

cmo forum

Are You Ready to Be a CMO? Part 2

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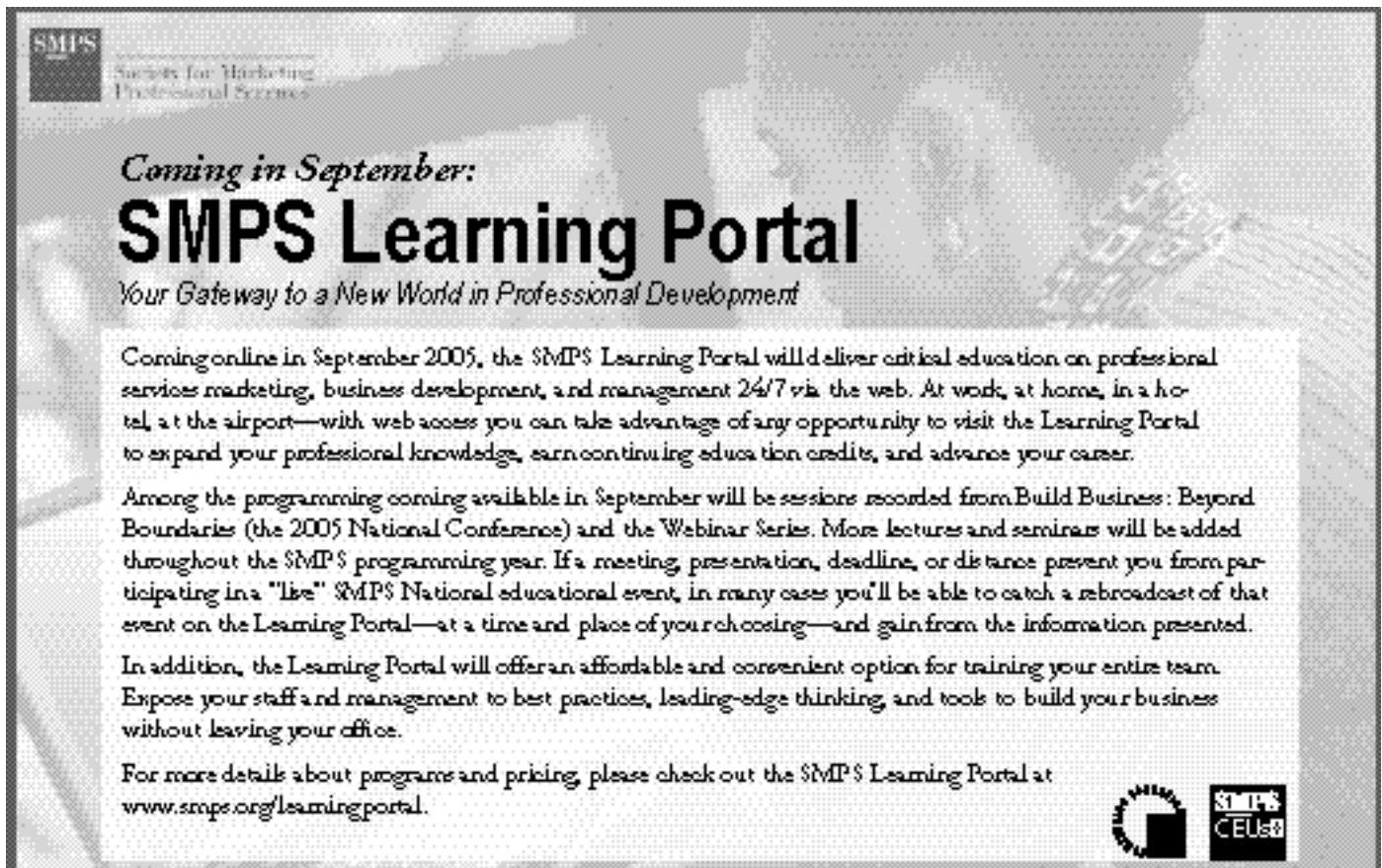
This article is the second in a series that explores the reasons why the Chief Marketing Officer (CMO) role is of increasing importance to firms and what that means for marketers. It addresses how marketing roles have evolved in response to the new landscape. The authors see four very different marketing leadership positions, all valid and important, but befitting different organizations and goals. This is a discussion of *mindset*: How does the marketer deal with the challenge?

Marketers are notoriously competitive. We like to win, be it a proposal or a promotion. We like to be first with competitive information or the latest technology. And we want to have

influence with decision-makers inside and outside of our firms. So it is understandable that many of us want the power and prestige that the CMO title implies.

We think we want a seat at the table with the other “C” class executives—where we can help shape the destiny of our firm, as well as our own destiny. But is it the role we are personally best suited to play and the one that will make us happy as well as successful? And is that where we can make the greatest contribution to the success of our firm?

Three basic job descriptions are found in the appendices to Weld Coxe’s seminal book, *Marketing Architectural and Engineering Services*: **Marketing Director/Manager**, **Marketing Coordinator**, and **Lead Finder**. Thirty years later, these three roles have splintered into dozens of titles that reflect increasing



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	Marketing Resource Provider	Closer/Doer	Marketing Sector Leader
Constituency	The leaders of the firm involved in marketing & business development	The firm & its clients	The firm & its clients within defined boundaries (market sectors or customer segments)
Agenda	Support the efforts of key practice leaders to target potential clients, build relationships, & secure new commissions.	Serve as ambassador & client advocate, while building relationships & securing new & repeat business.	Leverage opportunities for a specific practice area to achieve strategic goals (i.e., capture market share, create distinctiveness, build brand).
Activities: Vision & Strategy	Participate in development of marketing plans in accordance with business goals established by firm leadership. Work with key practice leaders & other staff to plan & implement strategies & tactics that support the acquisition of new/repeat business.	Participate in development of strategies related to firm's vision, as well as overall mix of markets, clients, & projects. Participate in development of programs that enhance client relationship management.	Understand & be active in the market sector as well as related sectors (for cross-selling). Lead the effort to address strategic issues related to the market sector. Create marketing & business development strategies that provide the highest value to firm & clients within the sector.
Activities: Marketing & BD	Coordinate and/or manage firm's efforts related to : <ul style="list-style-type: none"> • Business development tracking & support • PR activities • Database management • Development of marketing & business development materials • Development & maintenance of relationships with consultants & collaborators • Market research • Proposal development & production • Special event planning • Web site management 	Develop & manage client relationships that lead to new & repeat business. Assess client & project opportunities, including the need for customized services, risk management, & firm's financial goals. Develop value propositions that provide highest value to firm & clients. Manage project delivery process for specific commissions. Participate in civic/professional activities that enhance firm image.	Be the principal author of value propositions for the market sector. Lead assessment of clients in the sector, including risk management & financial goals. Lead assessment of market trends & other external issues, including opportunities to cross-sell in collaboration with other Market Sector Leaders. Lead the effort to develop & organize resources within the market sector that will create the highest value for firm & its clients. Serve as ambassador & client advocate within the market sector, building relationships & securing new/repeat business.
Outcome	Impact on marketing/business development strategy & implementation. Marketing as a cost center. Relationship Capital: Access & Networks	Impact on firm's overall business, including markets, strategy, process & organization. Return on investment, primarily quantitative. Intellectual Capital: Capabilities Relationship Capital: Networks	Creation of competitive advantage within market sector. Greater share market sector. Return on investment, both quantitative & qualitative. Image Capital: Distinctiveness Intellectual Capital: Expertise Relationship Capital: Access & Networks
Typical Title	Marketing Coordinator/Manager Proposal Writer/Coordinator Director of Marketing	Project Director Project Principal Principal-in-Charge	Market Sector Leader Practice Leader Principal-in-Charge

Marketing Roles 1. These roles are among the prototypes we are seeing in contemporary professional service firms.

sophistication in the marketing of professional services. True, certain of the titles on our business cards are synonyms or, in some cases, disguises meant to appease the management, the marketer, or the potential client. Is the **Client Relations Manager** really a lead finder? Or is the newly promoted **Marketing Manager** still a proposal writer 95% of the time? With all the “job-titles-of-the-future” labeling going on, new roles have, in fact, developed in response to the changing

environment for professional practice that we discussed in the article “Is Your Firm Ready for a CMO?” (*SMPS Marketer*, June 2005). Other roles have expanded to encompass new responsibilities in changing organizations. There is no “one-size-fits-most” solution in the search for a fit between the marketing needs of a firm and the talents and ambition of the marketer. However, the maturation of the profession and the diversity of firm models have created the opportunity for each of us to find

	Talent Agent	Business Development Broker	Driver of Growth
Constituency	Specific talent within the firm	Clients & decision-makers	The practices of the firm
Agenda	Leverage opportunities to connect talent & clients, creating new & innovative relationships & outcomes.	Seek opportunities to develop & implement sales strategies with potential clients & decision-makers that will lead to new business.	Leverage opportunities for firm to achieve strategic goals (i.e., diversity, capture market share, create distinctiveness, build brand).
Activities: Vision & Strategy	Understand & have access to broadest cultural, social, & economic contexts. Participate in development of innovative value propositions & strategies. Develop image & positioning strategies (aka “aura management”).	Participate in development of strategy related to the overall mix of markets, clients, & projects. Participate in development of strategy related to image & positioning Develop programs that enhance client relationship management.	Lead the effort to create alignment between firm’s goals & marketing agenda. Lead the effort to create coherent & integrated marketing/business development strategies that provide the highest value to firm & its clients. Understand & have access to the broadest cultural, social, & economic contexts.
Activities: Marketing & BD	Serve as ambassador to build relationships. Create opportunities to position specific talent with decision-makers & decision-influencers. Create promotional materials & opportunities (i.e., speaking engagements or publications) that enhance firm’s image & positioning strategies.	Serve as ambassador to build relationships. Leverage firm’s brand, positioning, networks, & capabilities. Conduct market research/ reconnaissance that lead to prospective opportunities. Facilitate the introduction of firm principals. Participate in proposal & interview strategy/development. Maintain contact with clients during delivery of firm’s services.	Be a principal author of firm’s value propositions. Lead the effort to create opportunities that lead to sustainability. Lead the effort to assess markets & clients, including market trends, risk management, & other internal/external issues. Lead effort to develop & organize resources that will create the highest value for firm & its clients. Participate as a Market Sector Leader or Closer/Doer in specific marketing/business development activities.
Outcome	Creation of new value. Radical innovation. Return on investment, both quantitative & qualitative. Image Capital: Prestige Relationship Capital: Access & Networks	Creation of networks. Return on investment, primarily quantitative (fueled by sales, revenues & commissions). Relationship Capital: Access & Networks	Creation of competitive advantage. Greater diversity & share of markets/business. Return on investment, both quantitative & qualitative. Image Capital: Distinctiveness Intellectual Capital: Strategic Vision
Typical Title	Director of Business Development Director of Client Development	Director of Business Development Account Executive	Chief Marketing Officer (CMO) Director of Corporate Development Director of Marketing President/CEO

Marketing Roles 2.

a role in which we can excel—if we are honest about what we can and want to do, as well as what the firm needs in a marketer.

Although the profession has evolved, there are firms whose marketing requirements are readily met with a **Marketing Coordinator** or **Marketing Manager**. These firms are most often general practices of local or regional scope, where the principal or principals are hands-on in the marketing and business development efforts and need solid support to stay responsive. The primary focus for the marketer is necessarily near-term project pursuit, with community-based outreach to clients and collaborators.

However, when every **Closer/Doer** in the firm has the potential to create customized marketing materials, and every computer can store information on clients and projects that ought to be shared, the ability of the **Manager** or **Coordinator** to instill confidence and encourage collaboration is more vital than ever. Add in the new demand for web site management and the availability of better reconnaissance for all opportunities, and you have a role of increasing depth and value.

For other firms, the challenge is not so much response but image. This is especially true for firms led by a singular talent, where the firm’s claim to market share is based on the fame of an individual. In the age of the “starchitect,” it is easy to assume

	Public Relations Specialist	Market Research Specialist
Constituency	The firm & specific talent in firm	Director of Marketing (or CMO) & Market Sector Leaders
Agenda	Serve as a content developer to create & implement strategies to enhance firm's image & position.	Serve as a content developer to create & implement strategies to enhance firm's success in marketing/business development.
Activities: Vision & Strategy	Participate in development of positioning strategies for firm & key individuals, in accordance with business goals established by firm leadership. Lead the effort to develop innovative strategies related to image & content development.	Understand firm's vision & business goals. Lead the effort to conduct market research/reconnaissance regarding market trends, customer segments, economics, & other factors that affect firm's strategies.
Activities: Marketing & BD	Serve as ambassador to media representatives & other external entities. Create opportunities to position firm & specific talent with decision-makers & decision-influencers. Create promotional materials & opportunities (i.e., speaking engagements or publications) that enhance firm's image & positioning strategies.	Lead the research effort, gathering & analyzing information related to marketing/business development. Develop assessments on issues related to firm's competitive strategies. Participate in discussions related to assessment & development of marketing plans, especially related to changes in markets & other external issues.
Outcome	Impact on perception in minds of clients, decision-makers & decision-influencers Return on investment, primarily qualitatively Image Capital: Distinctiveness	Impact on assessment of markets & targeting of prospective clients, as well as selection of primary consultants & collaborators. Return on investment, primarily qualitatively. Intellectual & Relationship Capital: Strategic Information & Access
Typical Title	Director of Communications Director of Public Relations	Market Researcher Market Research Consultant

Marketing Roles 3.

these celebrity designers have simply been discovered. More often, they have consciously positioned themselves with the help of publicists and advocates who function as talent agents.

The role of **Talent Agent** is well understood in the entertainment industry—the job is to find the right vehicle for the “talent.” A recent *New Yorker* article, “Secret Agent Man,” describes one of Hollywood’s top agents: “Wirtschafer is constantly on the lookout for ways to bring his clients together and extend their reach into new fields.”

That is exactly the thinking we have observed among an emergent group of marketers. Their title may be **Business Development**, but their activity moves them well beyond lead-finding. These talent agents are scouting for new relationships and innovative alliances that will not only showcase specific talent within the firm but connect their “clients” into the broadest cultural, social, and economic contexts—and in so doing, position them for the next wave of creative opportunity.

Talent Agents are frequently assisted by **Public Relations Specialists**, whose charge is to make certain that the “client” is featured regularly and prominently on the pages of the *New York Times*, *Wired*, *Vanity Fair*, or the *Wall Street Journal*—an effort that links the firm to broader cultural and social issues and extends its impact. The **Public Relations Specialist**, whether the role is internal or consulting to the firm, takes an active role in the establishment of relationships with the media and with the

development of content—the articulation of the concepts that define the practice and its interests.

Traditional lead-finding remains a critical function for many practices, especially larger firms with a need for a high volume of projects. While the “golden Rolodex” has morphed into the “platinum Palm,” the experienced **Business Development Broker** offers the firm access to his/her networks, helping the principals and project leaders to build relationships and set the stage for opportunity.

The pejorative “bird dog” may have disappeared from modern marketing’s vocabulary, yet the role of the business developer is still misunderstood by many organizations. The best **Directors of Business Development** are independent spirits with egos as strong as their relationship-building skills; the networks they develop will always belong first to them personally and then to others in the firm. These individuals are most effective when they can leverage the firm’s capabilities and brand identity in the marketplace of clients, rather than focusing on internal management issues they are often “promoted” to do.

The growing requirement for and availability of sophisticated information on projects, clients, and markets has created a place for skilled **Market Research Specialists**. While these marketers often build strong networks among their resources, their first concern is the gathering of high-quality information

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each of the fads has been proclaimed different from others, being so fundamental that it would be unending. Maybe so, but the flow of design dollars always subsides once the fad becomes widespread and the service commoditized or once the underlying offering is replaced by a more advanced technology.

One Northeastern architectural firm built its reputation and its business on sustainable design. It was a novel idea that appealed to a segment of the market, and the firm won commissions all over the country and grew rapidly. But the fad ended. Many aspects of sustainable design were incorporated into mainstream architecture, and sophisticated clients expected this as a part of normal architectural design services. The firm shrunk and retreated into a regional practice. It was no longer seen as cutting edge.


Having some form of intellectual capital engine to produce the next service is important for all firms seeking a leading edge image.

3. Cycle Risk. Many of these risks are exacerbated by the risks of revenue drops that are a function of normal economic cycles. A recession hurts more if you recently lost your biggest client or rainmaker or if your fad service loses favor in the marketplace. In fact, it can be terminal, as some firms established to cater to e-commerce companies found. Conversely, cycle risk is less if you have managed other risks well.

Though cycles are expected, downturns can occur with a breathtaking speed that catches many by surprise, leaving little room for careful management of the associated revenue drop.

Architects and engineers are smart people. Why should they so consistently underestimate the risk of a revenue failure? There are several possible explanations. A lot of research shows human beings consistently underestimate some risks while overestimating others. That is why we may feel trepidation getting into an airplane but don't getting into a car, even though we are far more likely to experience a fatal accident in the car. We believe design professionals often underestimate revenue risks.

Sometimes that is because the thought of a revenue collapse is just too horrible to face, and sometimes because it is a lot more fun to focus on managing growth. But to provide good management of your firm, your studio, or your career, you must plan for and manage revenue drops as carefully as you do for revenue increases.

The solutions are, of course, specific to individual cases. But they fall into two broad categories: increased diversification and increased reserves. Focusing on risk will help you rededicate your firm or studio to those imperatives. They provide ways to avoid having too few baskets, too few hens, and too few eggs. 



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that will give the firm a competitive edge. In today's markets, these savvy researchers are tracking everything from investment patterns and demographics to content-building background on trends in education or bio-medical research.

With growing acceptance of the **Chief Marketing Officer** title, the question for many is how the **CMO** role differs from a **Director of Marketing**. Certainly many of the responsibilities appear to be the same—from identifying opportunities to managing the marketing staff. However, much of the strength of the **CMO** role derives from its positioning within the firm. The **CMO** is not only part of senior management but is responsible for the leadership necessary for alignment of the firm's vision with its marketing goals. This places the marketer at the center of the firm's strategy and practice agendas, acting not just as a ringmaster but as a driver of growth.

As a principal author of the firm's value proposition, the **CMO** understands the vision, ambition, and capabilities of the organization and how those assets can be deployed best in an increasingly complex, competitive environment. The **CMO** mindset allows the marketer to recognize currents of change, not only in the market but also in the culture, and to use that understanding to position for the future. In the search for competitive advantage, the **CMO** takes a long-term perspective on opportunity, seeking success in today's marketplace and sustainability for the firm over time.

As we look across the professional services industry, we recognize there are marketers who function as **CMOs** in their firms, without the title, position, or benefits. There are also **CMOs** who are more focused on winning the project here and now, instead of developing real distinctiveness for the future. And there are firm leaders who are still waiting for the "person who can harness our potential and take it to the next level."

With the coming of age of our profession, we now have an executive position, the **CMO**, which is gaining wide acceptance among leaders across the disciplines. There are also emergent specialist roles that offer powerful new opportunities for individuals and firms looking for an alternative to the traditional

marketing approach. The challenge is to know ourselves—our talents and our passions—well enough to seek the right opportunity and choose the role that will bring the greatest value to our firms and to ourselves. 



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