

# MASB Board Meeting & 2021 Fall Summit

## CMO Role, Deliverables, and Tenure

Stephen Diorio

The Revenue Enablement Institute, Managing Director

Forbes Contributor

MASB Fellow



Marketing Accountability Standards Board  
of the Marketing Accountability Foundation

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## Study and result

- Examined the biographies of directors for all firms on the S&P 1500 companies from 2007-2012, reflecting a sample of 12,106 directors.
- Found less than 3% of directors have marketing backgrounds and 16% of boards that have one such member.
- Results indicate that having a marketing expert on the board was positively associated with revenue growth (5.8 percentage points higher than companies that didn't have a marketer on the board).

## Tenure dropped to lowest point in more than a decade

Average CMO tenure in 2020 dropped to 40 months, the lowest it has been since 2009. Median tenure fell to 25.5 months, the lowest on record. A somewhat surprising trend is that CEO tenure at the same companies in our *CMO Tenure Study* hit an all-time high in 2020, at 80 months. Most certainly, the pandemic fueled some of the decline in chief marketing officer tenure as executive teams across industries faced unprecedented change in the market. Of note, the median tenure drop was fueled largely by transitions of several notable, long-time marketing executives.

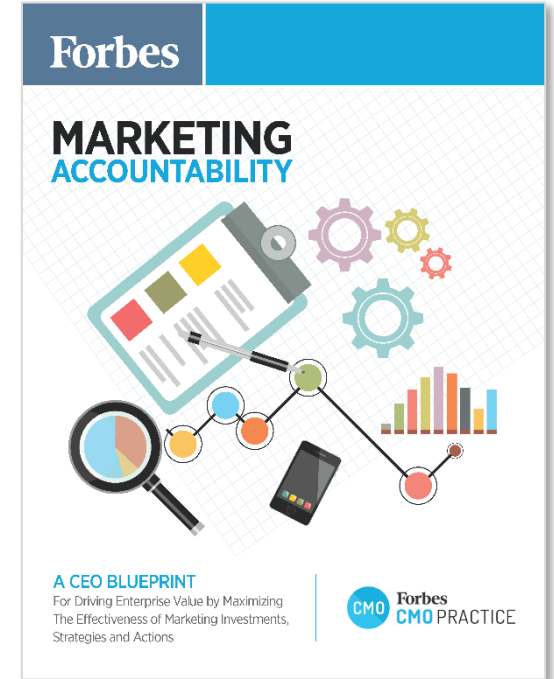
Source: Spencer Stuart: <https://www.spencerstuart.com/research-and-insight/cmo-tenure-study-progress-for-women-less-for-racial-diversity>, study is based on the analysis of the tenures of CMOs from 100 of the most-advertised U.S. brands as of Dec. 31, 2020.

# Stephen Diorio



- **Managing Director, The Revenue Enablement Institute**
- **Director, Forbes Marketing Accountability Initiative**
- **Fellow, MASB**
- **Senior Fellow Customer Analytics Initiative, The Wharton School**
- **Master Degree, Marketing and Finance The University of Chicago - Booth School of Business**

- ABOUT THE FORBES MARKETING ACCOUNTABILITY INITIATIVE POWERED BY MASB
- KEY FINDINGS FROM THE MARKETING ACCOUNTABILITY REPORT
- CALL TO ACTION TO THE INDUSTRY



# Excerpt MASB 2018 Winter Summit Presentation

**FINDING 5: MARKETING HAS BECOME A TEAM SPORT - CMOS MUST TAKE ON SIX ROLES TO EFFECTIVELY MEASURE, MANAGE AND GROW ENTERPRISE VALUE**

## SIX ROLES THE CMO PLAYS IN CREATING ENTERPRISE VALUE



Brand Steward



Voice of the Customer



Cross-Functional Orchestrator



Portfolio Manager



Director of the Digital Roadmap



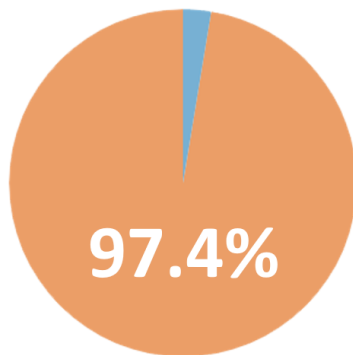
Innovation Megaphone

## FINDING 8: WITHOUT CONSENSUS MEASURES OF THE VALUE THEY CREATE CMOs FACE BIG CREDIBILITY GAPS AND GROWTH SUFFERS

### The Consequences of Not Having Consensus Measures of Marketing's Value

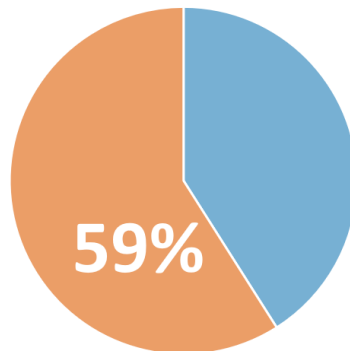
How the inability to communicate, quantify and measure marketing value impacts CMOs

#### NO SEAT AT THE BOARDROOM TABLE



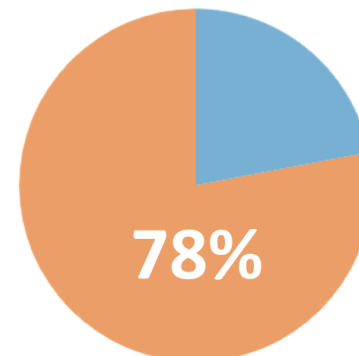
of boards do not have CMO representation<sup>2</sup>

#### CEO PRESSURE TO DEMONSTRATE VALUE



of CMOs are under pressure from the CEO to prove the value of marketing<sup>3</sup>

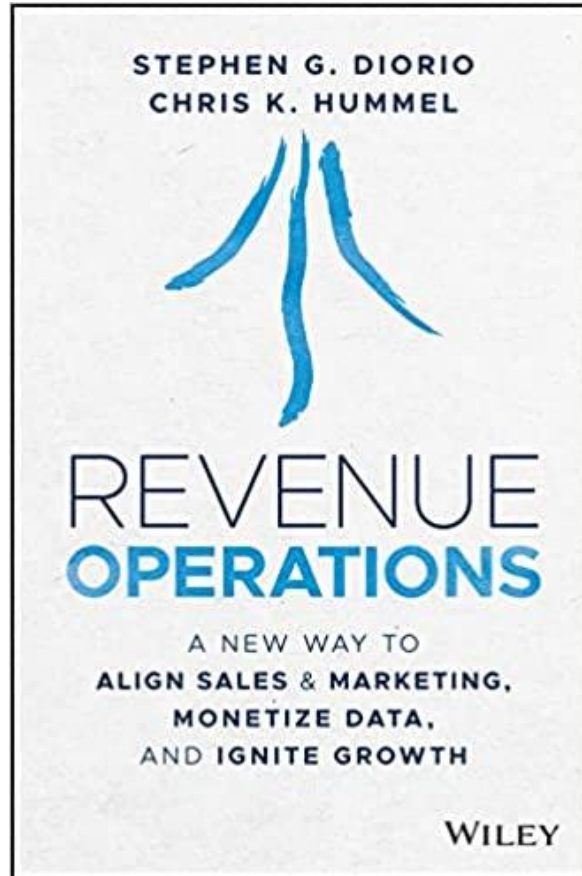
#### LACK OF CREDIBILITY WITH PEERS AND PARTNERS



of CMOs feel the inability to communicate, quantify and optimize the value marketing creates hurts them personally and professionally<sup>1</sup>

Sources: 1) Forbes CMO Research, 2) How Board Level Marketing Experience Improves Firm Value, Whittler, Krause, Lehman 2015, 3) Duke Fuqua CMO Survey 2017

# Soon To Be Release





# THE REVENUE OPERATIONS MATURITY MODEL



**COMMERCIAL  
LEADERSHIP**



**COMMERCIAL  
ARCHITECTURE**



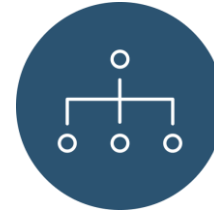
**COMMERCIAL  
INSIGHTS**



**COMMERCIAL  
ASSET  
MANAGEMENT**



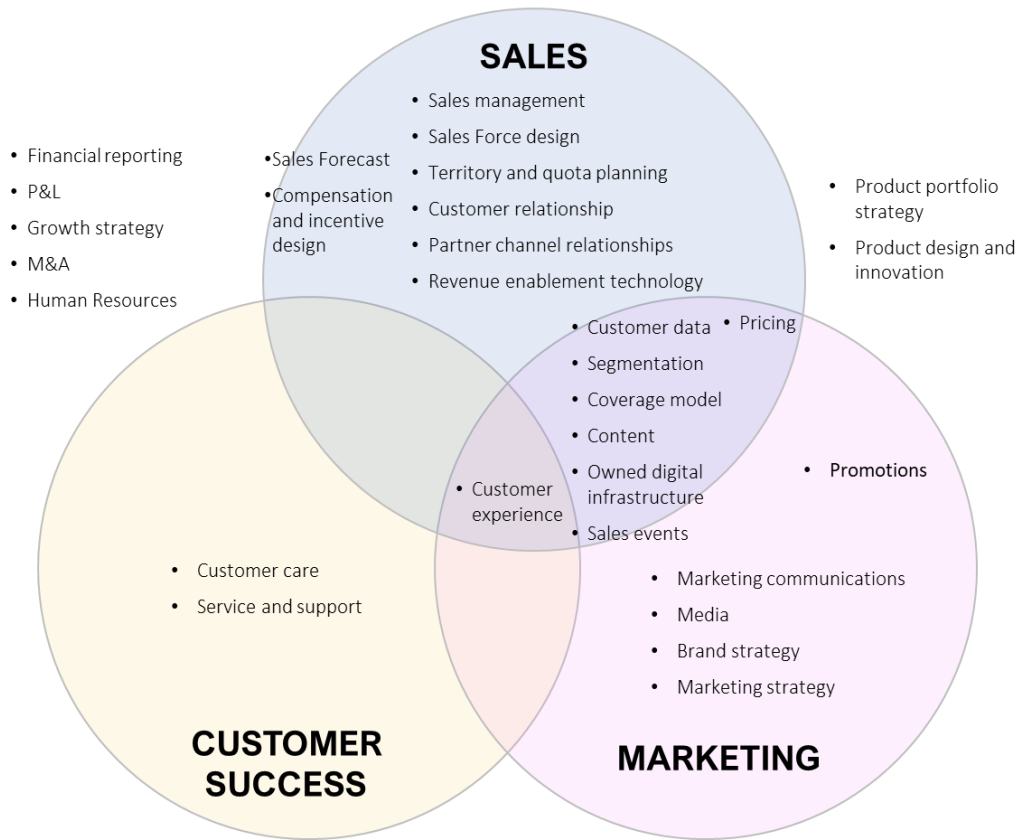
**COMMERCIAL  
ENABLEMENT**



**COMMERCIAL  
OPERATIONS**

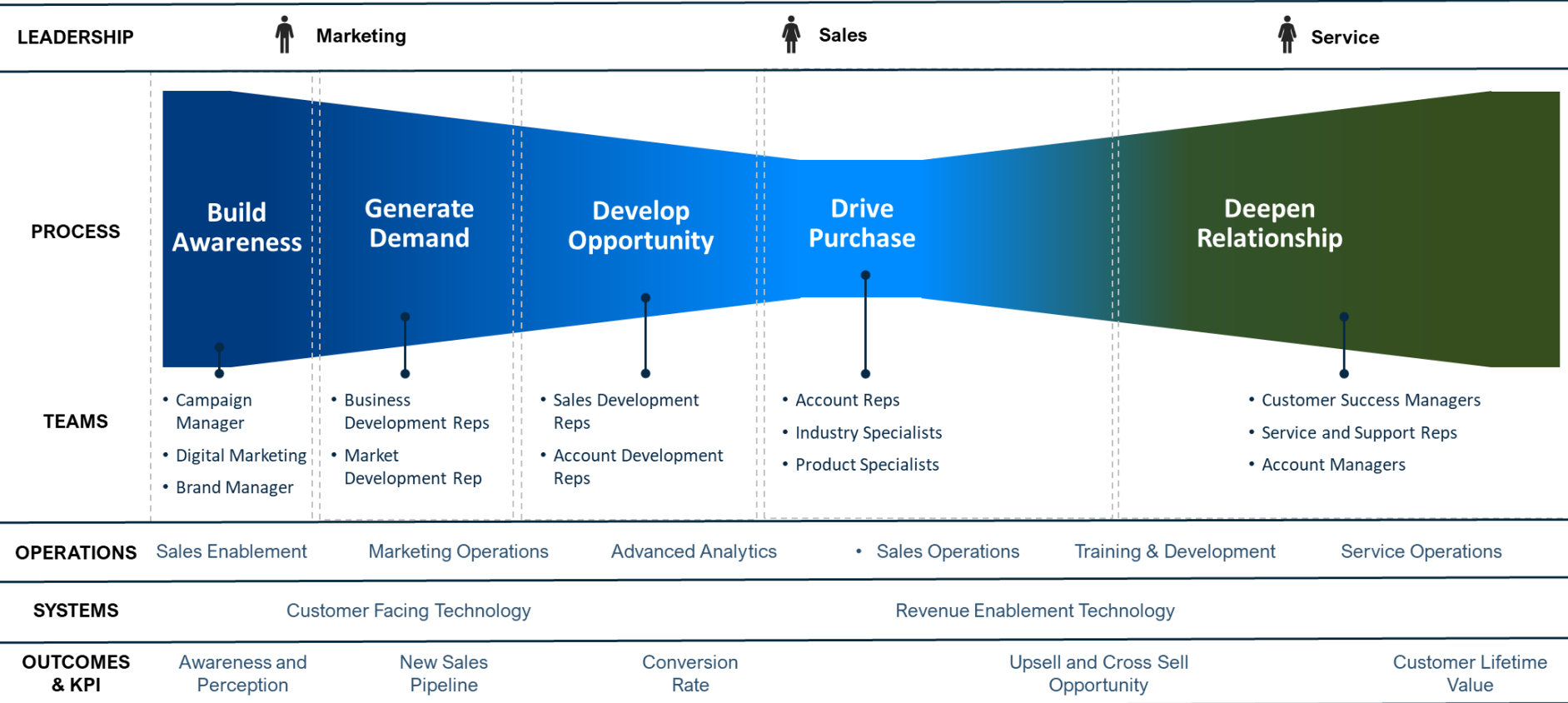
# THE RELATIVE CONTROL OVER ENTERPRISE GROWTH DRIVERS

## The Distribution of Growth Levers Across Executive Functions



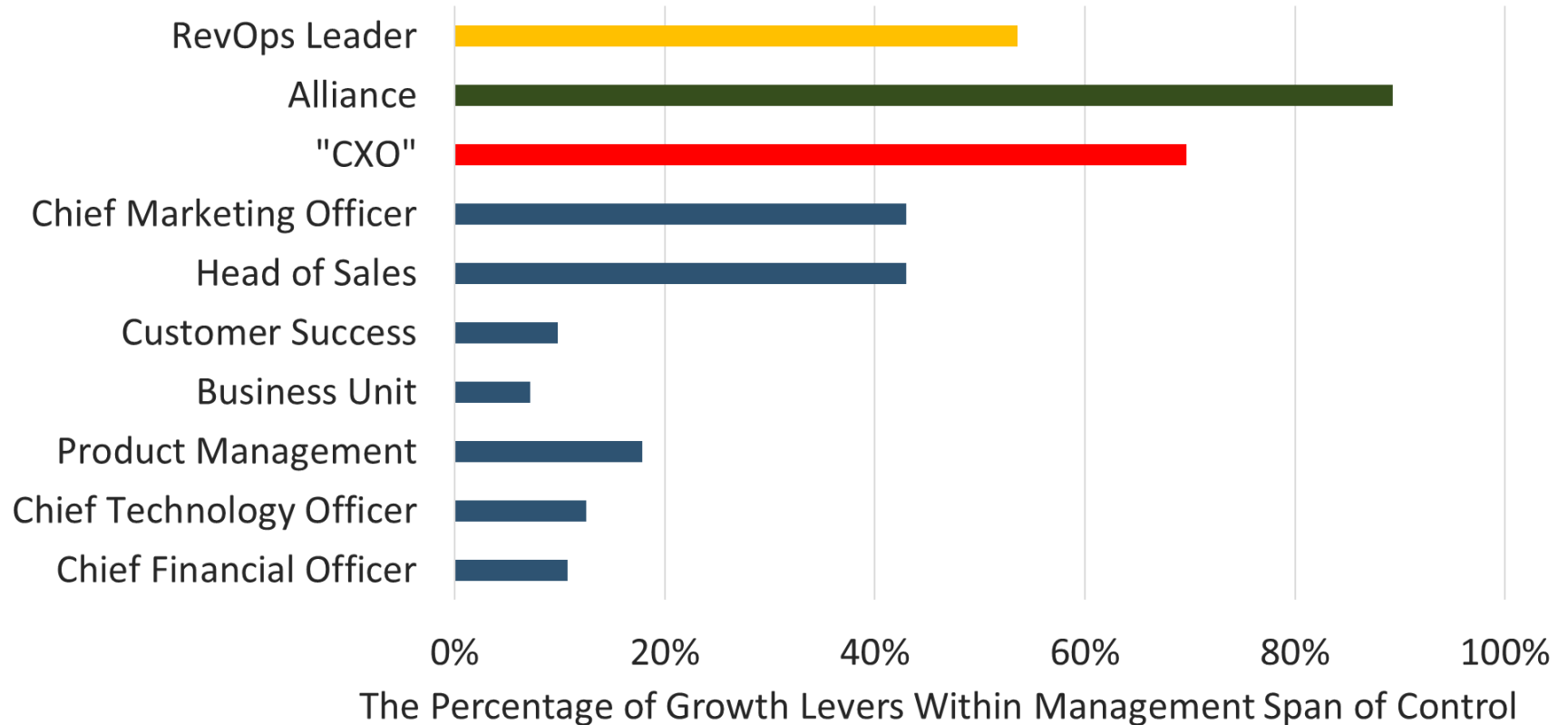
# ALIGNING REVENUE TEAMS AND THE SYSTEMS, OPERATIONS AND PROCESSES THAT SUPPORT THEM ACROSS THE ENTERPRISE

The Pressure To Eliminate Revenue, Margin and Price Leakage Across the Revenue Lifecycle



# THE RELATIVE CONTROL OVER ENTERPRISE GROWTH DRIVERS

The Percentage of Growth Levers Within Management Span of Control By Executive Function



Functional Growth Drivers	Status Quo Executive Functions							New Leadership Roles		
	Chief Financial Officer	Chief Technology Officer	Product Management	Business Unit	Customer Success	Head of Sales	Chief Marketing Officer	"CXO"	Alliance	RevOps Leader
1 Executive Committee	●	●	○	●	○	●	○	●	●	
2 Enterprise Growth Strategy (Top Down Targets)	●					○	○	●	●	
3 P&L (Business Unit)				●		○			○	
4 Owned Digital Infrastructure (Customer Facing Technology)		○			○	○	○	●	●	●
5 Revenue Enablement Technology		○				○		●	○	●
6 Customer Engagement Data (1Party)		○				●	●	●	●	●
7 Customer Analytics		○					○	●	○	●
8 E-Commerce (DTC Sales)						○	○	●	●	●
9 Marketing Communications							●		●	
10 Digital Media							●		●	
11 Traditional Media							●		●	
12 Marketing Strategy							●	●	●	
13 Brand Strategy							●		●	
14 Content			○				○	○	○	●
15 Events						○	○		●	●
16 Segmentation and Targeting						○	○	●	●	○
16 Coverage Model						○	○	●	○	
17 Compensation and incentive design								●		●
18 Sales Forecast	●					●		●	○	●
19 Sales Management						●		●	○	●
20 Sales Force Design (Architecture)						●		●	○	○
21 Territory and Quota Planning						●		●	○	○
22 Customer Relationships						●	○	●	○	●
23 Partner Channel Relationships (Strategy)						●		●	○	●
24 Customer Care (Service)					●			●	●	○
25 Customer Experience (CX)					●			●	●	○
26 Product Design - Innovation Agenda (4P)			●							
27 Pricing (4P)			●							
28 Product Portfolio Strategy (4P)			●							
29 Promotions (4P)			●				●		●	
<b>SPAN OF CONTROL</b>	<b>11%</b>	<b>13%</b>	<b>18%</b>	<b>7%</b>	<b>10%</b>	<b>43%</b>	<b>43%</b>	<b>70%</b>	<b>89%</b>	<b>54%</b>

# Thank-you!



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