

# Building C-suite Skills

**Marketers must develop cross-functional skills to enter the C-suite**

**BY DIANE SCHMALENSEE AND SUZANNE LOWE**

**BECOMING A SUCCESSFUL** marketer is not easy. According to studies from Chicago-based Spencer Stuart, the average tenure of a CMO has risen from 23.6 months in 2004 to 42 months in 2010. The increase is good news, but the CMO's average tenure is still less than half that of the CEO's average 111-month tenure.

Spencer Stuart speculates that CMOs in highly competitive industries, such as communications and media, may have above-average turnover because their firms have unrealistic expectations of what CMOs can accomplish. Another reason may be that some CMOs focus too much on their marketing activities and not enough on what others in the C-suite expect of them.





There are several efforts that CMOs can make to increase their longevity and advance their careers: *BtoB* magazine reports that marketers believe they must own responsibility for their brands (92 percent), have the ability to influence the bottom line (65 percent), own new product development (58 percent), have a strategic orientation (44 percent), own customer satisfaction and relationships (41 percent), and be customer-oriented (32 percent).

An interview by Michael Krauss with Philip Kotler, co-author of “Marketing 3.0: From Products to Customers to the Human Spirit” (Wiley, 2010), reveals that he thinks marketing has evolved from “vertical to holistic” as it has grown from the 4 Ps (product, price, promotion and place) to the need to delight consumers and employees. Kotler believes that CMOs today need to be strategic and focus on six possible “C-level priorities”:

1. Gather customer insight.
2. Strengthen brands.
3. Develop new products based on customer needs.
4. Use new marketing technology.
5. Measure marketing effectiveness.
6. Improve marketing’s working relationship with other functions.

Excellent advice, and Kotler encourages individual marketers to make this evolution happen. He suggests they talk with their CEOs to pick two items on which to focus.

But how can a marketer gain all these skills? Kotler suggests talking to the CEO, but this advice only points marketers in one organizational direction: up. What should a marketer do if the CEO is unavailable or if the desired knowledge resides in another department?

### THREE ESSENTIAL SKILL SETS

Marketers who want to advance their careers, increase the value of marketing to their organizations and become a fully integrated partner in the success of their organizations need three essential skills:

- **Marketing skills:** These are sometimes called I-shaped.
- **Interpersonal skills:** These are called O-shaped.
- **Cross-functional skills:** These are called T-shaped.

(The three essential skill sets framework is derived in large part from “Rethinking Expertise,” by Harry Collins and Robert Evans, University of Chicago Press, 2007.)

### MARKETING (I-SHAPED) SKILLS



Marketing skills can be viewed as vertical or an “I shape,” focusing on a narrow and deep discipline.

Marketers gain their marketing skills—the skills that relate to marketing tasks—through education, training, mentorships and experience on the job.

These skills permit them to perform essential marketing tasks (e.g., strategy and product development, pricing, advertising/

promotion/communication and distribution/sales) effectively. Over time, good marketers develop their marketing skills, advancing their positions by studying and developing a deeper knowledge of the work. While marketing skills are essential, focusing exclusively on marketing skills can actually become a barrier to career advancement and, ultimately, to an organization’s overall marketplace success.

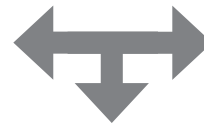
### INTERPERSONAL (O-SHAPED) SKILLS



Interpersonal skills can be visualized as an “O shape,” with many connections reaching out to others.

Interpersonal skills—sometimes called emotional intelligence—permit marketers and others to listen well, synthesize information, communicate persuasively, and promote themselves and their ideas effectively. With these skills, marketers can establish relationships with others in their organizations and be well-regarded. But relying on these skills too heavily, even if combined with marketing I-shaped skill sets, can prevent a marketer from attaining substantive professional advancement and, ultimately, can threaten the enterprise’s successful achievement of marketing objectives and goals.

### CROSS-FUNCTIONAL (T-SHAPED) SKILLS



Cross-functional skills are described as T-shaped, depicting a deep expertise in one function that supports a broad reach across to many other functions.

T-shaped skills allow a marketer to envision how marketing impacts and can strengthen other functions to help the enterprise achieve its objectives and goals. T-shaped skills foster collaboration, shared accountability and co-leadership by each T-shaped expert from his or her own base of competency. Interest in T-shaped people appears to have exploded in the late 2000s, after Tom Brown, the CEO of IDEO, a Palo Alto, Calif.-based design and innovation consulting firm, discussed it and wrote about it repeatedly in interviews and blogs. Cross-functional skills help marketers study and consider how their disciplines affect the organization’s positive growth. Marketers develop these skills by learning on the job from functional experts or peers. The goal is not to become as skilled as accounting or human resource experts at their jobs, but to understand the language of those professionals, the problems that they face, their aspirations and the way they think when addressing challenges.

Marketers who have developed cross-functional skills can then adapt the skills of others to marketing challenges and vice versa. They integrate marketing with other functions so that each works toward the other’s success and the success of the organization. Marketers with cross-functional skills are ideally positioned to be successful CMOs and potential CEOs.

## BRIEFLY

- Cultivate working relationships with other departmental experts.
- Recruit experts' help in addressing marketing challenges.
- Return the favor, offering your marketing expertise to help with other departments' needs.

### WHY CROSS-FUNCTIONAL SKILLS ARE ESSENTIAL

Most successful marketers have succeeded by building their marketing (I-shaped) skills—doing what they do increasingly well, learning from each repetition or new task, and becoming more efficient and effective with each iteration. Not surprisingly, people tend to work harder at whatever has made them successful previously. And for some professions, this may be enough. We often hear about successful academics who publish esoteric journal articles or books that dig deeper into a subject than anyone else and who are rewarded with tenure for doing so.

But most marketers who work in complex organizations, where many people and functions have to work together for a common goal, can be blocked in their careers if they never look outside their narrow marketing skills or silos. Companies that desire to grow market share and build competitive effectiveness realize that developing their employees' marketing skills alone is not enough for success.

It's the same with interpersonal (O-shaped) skill sets. Most people and organizations realize that interpersonal skills are vital to career advancement. But, once again, for most enterprises that seek marketplace gains, helping employees build interpersonal skill sets exclusively is not enough for success.

It's the T-shaped skills that are of critical importance for marketers and their functional counterparts. There is growing recognition that T-shaped skills can better harness the multiple elements of a complex organization for individuals, department teams and the enterprise as a whole—in order to make marketplace gains.

A study by Heidrick & Struggles International Inc., a Chicago-based executive search firm, discussed the “best ways of managing careers and preparing to move up.”

“Once people reach the C-suite, marketing ... expertise matters less than leadership skills and strong grasp of business fundamentals. ... The skills that help you climb to the top won't suffice once you get there. We're beginning to see C-level executives who have more in common with their executive peers than they do with the people in the functions they run. And [successful executives] are expected not only to support the CEO on business strategies, but also to ... contribute to key decisions.” And this requires cross-functional skills.

### START WITH THE “FRIENDSHIP MODEL”

Harry Collins and Robert Evans, in their book “Rethinking

Expertise” (University of Chicago Press, 2007), suggest that individual marketers who want to develop their cross-functional skills should take several steps. We illustrate each step with the experience of one CMO.

**Select an area of expertise to study.** A CMO who wanted to learn how to measure the return on investment of marketing and find ways to make a financial case for increasing the marketing budget identified a peer in finance, the CFO, to approach for advice on measuring the value of marketing.

**Study and prepare for the conversation.** Before reaching out to the CFO, the CMO prepared by studying the relevant literature and absorbing as much as possible, learning the language and some key concepts of finance. This preparation allowed the CMO to ask educated questions, demonstrate interest in the CFO's work and avoid wasting the CFO's time. This helped convince the CFO that the CMO was someone who cared about him and with whom it was worth developing a closer relationship.

**Recruit and interview the peer “expert.”** When recruiting the CFO, the CMO made sure to explain why he was impressed with the value of the CFO's expertise. He described the questions he had and mentioned how he thought the CFO's skills could help him address those challenges. Once the CFO had agreed to meet, the CMO was able to use what he had learned to ask intelligent questions about how the CFO would approach the ROI challenge, what he recommended and whether he could suggest anything that the CMO should know but hadn't asked. The CMO took good notes as a sign that he was serious about capturing the CFO's wisdom.

**Synthesize what you have learned.** Then the CMO wrote up a summary of what he had learned. The CFO had given him a formula for ROI that was used in their firm and had suggested what standard return rates were required from any major investment. The CMO computed both past and expected future ROIs for major marketing activities.

**Ask the peer to critique how you have used what you have learned.** The CMO showed the CFO his calculations and asked him how to improve them. The CFO made some suggestions for improvement and then offered to help the CMO prepare a presentation for the CEO.

**Ask him about challenges he faces where marketing skills might be of value.** Now it was the CMO's chance to return the favor by asking the CFO what kept him up at night. Was there something he wanted to accomplish but

couldn't for some reason? Was there a challenge where marketing expertise could be helpful?

**Repeat.** The CMO continued to cultivate relationships with the CFO and other peers or experts in their organization until he had broadened his “T” across the major functions.

Ideally, marketers who want to rise to the C-suite will reach out to as many functions as possible, creating new connections and gaining new perspectives about how the organization can compete as effectively as possible.

Naturally, the greatest payoff comes from reaching out to an expert, like the CEO, who is at a higher level in the organization. After studying the organization and its past problems, one new CMO asked the CEO about the corporate strategy, things that kept the CEO up at night, the CEO's vision of an ideal marketing group and how to avoid the pitfalls of her predecessor. She then used this information to develop a marketing plan that addressed the CEO's top issues and that demonstrated a comfort with the language and issues discussed in the company boardroom. This helped the CEO and others in the C-suite to see her as a peer and partner in their success.

Some marketers encounter resistance to forming relationships with people in other functions. Although the evidence is anecdotal, some marketers who have reached out to the peers of their bosses without prior approval from their bosses have experienced pushback: “My boss told me in no uncertain terms that I was not to go around or over him without permission. If there was something I needed to learn from one of his peers in another department, I was to go through him.”

Similarly, some CMOs who have formed a strong relationship with one functional head have noticed that this can cause jealousy: “When Stan and I were meeting to put our heads together on integrating marketing and finance skills, some people in operations and sales let it be known that they didn't like being excluded.” Marketers would be wise to have a clear understanding of these and other cultural norms before calling on the expertise of the other functional heads.

Nevertheless, marketers who need certain skills can gain them by reaching out to peers in other functions. In the case of one auto manufacturer, the CMO realized that marketing and research and development were at loggerheads over almost every new product introduction. So he asked the head of R&D to walk him through the steps of the new product R&D process as they appeared, focusing specifically on points of pain.

The two men met over lunch several times and began to trust and understand each other. It turned out that the incentive structure for marketing was not aligned with the incentives for R&D: Marketing was rewarded for developing new products that achieved certain revenue targets, while R&D was rewarded for how many new products were introduced (regardless of sales).

Then they mapped out an improved incentive system and new ways for marketing and R&D to work together, which

they presented to the CEO and others in the C-suite. Their relationship blossomed into a friendship, but the main benefit was that they improved the new product process because they took the “T” view and broadened their horizons. (Based on interviews conducted by Diane Schmalensee and A. Dawn Lesh for “Creating Win-Win Relationships,” published in the AMA's *Marketing Research* magazine, Winter 2007, 16-21).

These examples show how an individual marketer can reach out to peers to gain skills. This type of approach has been called the “friendship model” of marketing because it relies on building a relationship between two people who are willing to share with each other.

The individual marketer starts the process and acts on the advice of the peer. This produces good results for the marketer and (hopefully) for the peer. But due to its informality, it can be difficult to sustain in the long run. Other priorities and previously set performance goals intrude. Peers may come and go. The challenge is making this cross-functional skill exchange a dependable, formal part of the way the company harnesses its employees to achieve organizational success.

## FOSTER CROSS-FUNCTIONAL COLLABORATION

We believe marketers can better grow their individual value and better benefit their enterprises by expanding beyond an individually focused friendship model of marketing. They do so by modeling and encouraging the growth of T-shaped skill sets in a departmental framework.

In one packaged-goods organization, for example, the head of marketing heard through the grapevine that she and her people were seen as out of touch with the day-to-day issues of running the company. Their marketing research, materials for sales, marketing campaigns and brand strategy were seen as annoying afterthoughts, rather than as an integral part of achieving the company's financial and strategic goals.

The CMO talked individually with her peers in manufacturing and in sales to ask how she and her staff could become better informed about the needs, challenges and tools of manufacturing and sales. She talked about what she had read in the industry press but said she and her people still felt they could be better partners if they could only learn more. The solution that she and her peers came up with was an exchange program. New hires in marketing, manufacturing and sales would all spend a week in each other's departments learning what went on there. Other staff members were assigned buddies in the other departments and shadowed each other one day a month for two months.

While not everyone became best friends, they all reported having “ah ha” moments, when they could see how to interact and support each other more effectively. By the end of six months, marketing was able to agree with operations on better ways to work together on new-product development and design. And marketing and sales agreed on how to coordinate branding and sales efforts.

A second example comes from Randstad, one of the world's largest temporary and contract staffing organizations. Its CMO and CFO began working together as individuals, and then expanded their innovative teamwork into a formal cross-functional collaboration between their departments. From there, they broadened their collaboration again, creating a new culture of global goal-setting and accountability-sharing, resulting in vast improvements in the productivity of the company's marketing expenditures.

Beginning in 2003, Randstad's CMO, Frans Cornelis, and the company's CFO worked to improve the use of the company's financial and other systems to track marketing's costs and effectiveness. In 2004 Cornelis and his marketing team sought finance's help to set up budget systems in which marketing's costs could be spotted in terms of direct productivity. Their research and analysis of other companies' marketing spending helped reduce Randstad's expenditures for its creative marketing initiatives from well over 20 percent of its marketing budget to between 11 percent and 13 percent of its marketing budget for almost all units.

By the end of 2004, the marketing and finance departments began another cross-functional collaboration: a marketing operations management platform with goals of unifying Randstad's brand around the world and making brand expenditures as productive as possible. They developed a centralized buying program to manifest the brand, down to the most tactical level. For example, they pooled contracts around the world for all brand-related expenditures.

Beginning in 2005, the marketing team collaborated with the finance department again. These teams began:

- to require investments in local marketing actions to link back to the company's gross margins in the same region;
- to track brand awareness; and
- to use comparisons to analyze Randstad's marketing ROI.

Arguably, up to this point, Randstad's CMO and CFO, using their personal T-shaped cross-functional skill sets, were the main drivers of their teams' collaborations. That changed in 2005, when Randstad's executives directed marketing and finance to co-develop related performance measurements goals.

And so, Randstad's marketing and finance compensation and rewards became linked. C-level leaders got compensated once for achieving big targets. After that, they handed off the implementation and achievement of programmatic goals to their team members, who also shared formal collaboration arrangements, accountabilities, compensation and rewards for achieving marketing results.

### MOVE BEYOND THE "FRIENDSHIP MODEL" OF MARKETING

In order for an entire company to be optimally effective at making market-share gains, departmental cross-functional collaboration and skills growth must also go beyond the friendship model of marketing.



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Randstad's formal integration of marketing and finance is manifested during its annual goal-setting cycle. Once the company's plans are announced internally, instructions are sent out to the controllers of the operating companies. These instructions include marketing metrics. These leaders come to the marketing department and ask to jointly develop the plan to realize their targets. They know they will be monitored and measured but also compensated and rewarded for their contributions to Randstad's growing market share.

### TAP T-SHAPED SKILLS AS GROWTH ENGINE

Developing cross-functional skills will provide marketers with the leadership skills and strong grasp of business fundamentals, described as the "path to the C-suite." It will also provide the skills to influence the bottom line and have a strategic orientation as described by many as the keys to success and longevity for CMOs. And it may help marketers face their most important challenges, namely being persuasive and influential in the boardroom.

So what begins as a junior-level marketer's individual journey toward career success, with a focus on acquiring I-shaped marketing skills that are augmented by O-shaped interpersonal skills, ultimately evolves into something much more. As mid- and higher-level marketers acquire T-shaped, cross-functional skills, they are journeying toward success for themselves and their companies.

The growth engine for both personal and company success is T-shaped skills. For the enterprise to make marketplace gains, it must support a senior marketer's increasingly broad development of cross-functional skills. For marketers to add increasing value to their enterprises, they must build the cross-functional purview that CEOs possess. This dual-benefit pathway might, indeed, lead more CMOs to become CEOs. **MM**

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