

CMO Briefing:10

are you ready to lead digital disruption?

On October 1-2, 2014, Egon Zehnder, McKinsey & Company, and Northwestern University's Kellogg School of Management jointly hosted the fourth annual Kellogg Marketing Leadership Summit. This CMO Briefing from Egon Zehnder's Dick Patton and Rory Finlay explores the leadership implications of this year's Kellogg Summit topic: "Exceeding Market Growth Through Digital Disruption."

The possibilities literally are boundless, yet many senior marketers are apprehensive about how to harness digital. They are not native users, are unclear about how to leverage the masses of data available, and find it difficult to deal with the required speed and frequency of content. Collectively, the esteemed speakers and panelists at the 2014 Kellogg Marketing Leadership Summit pointed to two keys to leading digital disruption:

1. **Don't Let Digital Push You Around.** Don't fear digital disruption. Leverage new digital channels to tell the right stories to the right people at the right time.
2. **Unlock Potential**—in yourself and your team. Marketing organizations that stretch and quickly evolve will excel in the tech-savvy, innovative, consumer-centric digital arena, where the future redefines itself daily.



2014 Marketing Leadership Summit
Exceeding Market Growth Through Digital Disruption

Kellogg School of Management Faculty

Gregory Carpenter, James Farley/Booz Allen Hamilton
Professor of Marketing Strategy
Faculty Director, Kellogg Markets and Customers Initiative
Eric Leininger, Clinical Associate Professor of Marketing
Associate Director, Kellogg Markets and Customers Initiative

Distinguished Speakers and Panelists

Meredith Kopit Levien, Executive Vice President, Advertising, The New York Times Company
David Edelman, Partner and Co-leader, Digital Marketing Practice, McKinsey & Company
Robert V. Kozinets, Chair of Marketing Department, Schulich School of Business, York University
Adrian Farina, Senior Vice President, Marketing, Latin America and Caribbean, Visa
Howard Tullman, Chief Executive Officer, 1871
Davide Grasso, Chief Marketing Officer, Nike, Inc.
Uwe Ellinghaus, Ph.D., Chief Marketing Officer, Cadillac
Elaine Sorg, Vice President, U.S. Immunology, AbbVie Inc.
Darren Marshall, Executive Vice President and Chief Marketing Officer, Steinway & Sons
James Moorhead, Chief Marketing Officer, DISH Network
Greg Revelle, Senior Vice President and Chief Marketing Officer, AutoNation
Marcella Shinder, Chief Marketing Officer, Nielsen
Dick Patton, Head of U.S. Consumer Practice and Co-head, Global Chief Marketing Officer Practice, Egon Zehnder
Rory Finlay, Head of Global Consumer Products Practice, Egon Zehnder

Marketers must move faster to keep pace with digital disruption:

- Be aware that we no longer live in TV homes—we live in technology homes.
- Understand that **digital now represents nearly 50 percent of daily consumer media consumption** yet receives only 27 percent of marketing spend.
- Remember that **media fragmentation, combined with information overload**, makes breakthrough (recall) increasingly challenging.
- Recognize that the Chief Marketing Officer's (CMO) number one job is good storytelling of the brand: **The customer now is your partner in this, not your target.**
- Know that creative cuts through clutter when you **associate your brand with stories** that consumers find personally meaningful or provocative.
- **Embrace data** to understand your market's passions and aspirations. **Leverage data** to be predictive and hyper relevant.
- Be “channel agnostic.” **Engage people on the right device at the right time.**
- Understand that **digital disruption demands a new species of CMO.**
- Consider that everything is changing. **Your approach to marketing leadership must change as well.**
- Embrace risk and innovation, but **don't let the “how” overtake the “what.”** You still need to convey a great story, a good solution, a belief, a soul.
- **Assign meaningful budgets** to increase digital presence.
- Make recruiting, nurturing and retaining marketing talent **strategic business objectives.**
- **Engage internally—or external engagement will fail.** Actively reshape your marketing culture to make it much more open to trying approaches you've never tried before.

ELEMENTS OF LEADERSHIP POTENTIAL

curiosity

Seeks out new experiences, ideas, knowledge and self-improvement. Constantly refreshes self on the intellectual, experiential and personal level. Proactively seeks feedback and changes behavior in response.

insight

Makes sense of a vast range of information, often discovering insights that, when applied, frequently transform past views or set new directions (creates vision).

engagement

Resonates with others' emotions and motivations, sharing a sense of purpose and caring. Genuinely connects with the hearts and minds of others.

determination

Remains resilient in the face of challenges and setbacks. Enacts self-discipline and channels emotions to persevere. Looks for disconfirming evidence of conviction.

Your past experience can be overrated. Focus on potential.

In an environment experiencing such profound transformation, the sum total of what you and your team have learned from the past has limited relevance for achieving success in marketing's present and future. That means as a marketing leader, you need to consciously move beyond teaching (and rewarding) execution of tried-and-true formulas toward creating a fertile environment for experimentation, innovation and rapid personal/professional growth, thus giving yourself and your team room to realize much more of your potential.

This process begins with systematically **identifying and nurturing potential** within marketing's ranks.

Potential can be objectively identified, according to Egon Zehnder's research, by assessing the degree to which leaders demonstrate four personal traits: curiosity, insight, engagement and determination.

Assessing leadership potential can be accomplished with a predictive accuracy of around 85 percent, according to data on the careers of thousands of executives assessed using an empirically validated model developed and refined by Egon Zehnder over the past two decades.

By pursuing talent acquisition, development and management strategies that **base important talent decisions on leadership potential, as well as performance and competencies**, CMOs can help their teams effectively lead digital disruption and create impact for the brand and for the organization.



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