

CMOTALK - WHITEPAPER 2023

CMO *leadership* in the Boardroom

Back to the Future: Embracing customer-centric thinking at the core of every organisation is both a challenge and an opportunity for the marketing profession. How can marketers prove to be the vital link to boardroom success in organisations?

CMOTALK+

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Introduction

Alfred Levi & Agnès Bautz



The idea of having CMOtalk partner with Egon Zehnder to develop a programme for top marketers in the Netherlands emerged over a year ago. We were both surprised to discover that the marketing function was increasingly challenged by other functional roles in the boardroom, so we decided to foster an active dialogue with the marketing community to discuss this development. Is marketing no longer needed at the top level of companies? Have they lost sight of customers to some degree? Do topics such as brand, growth, digitalisation, data, and sustainability belong to different company leaders rather than marketers? If so, then who has overall responsibility for how a company optimally serves its customers? And what other responsibilities are part of the marketer's role?

'Marketing puts the customer first. The role of the marketer is to represent this customer interest within the organisation. Always and everywhere. That makes the boardroom role of a CMO more challenging than any other role in the organisation.'

Alfred Levi [Partner of CMOtalk]

These are questions that call for answers from the marketing profession itself. We wanted to engage in a dialogue with the Chief Marketing Officers (CMOs) themselves to ascertain whether they recognise the above situation and how to approach it in order to initiate a conversation between them and the leaders of companies that have a clear marketing approach. Our ultimate goal was to shed light on the CMO role and how it is changing over time: has the role become more all-encompassing and stronger within companies over the past decades? Finding the answers will be the starting point for more work to come. Our hope is that this report serves as inspiration for the marketing community to further develop and grow. As CMO searches are getting scarce, the marketing role is often covered by the Chief Commerce Officer (CCO). And many CMOs acknowledge that former marketing responsibilities are now being taken over by roles such as Chief Digital,



Chief Growth, Chief Sustainability, Chief Pricing, Chief Revenue, or even Chief Executive Officer. Moreover, in many companies, the CMO no longer has a permanent place on the Board.

As a consequence, the 'CMO Leadership in the Boardroom' programme took a different direction than originally planned. Our initial plan was to provide marketers with tools to strengthen their positions in the boardroom. However, it evolved to fully assessing the marketing role in organisations and the corresponding functional skills that are necessary to play a leading role. In other words, this programme is geared towards designing the Next Level CMO role and help bring the CMO back to the Board leadership role of the past.

As you read this, keep in mind that this document is not a destination but rather the starting point for a discussion. Strengthening the CMO role, which is the key voice of the customer at the

boardroom table, requires a broader understanding of how marketing contributes. It also requires awareness of the leadership qualities that are required for a CMO to be part of the board of directors on par with the CEO and CFO. We're convinced Chief Marketing Officers should play a leading role in the Boardroom. However, the profession needs to adapt to today's needs and prove its value by contributing key insights and actions to serve customers better. Egon Zehnder and CMOtalk are pleased to kickstart this programme. We call on all CMOs to jump on board and sail to the era of new marketing leadership.

August 2023

Agnès Bautz (Consultant, Egon Zehnder)
Alfred Levi (Partner, CMOtalk)



Executive Summary

In the first part of 2023, CMOtalk and Egon Zehnder started the programme 'CMO Leadership in the Boardroom'. We were driven by the observation that very few CMOs actually move up to permanent and relevant positions in the boardroom, and particularly in supervisory roles. What explains this reality, and how can marketers change it?

Internet, technological developments, the plethora of data, and the arrival of Artificial Intelligence (AI) have fundamentally changed the marketing profession. The presence of marketers at the highest level should be a non-issue: All the changes combined with changing consumer behaviour mean companies and organisations must know perfectly who their customers are and what they want. Marketers are the designated individuals to bring these issues at the board level.

So why isn't that happening?

We noticed that many CMOs are stuck in operational work, narrowing the scope of work to advertising, media, and other less strategic areas. At the same time, the definition and working field of the marketer has, in reality, become much broader. Rather than looking for allround CMOs, most companies started looking for other boardroom members. ICT, Digital, Innovation, Growth, and Commerce got increasingly more attention and a bigger share of C-suite positions.

How do leading CEO and CFO boardroom players look at the CMO role? Peer Swinkels, CEO of Royal Swinkels Family Brewers, says he positions the marketing role under the commercial director as a referee between marketing and sales, in the top of the organisation. Marketing is placed in the divisions, with marketing teaming up with sales. Peer sees the CMO more as a conductor who lets everyone shine, but who doesn't have to be the star player on the field.

CFO Hendrik Jan Roel (CitizenM) definitely sees a role for marketing at the strategic level. But he does advise marketers to first of all master their broader basic skills and become able to talk about topics other than just marketing and brand. If you want to be a serious conversation



partner, you'll also need to have financial skills, just like a CFO must have some marketing skills. A growth mindset is what matters most for both roles. According to Hendrik Jan, marketers possess the unique selling point that, in addition to value, they can bring empathy to the board: empathy for the customer.

In this whitepaper, we first explore the successful transformation model for CFOs and then apply it to a model for CMOs. In recent months, the CMOtalk Members have looked at where they believe the added value should be with respect to the model components Innovation and Creativity, Customer Centricity, Brand and Reputation, ESG, Technology and Business Growth. These areas were subsequently discussed in separate sessions with CEOs Saskia Egas Reparaz (CEO of HEMA), Jeroen Hoencamp (CEO of VodafoneZiggo), Sven Sauv  (CEO of RTL Nederland), Dick Boer (former CEO of Ahold Delhaize), and Niels Onkenhout (CEO of Nederlandse Loterij).

The CFO model is proven successful and the translation to a CMO model appears to be a very good starting point for further strengthening the position of CMOs in organisations. To address this, we discuss the first version of the model with reflections from CMOs and CEOs (we aim

to launch a follow-up programme to make and deepen the model of the marketing function). Among other topics, the topic of sustainability deserves even more focus and in-depth discussion.

It turns out that there is not a one-size-fits-all option when it comes to the role of the CMO. Companies and sectors seek their own interpretation of the marketing function based on the stage they are in. We will further investigate the typology of CMOs and the suitability in the followup continuation of this programme.

Ultimately, our most important takeaway is that CMO roles, based on all the changes companies are experiencing, could and must be claimed more robustly than is currently the case. In addition, we see that some CEOs (at least the Dutch CEOs that were so kind to share their views with our CMOs) more often have a commercial/marketing background, showing the boardroom potential for the function. Nonetheless, CMOs must enhance their positioning as strategic leaders within organisations to embrace their role as change agents on behalf of customers. This way, they can contribute as CMO to the overall success of the company, irrespective of whether the CEO has a background in commerce or marketing.

A persistently narrowing image of marketing

Why do we see fewer CMOs in the boardroom? This certainly isn't a totally new development as we have seen it progressing over a significant span of years.

Spurred by fast-moving consumer goods (FMCG) giants such as Procter & Gamble, Nestlé, Unilever and PepsiCo, the marketing profession became more and more popular throughout the period spanning from 1970 to 2000. Many of these FMCG companies, and eventually other types of industries, began placing an increasingly greater focus on customers. This, in turn, resulted in marketing gaining greater influence at the top of these companies. Factors such as limited access to data, the

emergence of the internet and digital solutions, and the sharp rise of marketing and communications as a professional field made marketing magical, creative and bigger than big. If you read Kotler's 'Principles of Marketing' today, it's as if you're going back to the middle ages, while only 25 years ago this book was still the prevailing truth of marketing. The internet, far-reaching technological developments, unlimited access to data and Artificial Intelligence have fundamentally changed this field. Not Kotler's single 'what', but the countless "how's" have out-balanced the marketing profession's magic. Data-driven marketing, digital solutions and most recently AI are today's buzz words. The words 'I believe' are taken over by the words 'I know'.

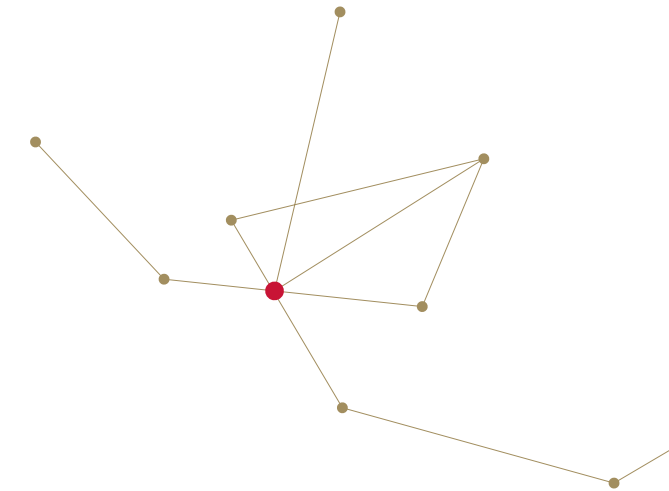
The requirements at the board level are also changing at a whirlwind pace. The focus is increasingly on digital transformation, sustainability, IT, and data organisation. A broader view of commerce fits in better with the permanently managed strategic framework (and hence the boardroom)

than the operational role of the marketer. In addition, brand management and branding issues (reputation) have increasingly become a "chefsache." As a result, strategy as a topic is no longer the own(ed) playing field of the marketer. Deloitte conducted research in 2019 that revealed that only 26 percent of the CMOs regularly attend boardroom meetings. It appears that this share has declined even further over the past five years. While the 'lack of CMOs in the boardroom' is a recurring topic in the various marketing trade media, it seems that marketers in particular don't have an issue with this. Organisations appoint other types of board members who flawlessly assume the original roles of marketers (though often in a siloed role).

On paper, the presence of marketers at the highest level is a non-issue. Due to far-reaching digital transformation, the rise of data analytics, and changing consumer behaviour, companies and organisations must know exactly who their consumers are and what they want. Marketers should be the obvious person to give shape to this at the board level.

For example, within the Fortune 1000 companies, very few have a CMO position [excluding marketers promoted to other board roles]. This can be attributed to the limited number of board positions that become available each year. Moreover, the presence of the so-called in-group bias drives non-marketing-focused board members to favour individuals from their own background/network, given their shared language and perspective on effective company management. Also, Egon Zehnder's own experience shows that there are increasingly fewer openings for CMO positions at the board level. Former CMO responsibilities are now part of a search for CCOs or CDOs. This creates the perception that a CMO in the boardroom becomes the exception rather than the rule.

Fortunately, there are other research studies that paint a different picture. Frank Germann, Assistant Professor Marketing at Notre Dame's Mendoza College of Business, underscores the potential of CMOs in the boardroom. For his study, he analysed the largest 233 publicly listed companies. Germann (2015) said during a conference of the American Marketing Association that 'marketers will most likely succeed because they are more agile and versatile, and because they are less afraid of taking risks'. Another reason could be growth. For instance, researchers from the University of Virginia, Texas Christian



University and Columbia in 2015 found that companies with a marketer on the board of directors saw three percentage point growth in returns compared to companies that did not have a CMO. It is striking, however, that a growing number of companies appoint a Chief Growth Officer often without a marketing background.

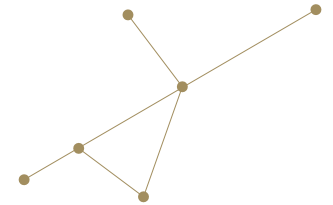
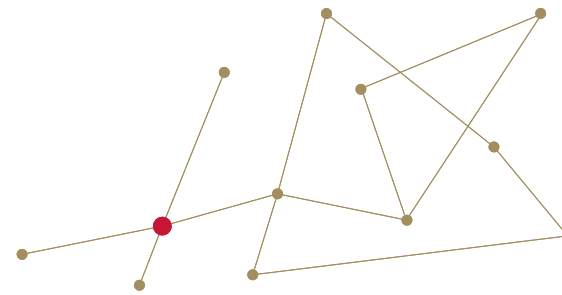
It's also encouraging to note a shift in perception towards marketing skills. Once predominantly perceived as soft and creative, these skills are increasingly gaining more importance by members of the board of directors. Some identify the ability to provide insights about consumers as the top skill of marketers, while others refer to knowledge about digital technology. There is an overall appreciation for marketers' broader strategic perspective.

PwC (2022) researched how marketers felt about the strategic pressure on their position. Many respondents stated that they had the feeling that they fall short and that they cannot get the most out of technology and people. 87 percent indicated a priority on measuring the commercial impact of marketing. However, 40 percent of the respondents expressed challenges in persuading the C-suite about the value of their investments. In response it was remarkable to hear from Dutch CMOs in CMOtalk/Egon Zehnder sessions that they do not recognize this. Is the Dutch marketing group really an exception, or do they perhaps have a better image of themselves than is actually the case?



A closer look at the image of Dutch marketeers

A defiant image among CMOs emerged during the meetings at Egon Zehnder and in the individual conversations with CEOs. There is recognition in the development outlined in the previous chapter, where ‘competition’ of other C-suite roles on the traditional marketing topics is being discussed. It is evident that IT plays a larger role within companies and that the digital transformations are also leaving their marks. The roles of Chief Technical Officer (CTO) and Chief Digital Officer (CDO) are finding a place in the boardroom more often. The misalignment between the agendas of these officers and the marketing agenda is also a concern. In addition, some of the marketers recognise that the Chief Commercial Officer now more frequently represents the combined role of Sales &



Marketing in the boardroom. It reflects today’s general thinking, prioritising short-term sales over long-term brand building and consumer loyalty. We also see a clear division between the current marketing responsibilities and the corporate communications and/or stakeholder management. Pricing is more often allocated to a Chief Revenue Officer (primarily at companies with limited capacity planning) and, last but not least, many marketers see that the brand itself has become a management issue. Not all these developments take place everywhere, but overall we see the wider picture of a diminishing marketing leadership role.

So are CMOs just standing by and watching this happen? That would paint a

far too negative picture of the role. The revolution of digitalisation has had a massive effect on the development of the marketing field. The sharply increased accessibility and variety of media have placed a huge strain on reaching target groups. A substantial increase in competition has fundamentally changed the drive for innovation. Many of the marketing divisions are highly specialised, demanding a much stronger leadership from the CMO at the core of the field. All these movements are visible and reflected in a highly improved operational marketing programme. In this sense, many marketing leaders genuinely feel that they have moved up a step. It creates a satisfying picture that the marketing world is able to keep up with new developments.

Peer Swinkels on the role of marketing in the boardroom

Peer Swinkels learns the ‘ins and outs’ of marketing working at Unilever. After four years with Unilever, he took up a position with the Swinkels family company located in Lieshout, the Netherlands. At that time, a generation transfer was taking place and both marketing and the brands had to gain a greater role within the company. Peer ultimately sets up the family company in such a way as to enable marketers to be most effective at both the global and local level. His first step entails centralising marketing within the organisation, but in a way that everyone felt they were the owner of the different brands – even if you’re working in IT, sales or at the brewery. Next up he expands the number of brands. Peer refers in this context to Philip Kotler’s two axes: finance marketing and sales production. ‘The trick is to bring these two together.’

From 2015, he became responsible for the global sales of beer, soft drinks and energy drinks as Chief Commercial Officer. In 2019 he was appointed as CEO of the company that is also active in B2B [malt production] in addition to B2C. The name of the company was changed to Royal Swinkels Family Brewers at the time. Today, it consists of five divisions: Swinkels Family Brewers N.V., Holland Malt, the Ethiopian brewery Habesha, the Cuban brewery Cerveceria Cubana and Swinkels Real Estate. Marketing holds a place in all three divisions. Peer explains why: ‘Swinkels is active in 150 countries, so when it comes to a route to market and a complex supply chain, we have sales and marketing work as a team whenever possible.’

While there isn’t a CMO at the boardroom level, responsibility for marketing is

placed with the Chief Commercial Officer [CC]. Peer: ‘Because there must be a referee for marketing and sales: preferably at the top of the organisation.’ New business is placed with the Board of Directors, as are strategic projects, circular, and so forth. Peer: ‘This seems to be the optimum structure for us.’

Peer says a hybrid form works best for their company. ‘An example: Our biggest brand is 8.6. Marketers who work for that brand have more responsibility and can, for example, also roll out the brand to other countries. The brand leader of 8.6 works in France and, while having a broader role, still has both feet firmly on the ground.’



Scan the QR code for
the CMOtalk episode
with Peer Swinkels





However, the confrontation with reality should also make us more critical in our stance. If we as marketers are developing so effectively, why isn't this widely reflected on the composition of the boardroom? And why is a CMO so rarely sought after for the supervisory board of medium-sized and large organisations? Why does the career of many top CMOs end within that functional position. What does it take to move up the ladder to progress to CEO?

The answer of Egon Zehnder – global leader in placing top talent in executive and supervisory roles – is a straightforward one. There is a much lower demand for CMOs on the board among the larger companies around the world. For a limited number of positions, the CEO seeks candidates with a genuine technical background, individuals who can connect from a leadership perspective, and are capable of assuming overarching roles.

Despite all the developments outlined, marketers are too often unable to claim or fulfil a greater role. We see fewer people in the traditional role of CMO, or they've been given a different title and responsibilities. In general, Egon Zehnder looks much less at the candidates' track record and much more at their broader development and leadership potential.

Egon Zehnder's Potential Model

Positions are changing and roles are becoming increasingly broader. All functions are evolving rapidly in line with the changing needs of businesses, the evolving external landscape and shifting stakeholder and shareholder expectations. Functional mastery will remain essential, but it will be strong leadership that will separate good from great. So in terms of search, next to looking at candidates' track record we identify someone's room to grow, their potential, such as the ability to develop and adapt further in the future. Egon Zehnder consequently assesses candidates according to the following four dimensions:

Curiosity:

continued learning and development, actively seeking new experiences;

Insight:

ways of thinking and decision making;

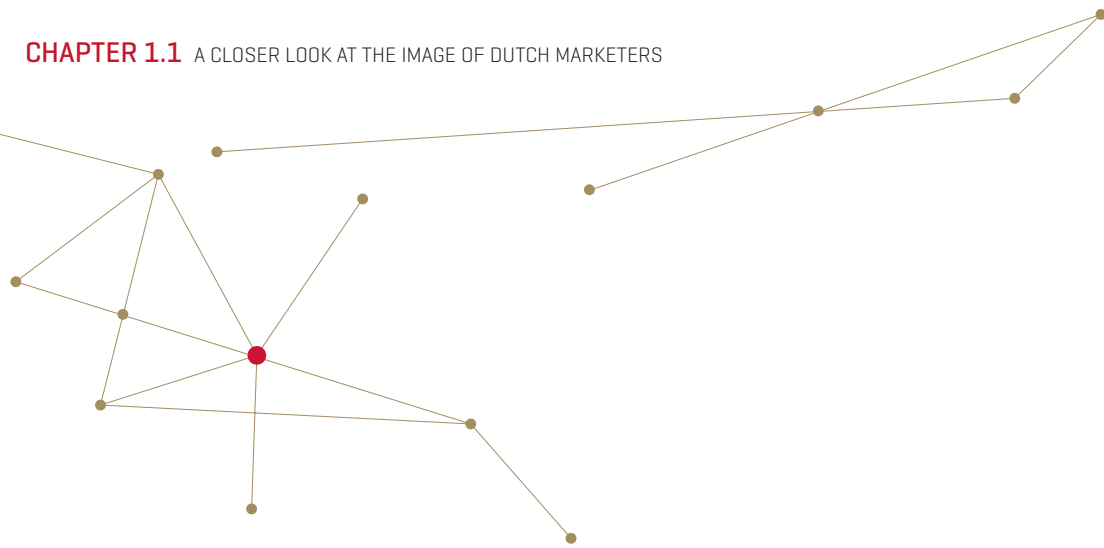
Engagement:

being self-aware and genuinely connecting with others;

Determination:

the ability to set challenging goals and persevere on the way to achievement.

Some of the Dutch CMOs acknowledge that the role of marketing has perhaps become too narrow within their organisations. We discussed how to deal with this phenomenon. Repositioning the profession of marketing is an interesting thought. Because it may be outdated and is no longer right. Marketing is far more than a synonym for marketing communications. Other C-suite members may have that impression as well and reproach marketers to be too focused on nicely packaging their own product or service, and not enough on what the customer genuinely needs or wants. While the marketers in our sessions do not recognise this, the CEOs actually do. True or not, the conclusion is that the image of CMOs and marketers often is not what it should be.



In the 'fight' between marketing and sales, the latter usually seems to win the board battles. Management seems better off with a Chief Commercial Officer who does marketing on the side. It drives many CMOs of our group to just stop this discussion ("it's a lost battle, so we say that it isn't so important") and focus more on, for example, the topic of innovation. They rightly ascertain that this should be a natural part of the marketing role. But, again, reality doesn't come easily. Innovation is sometimes placed process-wise within the CFO role, while in other cases it's placed within the organisation on a project basis with the Chief Strategy, CEO, or sometimes even the CTO/CIO. While marketers clearly have a role to play, it is not necessarily a leading role.

Without any form of reluctance, the CMOs see themselves first and foremost as the customer's voice. This goes much

further than taking inventory of the customer's wishes and making them the guiding principle for innovation and product/service improvement. CMOs also look at what's going on in society, how key stakeholders view the company and how relevant the company is in today's environment. A permanent outside-in perspective in a world in which image increasingly wins out over identity. According to one of the marketers: 'We stand closest to the outside world and the marketer should own that. If we don't do it, who will?' But at the same time a justifiable reflection: Is it then enough to claim and fulfil a fully-fledged place in the boardroom?

It became clear during the first CMOtalk/Egon Zehnder session that it's not just about words, but also about deeds. Peer Swinkels left no room for doubt that his company believes firmly in marketing, but that the title of CMO is not always



written on the label anymore. Successful startups put forward the same view. While marketing is a very important discipline within Royal Swinkels Family Brewers, Peer says you don't always need a CMO on the board. In this sense, it certainly also plays a role that Peer himself is a marketer. And he already performs the 'conductor' role of marketing (please refer to the next section). It is interesting to note that when a CFO steps into the role of CEO, it rarely happens that their previous position is not replaced by a new CFO. This instantly raises the question of whether the conductor role played by CMOs has been sufficiently substantiated, as has now been done with the role of CFO. The discussion about this topic developed into a core theme of the 'CMO Leadership in the Boardroom' programme.

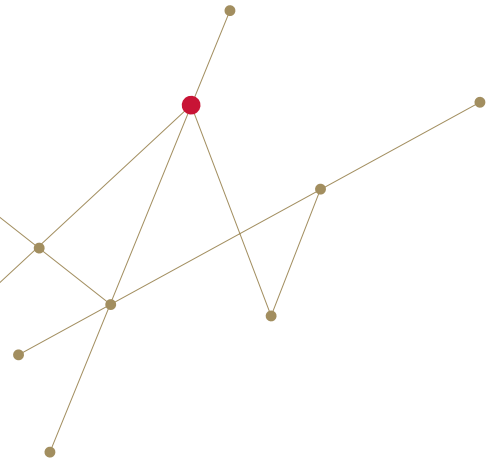


The CMO as conductor of the orchestra

The 'reset' of the original marketing roles sparks an important question: What does the new marketing work portfolio entail? A majority of the CMOs says the topics that have now often been placed in the C-suite, in reality, require the far-reaching involvement of marketing. Stated in stronger terms, progress and transformation can only be achieved if these topics are united based on a customer-centric perspective. This is what marketing is all about, and it is the key role for any CMO. It is our challenge to bring our role back in a leading position, embrace teamwork, but be a clear first among equals in the board on above topics. CMOs should claim part of the responsibilities currently being owned by the CCO, CIO/CTO, CDO, and/or CGO (growth) and deliver their contribution based on that integrated idea of 'customer-centric growth'.



Comparisons are often drawn to the role of a conductor. The leader of the orchestra, but usually in the shadow of the artists. They shine on stage. So far, it's a good comparison. But at the end of a concert, the conductor receives the applause as the leader of this group of performers. The KPI's are clear for the conductor, as is the reward. We see this to be very different for CMOs in their 'conducting' role. Most often, the CEO will get the flowers and the work of the CMO is often not so much recognized. Former-CMO CEOs may recognize the need for the customer-centric conducting role of the CMO, but this is an exception and not the rule. Even if the CMO gets this leading role, many tend to have a more project management-oriented leadership style, which is genuinely different from the more leading role as envisioned by the Dutch marketers. In short, serving as a conductor directing other positions may be a desired picture for the current situation, but it's not a solution to the fundamental problem.



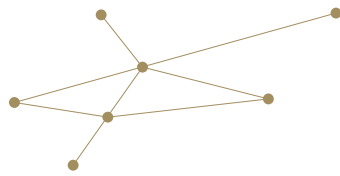
Special attention has been given to two specific marketing attributions. First, everything relating to growth and pricing. In the eyes of the marketing community, these are roles that unconditionally belong to the marketing profession and are part of the CMO role on the board. People openly wondered how this competence has been removed from their own portfolio. Of course, a CMO can have a pricing team and a growth [hacking] team under their responsibility, but it is preferable to include this in the broader role of marketing. Secondly, all the activities related to the brand [strategy, positioning, development, and maintenance] should not be a general management issue but a marketing issue. With the annotation that the CEO expects the CMO to fulfil this role in close collaboration with them.

In summary, the CMO community recognises that there is room for improvement in terms of leadership in the boardroom. Leading brand- and

customer-related topics, this role is crucial and relevant. The CMO is the watchdog of customers' interests and the company brand. The top CMOs see it as their task to keep or regain this leadership.

A range of competences is required to play this role properly:

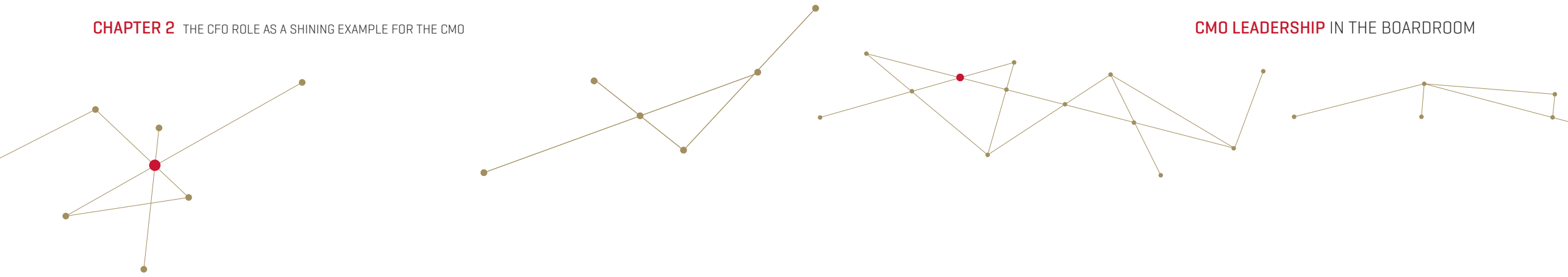
- In-depth knowledge and relevant applications of IT
- Data organisation, administration, and applicability
- Growth and price models, in-depth knowledge of finance
- Team leadership [envisioning, energising, engagement]
- Brand building & storytelling
- Stakeholder management: the brand goes beyond the end user
- Sustainability at the corporate level [SDGs, ESG ownership]
- Digital solutions



The CFO role *as a shining* **example for** **the CMO**

Strengthening core competences and further developing leadership. This appears to be the route CMOs should take to win back a place in the executive and perhaps even supervisory roles in the boardroom. In the discussion surrounding this topic, reference is repeatedly made to the way the role of Chief Financial Officer has been significantly strengthened over the decades. Starting as a relatively one-sided role as the guardian of financial data, the CFO has become the CEO's right hand who more and more often takes over the top role during a subsequent management period. What can CMOs learn from this?





During the CMOtalk/Egon Zehnder session in May 2023, we looked closely at the transformation of the CFO role. Today, this role is fulfilled in various ways.

The CFO as the CEO’s advisor

The CFO increasingly serves as the CEO’s co-pilot. The two operate more frequently as a duo. This places high demands on the CFO’s leadership qualities. Because, while the CFO initially operated more in the background, today the CFO increasingly appears on a stage and has consequently also become a people leader. It’s a good step up the ladder to co-CEO and later CEO.

The CFO as transformation leader

The CFO is responsible for identifying the areas of growth and operational improvements. The days of making traditional, more static budgets are over, and today’s CFO is expected to demonstrate much more flexibility. The CFO is expected to see what is going on outside the organisation and expected to apply this information when drawing

up the strategy. It isn’t unusual for the CFO to be allocated responsibility for the strategy development and monitoring within this role. It is important to note in this regard that the ability to transform [process management] is allocated a greater role than the ability to develop new development lines [innovation management]. This could be a reason why the marketer has lost ground in this field and could be a potential route to winning it back.

The CFO as a technology investor

Digitisation of finance and other functions has been a transformative and leading topic within companies for more than a decade. It is striking that primarily medium-sized and even large companies have ‘naturally’ added IT to the CFO role. The rapid progress in cloud computing has further sped up this trend as has remote working and the increasing globality of organisations. Many organisations need to have deep insight in real time into the performance of any unit across the world, increasing

the need for digitization. What this means for the CFO is that she or he will increasingly be able to rely on algorithms when it comes to important decision making. Rather than having to look over the shoulder of the Head of FP&A, the CFO will receive actionable insights at the push of the button. Nonetheless, the CFO will need to remain “on top of the numbers” and not lose essential accounting and controlling skills. However, the increasing digitization will allow the CFO to focus more on his or her role as a co-pilot of the business and as a leader of people. As such, digitization will require CFOs to deliver even deeper insights than before. The CIO/CTO has now claimed this role in a boardroom setting, but the CFO continues to be an important partner in the board committee.

The CFO as a champion of sustainability and ESG

CFOs have gained an important role in this area now that investors, regulators and the wider public critically track the ESG and the sustainability criteria.

In some sectors, cheaper capital is already available for companies that are recognised as strong leaders in the field of sustainability. Setting sustainability goals and monitoring progress via the usually robust data systems will become obligatory for large and medium-sized companies in the years ahead. Responsibility for this Corporate Sustainability Reporting Directive [CSRD] is logically placed with the CFO, but the development of the sustainability programme itself [strategy and execution] must be organised much closer to the organisation and customers. So it is definitely not a given that the CFO claims this topic, making it all the more exceptional that this does sometimes happen.

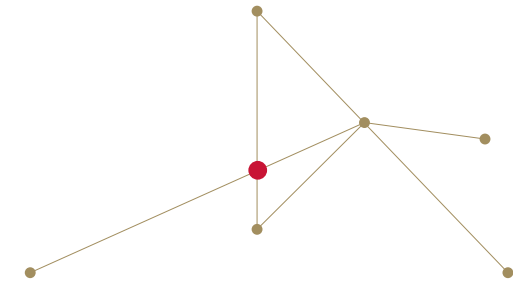
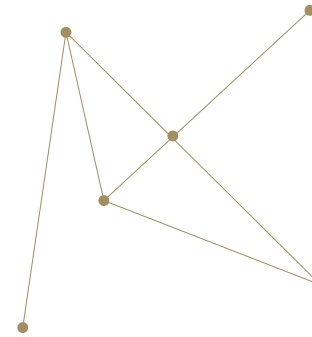
The CFO as a “talent factory”

The CFO must promote the talent agenda inside and outside the function. Recruiting diverse talent within the finance function is also important. The latter is also a key aspect for CMOs: looking beyond the boundaries of the

profession and having others look inside the boundaries of the profession. The outside-to-inside perspective particularly offers opportunities for restoring the sometimes bad image of the marketing profession.

The CFO as a data & analytics champion

The CFO safeguards the data and ensures the data are correct and complete. This is in essence a good role in the form of checking and safeguarding the integrity of data and results. It's placed in the strong hands of a position that is used to recording and processing [financial] data into reliable reports in a correct manner. But, in a broader sense, data management and the optimal use of data is actually a domain for all the positions within the company. The marketing role should at least play a co-leading role in this realm, certainly if it involves data that we bring from outside to inside the company. And isn't analytics precisely the step that transforms data into insights that we use to better serve our customers?



How have CFOs positioned themselves to fulfil a leadership role?

A network of responsibilities and activities has been built around the CFO's core competence, all of which tap into a CFO's skills. The prevailing model provided below clearly shows the breadth of the current CFO role. Given these responsibilities, it's obvious why the CFO has a leading role within the board. Two striking aspects include: First, the CFO masters a playing field of topics that other board members do not and uses the core of his or her skills to expand into other domains. Second, the model is an evolution model – sustainable and flexible at the same time. Roles can be expanded further, but that's not to say some roles may become less important over time.

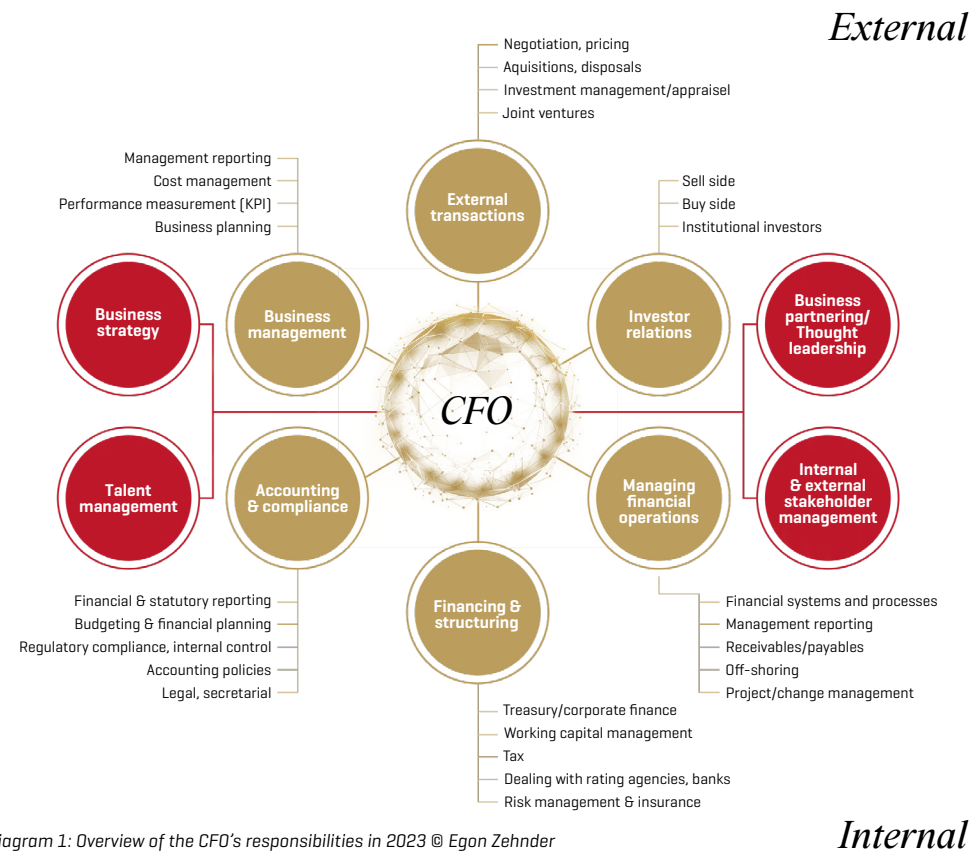


Diagram 1: Overview of the CFO's responsibilities in 2023 © Egon Zehnder

It is a distinctively robust model that serves as a strong starting point for the role within every organisation. Its core is formed by a basic set of skills that every CFO must possess. The basis is a reliable partner who can show, verify and organise the company's financial position. Reliable, data-based, good with numbers and able to make an unbiased assessment. The other functions are fulfilled from that core.

The functional skills are all related to the core requirements of a good CFO and are further deepened based on the relevance for the company.

Accounting & compliance

The core of objective financial reporting that covers the multi-year planning, budget, realisation and reporting in its entirety, including laws and regulations.

Business strategy

Basis entailing controlling the business process from start to finish, including setting goals, planning through the year/years, making results measurable and reporting to and within the board.

External

Internal

External transactions

Conceiving, designing and realising transactions with third parties. This goes beyond only the financial part. The CFO is often also involved, due to the nature of this role, in the substantive part of the transactions, as well as the valuation, financing and design of the transaction itself.

Investor relations

A primary financial form of external communications, which is aimed at the financial world. The CFO also increasingly has control over the non-financial relations, certainly if they have direct or indirect influence on the brand valuation and financial position of the company.

Managing financial operations

This brings primarily IT and digital applications to the heart of the CFO's working field, who willingly accepts this role. It encompasses financial systems, reporting, payments, outsourcing services and – strikingly – the full scope of the project and change management. It is mainly the structural and organisation skill of the financial function that gives them this responsibility.

Financing & structuring

The financial playing field of the CFO, with treasury, corporate finance and working capital management as the spearheads. But tax and external relations with rating agencies/banks also form part of this field.

It's remarkable that risk management (including insurance) also falls under this category and that the domain spans the company's entire risk profile. A very relevant topic for both the executive and the supervisory board!

Four broader impact roles within the companies ensure almost logically from this expertise. These topics – which regularly make it onto the board's agenda – are increasingly added to the CFO's responsibilities:

Business management

Ensuring from the role of business management and building on the strong methodological and organisational skills of the CFO function.

Business partnering/Thought leadership

A striking domain and highly influential. A logical extension of the work on the business strategy and leadership, which is often very much managed from a finance point of view.

Internal & external stakeholder management

Extends further across the boundary of the financial world but builds on the knowledge and experience with investor relations. Often carried out cautiously based on a risk-avoiding approach.

Talent management

The odd one out, but strongly driven by the fact that the financial organisation within companies is focussed on both actively recruiting and providing current employees with relevant training and work experience. This could serve as an example for many other departments.

This huge set of responsibilities is usually too much for one person. Egon Zehnder's recent experiences show that in the U.S., it is becoming increasingly common for a CFO and a deputy CFO to be appointed, who, for example, divide the externally and internally focused activities. The backgrounds of those who fulfil these positions often differ.

It should also be noted that not all the roles described above are equally important to a company at the same time. After all, companies require different things from their CFO during the various phases of their development. And this calls for specific skills from a potential candidate for the role of CFO or deputy CFO. When carrying out an executive search, it's important to first find out what a company needs. This is because a buy & build scenario, for example, calls for different skills than a company that has to restructure.

The four archetypes of the CFO

It's clear from the above description that there is no longer one type of CFO. An archetype can help determine where the emphasis lies with the CFO. Such an archetype can vary by sector, but also by the business cycle in which the company finds itself. There are a number of possible archetypes whereby the following set-up is valid.

Operational/transformational CFO:

A more progressive CFO, very much focussed on strengthening and renewing [i.e., expanding] the CFO role. Changes the role between CEO and CFO by bringing new insights and transformational processes. Seeks overall responsibility within a company that wants to change and finds added value working alongside a CEO who chooses and executes their own strategy. Highly suitable for raising the financial role to the next level within a company and environment that is undergoing far-reaching change.



Diagram 2: Related functional CFO archetypes

Corporate strategist CFO:

A CFO with a mission! Plays a key role in determining the company's direction and acts accordingly. A partnership with the CEO who entrusts this work to the CFO. Active and very effective at larger, more complex companies that are looking for a clear direction in their business strategy. Strong leader with greater emphasis on business alongside finance.

Externally focused CFO:

Experience in mergers and acquisitions, capital markets and IR. They bring strategic insight and are often former bankers or strategy consultants. These CFOs often have a deputy CEO who takes responsibility for the original and internal core tasks of the CFO.

Uber controller CFO:

This used to be the most prevalent archetype. They have the most in-depth knowledge of accounting, processes, systems and controls. A

more traditional role that is best carried out in combination with a traditional and hierarchical CEO/CFO relationship. Primarily provides financial knowledge to a CEO who chooses their own strategy and direction. Excels at raising the financial role to the next level within a company that is not undergoing revolutionary change.

In conclusion, the CFO role has been substantially expanded through the years and as a result the CFO has gained considerable influence within companies. CFOs have achieved professional growth through their own strength and have seen their role grow through expansions in numerous areas that also touch the original responsibilities of CMOs. The most striking aspect is how natural it currently is for the CFO to have a role within the boardroom [non-disputed] and the ease with which the partnership with the CEO is consequently shaped. A shining example for CMOs.

Hendrik Jan Roel on the changing role of the CFO

[and what the CMO can learn from this]

Hendrik Jan served for years as CFO at Ahold Delhaize. He is now CFO at hotel chain CitizenM. It's an end-to-end CFO job: In addition to finance, he also focuses on business intelligence and hotel operations. Hendrik Jan says it's possible to expand the role in this way as long as you take several things into account:

- You've got to have your own basics in good order, in other words your own department should deliver accurate and complete data and other process output. This is your licence to operate.
- You must be able to gain actionable insights from your data because that adds value.
- Well-developed leadership skills are essential in combination with a growth mindset.
- Difficult: within a large scope you are not able to control everything on a more detailed level, so that also requires a

certain level of risk awareness and sensitivity where to put more attention to.

The CMO in the board is not only responsible for their area of responsibilities, but should also add value to the collective success of the company and contribute to the realisation of overarching corporate objectives. When you want to impress your peers, do not only focus on spending marketing funds. Also pay attention to removing process waste and other savings, which can be reinvested back into the business or customer. This means removing things customers don't notice and putting that effort into things they do notice, which can have a positive impact.

Hendrik Jan says: 'In the end, it all boils down to customer-centricity, so that

element substantiates the importance of having the customer voice at the table. That aspect could be the hook for including the CMO at the board level.'

His tips for CMOs:

- It revolves around simple things that must be right. Be a front-runner when it comes to technology and digital developments, and include them in your strategy.
- If you want to be a serious conversation partner, you've got to master your basic business skills and be able to talk about other topics, such as finance.
- You must have a growth mindset. It is always about growth in a company.
- Create excitement in your teams, organise new ways to engage the team such as stand-ups and pitches.
- Invest in your relationship with your peers outside the marketing field and expand your network.
- Add value through smart, commercial, and customer-centric policy. Also bring empathy to the board with respect to the customer story and show what customers yield, obviously in a data-driven way.
- Be consistent. Keep telling your story and stick to the plan.

Remember: The CFO and CMO have the same goal – to achieve growth.



A leadership model for CMOs

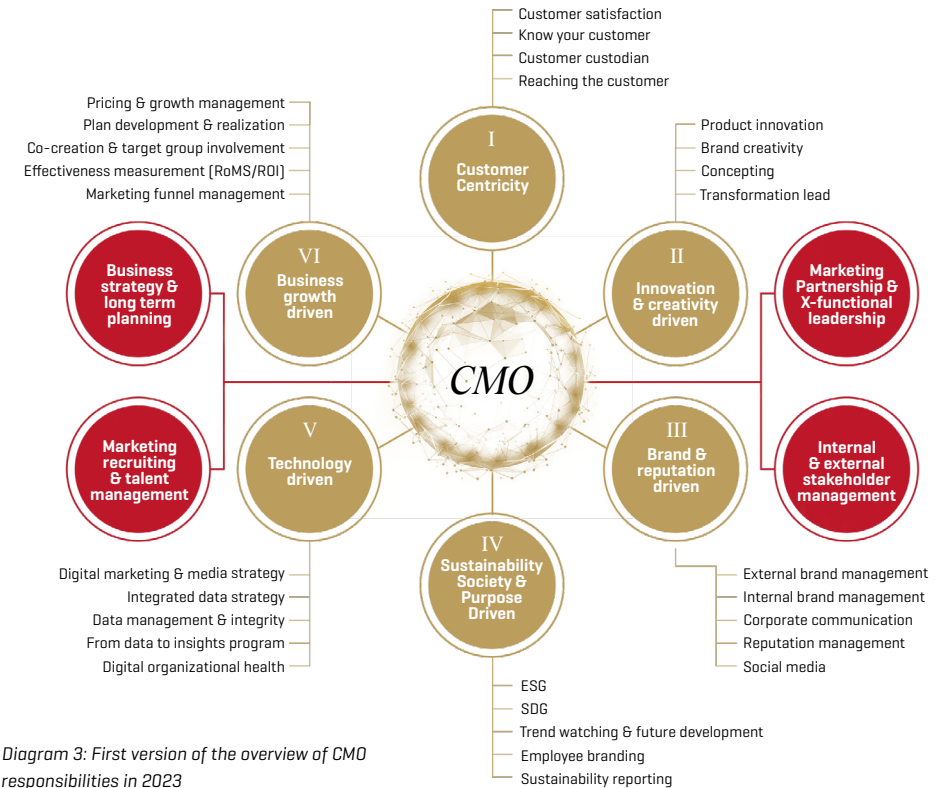
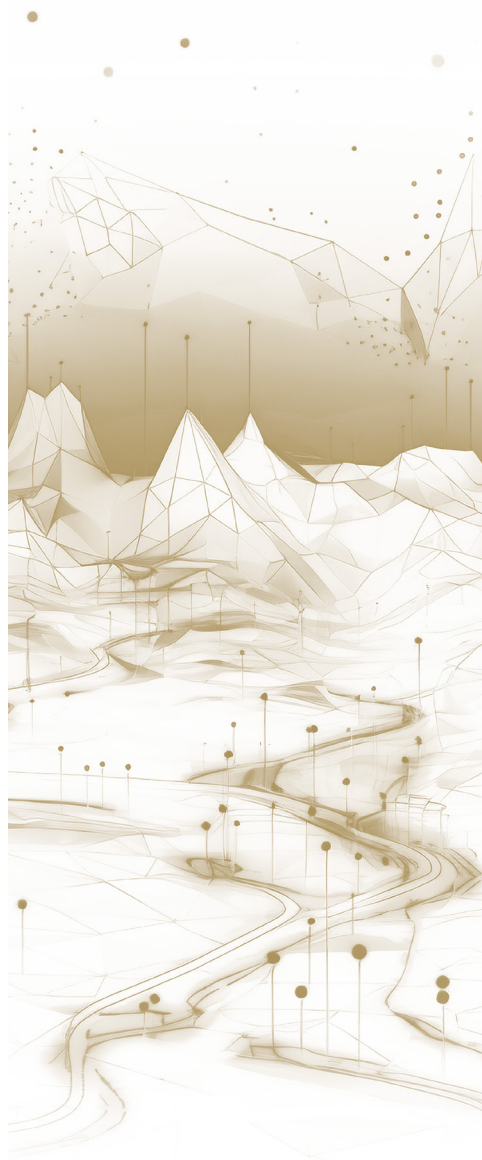


Diagram 3: First version of the overview of CMO responsibilities in 2023

CFOs have evidently proven their ability to provide added value in the boardroom. The model we discussed is not only a good reflection of this role; it can also serve as a good conceptual model for CMOs wanting to establish a stronger role within the organisation. Within the context of CMOtalk, we made an initial version of this model and talked about it during several meetings, presented it to individual CMOs and discussed it in group sessions with five leading CEOs in the Netherlands. In this section, we share the model, the underlying thoughts and the initial feedback we have received from CMOs and CEOs.

We first discussed the meaning of the CMO position that forms the heart of this model. Almost everyone acknowledges the CMO as the voice and conscience of the customers, spanning the full width and breadth of the organisation. While everyone acknowledges this, not everyone recognises this in day-to-day practice. So what is the role exactly? Isn't marketing more than just being the customer's "don't forget me" megaphone? So what expertise does the CMO bring to the table that is indispensable to the board? Opinions are divided on these questions, particularly because the core expertise often only becomes visible in the underlying position domains.

The actual creation of demand among (potential) customers might provide tangible proof of added value. Sales and loyalty being the hard number proof of it. Without customers, no business; without business, no company; which makes every position superfluous. In short, every CMO touches the core of their company and matches customer needs to a perfect company delivery. That is the essence of the marketing profession. Many CMOs consequently say 'Know Your Customer' is an overly narrow definition of what marketers add to the company. 'Know and Treat your customer better than anyone else' as the core of the CMO's added value in the boardroom. With the key challenge of finding the sweet spot between what's good for the client, good for the company, and good for the society (People, Planet, Profit in different packaging). While all of this needs to be looked at more in-depth, it does provide a good starting position for beginning to develop a CMO-model.



Niels Onkenhout gives four reasons why the CMO role exists

1. The brand is crucial and at the centre of everything we do and is a driver for growth. This is why there is also a corporate brand that strengthens the individual brands.
2. CMOs have P&L responsibility in terms of the proposition aimed at consumers. Marketeers are not communications people: they actually have to think about everything, and are a kind of derivative of the CEO.
3. Nederlandse Loterij is a marketing machine. We are sitting on huge revenue streams. I believe and notice that the balance sometimes shifts towards short-term thinking rather than forward thinking.
4. Marketing and sales have undergone a transformation from intuitive marketing and sales to martech-based, data-

driven. What do you see in the customer journey, what are the conversion costs per acquisition and how can you constantly steer accordingly? We're a sales company with 4.5 billion transactions a month. If you get stuck in films, it's a dying breed. It doesn't just revolve around brand value.



Comparable to the CFO model, we defined six functional domains in which a CMO can provide added value: innovation and creativity; business growth; technology; sustainability/ESG; brand and reputation; and customer-centricity. We use these domains as the departure point in the discussions with the CMOtalk Members and five Dutch top CEOs. A description of the domains and the initial reflections of the CEOs and CMOs on these functional areas and the added value in the boardroom is provided below. An initial impression of how CEOs see the added value of CMOs in the boardroom is also provided.

I Customer-centricity

From 'knowing your customer' to 'reaching your customer'. An evident topic for the CMO, but one that is extremely undervalued. Claimed by everyone as vitally important, but after raising your hand twice to speak on the customer's behalf, everyone has heard enough about it. This 'evangelist' role of the CMO must not become a worn-out record and should lead to concrete results. Subjects such as NPS, loyalty and customer satisfaction clearly appear on the agenda, but they rarely remain leading in the boardroom. CEOs recognise this. Customer-centricity is still too much a concept of words and needs to become more concrete. The link between customer-centric KPIs and

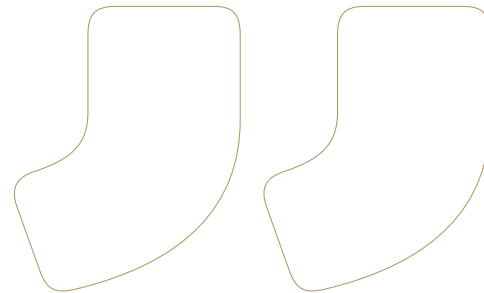


business results requires attention and is the strongest rationale for the CMO in a boardroom position. The custodian role of CMOs must reverberate more strongly and be appreciated. When this role is placed with a CCO, the commercial value quickly gains greater weight and the focus shifts from a long-term sustainable relationship to a short-term P&L decision. Consequently, it is of major importance that marketing finds a clear balance in supporting both marketing and commercial objectives.

Jeroen Hoencamp, CEO of VodafoneZiggo, says: 'At VodafoneZiggo, the operation is responsible for the quality of our customer service. However, marketing plays an important role in defining and improving the customer experience through personalised and relevant marketing efforts. The collaboration between marketing and operations is

essential; for instance, by combining customer feedback and insights from both business units, we are able to improve the customer experience.' It is not always clear whether Marketing or Sales takes the lead in the go-to-market approach towards the customer.

Customer-centricity can, as the most important functional role, provide direction to the CMO's transformation model. But this is only possible if it is translated into innovative and relevant concepts and products that drive business growth through the customer's interest.



‘Customer centricity, as a key functional role, can guide CMO’s transformation model. Provided this translates into innovative and relevant concepts and products that drive business growth through customer interest. A few years ago, we were convinced we had to change the brand name “Videoland” to “RTL” because of the connection with the old video rental chain. Until, after thorough market research, our marketing team came to the conclusion that young customers see it as a really hip brand. This target group, which is very important to us, didn’t have that association with video rental at all. That was an interesting twist.’

Sven Sauv , CEO of RTL Nederland

The CMOtalk Community states strongly that CMOs bring the customer’s voice to the board. But you need to add more value and provide answers that fit the customers’ and company needs. Furthermore, we need to move away from just opinion and support our statements with hard data and facts. We should avoid a situation of so-called higher paid judgement. Our role is to build a culture within the company that allows everyone to have an opinion, but where decisions are only made based on data. This culture change is a key role for CMOs in the board.

II Innovation and Creativity

This functional domain is an evident part of the marketing role but is currently claimed by everyone in the boardroom. Unfortunately, this domain is often the least understood by the C-suite, mainly due to company-centric thinking rather than customer-centric thinking. Creativity is both an art and a science. Creating products, services, and concepts that make a distinctive difference for customers. And then find the proper way to communicate about it in a way that sticks and suits the brand. This is carried out on the basis of a creative process that is, contrary to the image, properly outlined and a real profession. The innovative domain is by definition a marketing-driven topic but

isn't designed as such. Transforming the organisation into a customer-centric approach to innovation will substantially raise the effectiveness of innovation and creativity. This is why it constitutes a CMO leadership role, in which both the substance and the leadership should be claimed by the CMO.

Members of CMOTalk agree that creation is a much bigger topic than only marketing communication, [the piece delegated to marketing]. The phrase 'come up with something creative and funny' directed at the CMO is a total misconception of the innovation and creativity domain. Creation of concepts and the way they are executed, requires vision, innovation skills, and a high degree of targeted planning. And, of course, strong cooperation with the other board members. Does short-term thinking stand in the way of innovation? Not at all, as long as CMOs are able to find the right balance and maintain a focus on both long-term value and short-term sales. A short-term creative idea fits in perfectly well with our role, providing

that the marketing role gives sufficient time and pays attention to the genuinely fundamental changes for customers.

Where does innovation belong? Primarily with the commercial director, but the CMO plays an important role in providing direction based on customer needs, says Dick Boer, former CEO of Ahold Delhaize. In execution, various divisions are responsible, such as commerce, supply chain, and product & design. But isn't the biggest issue within companies the realisation of the link between insight and action? And isn't the CMO the person who should watch over this? There is a disconnect between innovation and the business, certainly if there isn't a connecting factor called marketing. If we innovate simply to innovate, it disrupts the operation. This is why setting innovation apart isn't a logical fit with marketing's customer-centricity. This means that CMO leadership on both insights and innovation is clearly needed.



'We succeed in innovating in "Horizon 1" [McKinsey & Company, 2009], but we fundamentally fail to innovate in "Horizon 3". We act like we're a big company, but we too have to deal with the issues of the day like everybody else. So we removed Horizon 3 innovation from marketing and placed it in a separate team. The head of strategy and innovation leads that team. I'm on the innovation board myself, someone from SparkOptimus, and a true entrepreneur from Rotterdam. We're a well-to-do company, so we were able to invest two million euros into innovation projects this year. We are, for example, thinking about new "Loterij" concepts and innovation on our "Staatsloterij" subscriptions.'

*Niels Onkenhout,
CEO of Nederlandse Loterij*



'The brand is the basis of everything. The core essence is that we have to do what we are distinctive in and really turn HEMA back into HEMA. The founders Leo Meyer and Arthur Isaac knew better than anyone what the customer needs. I want to translate that to today. That means cosy nice shops with products that are more beautiful, more practical, better, and longer lasting. Good for your wallet and for the world.'

Saskia Egas Reparaz, CEO of HEMA

III Brand and reputation

It is crucially important that the CMO plays a leading role in safeguarding and strengthening the company's brand and that shared targets must be established in order to achieve this. In this way the brand can make an important contribution to the company's success and grow customer loyalty. The brand is who you want to be; reputation is who you are. And a good reputation starts with good customer service. Customer contact is ultimately a marketing thing.

The CMO has overall responsibility for developing, monitoring and communicating about the brand. By orchestrating changes from the inside out, the CMO can make an important

contribution to strengthening the brand and strengthening the reputation. By taking responsibility for brand safeguarding, the CMO can ensure that the brand is presented consistently, and that customer satisfaction is expanded.

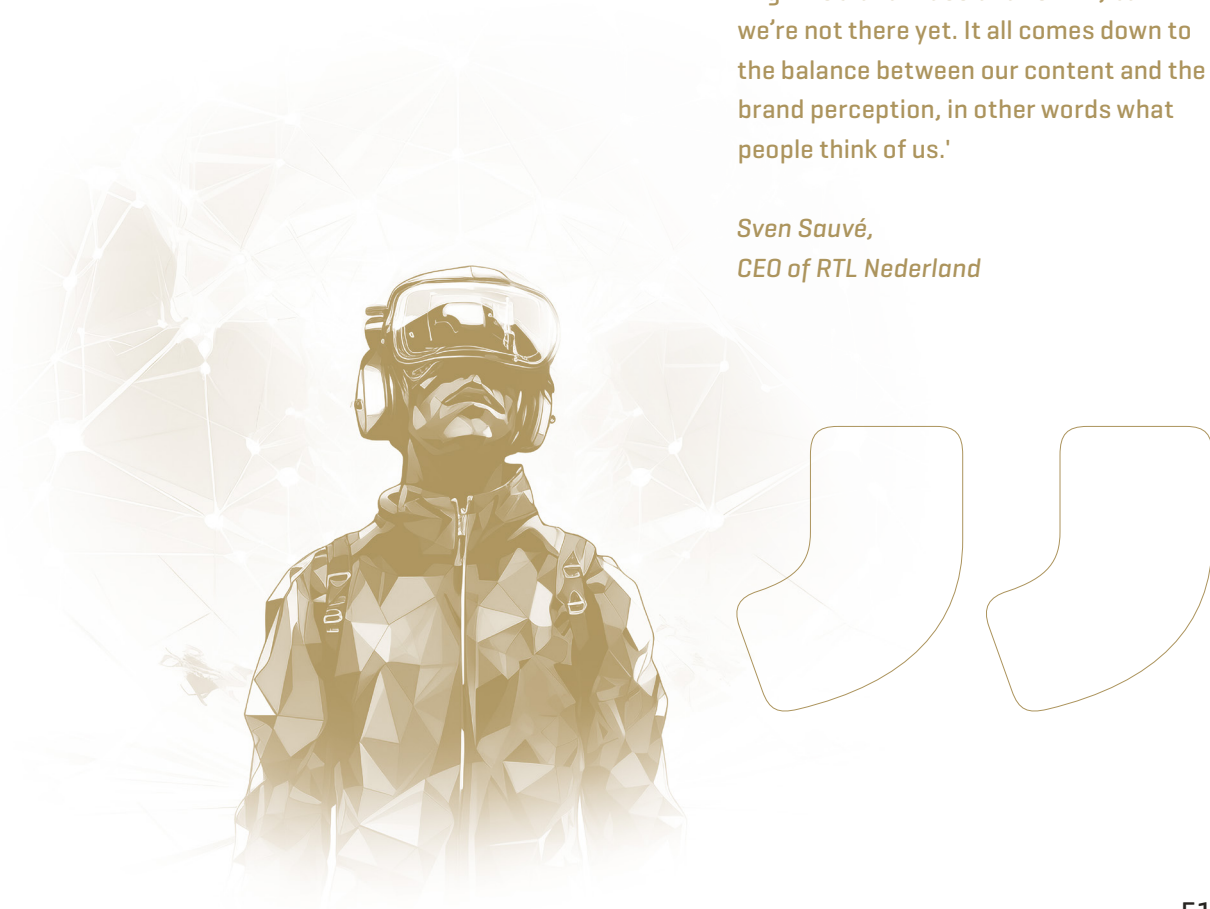
Moving from brand to customer-centricity is only a small step. According to the CMOtalk Members, CMOs should take the lead with respect to firmly positioning the brand guidelines across every part of the organisation. 'It is your licence to operate and that impacts every element of the company. The brand is your business card for customers and stakeholders.'

'Our purpose and our three brands are among the most important aspects of our organisation, and it is the responsibility of the CMO to monitor and strengthen the brand value,' says Jeroen Hoencamp, CEO of VodafoneZiggo. However, brand value is influenced by many aspects.



Jeroen has addressed this by providing the Executive Committee [ExCo] with the same shared goals. Goal setting is crucial here. 'By establishing shared goals, there is collective ownership, allowing the brands to be better protected and developed', according to Jeroen.

Managing the brand is naturally a management issue, but specifically a marketing management issue. Not only in order to make marketing more effective and efficient, but also to give the company a compass. External, internal and corporate communications are logically a component of this part of the CMO role. The community holds the opinion that CHRO has wrongly been allocated the role of internal branding. As if you should disconnect the internal communications from what we say externally about the brand. So there is every reason to develop CMO leadership in the area and also make internal communication part of an integral brand policy. This leadership is automatically translated into ownership. It also creates obligations by, among other things, doing what your brand promises to do. It's a difficult but clear assignment for the CMO in the boardroom.

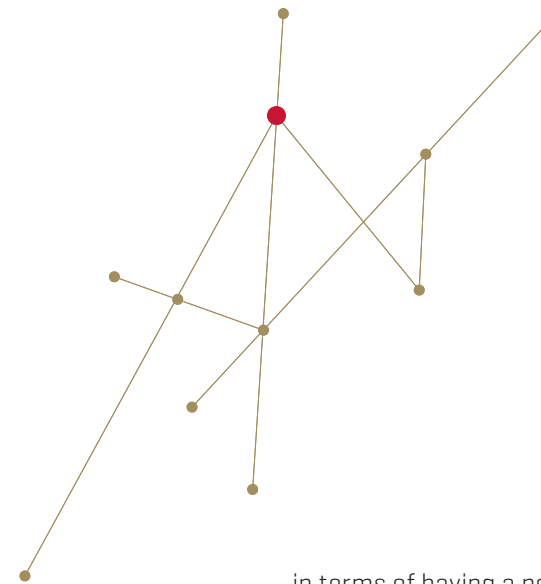


'To me, it's important that the CMO continually brings the viewer's and consumer's perspective to the table. What we obviously do is constantly monitor the RTL brand. In the future, we might rebrand Videoland to RTL, but we're not there yet. It all comes down to the balance between our content and the brand perception, in other words what people think of us.'

Sven Sauv ,
CEO of RTL Nederland

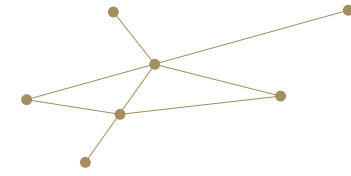
IV Sustainability and society: importance to society and value creation

Today, it is vitally important that companies accept their responsibility in the field of Environmental, Social and Governance (ESG) issues and contribute to the Sustainable Development Goals (SDGs). Jeroen Hoencamp, CEO of VodafoneZiggo: 'The starting point of ESG is Integrated Reporting, which falls under the responsibility of Finance. It is essential to set goals, measure, audit, and report in order to be transparent and meet the demands of external stakeholders.' But after that, every part of the organisation has an important role, emphasises Jeroen: 'For example, for marketing, translating ESG into the brand positioning and the customer benefits. It's important to determine which role you play within ESG. Choose what differentiates you from the competition



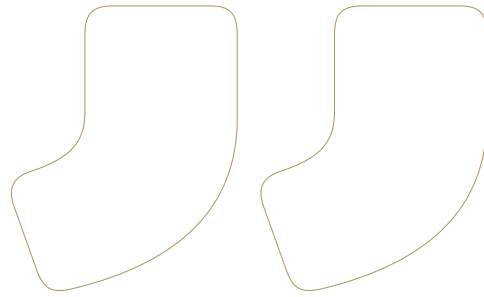
in terms of having a positive impact on society and/or the environment.' Therefore, it is highly important for the CMO to take a leading role in integrating ESG and SDGs into the marketing policy.

The CMO is a storyteller with a view to the future and a larger role in society. And the same thing goes for sustainability. Look beyond the customer and the brand and ask yourself what your bigger contribution to society is. At Pets Place, the greater ambition isn't to sell more dog food, but to reduce loneliness among people living alone through dog ownership. 'When formulating sustainability goals, you're expected as CMO to look at the bigger role of your company and brands within society,' says Alfred Levi. Sustainability, social development, and purpose must come together in one proposition that corresponds with customers' wishes. Only then does a synergy of forces arise, which transforms ESG and SDG objectives into more than just societal obligations. The belief of the company (and therefore



the brand] in a sustainable plan gives it longevity. This role is not restricted to the CMO and certainly deserves a place in the boardroom. With concrete goals, KPIs, and the annual measuring and reporting by the CFO. In addition, sustainability is also value creation. Good policy ultimately leads to business growth.

So sustainability is not a stand-alone goal. It weaves through the entire organisation and the CMO has a major role to play in making these connections based on the brand thinking.



'The reputation of the brand forms the basis for the customers' preference. While marketing as a principle doesn't change, I do see major changes in the digital age. My daughter's generation navigates all channels, they see through everything, and as a brand you have to sense this. You can tell that earned media is becoming more and more important. Transparency and honesty in how you communicate with customers. That means no greenwashing.'

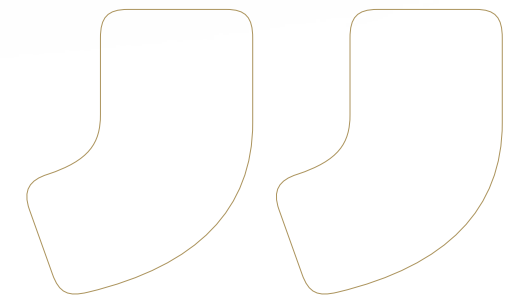
Saskia Egas Reparaz, CEO of HEMA

Marketers tell the honest story and can in this way build the required connections within the company. Not based on power, but on strength. You help with dilemmas and utilise the power of the difference. A marketer – with a role in the boardroom – shows that tandems are made within the board. For example, HR and the CMO focus together on culture. Procurement and the CMO work together on innovation; sales and the CMO with a focus on customers. Make connections! And ensure there are parallels downwards.



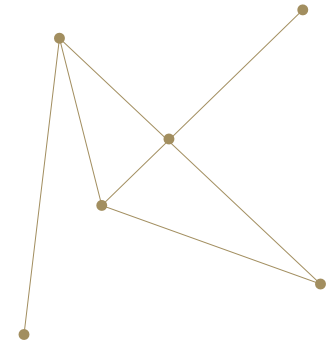
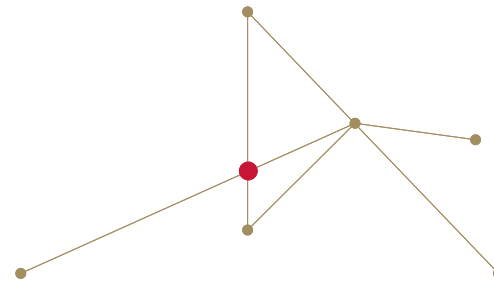
'Companies and brands have an increasing societal role and, moreover, reporting obligations. This represents an important responsibility for CMOs to embrace and take ownership of this role, both internally and externally.'

*Dick Boer,
former CEO of Ahold Delhaize*



Not every CEO sees the CMO role as an obvious one. Niels Onkenhout says: 'Responsible business is a big part of Nederlandse Loterij and is consequently the responsibility of the CEO and Corporate Affairs. Niels Onkenhout: 'I'm never asked about revenue and profit, but am asked about consumer protection and the implementation of the gambling policy. We report on this. The possible privatisation will take a while. We're a lottery company, what is the public interest in ensuring that you've organised everything perfectly from a legal standpoint? The market is actually open, and there is supervision. So why is the government the owner?'

Several CMOtalk Members wonder why ESG should be placed within marketing anyway. Niels Onkenhout: 'The topic is positioned with Corporate Affairs and the CEO. We've signed the Diversity Charter of the Dutch Social and Economic Council, for example, and this matter shouldn't be placed with the CMO. As CMO you opt to extend it to a brand promise, delivered by the product. In other words: ESG is related to strategic leadership. You are the one who decides that margins may have to come down.'



V Technology and digitally-driven

The fact that the marketing profession is also digitally-driven to a large extent needs no explanation. But the question does arise as to how this is managed and which role the CMO fulfils within this process. In the discussion, the CMO turned out to be 'superficially savvy'. As one of the participants put it: 'We know a little bit about everything, but don't know – also in our own playing field – exactly how everything works'. This often makes the CMO the playing ball of the CIO/CTO and IT-related marketing wishes are often placed at the bottom of the priority list. While the users of the technology and digital applications should be leading in the priority process, people with real technical knowledge are the ones who determine what has to be done on the

basis of that expertise. This doesn't apply only to the applications, but clearly also to the availability and accessibility of the data. They give business and logistics processes much greater precedence over the customer-centric data and digital projects.

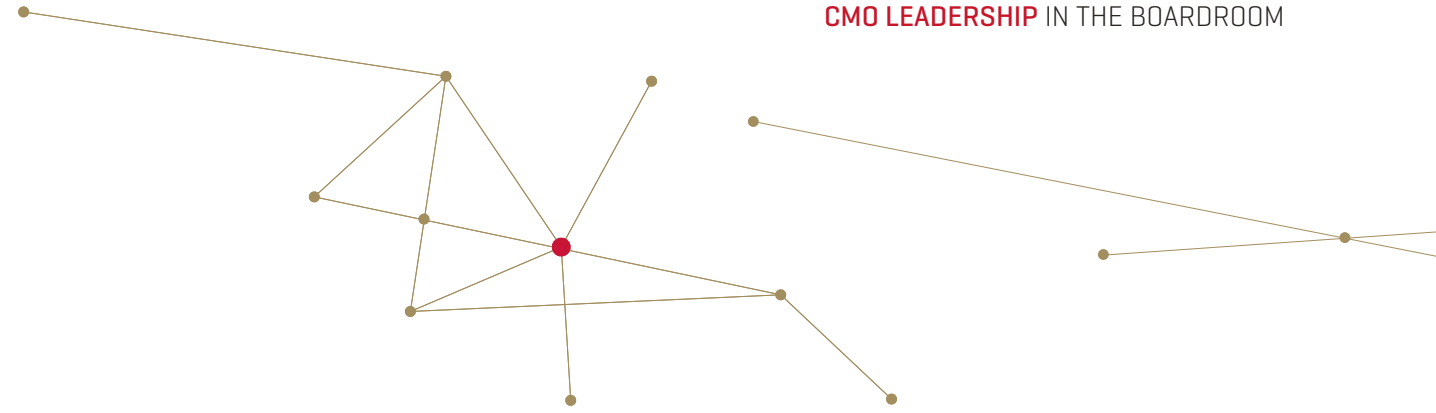
'It's crucial that our digital and IT strategy is driven by the commercial units, with the customer as the focal point. We should not think based on what is technically possible, but rather based on the needs of the customer,' believed Jeroen Hoencamp, CEO of VodafoneZiggo.

Therefore, it is vital for the CMO to play a leading role in defining the company's digital and IT strategy. By placing the focus on the customer's needs and not on the technological possibilities, the company can distinguish itself from the competition and raise customer

satisfaction. Consequently, it is important to involve the marketing teams in determining the priorities and backlogs of digital and data initiatives to ensure they genuinely align with the customer's needs.

Data analytics as the heart of marketing. Make or buy? Which tech? CMOtalk Members say marketing should take the lead in this area. It is important in this respect that the CMO has at least mastered the basics. You can call it the business tooling to make it bigger. The aim: to generate insights. And try to go a level deeper with predictive analytics and AI. Because you can generate so much more predictive value towards the future on the basis of data: *Anticipating the future through Zeitgeist.*

McDonald's is a compelling example in this respect: Since the company started using digital menu screens in the



restaurants, marketing has been making the menu. The next step at McDonald's is to let people order using the app. Driven by marketing.

But do marketers know enough about IT? The CMOtalk Members say there is a big difference between practice and theory. Scrum and agile working, defining very clear user stories. The adaptation must be very specific in tech. You must really know more than the minimum basis as a marketer. If you don't ask the right questions, you'll keep muddling through. And at the knowledge level, it's important to understand how technology really works in order to be a useful sparring partner for IT. Conclusion: If you want to lead tech people as a CMO, you must know about tech. So you have to know about coding and data analytics in order to be able to ask the right questions.

The CMOtalk Members see the profession absolutely changing in terms of technology. 'The marketers' way of thinking must really change, and I wonder whether every marketer will be able to make that change. You hold the tools to really get to know customers and not everyone knows how to use those tools.' And: 'If you haven't mastered the technology as a marketer, you won't have a future.'

Sven Sauv  on data analysis at RTL Nederland

In recent years the data activities have been centralized and Sven manages the data unit himself 'There were lots of sacred cows, but I see data as the basis of the company. For example, we now have one data pool and one analysis and reporting tool and that is a relief.'

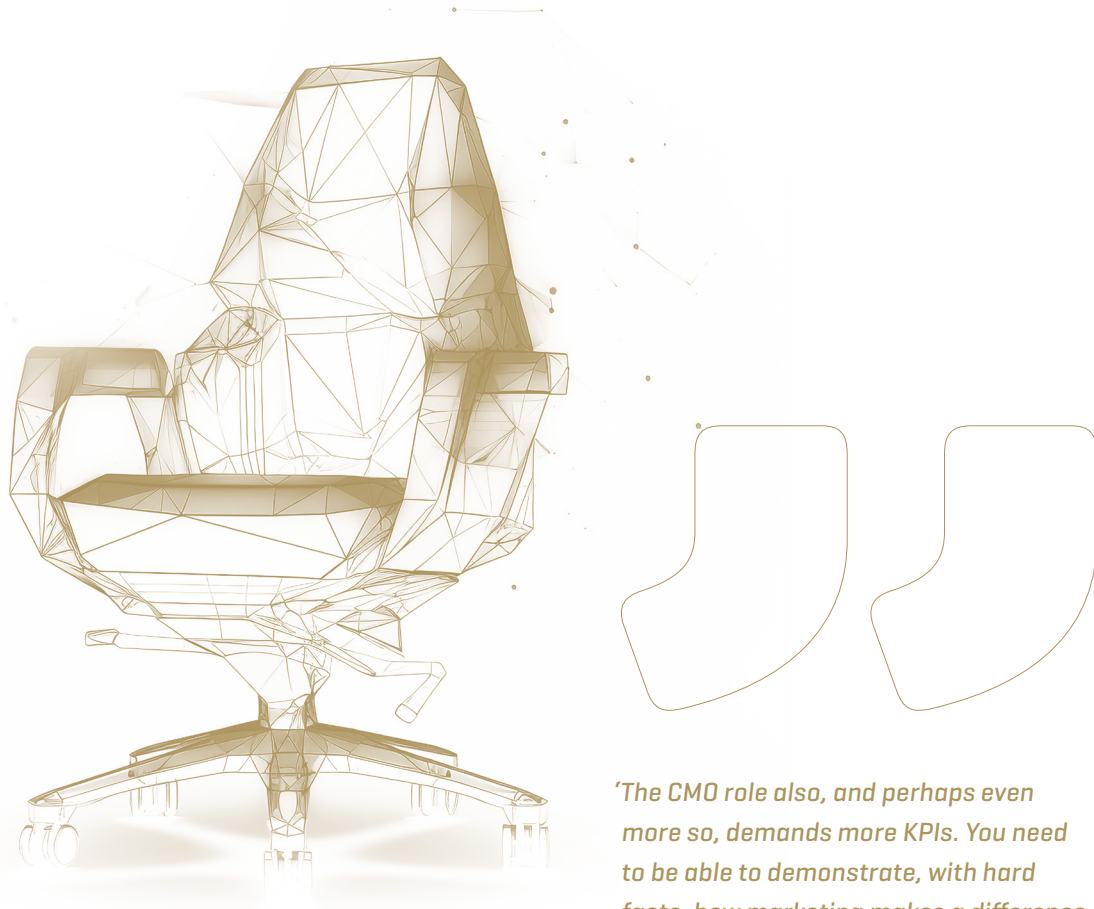
Data analysis is carried out in three teams at RTL Nederland:

1. The data B-to-C team that focuses completely on the contact with consumers as well as monitoring and analysing the marketing funnel.
2. B-to-B: This is our service provided to advertisers in relation to the objectives they want to achieve through all forms of advertising we offer.
3. Content team: This is where the deep analyses of content are made. On which platform will our content have the biggest impact? What audience will this bring?



VI Business growth

Members of CMOtalk are in complete agreement concerning this topic: Business growth is part of marketing, and marketing professionals should once again own this. The CMO is in charge of the development of the demand side of customers and this will result in growth. The topics that go with this are: strategy development, long-term plan, annual plan and goals realisation, marketing strategy and, of course, pricing. Formulating the related KPIs and reporting on the progress are topics covered every week in the boardroom. Marketers must be able to deliver convincing investment proposals and state how regular marketing and media efforts will lead to results. Accountability at the business, brand, and social level.



‘The CMO role also, and perhaps even more so, demands more KPIs. You need to be able to demonstrate, with hard facts, how marketing makes a difference in various ways. Not just well-known metrics like NPS and brand values, but specifically business-oriented KPIs. This certainly helps to make marketing interesting and view expenditures as investments in the business for the CFO as well.’

Dick Boer, former CEO of Ahold Delhaize

Dashboarding is, in this case, a precondition, but what matters most is the change you can show. Also when it comes to the bottom line! Dick Boer says: ‘Effective spending: more bang for the buck. That’s when it also becomes interesting for the CFO.’

The marketing community sees pricing as a key addition to the business growth topic. It’s an extremely important part of the customer proposition and is too often the result of a financial model. This requires not only a strong data-driven model under the leadership of the CMO, but also a good understanding of integral economics, perhaps in collaboration with the CFO. Revenue & yield management are for many companies the core of their business operations, but do not necessarily call for a Chief Revenue

Officer. It is up to the CMO (whether or not based on AI or other digital algorithms) to estimate what the right pricing is at every moment of purchase and primarily to find the right balance between short-term and long-term customer relationships. With this knowledge the CMO once again adds functional skills that further strengthens the position in the boardroom.

Jeroen Hoencamp about the ultimate challenge

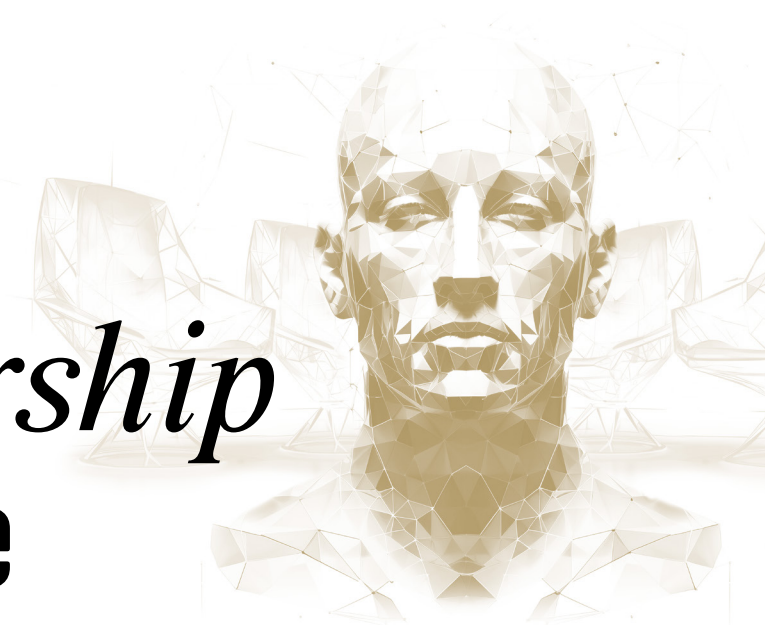
Finding the balance between business operations and growth opportunities: the ultimate challenge.

While VodafoneZiggo does not have a CMO role, it does have two commercial managers, for both B2B and B2C, who are responsible for sales, propositions and marketing. Customer care is responsible as a separate unit for the execution of customer contact. CEO Jeroen Hoencamp says the reason for this is that this had to be organised in a simpler and smaller way. 'Among other things, the product offering has been highly rationalised. Adding one new product means we have to remove another product from the offering.'

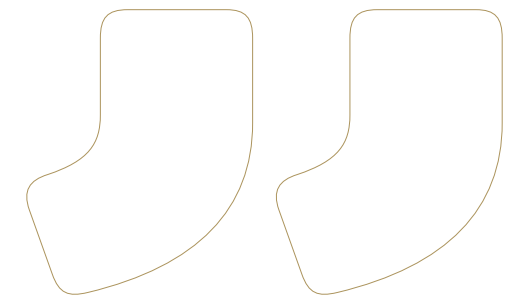
'Finding the balance between the current business and growth opportunities/new business is a constant challenge. That's why we have a separate strategy unit under the leadership of a former Bain consultant who is responsible for long-term strategy and new business.'



CMO leadership in the Boardroom



'Transformation occurs gradually. It's closely tied to leadership. Collaboratively shifting the direction of an organisation. Detaching from one's own role and pursuing a larger vision is crucial. Especially for the CMO. Particularly in omnichannel organisations (retail and manufacturing), this requires uniting marketing and digital roles. Striking the right balance is the challenge in this endeavour.'



*Dick Boer,
former CEO of Ahold Delhaize*

CMO Archetypes



We want to further explore this topic in the follow-up programme and paper. As with the CFO, there are different types of CMOs to distinguish, and they are generally a combination of archetypes.

The Operational CMO

Gets things done in a smooth manner. Focusing on project management and implementing innovations are at the core of their responsibilities. Works best with teams that trust their CMO when it comes to the execution of the marketing role.

The Strategic CMO

Carefully considers the strategy and consequences before executing programmes. The core of this CMO's package of responsibilities lies in developing strategies and fostering innovation. The basis consists of long-term planning and fundamental thinking. Works best in small teams that guide this process, delegate, and/or outsource the operational aspect.

The Branding CMO

Has a strong belief in the brand at the core of all marketing. Recognises that the brand identity and image are leading for both short- and long-term results, with brand equity at the centre of marketing activities. Overall brand management belongs to the CMO role, not the CEO role. Works best in organisations that believe the brand is the key asset and operate accordingly.

The Purpose-led CMO

Works for a higher purpose, thinks long-term, and believes in goals more significant than just profit and revenue. Social marketing lies at the heart of the system, with Profit, People, and Planet integrated into one strategic and operational plan. Strong focus on ESG and DSG business objectives. Works best in organisations and with people who believe that results extend beyond shareholder value.



'I believe in complete leadership. Our CMO is important in relation to forming the strategy, that is also their quality. What I ask of everyone on the board, in every specialism, is to think broadly about what we are: a retail company that welcomes customers.'

Saskia Egas Reparaz, CEO of HEMA

What's next?

This is where we stand now. A first version of a CMO leadership model with a series of functional skills that must be further developed and fine-tuned. It's supported by the community and backed by external insights, but it certainly isn't finished yet and clearly hasn't been lived out in practice. Over the next 6 to 12 months, we will work hard to refine the model further and primarily focus on exploring deeper insights into the six topics. This will primarily be done with the CMO community who already put several of these functional skills into practice in their day-to-day work. We will also support CMOs who want to apply the principles of the model in their day-to-day relationships within the leadership of their companies and organisations. At CMOtalk, we are planning to use the substantive information as the basis for podcasts, deep dives and group meetings.

It's a journey we don't just start or finish. And perhaps the journey itself is more important than the destination. Yes, we're aiming for fully-fledged CMO leadership roles on all the boards of Dutch companies and organisations. But we realise that achieving this is only a status quo of that moment. The continued development of these roles into supervisory roles, keeping pace with technological acceleration, and addressing increasingly significant societal issues will never allow us to come to a standstill. We'll always have to continue deepening existing functions and adding new skills. With this attitude we will make and keep the marketing profession indispensable in Dutch boardrooms. With CMOs that are leading the company's approach to customers.

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About CMOTalk

CMOTalk has evolved into the highest quality CMO network in the Netherlands in recent years. With the BNR radio program, award-winning marketing podcast, and exclusive events, it has become a household name in the world of marketing.

Founder Klaas Weima interviews both Dutch and global Chief Marketing Officers on current marketing topics. Central to the discussions is their marketing vision on subjects such as digital transformation, innovation, and marketing strategy. You can find more information on cmotalk.nl.

Become a Member!

In the CMOTalk Community, we bring together the most engaging, inspiring, and innovative CMOs. It's a place for learning from each other, pushing boundaries, and finding inspiration. It's accessible, but at a high standard.

As a member of the CMOTalk Community, you not only connect effortlessly with your peers but also gain free access to all exclusive content and events, including the CMOTalk/Dinner. An event that no CMO would want to miss.

Membership of the CMOTalk Community is reserved for CMOs, CCOs, VP's of Marketing, and Marketing Directors of Top 500 companies. Interested in becoming a part of the CMOTalk network as a CMO or partner? Send a message to:

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More info about the CMOTalk Community?
Scan the QR-code!

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