

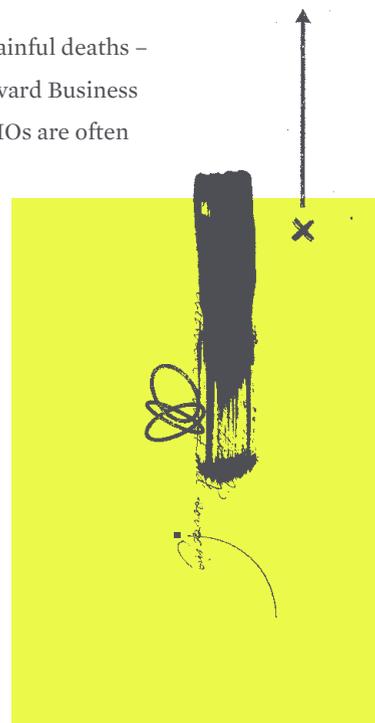
The Rise of the “Chief Futures Officer”

by KATIE IWANIN & ZACH JENSON

First, a confession. Even though we’re marketing professionals, we are struggling to keep pace with what it means to be a CMO in a “modern marketing organization.” It used to be that the future of marketing was all we talked about – especially in 2014 – but lately it seems to have fallen off the map. And that future is at the heart of what a CMO does. Without a definition of either their own roles or a clear picture of the future, what’s a modern CMO to do?

We’ve got a hypothesis that might create a glimmer of light in the organizational fog. We believe the CMO’s role is evolving and we’ve connected a few new trends into a theory about where their new roles and responsibilities are headed. Before we share what we uncovered, let’s look at the climate that created the fog in the first place.

Old models are dying slow, painful deaths – or, sometimes quick, painful deaths – and large companies are aware of the looming threats (see the Harvard Business Review’s “Surviving Disruption”).¹ That means that these days, CMOs are often struggling to make it to their second anniversaries. So the question becomes how to create a model that can both anticipate and respond to the very real threat of disruptors. The answer isn’t entirely clear, but a direction for it is beginning to coalesce around the idea of the customer experience.² One consultant has even gone so far as to call the shift towards customer-centricity a “Marketing Renaissance,”³ in the true sense of the Italian Renaissance, i.e., a seismic shift toward the representation of what it means to be human.



In the emergence of this new era of marketing, organizational leaders are pinning the survival of their companies on the CMO, and, based on the new acceleration in turnover rates, it's not going well.⁴ The industry needs a sea change. We've seen some promising examples like the move from CMO to "Chief Experience Officer"⁵ or "Chief Culture Officer."⁶ Major marketing-driven organizations like Gap and Banana Republic are eliminating the global CMO position in favor of a Head of Customer Experience.⁷ It's an interesting solution,

but the problem with it is that a role based on end-to-end responsibility for the customer experience requires a huge range of expertise, including managing big data, crafting an organizational culture, uniting the customer experience, and developing innovative new products. It's no wonder the role is poorly understood.

That being said, there are CMOs who have found a clear sense of focus amongst the lofty expectations being heaped on them. They're the ones who go beyond speaking the language of the modern CMO, instead working hard to identify their consumers' most salient needs and shaping the organization toward fulfilling them.

These innovative CMOs have fueled our hypothesis. They show us what's possible, and by following their lead, we can begin to understand what's required of a new kind of marketing leader. Based on our research, we believe an effective modern CMO must fulfill two core objectives. First, they must be purpose-driven to attain growth via the customer experience (instead of only through communication). Second, they must have the power and responsibility over another key pillar

of the organization — outside of the typical CMO role — that addresses their company's primary future business opportunity (or threat, as the case may be).

By following these two core objectives, innovative CMOs are effectively creating T-shaped roles for themselves. This

evolved CMO has the backbone of the marketing department, the breadth and understanding of the customer experience and the depth of a new key organizational growth pillar that shapes their point of view. We're calling this new kind of CMO the "Chief Futures Officer."

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We arrived at this conclusion by analyzing over 50 of today's most lauded CMOs. What we found was revealing – forward-thinking companies like Unilever, AirBNB, Volvo and ConAgra are not only recreating their marketing departments; they're also focusing on purpose and looking toward the future. To get a better idea of how a Chief Futures Officer behaves, we compiled a list of these modern CMOs and what sets them apart.

Keith Weed is the CMO of Unilever. Marketing and communications is part of his job description, but it's far from his only focus. Weed is also the head of Unilever's Sustainable Business Practices division, and he believes that fostering sustainability is the key to Unilever's future. To secure this future, one of the first things Weed did when taking on the role of CMO was to collapse the stand-alone CSR department (Corporate Social Responsibility) and put it under his command. A bold move that turns the traditional marketing department into a marketing and sustainability center of command.

This new combined focus is paying off. According to Weed, sustainable living brands now deliver half of Unilever's growth and are growing faster than the rest of the business combined.⁸ We can't help but wonder if this confidence in Unilever's growth helped them to thwart the recent \$145 billion takeover attempt by Kraft Heinz.

Growth is also vital to Jonathan Mildenhall, AirBNB's CMO. When Mildenhall joined AirBNB in 2014 he made diversity part of his focus, a role that would typically fall under an HR job description. But he believes that diversity is the key to unlocking AirBNB's purpose that centers on belonging.

According to a recent article, Mildenhall strongly believes that diversity is non-negotiable.⁹ He even admits that hyper-growth-focused Airbnb "would rather grow more slowly" if the alternative is to compromise diversity. And while many brands would say slower growth is not an option, Mildenhall believes growth and diversity can go hand in hand. He put this thinking into action by publicizing stories of inclusion through his "Never a Stranger" activation, a platform designed to address the fear of staying in strangers' homes. This initiative alone has already generated mass awareness and resulted in a surge in bookings according to PR Week.⁹

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By encouraging Mildenhall to champion diversity, AirBNB has also successfully avoided the potential decline that could have resulted

when several stories of discrimination by hosts surfaced in early 2016. This move paid off – according to a recent study, AirBNB's US bookings grew 45 percent in the first quarter of 2016 compared to 2015.¹⁰ By mid-2016, Mildenhall helped to encourage the power of diversity so much so that AirBNB hired their first Director of Diversity.

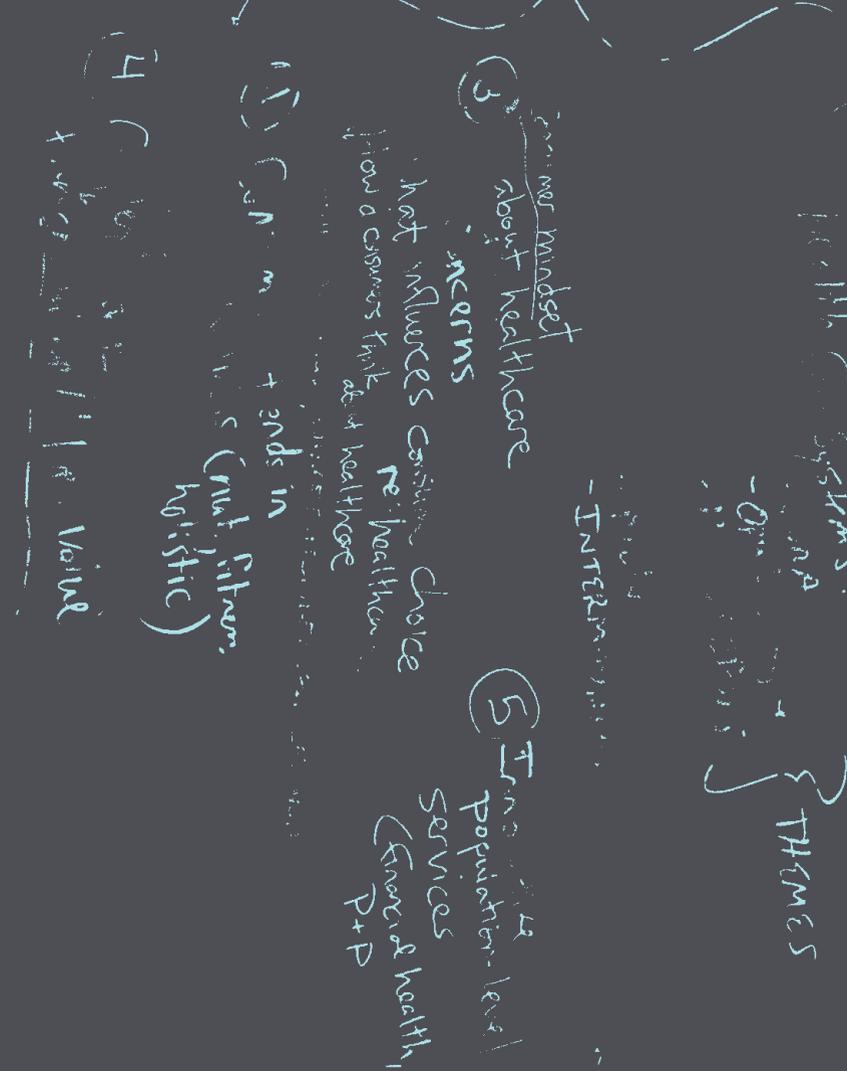
Similarly, Volvo has also centered on a new organizational focus to shore up their future. Bjorn Annwall is Volvo's SVP of Global Customer Experience and SVP of Strategy, Brand and Retail. Instead of taking on the traditional CMO role, Annwall is using his former corporate strategy-heavy position as a Partner at McKinsey to help direct the future of Volvo.



Volvo's mission is to drive prosperity through transport solutions.¹¹ To make that mission a reality, Annwall has created several strategic partnerships that heavy-up on providing new customer experiences with companies like Microsoft and Urb-it. In a move that further blurs the lines between marketing and corporate strategy, Annwall has also helped to roll out a campaign to support Volvo's Vision 2020 which promises that by 2020, no one should be killed or seriously injured by a Volvo.

Like the other examples we've shared, Annwall's future-focused strategy is paying off; Volvo's 2016 global sales hit a new record high. In the United States alone, Volvo's market share grew 18.1 percent, making it one of the fastest growing premium brands in a broadly flat market.¹²





“Ultimately, the decision to go this way needs to be based on what you’re trying to do as a company. You have to have a point of view.”

Keith Weed | CMO, Unilever

Like Volvo, ConAgra is also looking to grow market share with a focus on strategic innovation. Darren Serrano became ConAgra's first Chief Growth Officer in 2015 – replacing the formerly titled position of CMO. “The marketing department will be part of a newly formed “Growth Center of Excellence” that Mr. Serrano will oversee”, ConAgra said in a statement to AdAge.¹³ The center's responsibilities include insights, innovation, research and development, and marketing. The goal of the new structure is to “improve connectivity and boost speed-to-market, ensuring strong insights lead to relevant and timely products with the right marketing support.”

This new structure is a solid attempt at driving innovation in the highly volatile food business. According to Serrano, smaller companies in the food market are driving two-thirds of the overall growth in the US food category because they are able to be “faster, more iterative.”

According to Reuters, early indicators of this new approach are positive.¹⁴ ConAgra's 2016 Q4 earnings report sent the company's shares to a record high.

Now that you have an idea of where innovative CMOs are headed, are you ready to take on the task of “Chief Futures Officer”? As the examples above show, there's no one-size-fits-all approach. The role depends on the specific needs of each organization, and its ability to combine business departments in new ways to attack the greatest threat or opportunity. To get started making your new marketing department a reality, we recommend asking yourself a few key questions; What are the forces at play that have the power to disrupt your business in the future? What pillar of the organization is best suited to make that disruption impossible? If the answer isn't solely focused on your marketing department, then you're off to a good start.



About Zeus Jones

Zeus Jones is an independent strategy and design company, founded in 2007. We believe in one simple premise: Innovation starts with people, not technology or process. People who want to push frontiers. Experiment. Go against the expected. Again and again and again.

We help companies innovate and transform their products, services and experiences through our strategic, design, creative and empathy expertise.

And we deliver on this by developing new ways of looking at challenges, opportunities and the possibilities of tomorrow.

Editing & Proofing

Claire Dawson
Kristan Nolan

Layout & Design

Gordon McIntyre-Lee
Natalie Heisterkamp

Research

Adrian Ho

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