

Chairman of the bored.

CMOs, CFOs, COOs & the C-suite conundrum

“Company boards do three things: make money, count it & spend it. Any idiot can count & spend it. The difficult bit is making it in the first place & that is marketing.

Too many accountants not only join boards but become CEOs. They promote the belief that the more you count a pile of money the bigger it gets.

At best accountants keep the score. They do not make runs.”

Tim Ambler - Marketing & the Bottom Line

The typical structure.

Many B2B & professional firms have similar management structures.

The terminology used may vary, but there's typically a strategy board that approves & monitors progress against a strategy set by the CEO / Managing Partner. Then there's an operational board that implements the strategy.

The operational board will generally be chaired by the CEO / Managing Partner, who also sits on & reports to the strategy board - which is in turn chaired by the Chairman / Senior Partner.

So far, so good. A strategy's set, implemented & monitored. People know what they're doing, are held accountable, there are checks & balances. Right?

99 problems & strategy's one.

However, problems arise when you look at the typical composition of the strategy board. Amongst the appointed / elected representatives from the different business divisions, look hard enough & you'll invariably find them - a Finance Director & COO.

It's a problem because FDs & COOs are, by definition, operational, not strategic. With the COO, the clue's even in the name. Yet I regularly see COO role descriptions that include setting strategy. (I know what you're thinking - if a COO's setting strategy, what on earth's the CEO / Managing Partner doing? I thought the same thing).

A brief sojourn into a story from my time as a law firm marketing director:

The FD, HR director, IT director & I each had an expenditure budget. We weren't eligible for a bonus. In time a COO was recruited who wanted to change this. They proposed a “self-funding” bonus scheme - if we didn't spend all of our expenditure budget, we'd receive a % of the underspend as a bonus.

A perfect example of brilliant operational thinking & awful strategic thinking. And yes, that COO sat on the strategy board. And yes, they were involved in setting strategy.

But a marketing director on a strategy board? As rare as hen's teeth.

Decision making & money.

I have two theories why.

First, most strategy boards are bad at strategy. This is because most of the people that sit on them are uncomfortable with strategic decision making. It involves risk & uncertainty. There's no guarantee that the decision you make will work. Due to factors beyond your control the plan might fail.

So what do the people sitting on the strategy board do? They gravitate towards the operational & become ever more obsessed with granular details.

Everywhere I've worked, the operational board has complained that the strategy board was encroaching on their remit & wasn't behaving sufficiently strategically. One Managing Partner even went as far as telling me they were more interested in cost than growth because you can control costs but you can't control growth.

The second reason is the perception that it's the FD who controls the money. Therefore they have the biggest voice. So they sit on the strategy board. Which in turn encourages the operational pull.

You can imagine how problematic this is in professional services with lawyers, accountants, actuaries, architects & the like. People generally as obsessed with granular details as they are with their status as a "professional".

In these cases the FD- a fellow "professional" - is the only other person who's considered even close to being an equal. They have a qualification. They must be a bit like us. So they must be listened to.

At this point I should offer an olive branch. Although I don't think FDs or COOs should be let anywhere near strategy, I do recognise they come in all shapes & sizes. Some are good & some are bad. Most are perfectly adequate. Just like marketing directors.

I was fortunate enough at DAC Beachcroft to work with an excellent FD in Patrick Firebrace. I think we achieved some good things by working closely together. The relationship between marketing director & FD is an important one that should be fostered.

13 ways to right the wrong.

Yet there is someone in the business who's comfortable with uncertainty. Who does look externally to see what's coming over the horizon. Who's thinking about what the market wants. Who's used to competitive forces & risk.

Or at least should be doing all these things.

Of all the roles in a business, marketing director is one that, by default, is the most strategic. It should be an automatic pick for the strategy board. That so many aren't - particularly in professional services - is something for which us marketers must bear much of the responsibility.

So on the next page are 13 suggestions to help marketing command more respect in the business & gain a voice in the boardroom.

But if these don't work for you - & you're brave enough - you can always play the game Tim Ambler played when he was teaching the marketing element of an MBA course.

He would give a student a pile of coins & ask them to count them. When they'd done it he would tell them "that's accounting."

He'd then ask them to double the pile of coins. When they looked at him blankly he'd tell them "that's marketing."

Take that FDs & COOs.

- 1 Talk the language of money. Revenue & profit. Not just of the business, but of different accounts. Then go even further, into gearing, utilisation & work in progress.
- 2 Make friends with the FD. It's an oldie but a Stephen Covey goldie - "seek first to understand, then be understood".
- 3 Stop talking clicks, shares & likes. The board, FD & COO aren't interested in engagement rates on social media or open rates for newsletters. They're interested in money (see also point 1).
- 4 Set better objectives. For specific campaigns & for the year overall. Objectives that are SMART & few in number. That the board will be interested in (see also point 1).
- 5 Then measure the right things. Effectiveness over efficiency. Revenue, profit, market share & the metrics that lead to them - enquiries, introductions, meetings, instructions etc. (see also point 1).
- 6 Practice zero based budgeting. Don't wait for the FD to tell you what your budget is. Establish what you want to achieve & how much it will cost to deliver. Then scale both back if you have to.
- 7 Keep studying & learning. Promote the idea that marketing's a profession & should be treated with respect. Professional development is a perfectly valid use of your time.
- 8 Don't be afraid of the language. You don't want to sound like a marketing dictionary, but the language of the profession isn't something to be ashamed of. Other "professionals" certainly aren't.
- 9 Understand the vision & strategy for the business. You're there to put together a marketing strategy & plan to deliver them. You can't do that if you don't know what the vision & strategy are.
- 10 Own the client & market research. This will make you the most objective person in the business & give you a unique strategic perspective.
- 11 Get involved in pricing. It is one of the 4Ps after all (see also point 1).
- 12 Ask questions. What are the objectives? How will we measure success? Does this fit with the strategy? Can we make money from it? Will it be profitable? That sort of thing.
- 13 Don't be afraid of saying no. If the objectives aren't clear, if it doesn't fit with the strategy, if you can't make any money or profit, then you shouldn't be doing it (see also point 1).

Thirteen.Be.Distinctive.