driving topline growth is job No. 1 for most CEOs these days, and CMOs just can't get there from within the protective cocoon of the current marketing processes. Marketing has to let the glow of innovation and creativity in, and develop feedback and measurement systems that temper the risk and forecast the profit potential of bigger initiatives.

Of course it's not always practical to get all of these understandings written out in the form of a contract. Our advice is just to make sure you get them committed to writing and shared in one form or another. Take notes during discussions and send e-mail summaries after the meeting. Casual. Informal. Then over time aggregate the understandings to build on one another until you have a more comprehensive document that you can share as a "summary of understanding."

