Survival of the Fittest: A Call for CMOs to Adapt or Perish

by Nancy Pekala

If you are a CMO today, your mandate is clear: adapt or perish. It’s time to get serious about change, innovation and reorganization. The need for change is not new, but the urgency with which CMOs must adapt to change is increasing.

A recent Forrester Research study, “The CMO Mandate: Adapt or Perish”, suggests that it’s time that CMOs truly embrace a “survival of the fittest” mentality. The paper predicts that in the future, there will be only two types of organizations---those that are agile and able to readily adapt to changing consumer behavior----and those that go out of business.

To avoid extinction, Forrester recommends employing a process it calls Adaptive Brand Marketing which it defines as a flexible approach in which marketers respond quickly to their environment to align customer and brand goals and maximize return on brand equity.

What distinguishes marketers who can easily adapt versus those who can’t? Forrester identifies five key habits of highly adaptive marketers including:

- The ability to accept change by being flexible to experiment with organizational structure, media and technology
- The courage to dare the status quo by demonstrating leadership to push for innovation and create new brand experiences
- The commitment to act continuously by making speed a priority when it comes to dealing with customers and using new channels
- The willingness to participate personally by taking ownership to empower every person in the organization to shape the brand experience
- The skill to tear down boundaries by creating incentives for people to join forces in new ways and empowering them with tools to collaborate
Chris Stutzman, author of the report, stresses that marketing organizations need to become more nimble, honing the ability to react quickly to unexpected change. To do so, many marketing organizations will need to reorganize and re-prioritize.

The report states that three out of four CMOs plan to revamp their organizations for the digital age by the end of 2011. Their initial efforts to create digital departments and outsource digital capabilities have left their organization in a state of disarray. As a result, reorganizing is a top priority for CMOs with 75% of CMOs planning to reorganize by the end of 2011.

The report also suggests a series of action steps marketers can take to transform their organizations’ culture, tactics and technology including:

- **Keep employees nimble by restructuring roles.** Marketers can create rotational roles that offer new learning opportunities and career growth.
- **Set aside an experimentation budget in order to prepare for changes in media.** Forrester reported that 30% of marketers are allocating at least 15% of their media budget to experimentation.
- **Seek innovation from outside the company.** Marketers should pursue relationships with hose at the forefront of new media and technology in order to stay relevant.
- **Pursue new brand experiences even when there is no precedent.** Marketers should resist relying too heavily on marketing communications and instead invest in today’s new media and technology options.
- **Defy conventional media planning.** The customer purchase funnel has evolved from a linear process to a more cyclical one which has major implications for the future of media planning.

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**Marketers must ADAPT by Practicing the Following**

| A | Complacency | Accept change | by being flexible to experiment with organizational structures, media and technology. |
| D | Conformity | Dare the status quo | by demonstrating leadership to push for innovation and create new brand experiences. |
| A | Analysis Paralysis | Act continuously | by making speed a priority when it comes to dealing with customers and using new channels. |
| P | Hands-Off Mgmt | Participate personally | by empowering everyone in the organization to shape the brand experience... |
| T | Silos of Knowledge | Tear down boundaries | by creating incentives for people to join forces and empowering them with collaboration tools. |

Source: Forrester Research, Inc.
• Break down technology barriers that impede the customer experience. Marketers should prioritize investments in technology based on how much they will affect the brand’s ability to improve the customer experience.

• **Structure the organization to be more nimble and make quicker decisions.** CMOs, Forrester suggests, should organize their departments around a holistic view of the customer, instead of the traditional silos of functional expertise.

• **Create a HERO-powered business.** To help more workers feel empowered, leadership must encourage individual innovation.

• **Use the technology your customers use.** Marketers who don’t participate in the new technology that consumers adopt will never learn how to capitalize on it.

• **Explore new models of collaboration with external partners.** CMOs must establish higher expectations for synergy and cooperation with external partners.

• **Use social technology to disseminate knowledge across silos.** Marketers must embrace the fact that their employees are changing how they consume and engage with content on the job.

In addition, Stutzman suggests that CMOs must also adapt their own role in the C-Suite. They must “become the CEO’s agent of change. As the role of the CMO continues to expand across customer-facing initiatives, it will also expand across internally facing projects. CMOs will have a larger role in: 1) building the brand internally by marketing to employees with the same vigor as to customers; 2) identifying the HEROes in the organization; and 3) connecting the dots between marketing, sales and service to deliver a total brand experience.”

CMOs must also build bridges with the CIO to harness groundswell technology and establish a more nimble working relationship as well as establish new ground rules with the CFO in order to develop new guidelines for financial metrics and overcome insufficient funding.

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