

# How to Increase the Life Expectancy of CMOs: Tapping the Transformative Potential of Marketing Automation.

## Contents

Foreword.....	2
Notes on one of the toughest jobs in business.....	3
CMO challenges today and tomorrow.....	3
Finding the space between “a rock and a hard place”.....	5
The role of marketing automation.....	5
The “Four Cs” of marketing automation.....	7
Technology is only one piece of the puzzle.....	8
Finding the right partner to be your “digital guide dog”.....	8
A giant leap forward for marketing organizations.....	9
Seize the opportunity: a call to action.....	10



# Taking Marketing to the Next Level Through Automation

## Foreword by Laura Ramos

Vice President, Industry Marketing for Services, Xerox Corporation-North America, and former Forrester Research B2B marketing analyst

During the past four years, I had the privilege of studying and writing about business-to-business (B2B) marketing best practices at Forrester Research. I surveyed and spoke with thousands of B2B marketers about their processes and best practices. Through this work, it became clear to me that marketing's influence is declining as business buyers go online to research purchase decisions using peer insights and independent experts. Years of being the department with hard-to-quantify outcomes make it difficult for marketing to specifically and concisely demonstrate its true impact on the business. New campaigns, clever advertising, and delving into social media mask over problems and won't spur the profound changes required to avoid what may seem like an inevitable slide toward obsolescence.

To remain viable, marketers must invest in technical capability that lets them work smarter and run leaner. Specifically, top marketers I know set up marketing-specific data management systems to improve insight, automate lead development and cultivation, integrate digital and traditional channels, embrace social media, and continuously measure and quantify the results.

However, technology investment without the proper skills, planning, change management and execution rarely succeeds. Most marketers must also rely on key marketing services partners to advise – and outsource – the needed process change. I hope, as you read the following white paper, you will come to share my view that marketing stands on the verge of a major transformation. But that needed change comes through rigorous, data-driven assessments, expertise in new process design, workflow optimization inside and outside the firm, modern marketing automation capabilities, marketing logistical management and customized tracking tools that validate marketing's forward progress.

## Notes on one of the toughest jobs in business.

Marketing has an image problem today. Without credibility corroborated by measurable results and predictable returns, Chief Marketing Officers (CMOs) and senior executives responsible for integrated marketing programs struggle to earn the respect given to other members of the “C” suite. As a result, marketing sits on the sidelines during the development of corporate strategies. And when the economy, changing market conditions, or competition causes business to flag, marketing executives are often the first members of the leadership team to experience budget cuts and lose resources.

As a result, CMOs have a remarkably short shelf life compared to their executive counterparts. According to the executive search firm Spencer Stuart, the average tenure for a CMO is two to three years, depending on the industry. CFOs and CEOs, on the other hand, average more than four years in office.

The inability to connect marketing activity with business results combined with turnover at the top of the marketing food chain leads to reorganizations which disrupt a company’s ability to operate at maximum efficiency, connect customers to the brand voice consistently, and drive long-term growth.

Addressing these issues successfully makes the CMO job extremely challenging. Making matters worse, the speed of technological change and the increasing role of automation create a new internal battleground where marketing locks horns with Chief Information Officers (CIOs) and IT organizations in the struggle to make marketing more agile and responsive to customer needs.

“According to the executive search firm Spencer Stuart, the average tenure for a CMO is two to three years, depending on the industry. CFOs and CEOs, on the other hand, average more than four years in office.”

## CMO challenges today and tomorrow.

To move from the sidelines to the frontlines, marketing organizations must become more productive, more accountable and more focused on key business metrics. Despite constant technology-driven change, the list of challenges that marketing leaders must contend with in the next decade continues to grow. To enjoy longer tenures and more security and respect at the executive roundtable, these executives must successfully address the following:

- **Accelerated Media Fragmentation.** Marketers can use hundreds of channels to reach customers, including traditional media, email, web, mobile and video. But they can no longer count on connecting with buyers through a single touchpoint. This ongoing fragmentation makes it difficult to reach customers and increases uncertainty about where customers go to make buying decisions. As a result, establishing marketing budgets, media buys, marketing strategies and calendars has never been more challenging.
- **The Social Media Band Wagon.** Social networks and tools that connect buyers with each other add a further complication to the picture. Sites like Facebook and Twitter empower customers through “word-of-mouth” advertising that impacts buying decisions more than company-controlled messaging. Marketers now scramble to find the right way to use these emerging channels to generate sales, enhance the brand, build strong customer relationships and produce measurable results.

“According to the executive search firm Spencer Stuart, the average tenure for a CMO is two to three years, depending on the industry. CFOs and CEOs, on the other hand, average more than four years in office.”

– *From CMO to CEO: the route to the top*, Spencer Stuart, 2009

- **Information Overload.** The digital age created a tsunami of customer data and prospect information. Marketers can use this information to improve targeting, timing, channel selection and messaging. Unfortunately, however, this data is difficult to access and use because it's stored in numerous digital filing cabinets and disparate databases located inside and outside the company's firewalls. As a result, finding and corraling trustworthy customer data to kick-start marketing campaigns can take a Herculean effort.
- **Lack of CRM Effectiveness.** In the last decade, many large companies made significant investments in Customer Relationship Management (CRM) systems. Executive management and the leaders of sales organizations believed CRM would enhance customer insights and drive top-line growth. Despite its potential, CRM has yet to live up to these expectations because the tools and implementation have focused more on pipeline management than on true customer relationships or accurate sales forecasting. In addition, different organizations within the enterprise, including marketing, often contend for control of CRM activities, program implementation, management, support and campaign ownership. Because of these problems, many companies struggle to demonstrate a reasonable return on their CRM investments.
- **Broken Response Management Systems.** Procurement's cost-cutting efforts, spurred by the recent recession, have had an adverse impact on marketing response management. Fragmented marketing supply chains, which often include a myriad of low-priced suppliers, lead to disconnected response management systems that make it difficult for marketers to maintain centralized control over their operations. Without a unified approach to response management, marketers can't monitor the performance of campaigns, assess potential improvements, capture what the sales force uses, and identify exactly what they need to shorten sales cycles and close more deals.
- **The Shift to Digital Marketing.** With an increasing number of external agencies and internal activities involved in the marketing process, it's easy to duplicate creative development and marketing asset management efforts. Version control and compliance approvals are another major logistical challenge. All of these issues make it difficult for organizations to reuse and repurpose content. Many CMOs find it hard to reorganize people, processes, and activities to respond to the accelerating digital marketing trends because they lack the "right" resources and skills needed to make the shift.
- **Marketing Channel Disaggregation.** In today's fast-changing marketplace, the traditional models of B2C and B2B marketing are giving way to complex new tactics that involve multiple influencers and trendsetters. Marketers must find creative ways to capture the mindshare of influential would-be consumers who, in turn, drive demand for products and services at the earliest stages of product development.

In addition to these problems, the pressure on marketing executives to drive top-line revenue is at an all-time high. All of these developments make it difficult for marketing organizations to operate efficiently and effectively.

So how can marketing organizations gain the stature and respect they deserve in this environment? At the same time, how do companies find ways to demonstrate a reasonable Return on Investment (ROI) for CRM systems that were launched before the advent of social media?

## Finding the space between “a rock and a hard place.”

Even though marketers continue to struggle with these questions and challenges, I believe that we are on the verge of a solution. The path forward will come from a major shift in the role of marketing organizations. Instead of operating primarily as a center for creativity and brand building, they will sharpen their focus on optimizing operational efficiency, deepening customer insights and proving marketing’s impact on improved financial performance. But to reach this transformative stage, marketers need to adopt one or more of the following courses of action:

- Engineer incremental improvements by making better use of the tools, technologies, data and other resources available today.
- Forge a partnership with the CIO and the IT department to accelerate alignment on data, CRM and marketing automation requirements.
- Engage partners to assist with the digital transformation since many marketing logistics activities could be logically outsourced to free up critical personnel and resources for more strategic tasks.
- Take advantage of the same dynamic force that revolutionized productivity and performance in almost every area of the business from manufacturing to back-office operations.

Although these paths have different implications and levels of impact, there is a common thread running through them: They all leverage the power of automation.

Of course, automation is not the “silver bullet” that solves every sales and marketing problem by itself. But it can provide the foundation marketing organizations need to sharpen their focus on quantifiable results, improve their financial performance and transform their operations.

## The role of marketing automation.

When you give marketing automation a significant role in your organization, you can implement the fast, efficient digital workflows that lead to major breakthroughs in terms of organizational efficiency, effectiveness and return on investment. Marketing automation is a key driver of this powerful transformation, because it will help optimize the marketing processes involved in everything from creative development and data management to the production and distribution of customer communications.

Of course, any transformation is a complex undertaking. But according to a 2010 IDC Insight report, The IDC Sales and Marketing Automation Framework, the potential benefits of automating key sales and marketing processes are compelling: “There will be significant process, cultural, and technical challenges. But the benefits are self-evident: lower cost, higher efficiency and productivity, greater accountability, better performance, improved customer experience, and potentially shorter sales cycles.”

That’s a thoughtful appraisal of the impact of technology-driven change on marketing. And remember: Marketing automation can play an important role in a wide range of functions, including the management of data, leads, demand, direct response programs, the creative development and approval process, production and fulfillment, campaigns... even ongoing, event-triggered, multi-channel customer communications.

“There will be significant process, cultural, and technical challenges. But the benefits are self-evident: lower cost, higher efficiency and productivity, greater accountability, better performance, improved customer experience, and potentially shorter sales cycles.”

– IDC, The IDC Sales and Marketing Automation Framework, Doc. # 224215, July 2010

As a result, marketing automation has the potential to help marketers successfully address the challenges discussed earlier.

- **Marketing Effectiveness.** With better access to data and data analytics, marketers will generate the actionable customer insights that lead to improved targeting, lead generation, demand management and sales. The information will also improve the effectiveness of existing CRM systems on an enterprise-wide basis.
- **Marketing Efficiency.** With more efficient systems for the production of data-driven creative content, marketers will maximize their resources and assets, reduce redundancy in multi-agency partnerships and expand their marketing activities within the scope of the existing budget.
- **Quantifiable Results.** With improved systems for tracking and response management, marketers will get the concrete, real-time feedback they need to optimize campaigns and identify the most productive media channels for customers, prospects, key influencers and trendsetters.

By using the inexpensive, proven tools that are available today, marketers can tap into the dynamic power of marketing automation. And that will help them connect concrete, results-oriented data to their spending activities. Then they will be able to prove their accountability by providing the C-Suite with indisputable evidence of their impact on customer acquisition, retention and growth in market share.

Simply stated, a well-researched, carefully developed project plan for marketing automation can:

- Unleash the power of marketing data by centralizing, connecting and integrating the front end (Campaigns) with the back-end (Response Management).
- Accelerate migration to a 1:1 marketing environment from simple personalization. This step will help you optimize your conversion rates by sending highly targeted, relevant and timely offers to your customers and prospects.
- Lower your company's total cost of operations (TCO). Then you can reinvest the savings in campaigns designed to deepen your proprietary customer intelligence, which will help you increase conversion rates and lower your acquisition costs on a continuous basis.

Obviously, this is not a "quick fix" solution. In fact, successful organizations typically move through four discrete phases on their "digital journey" toward a highly efficient, data-driven marketing ecosystem.

I call these four phases "the Four Cs" of marketing automation.

## The “Four Cs” of marketing automation.

**Phase One. Collection**—To overcome any marketing organization silos, the first step is to collect, catalog, and centralize the management of your data and digital assets, including brand assets and identity materials, marketing collaterals, logos and real-time marketing data coming in from the field. Centralized digital repositories—with clearly established access rules and controls—are essential for success.

Successful companies typically support one-time initiatives designed to create centralized libraries for their most frequently used and valuable marketing assets. All the work and investment required for this phase will pay dividends later by providing a strong foundation for business intelligence that will benefit the entire enterprise.

**Phase Two. Collaboration**—Once your marketing assets and customer data are easily accessible in a secure, searchable virtual repository, it’s much easier to facilitate collaboration between outside agencies and internal marketing groups. By setting up easy-to-use portals linked to your repository, you can streamline creative development, accelerate the approval process and improve program management.

These portals are effective tools for improving collaboration inside your organization and with other internal and external groups. Improved collaboration, in turn, helps marketing executives reduce cost overruns, maintain brand consistency, resolve version control issues, avoid launch delays and address other signs of operational inefficiency. Portals also help marketing organizations access real-time feedback from the field, respond quickly to problems and opportunities, and work closely together with development teams on the creation of new, market-driven products and services.

**Phase Three. Convergence**—Digital media convergence is creating new communication channels available to marketers. For example, personalized URLs (or “pURLs”)—which integrate email campaigns with direct marketing initiatives—are designed to lead customers to personalized Web sites. These Web sites help companies gather customer data and feedback that they can use to refine targeting and messaging.

Personalized URLs are a great example of how you can merge two or more media components into a single campaign to provide a much more effective way to target, connect and dialog with customers and prospects.

To take full advantage of the potential of digital media convergence, you need a cadre of clear-cut business rules designed to maximize content reuse, your digital assets inventory and your CRM data investments. You also need to create digital templates, activate digital composition tools and adopt a structured approach to authoring and design for routine marketing collaterals and other applications. The simple fact is, you have to have these rules and templates to get the full power of data-driven targeted marketing and build an efficient, results-oriented marketing organization.

**Phase Four. Connectivity**—By combining the automation of key processes like creative development and demand management with shared access to data and digital assets, it’s now possible to integrate marketing on an enterprise-wide basis. Suddenly, all of your isolated data systems and legacy archives come together into a comprehensive source of accessible, accurate, up-to-date customer data. Access to this information improves lead management and acquisition efforts as well as your customer retention and loyalty programs.

In addition, you can develop digital portals to improve communication with other stakeholders, including the sales force, key channels and customers. This new level of connectivity brings the goal of closed loop marketing within reach. You can also connect your marketing automation systems and repositories with existing technologies designed to manage customer relationships and facilitate enterprise resource planning. All of these steps will help you sharpen your customer focus, optimize your marketing efforts and generate a better marketing return.

### Technology is only one piece of the puzzle.

As you can see, marketing automation is a powerful tool for business transformation. But innovative technology is only part of the solution. When you consider all of the issues involved, success requires:

- Expert process design
- The implementation of best practices
- The development of practical business rules
- Experience in structured authoring and design
- Specialized expertise in data management, data analytics, multi-channel communications, automated production processes, and structured content development
- Extensive experience in the management of complex logistics

Marketing transformation efforts are mammoth in size and growing in complexity. And in today's challenging environment, most companies do not have enough internal resources or expertise to follow through to completion on marketing automation initiatives. That's why engaging a trusted third party can offer the most sensible path to success.

### Finding the right partner to be your “digital guide dog.”

An external trusted advisor or “digital guide dog” can provide the objective counsel and logistical management skills you need to maintain your momentum through the four phases of your digital journey.

But how do you identify the right partner for your organization? From my perspective, there are three major considerations:

- **Technology and Supplier Neutral.** Don't get locked into a single vendor's solution. A marketing logistics partner can help you gain access to the “latest and greatest” marketing automation technology without a long-term commitment. That flexibility is a major asset in a world where market conditions and technology change at a rapid rate.

In addition, your marketing logistics provider can integrate all of the solutions you need for today and tomorrow while managing and outsourcing your infrastructure for you. As a result, you will be able to spend more time and energy on the development of effective marketing strategies and tactics.

- **Proven Domain Expertise.** Instead of a trial-and-error approach, a leading provider will use experience gained from previous marketing automation efforts to help you achieve your goals. Your provider should also offer:
  - An up-to-date portfolio of best-of-breed technologies and the latest best practices
  - Extensive experience with in-depth “current state” assessments
  - Expertise in workflow re-engineering, business process optimization, logistical management and change management
  - Customized reports and dashboards to bring together the facts and metrics you need to gauge your progress, improve decision-making and increase your organizational agility
  - The expertise in data management needed to integrate your legacy systems and siloed repositories with new sources of information
  - Sophisticated data analytics to help you develop powerful marketing insights and a more in-depth, multi-dimensional portrait of your customers and prospects
  - Data-driven management methodologies like Lean Six Sigma to ensure quality, increase efficiency, improve the problem-solving process and maintain a commitment to continuous improvement
  - A global footprint so you can maximize your investment in marketing automation in every location around the world

All of these capabilities are essential for the successful development, launch and operation of solutions designed to optimize critical marketing workflows and manage a complex, ever-changing marketing ecosystem.

- **Financial Flexibility.** The right partner will help you assess the financial impact of different approaches to marketing automation by comparing “buy versus build” with a “pay as you go” service model. Naturally, your partner will need to fully understand your budgeting process and the financial metrics that drive your organization to make a well-informed recommendation. In general, however, a service model that turns infrastructure management into a turnkey operation can help you avoid a major capital investment.

## A giant leap forward for marketing organizations.

With help from the right partner and a customized approach to marketing automation, you can make dramatic improvements in the efficiency and effectiveness of your organization.

You can weave your operational and analytical processes into a comprehensive, carefully integrated marketing process. You can connect the data, architecture, infrastructure and marketing activities of different marketing organizations throughout the enterprise. Plus, you can develop the integrated communication capabilities you need to make every customer touchpoint count. So you can improve customer acquisition, on boarding, retention and up selling on a continuous basis.

Of course, marketing automation is still in an early stage of development as organizations search for the right solutions and partners to help them move forward on their digital journey. But there are a growing number of case studies that prove the value of a transformative, data-driven approach to marketing, including one featured in *1to1 magazine*. (See page 11.)

Leading public and private organizations around the world are getting breakthrough results by developing highly relevant, data-driven, cross-media campaigns and communications, including dynamic, personalized videos. You can find plenty of examples on Web sites like [www.1to1.com](http://www.1to1.com) and [www.podi.org](http://www.podi.org).

Companies like the American International Assurance Company in Singapore are launching pURLS to collect data that will help them make future marketing communications more targeted, relevant and effective.

Innovators like Ford Europe and other major manufacturers are bringing powerful new efficiencies to the development, production and distribution of critical, product-related documentation, proving the value of centralized repositories, digital templates and structured approaches to content creation.

You can also search direct marketing sites, trade magazines and the latest analyst reports for compelling evidence about the impact of marketing automation on demand generation and key metrics like response, conversion and customer satisfaction rates.

These stories show that marketing automation has the potential to help you make significant progress on the issues that can keep most CMOs up at night. It will also help you stay on the leading edge of your field by making the leap from Chief Creative Officer to a new role as a results-oriented, customer-focused, tech-savvy marketer.

No question about it. The challenges that marketing organizations face today call for a new breed of CMOs. These dynamic leaders will take advantage of the latest innovations to improve the performance of their organizations. They will use data-driven customer insights to influence decisions about sales management, product development, channel management, pricing, customer service and market research in addition to marketing communications. And they will accelerate the transformation of their organizations by leveraging the power of marketing automation.

Certainly, the convergence of marketing and technology presents innovative leaders with a groundbreaking opportunity to make their organizations more efficient and effective. An October 2009 report from Gartner—*Don't Let A Good Crisis Go to Waste; CMOs Should Act Now to Innovate Marketing*—assessed the potential impact this way: “CMOs can make marketing more accountable by driving increased revenue, cutting marketing costs and working with sales to optimize pricing margins, ultimately transforming marketing into a higher-performing business function.”

### **Seize the opportunity: a call to action.**

If you take advantage of the power of automation to reinvent the role of marketing in your organization, you can open the door to exciting opportunities for improvement.

You can elevate the importance of marketing in your company by proving that it's not a cost center—it's an engine of growth.

You can improve collaboration throughout your marketing ecosystem.

And you can move marketing from the periphery into its proper role as the heart of a customer-focused organization, developing insightful strategies that will generate revenue, build long-term customer loyalty, and lead your company forward.

All of these improvements will also have a beneficial side effect: It will help you extend your stay in the C Suite.

That's why this is the time for marketing transformation in your company.

“CMOs can make marketing more accountable by driving increased revenue, cutting marketing costs and working with sales to optimize pricing margins, ultimately transforming marketing into a higher-performing business function.”

– Gartner, *Don't Let a Good Crisis Go to Waste; CMOs Should Act Now to Innovate Marketing*  
ID # G00170983, October 21, 2009

**Digital Milestones with Data-Driven Direct Marketing:  
A Case in Point about the Value of Marketing Automation**

The hype surrounding new technologies like social media and mobile seems to have pushed other traditional customer touch points to the background. So while old-school communications like direct mail and file processing may not grab headlines, it is a serious business for many companies. And, increasingly, companies are incorporating new data-driven direct marketing strategies to improve not only efficiencies, but the customer experience as well.

The New Jersey Performing Arts Center is no stranger to customer centricity. The Newark, NJ-based nonprofit organization has deployed numerous customer-based initiatives over the years with the goal of customer retention and loyalty in the entertainment space. The company's customer loyalty program for its database of 400,000 customers scores them according to their lifetime value and provides "personal rep" concierge service for high-value customers, for example.

"We have detailed transactional information for each of those patrons, but in the past we could not easily customize or personalize our mailings to reflect patron preferences," says Catrina Boisson, Vice President of Marketing. "We did a great job on the phone and in person, but our direct mail, especially our large season brochures, was more one size fits all. The same catalog was mailed to everyone to announce the season. It could feel overwhelming to the patron and did not reinforce our commitment to customer centricity."

Instead of a mass-market direct mail brochure, NJPAC now deploys segment-based communications. For example, the front cover, back cover, and two inside pages will contain a tailored message. Lapsed customers, as one segment, will receive a message saying that "we have missed you," with a discount pricing to return for this season, Boisson says. The organization also plans to send customized direct mail pieces to groups of 50,000 to 75,000 throughout the season based on content, discounts, and other differentiators.

"As a result, in coming seasons, the Mozart lover and Meatloaf fan may get very different season brochures that appeal not only to their musical tastes but also recognize their purchase patterns and preferences, etc.," Boisson says. "We hope that it will make the material more appealing, relevant, and, ultimately, effective."

She adds that the big picture goal is to become more innovative for the same amount of resources. "We will cut the quantity and be smarter about who we're mailing to... It's reinforcing what we're trying to do at other touch points with relevant messaging."

– *1to1 magazine*, June 2010

## About the Author

Susan Kelly, vice president of Xerox Enterprise Marketing Services (EMS) in North America, leads with the goal of enabling clients to dramatically improve their marketing effectiveness and top-line revenue growth. She brings to Xerox extensive knowledge and experience in EMS, a strong background in sales and marketing, and diverse operational experience with global organizations and multi-channel media environments.

Susan founded Raine Media, Inc., a consulting services firm established in 1996 that develops the strategies and technology infrastructure to help clients better reach their customers and lower their total cost of ownership for document management programs. She is an active member in the Direct Marketing and Media Industry Associations and Supply Chain committees.

Before joining Xerox in 2009, Susan was the CEO & President of K/P Corporation, a marketing services provider for Fortune 1000 companies. Susan has held senior executive positions at R.R. Donnelley, RRD Direct, Pitney Bowes, and Gannett. In 2005, she was awarded the PIA/GATF Naomi Berber Memorial Award, which honors women who have made major contributions to the graphic communications industry. Through her commitment to thought leadership activities, Susan has contributed significant insights and analyses, promoting growth and value in the media industries.

Susan holds a Bachelor of Technology degree from Ryerson University and a Masters of Business Administration from York University.



### Susan Kelly

[Full Biography PDF](#)

[Ask The Expert](#)

[Request A Speaker](#)

[Sign up for Susan's eNewsletter](#)

[Listen to Susan talk about transforming enterprise marketing](#)

Xerox Corporation is a world leader in business and document outsourcing services with expertise that helps you reduce costs, achieve operational excellence and grow revenue. Our unique combination of experience, technology and delivery capabilities enables integration, transformation and continuous innovation of your office environment, centralized print production, and communication and business processes. We deliver excellence in every corner of the world—locally, nationally, globally.

**For more information, visit [www.xerox.com/globalservices](http://www.xerox.com/globalservices)  
or [www.xerox.com/thoughtleadership\\_susankelly](http://www.xerox.com/thoughtleadership_susankelly) today.**

