

CMOs need to leverage corporate and business-unit capabilities to reinvent the marketing function

By Mike Leiser, Senior Partner at Prophet

In 2000, an overwhelming 95 percent of respondents to a Marketing Leadership Council survey said they anticipated centralizing aspects of their marketing functions. Five years later, progress against this objective is spotty. While some businesses have achieved noteworthy transformations, many are still struggling to take the first steps.

The appeal of a centralized approach to marketing has its basis in two critical needs: to gain greater consistency across the organization, and to better leverage marketing's initiatives and the power of the brand. And the pressure to achieve both is only intensifying.

Megamergers mean megaorganizations, creating overlap and confusion in roles, responsibilities, processes, and systems. Brand portfolios are growing larger, more complex, and more difficult to manage. Customers are increasingly demanding in their expectations of the brand and the business behind it.

So what's holding back true progress? Many companies jumped too fast into centralized marketing without evaluating how its power could be coupled with a strong business unit marketing force to deliver value.

At issue is the need to weigh an enterprise marketing structure against the total needs of the business and identify where best to deploy resources to deliver on brand and business objectives. The end goal? Creation of a structure that serves the overall business as well as its brands.

The process begins at the top. Senior management needs to articulate to all parties the company's overall business goals and the strategies to achieve them. With that in hand, a centralized, corporate marketing team, with its company-wide perspective, can take on the challenge of identifying which strategies are best implemented across brands or markets and how to get there and evaluate progress.

The business units also have a critical role to play. They must develop a strategy and growth agenda for their individual

businesses while integrating with a broader corporate agenda. They must also identify unit—or brand—specific growth drivers, determine what success looks like for the unit, and find the best marketing tactics to achieve it.

Corporate marketing must take on a consultative role that keeps it above the fray. Part of the strategic value corporate marketing brings to the organization is its objectivity and ability to generate opportunities across the company that are usually blocked from the individual business units' view. Marketing also has considerable resources to help fuel collaborative efforts.

As a former corporate marketer with Coca-Cola recalled: "When we came through with customer insights on a cross-unit or global basis, it was great—it was one less thing the business units had to worry about. But where we really proved ourselves was in the ability to collaborate with them to apply these insights to their specific business and make a material difference."

The challenge is getting to this point. Those who are effecting this shift must understand tangible growth is a multifaceted process that requires culture change. Different companies have taken different paths toward reinventing their marketing organizations. One that has achieved success is General Electric.

GE needed to demonstrate how collaboration between corporate and business unit marketers could result in the best thinking of both being put into play. Rather than force-feeding GE's 11 disparate business units with the new corporate brand strategy (positioned around "Imagination at Work"), corporate and two of the units partnered in test-driving the initiative, working out the kinks, and ensuring that the effort would be meaningful across the organization. This collaboration paid off in substantial improvements in external perceptions of GE as an innovator (up 35 percent) and as a dynamic industry presence (up 50 percent).

As businesses recognize the power of brand and marketing to transform an organization, they also realize the ability to tap into that power requires the right structure (supported by the right people with the right capabilities) to be in place. To do that takes a collaborative effort to leverage and integrate the best of both marketing worlds—at center and at the business units—with a structure that best supports the business model and strategy.

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