

## Chief Marketing Officer (CMO) Council European Advisory Board Meeting

**Venue:** Booz & Company, London  
**Date:** Thursday, 26 March, 2009  
**Time:** 1500 – 1800 hrs, followed by dinner

### **Board Meeting Attendees:**

Alcatel-Lucent UK & Ireland	Paul	Adams
Alterian	Bob	Barker
Booz&Co	Michael	Peterson
BPP Business School	Stefan	Paul
CMO Council	Donovan	Neale-May
Dimension Data UK	Rupert	Wadsworth
EDS	Tony	Cooper
FutureLab	Alain	Thys
GlobalFluency	Julia	Vockrodt
IBM Northeast Europe	Andy	McFarlane
Motorola	Massimo	Sangiovanni
Omniture	Neil	Morgan
Satmetrix	Martin	Green
Skinkers	Pat	Geary
StepStone	Jim	Cassidy
Travelzoo (Europe)	Chris	Loughlin

### **1. Welcome and New Board Member Introductions**

Donovan Neale-May, Executive Director, CMO Council welcomed all members present, thanked Booz & Company for generously hosting the Advisory Board meeting and post-event dinner. Each participant then did a brief introduction touching on role, responsibilities and current challenges.

### **2. Bridging the Brand-Agency Divide – Alain Thys, Partner at FutureLab.**

Brief 15-minute presentation and discussion covered the key points in a white paper prepared by FutureLab on 10 ways to get your agency to deliver what you need. This white paper is available for download from the CMO Council web site. Alain highlighted some of the key sources of client frustration based on research conducted by his firm:

- Henry Ford-style sales techniques in a solutions market
- Creative talk where ROI language is needed
- Media intransparency

### **CHIEF MARKETING OFFICER COUNCIL**

4151 Middlefield Road Palo Alto, CA 94303

 (650)328-5555  (650)328-5016

[www.cmocouncil.org](http://www.cmocouncil.org)

- ❑ A 'pleasing' attitude vs. 'doing what is right'
- ❑ An addiction to saturation bombing vs. engagement
- ❑ Lot's of digital talk, but no integrated action
- ❑ Insufficient understanding of retail/sales reality
- ❑ Insufficient C-suite air cover
- ❑ Lack of international integration
- ❑ Orthodoxy where fresh thinking is needed

In addition, he listed 10 ways to improve the client-agency partnership:

- ❑ Don't ask for integrated solutions from those that can't give them
- ❑ Give hard ROI & business targets to your agencies
- ❑ Call in media auditors to validate effectiveness and the efficiency
- ❑ Encouraging your agency to challenge your beliefs
- ❑ Insist on engagement and relevance instead of saturation bombing
- ❑ Validate an agency's digital capabilities and then forget about technology.
- ❑ Ensure every initiative connects to the retail (or B2B sales) floor
- ❑ Clarify your expectation for analytical/strategic C-Suite support
- ❑ Make sure your people speak to your agencies with one voice
- ❑ Break industry orthodoxies (also on compensation), and hire more people

### 3. Issues and Challenges in the Current Recessionary Climate Across Europe

Open discussion on the dynamics of the European market and how companies were approaching and dealing with uncertain times. Key points made by individual participants included:

- ❑ Budget contraction and longer selling cycles; margin pressures
- ❑ Project postponement and some purchase decisions being reversed
- ❑ Greater competition for share of spend
- ❑ Need to cut marketing costs and switch dollars
- ❑ Greater attention on the delivery of market-appropriate services
- ❑ New value-added services needed to off-set market softness
- ❑ Public sector markets holding up due to longer term commitments
- ❑ SME demand curtailed by credit and capital restrictions
- ❑ Germany and UK markets most impacted, followed to a lesser degree by Italy, France and Spain
- ❑ Retail, financial services and manufacturing sectors are hardest hit; less so transportation, logistics and hospitality
- ❑ Big focus on customer relationship building and retention
- ❑ Channel seen to be still holding up in the IT sector
- ❑ Top, business critical projects are getting funded
- ❑ Trigger events present both opportunities and challenges – acquisitions, consolidations, bail-outs, divestitures, etc.
- ❑ Critical need to retain experience in the company as companies restructure and lay-off
- ❑ Creative approaches on how to help customers ride out the recession
- ❑ Need to re-skill, train and develop staff for a more challenging, digitally driven market

#### 4. Update on New Initiatives & Upcoming Events

Bob Barker, VP of Corporate Marketing for UK-based Alterian, reported on the new Calibrate How You Operate report, which was sponsored by his company. The research shows that even as global companies aspire to keep pace with dramatic market shifts and uncertain economic forecasts, major operational change appears extremely difficult to achieve. Key findings referenced in the study, included:

- ❑ Current marketing operational models are becoming increasingly complex and more crucial to the strategic success of global businesses, but are facing significant challenges from entrenched corporate cultures, inter-departmental politics, and a lack of adequate data and information systems.
- ❑ 83 percent of marketers say they face change-resistant corporate cultures, conflicts and competition between internal constituencies, and a resistance to operational accountability, visibility and measurement.
- ❑ Many are also struggling with low adoption and use of CRM systems (38 percent). A surprising 28 percent say they lack ownership of critical aspects of the marketing budget while 26 percent continue to struggle for divisional control and independence.
- ❑ Overall marketing operational effectiveness is considered the least developed operational area by nearly 50 percent of respondents.
- ❑ Sixty-one percent of respondents are structured with centralized marketing operations and strategy with localized programs executed by regional/country managers
- ❑ There are indications that alignment between sales and marketing is possible as the majority of marketers cite sales as being the primary stakeholder with interests and feedback relevant to marketing. This is confirmed as 94 percent of marketers are utilizing platforms designed to better capture, qualify, communicate, convert and manage leads and customer contact information.
- ❑ Investments in web-centric platforms will continue in 2009 as the majority of marketers indicate they will invest in areas including email campaign management, web content management, eMetrics and web analytics platforms.
- ❑ More than 26 percent of the respondents are unsure of the level of funding that will be allocated to operational change programs; another 25 percent report that their companies will spend only \$100,000 (US) or less on marketing operational improvement initiatives in the year ahead.

Donovan Neale-May referenced the formation of the new Customer Experience Board, sponsored by Amdocs, which is launching a new study on “Service Invention to Increase Retention.” The initiative includes a dedicated knowledge center and global think tank comprised of concerned marketers from leading communications service providers (telco, wireless, cable, satellite, ISP) and key industry experts who will interact and engage to gather insight around improving global integrated customer experience management and promote best practice adoption in this critical area of business performance. The Customer Experience Board will be focused on benchmark studies, audits and competency assessments, content aggregation, report publication and syndication, peer-to-peer interactions, best practice development, vertical industry analytics, and global models and frameworks for integrated customer experience management.

The CMO Council will also provide a plug-in panel drawn from the EMEA membership base for the Global Sales Science Institute Conference hosted by ESC Clermont in Clermont-Ferrand, France on June 3-5. Dialogue is also underway for the CMO Council to participate in the Booz&Co. Annual CMO of the Year Awards event in Frankfurt in November and a Chief Marketing Officer Summit in Dubai in October.

## 5. Closing

Board members are all invited to join the Speakers Bureau if you're interested in presenting at international conferences and events. More information is available at:

[http://www.cmocouncil.org/resources/form\\_speakers-bureau.asp](http://www.cmocouncil.org/resources/form_speakers-bureau.asp)

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