



# Book The Shift

## The Transformation of Today’s Marketers into Tomorrow’s Growth Leaders

Scott M. Davis  
Jossey-Bass, 2009  
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### Recommendation

Marketing certainly needs to be jolted into the 21st century, and this book may be a good first step in that direction. Scott M. Davis, working with Philip Kotler, who wrote the foreword, and with other chapter co-authors, urges tactical marketing executives to become “Visionary Marketers,” a transformation process that requires “five shifts” in practice and focus. To buttress his case for change, Davis includes real-world examples of top corporate marketers who transcended their traditional roles and earned the serious regard of senior management by affecting the bottom line. However, while his case studies have practical applications, he presents little new information and his descriptions of the five transformational shifts sometimes bog down. That said, he makes a compelling point that marketing must change and focus on the larger goals of the company, armed with superior knowledge of customers. As a result, *BooksInShort* recommends Davis’ book to serious marketers who want to update and transform their tactics in a radical way and, by doing so, step into a more influential role in their companies.

### Take-Aways

- “Visionary Marketers” are masters of strategy and organizational change.
- A marketer with profit and loss experience has more credibility with executives.
- A marketer’s success depends on working with the company’s most influential people and understanding its marketing “archetype.”
- Corporate marketing archetypes include: “instinctive, high-powered, aspiring, disciplined” and “old-school.”
- Marketers earn top-level leadership roles by undergoing five transformative “shifts.”
- They go from generating marketing plans to influencing financial results.
- They shift “from controlling the message to galvanizing your network.”
- They advance from making small fixes to spurring “pervasive innovation” that rejuvenates companies and sustains growth.
- They go from running ad agency activities to “inspiring marketing excellence.”
- And, they shift from focusing on operations to paying intense attention to customers.

### Summary

#### A Golden Moment

Marketing executives stand at a pivotal point within their organizations. Instead of being limited to managing advertising agency relationships and providing sales support, “Visionary Marketers” are becoming corporate leaders. They are earning this role by translating their knowledge of media use and customer behavior into new products and new consumer experiences. They move up in corporate leadership by transforming their marketing departments into engines of innovation and growth.

“Successful marketing executives today aren’t acting quite like marketers of the past.”

Today, visionary marketers have moved into top corporate positions at Best Buy, Wal-Mart, Burger King, General Electric and other companies by discovering what factors drive their customers and contribute to organizational growth. This new breed of marketers fulfills corporate demands for more bottom-line accountability. Marketers who focus only on devising creative messages and strategies are avoiding their responsibility to add to overall growth. Visionary marketers provide development ideas at the board level and drive companywide expansion through branding, product innovation and business strategy.

## Thinking Strategically

Most traditional chief marketing officers (CMOs) have a strong mastery of marketing tactics but limited involvement in strategic thinking. To become visionary marketers – and, thus, strategic corporate partners – they must develop deeper insights into their customers and companies. Marketers need to evolve from being tacticians to being facilitators and leaders. This includes exceeding expectations, building executive-level credibility, driving strategic discussions, innovating, teaching and inspiring others. Such an evolution within any corporate setting depends, of course, on the corporation – particularly the CEO’s and board’s predisposition toward marketing, and the organization’s marketing culture. Such cultures fall into five “archetypes”:

1. **“The instinctive marketer’s organization”** – Some CEOs, including Howard Schultz of Starbucks, Michael Dell of Dell Inc. and Arthur Blank of The Home Depot have a vision of their customers’ relationship with their products. These leaders built their companies and then turned them over to nonmarketing CEOs who eroded profitability. As chief marketing officer in such a company, expect the CEO to have strong marketing opinions. Your success will depend on how well you get along with the CEO and fulfill the board’s marketing and strategic objectives.
2. **“The high-powered marketing organization”** – CEOs who are former chief marketing officers or sales executives acknowledge marketing’s strategic corporate role. They include Bob Harris at Lending Tree, A.G. Lafley of Procter & Gamble, and Meg Whitman, former CEO of eBay. To become a visionary marketer in such companies, think strategically and take actions that directly affect the bottom line.
3. **“The aspiring marketing organization”** – Business leaders who understand the real potential of marketing seek transformative CMOs. For instance, Burger King’s executives reinvigorated their marketing and made it the primary engine behind new products and revenue sources. Other companies with this approach include Ford, Diageo and Wal-Mart. Visionary marketers in such companies have “stretch opportunities,” wide latitude and time to make an impact, but they also face large risk-reward ratios.
4. **“The disciplined marketing function”** – Traditional business-to-business, industrial, sales and manufacturing firms often lack strong marketing traditions but recognize the role marketing can play in growth. Experienced marketers can set their own course, but they need bold personalities, “talent and tenacity,” and the ability to inspire and teach.
5. **“The old-school marketing function”** – The CMO is typecast as a tactician and can succeed fairly easily in that narrow role. The visionary marketer “can never win” until the company is ready for a total reorganization that breaks old patterns and opens new doors.

“Clearly this is a golden moment in time for all marketers to rewrite the traditional playbook and shift their responsibilities from supporting sales to direct line responsibility for successful and profitable growth.”

A marketer’s success depends on working with the company’s most influential people and understanding its marketing archetype. To join the corporate conversation at the highest strategic level and serve as a growth catalyst alongside other top executives, the marketer and the marketing department must progress through five transformative “shifts”:

### Shift 1: “From Creating Marketing Strategies to Driving Business Impact”

Traditional marketers develop strategies. They start becoming visionary marketers when they focus on bottom-line results. Marketers who understand how their companies make money can develop a “profit and loss mind-set.” Having P&L experience enhances a marketer’s credibility and the support he or she is likely to receive from other executives, especially the chief financial officer. Visionary marketers deal with the company’s needs at the strategic level, beyond ad tactics alone. They maintain relationships with other units, particularly finance, human resources, information technology and sales. They commit resources to achieve small, steady successes. Marketers who accomplish these goals have the opportunity to gain the CEO’s attention by holding strategic discussions that address ways to boost shareholder value, drive growth, enhance efficiency, motivate the workforce, serve customers, make sales and reshape the business.

### Shift 2: “From Controlling the Message to Galvanizing Your Network”

Nike is an innovative manufacturer that has created new, better ways to connect with its consumers. Similarly, Starbucks and Apple customers do not just buy coffee or computers; they buy an identity. While trying to create and expand similar identity-rooted brands, some marketers have built social media networks of aligned customers. In the process, they have realized – not always comfortably – that their customers actually want to take control of their brands themselves. This is the reality of the “Network Era” of marketing based on instant, two-way communication between companies and customers. In this free-for-all, marketers must deal with unprecedented customer input. They risk losing control of their messages. Marketers cannot just lecture such involved customers. They must court them and participate with them, joining online forums and initiating aligned services that enhance their brands. Since consumer networks transmit and check information continuously, marketers must be truthful in every communication.

“CEOs and boards are demanding that marketing become a strategic growth driver and catalyst for profitable growth.”

To visualize networking’s impact, diagram different customer contact points so you can identify key audiences, particularly groups who directly or indirectly influence purchasing decisions, deliver extra value and shape the market environment. Barack Obama’s presidential election campaign followed this strategy as it harnessed networking across many communication channels, focusing consistently on the need for change. In 2008, *Advertising Age* magazine cited Obama as the Marketer of the Year, largely due to his networking success.

### Shift 3: “From Incremental Improvements to Pervasive Innovation”

Continuous innovation rejuvenates companies and builds business. Innovation can be “traditional,” which leads to new products, or “pervasive,” which uses fresh approaches to goods and services across departments to transform customer relationships and energize growth. Visionary marketers know that the pervasive-innovation mentality can generate new customer experiences, create novel business models and change the corporate culture. General Electric, Dell, Google, Adobe, Cargill, Procter & Gamble, Best Buy, Toyota and Apple have pursued pervasive innovation with positive results. Such firms now recognize the customer’s major role in sparking innovation. Procter & Gamble no longer relies solely on internal research and development to generate new products. When its customers identify the need for a new product, the company’s researchers shape the demand into a statement of a problem that scientists can solve, prepare a technology brief and release it to a network of technology entrepreneurs. Already, this process has produced Swiffer cleaning tools, the Crest SpinBrush and Olay Regenerist.

## **Shift 4: “From Managing Marketing Investments to Inspiring Marketing Excellence”**

The limitations of traditional marketing – incomplete data, poor measurement processes and backward-looking analyses – highlight the need to find new ways to derive comprehensive, big-picture data. This is becoming more important as product proliferation and the lack of differentiation makes it harder for corporations to reach their growth objectives. Marketers face increasing pressure to measure results more accurately. Visionary marketers must propose and implement ideas that show measurable outcomes in overall corporate growth. The Internet, which provides faster feedback mechanisms than other marketing channels, has become the primary medium for gauging the return on investment (ROI) in advertising and direct-response marketing. Visionary marketers at Capital One and Harrah’s devised comprehensive online programs that track revenues, market share and profit margins.

“Forward-thinking CEOs are asking marketing to join them on the journey to growth.”

The speed of online consumer interactions puts additional pressure on marketers to correct poorly performing programs with great speed. This requires developing relevant, efficient metrics that quantify the business (market value, price-to-earnings ratios), its activities (sales, profitability, market share), its brand (value, price premiums, brand equity) and its ROI on marketing activities, not just in terms of money, but also in terms of customer lifetime, value and loyalty.

“You need to be all-in and relentlessly focus on your customers.”

To make this shift, visionary marketers must bridge the gap between corporate and marketing budgets. Businesses can no longer allocate funding only to individual departments, but must apply resources companywide to build brands, stimulate product demand and promote growth.

General Electric accomplished this goal by creating a marketing team of internal and external specialists who pushed innovation and studied various markets to set specific growth goals. Charles Schwab’s marketers developed an online community to elicit questions from younger investors. This proved more significant than advertising since it focused on a target audience.

“Two-thirds of companies consider innovation one of their top three strategic priorities; however, 57% are not satisfied with their return on innovation efforts.”

To emulate this approach, create “marketing playbooks” for specific market segments or geographic regions. Such playbooks should cover cost and return estimates, marketing variables, available tools (pricing, promotion, merchandising, communication) and other factors that are unique to the target group and that enable innovative, growth-oriented marketing.

## **Shift 5: “From an Operational Focus to a Relentless Customer Focus”**

To solve complex problems, visionary marketers should develop and foster a companywide customer-centric perspective. This approach, though not easy to implement, has worked at Dell, Apple, General Electric, Burger King and Charles Schwab. However, putting it into use generally requires a full organizational transformation, which is possible only if the CMO’s marketing vision earns the backing of other top executives. Unfortunately, one-quarter of all CMOs are “not involved in any way with customer service and support,” and most have poor relationships with their CFOs. This may be why most marketers say their greatest problems stem from nonresponsive senior managers or a faulty organizational culture.

“The goal is to win customers, and the way forward is a fully integrated, go-to-market approach that holds marketing, sales, finance, IT, human resources and other units jointly accountable for the growth of the organization.”

To build strong awareness of customers, study how they interface with the business, especially during periods of stress. This analysis should reveal numerous contact points between customers and key departments. For example, customers with billing problems need input from IT.

One way to develop a customer-centric view is to create a brand council. Such councils were introduced in 2002 and they have become forums for organizational discussions about domestic and global brand building. Many brand councils eventually become growth councils. Results from these groups have helped marketers at Cargill, Zurich Financial, Visa, AT&T and Hyatt become growth leaders.

“No one has the luxury of remaining complacent.”

Marketers must move beyond tactical expertise and rebrand the marketing department, positioning it to drive sales and growth based on customer insights. Shifting marketing’s scope will give companies an enhanced ability to evaluate business initiatives and offer customers new ways to build beneficial relationships with corporations that sell to them.

## **About the Author**

**Scott M. Davis** is a senior partner at Prophet and a former adjunct professor at the Kellogg School of Management at Northwestern University. He is the author of *Brand Asset Management* and co-author of *Building the Brand-Driven Business*.

