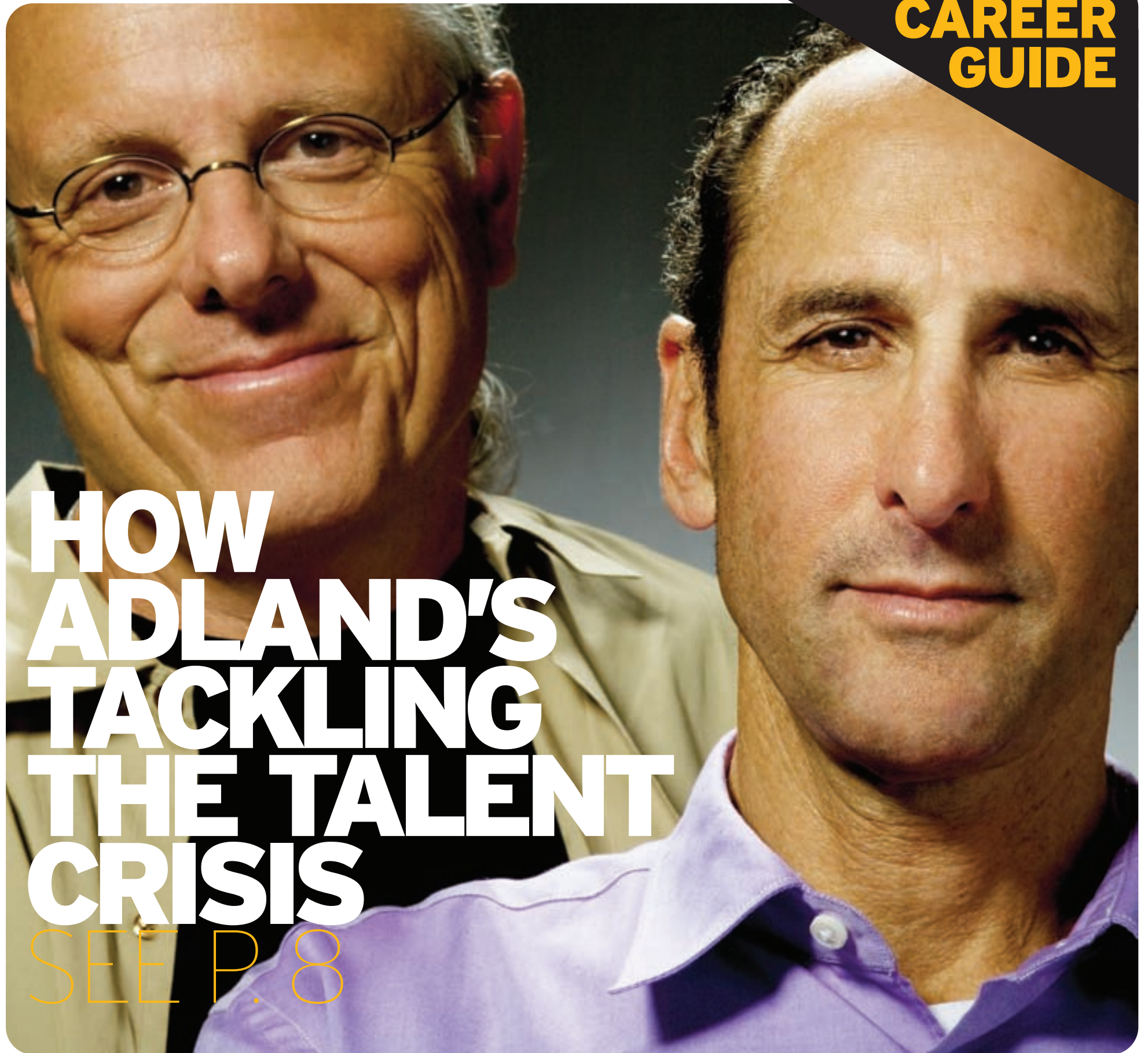


AdvertisingAge's

# TALENT WORKS

SEPTEMBER 24, 2007

CAREER  
GUIDE



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**HUMAN CAPITAL.** It's the single-most-important asset agencies and marketing organizations can have right now, and there isn't enough of it to go around. Demand's at an all-time high; supply hasn't kept up. That's because as technology transforms the advertising landscape in unprecedented and dizzying ways, it leaves in its wake legions of marketers who, by default, end up at the base of the learning curve.

Agencies need creative minds and strategic thinkers who can help guide clients as they navigate the new waters of interactivity and brand development, all the while adhering to critical, ROI-infused business goals; marketing organizations need talent that can execute against a new and more challenging agenda hell bent on boosting the bottom line.

Of course, if you are an individual with the kind of multifaceted skill set so prized among marketers these days, you're a commodity that's hotter than a pop tart's imple-

sion on YouTube. Because there are too few of you. Your challenge? Finding the right fit for your brilliance.

The purpose of this guide is to provide the tools and advice that can help hiring organizations as they seek the best of the best, as well as job seekers whose goal it is to land that plum gig. Whether you're new to the industry, a midlevel executive looking to advance or a CMO who is toiling to have an even greater impact on his or her company's management team, this report is for you. Likewise, if you're in the beginning stages of paving an agency career or have been successfully leading a global firm for years, this guide should provide you with a closer look at some of the critical issues related to maximizing your career success.

And for more tips, trends and expert advice on landing and navigating that dream job, as well as how to fix the talent crisis within your organization, check out Ad Age's TalentWorks each week, in print and online.

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# REWARD AD STARS FOR VALUE, RESULTS

## AGENCIES SHOULDN'T HAVE TO CUT COMPENSATION PACKAGES FOR THEIR STRONGEST PLAYERS

ADVERTISING IS STILL a people business. The strategic thinking and creative concepts that build brands come from the minds of people who make a difference. They are people who win business. Ask a chief marketing officer what he or she most wants from an ad agency, and the response will be: ideas that solve a problem, ideas that are strategic and communicate across a multitude of platforms and ideas that brands need to address. These ideas are born in the minds of the stars of advertising. But will they be there in the future?

Agency compensation continues to be squeezed. Procurement concepts of buying hours or FTEs do not reward brilliant insights that come from creative people and cannot be measured in hours. Blended hourly rates and payment for execution and coordination, but not creative or strategic thinking, are forcing agencies to reduce compensation packages for their stars.

As agencies struggle to define the incentive compensation formulas for success for the client and additional compensation for use of strategic and creative concepts beyond the scope of the specific assignment, they are finding it difficult to reward their stars. Bonuses for employees can only be paid if an agency overall makes its numbers. Long-term incentive plans pay off only if the overall agency achieves significant improvement in its stock value. These achievements become more and more difficult as agencies are continually squeezed and often not compensated at all for the additional use of strategic creative as advertisers no longer entrust all of their marketing dollars to a single agency.

Salaries have topped out. Public companies have to report the compensation of their most highly paid people.

Compensation at the top is about the overall package. How much does the star earn after taxes for each year of devotion to the agency and its clients? This has to add up against alternatives such as going to work in Hollywood, starting an internet company, joining the Google staff or starting a brand-consulting or content company ("please do not call us an ad agency").

So it's not about salary. It's about the other pieces of the package and the chances

BY RICK KURNIT

**ABOUT THE AUTHOR:** Rick Kurnit is a partner in the law firm of Frankfurt Kurnit Klein & Selz. He has thirty years of experience in the advertising and marketing services and publishing industries, representing advertisers and agencies.

that the agency will achieve the profitability that will make those pieces pay off:

- The percentage of salary that can be achieved in exceeding targets as an annual bonus and whether it is determined by the agency worldwide or the individual office or a mix of factors.

- The value of equity or restricted shares (options are a thing of the past). Assuming 15% per annum growth in value is something to be undertaken with care.

- Additional equity or a "phantom equity" to reward staying with the agency and achieving long-term goals. This is where the wealth creation may rival the lure of setting out on your own and building your own company that you plan to sell to the holding company that failed to perceive your value last year at bonus time.

The bottom line is that compensation packages for the stars of the agency world—the great creative strategists and individuals who move the business—are trending lower. It becomes more difficult for agencies to fashion a package—salary, annual bonus, long-term incentive and restricted stock—that will produce, over time, the wealth that stars of advertising achieved in the past. The solution: Clients must compensate agencies for achieving results—paying for value created so that agencies can more predictably deliver to the stars who make it happen. It takes creativity on both sides of the equation—the agency reaping the rewards of success and the stars structuring a compensation package that will yield a fair share of those rewards if they are achieved.

## WHERE DO MARKETING MASTERS COME FROM?

BY DAVID SELBY  
AND BRADFORD MCLANE

Where do marketing masters come from? In truth, there's no magic formula that guarantees success. While the term "marketing" and the title "CMO" may be consistent across companies and sectors, the ideal background for a marketing leader isn't. It will shift depending on the industry, the situation, company and brand needs and the cultural environment. Here, a rundown of how the path to marketing mastery can vary:

### RETAIL

Some of the best marketers in retail have a merchant mentality and may have held merchandising positions earlier in their careers. The best merchants are actually quite good marketers who buy for their customers rather than for themselves; marketers in retail should approach marketing from a merchant's perspective, with intimate understanding of the product, the customer and their needs, and a feel for the rhythm and cadence of retail.

### CONSUMER PACKAGE GOODS

Marketers at major consumer-package-goods companies have typically spent their careers in packaged-goods brand management and are experts in understanding channels, new-product development, demand generation, brand extension, pricing, packaging and consumer insights. They are excellent at analyzing syndicated data and using it with their sales force and key customers.

### FINANCIAL SERVICES

Many of the top financial services marketers got their start in a more disciplined CPG "academy," but they were distinguished by their particular ability to be more metric-based in their decision-making. Direct and data-based marketing can serve as excellent training grounds for financial services marketers who so often sell their products directly to customers or through third-party financial advisers.

### PROFESSIONAL SERVICES

Master marketers at law firms, consulting firms, accounting firms are increasingly being looked to as the architects and drivers of growth. The best marketers in professional services know how to work with partners to help them become masters in their individual industry sectors, teaching them how to develop business with new and existing clients.

## WORDS TO WORK BY

'The book that has inspired my career is...'

- "Forgiveness is a Choice: A Step-by-Step Process for Resolving Anger and Restoring Hope," by Robert Enright. It's a book by a professor of educational psychology at the University of Wisconsin-Madison whose 10-plus years of research has proved the power of forgiveness to improve performance in all aspects of work and personal life. It especially applies to anyone working in the agency business, with its rejections, risks, long hours, often unfair judgments, losses and changes of loyalty.

—Marsha Lindsay,  
president-CEO, Lindsay,  
Stone & Briggs

- I get a lot of inspiration from so many books. I guess the most influential book is the large Bauhaus book that was designed by Muriel Cooper for MIT Press. I picked up two concepts: "Less is more" and "the sum is greater than the individual parts." Both concepts are important to the basic architecture of R/GA. The first is about design simplicity, and the second is about collaboration and integration.

—Bob Greenberg,  
chairman-CEO-global  
chief creative officer,  
R/GA

- I read Ogilvy's "Confessions of an Ad Man" in 1978, and I promptly switched majors from accounting to journalism.

Shortly before graduating I read "Christ was an Ad Man," by Robert Pritikin. It was a hilarious read, especially the part where, after consumer research confirmed that the greatest benefit of owning your own swimming pool was swimming in the buff, he proposed "Best F\_\_ING Pool in the World" as a headline. Little did I know that 10 years later I would be proposed "Just F\_\_K It" as a position line for Nike. With a small tweak that line worked out pretty well.

—Scott Bedbury,  
founder, Brandstream

# WHEN YOU KNOW IT'S TIME TO MOVE ON

**CAREER CONSULTANT BRAD KARSH WEIGHS IN WITH FOUR ESSENTIAL STEPS TO HELP YOU LAY THE GROUNDWORK FOR YOUR JOB SEARCH**



## ABOUT THE AUTHOR:

Brad Karsh is president of JobBound (jobbound.com), a career-consulting and corporate-training company. He is one of the nation's leading experts on landing a job and author of "Confessions of a Recruiting Director" (Prentice Hall Press, 2006). Brad spent 15 years at Leo Burnett in Chicago. He left in 2002 as VP-director of talent acquisition.

IT'S NEVER AN EASY decision to change jobs. But when that magic moment comes, when you've read "Who Moved My Cheese," and when you decide that today is the day, what exactly do you do?

It's a problem plaguing many job seekers. In fact, part of the reason you haven't made the move is probably because you don't really know how to get started. Here's the inside scoop on exactly how to take the next step.

BY BRAD KARSH

## 1. PUT YOUR HOUSE IN ORDER

Resume, cover letter, interviewing skills. You'll need to have all of them brushed up and in top-notch shape. I know that resume has been sitting dormant since you graduated college eight years ago, but trust me, the recruiting director no longer cares that you raised \$370 for the "Cannes Car Wash '99" as the Ad Club VP-programming.

Don't assume that your title or company will speak for themselves, either. Just because you're the account supervisor on Unilever at Ogilvy, New York, doesn't mean you'll get any job you apply for. There is an abundance of well-qualified candidates out there. The more buttoned-up you are with your preparation, the better your chances.

So update the résumé. You can do it yourself or work with a professional résumé-writing company. Just make sure it's in great shape, accurately reflecting your accomplishments. The same goes for interviewing. You probably think that you are great at interviewing, but you may be shocked at the mistakes you make following a mock interview. Perhaps you're an excellent speaker, but that doesn't mean you do well in an interview. Like anything else in life, practice makes perfect.

## 2. REASSESS YOUR CAREER

When you decide to look for a new job, it's typically for one of two reasons: Either you don't like your job or you lost your job.

Our first inclination is to get another job doing the same exact thing, as quickly as possible. We think like a robot:

Lost job as account director on car account at large multinational ad agency. Must get new job as account director on car account at large multinational ad agency.

Instead, take some time to think. Do you like your career? Do you like the field you work in? What might make you happier? The earlier you do this in your career, the better. One lament I hear from more-experienced job seekers is that they feel trapped; because they are senior and because they've only worked in one area, every new job needs to be in the same exact industry and job title.

But that doesn't necessarily have to be the case. And now that you're changing jobs, reassess your priorities and make sure you're not just blindly jumping into the next job.

If you work for an agency, now may be the time to go client-side. If you work for a client, perhaps you should try working for an agency. Start your own company or go to work in a different city or in an agency unlike anything you've experienced before. Obviously, there are some constraints on what you can do, but take some time to really consider that next move.

## 3. GET OUT THERE

Take our exciting quiz to determine if you know the best way to land work. Please select which is the most effective way to score your next job:

- A. Check out AdAge TalentWorks and other online job postings
- B. Network
- C. Work with an executive recruiter
- D. Scour individual company websites
- E. All of the above

Yes folks, the answer is E. If you are serious about landing that next job, you want to go after it with vigor. Like anything else in life, the more effort you put in, the more you get out. Each method has its advantages:

- Online job postings are how most companies list their open jobs
- Networking can get you access to hiring managers and recruiting directors with a recommendation from someone on the inside
- Executive recruiters often are hiring for jobs that are not posted online
- Company websites allow you to stay abreast of up-to-date job listings

It sounds cliché, but the wider you cast your net, the more likely you are to catch a fish (or, in our discussion, land a job).

## 4. ACT WITH PROFESSIONALISM IN ALL THAT YOU DO

The way you conduct your job search is a reflection on you. I've heard (and seen) far too many instances of resumes sitting on the copy machine, Yahoo HotJobs left up on your computer screen when you head out to lunch or multiple instances of your grandmother dying unexpectedly on Wednesday from 1 - 2:30. Not only does this give you a bad reputation, but it can also cost you your current job.

Similarly, don't be too quick to get into bed with your new company. Don't betray company or client confidences, don't bad mouth your former company and don't give less than the industry-standard two-weeks' notice if you do quit.

Why should you care about any of these for a company you are leaving? From my perspective as a recruiting director, I always thought that if you do that to your former company, you'd do it to my company as well down the road.

Plus it's a small world out there. People talk and people move jobs quite a bit. You don't want to burn bridges or be known around the industry as unethical.

Getting a new job can be an intimidating process. But if you go about it with a plan on how to do it the right way, it can be incredibly rewarding.

# IDEAS? REMEMBER THOSE?

**NEVER BEFORE HAVE WE HAD SO MANY MEDIA OPTIONS AND YET SO VERY LITTLE TO SAY. IF YOU WANT TO MAKE IT IN THIS BUSINESS, DON'T ALLOW YOUR THINKING TO GET SMALLER**



## ABOUT THE AUTHOR:

Sally Hogshead is a consultant, speaker and author. Her career includes stints at Wieden & Kennedy and Fallon, and she co-founded Robaire & Hogshead, where clients included Target, Remy Martin and Condé Nast. In 2001, she opened the West Coast office of Crispin Porter & Bogusky. She is the author of "Radical Careering: 100 Truths to Jumpstart Your Job, Your Career and Your Life."

THE WORLD HEADQUARTERS of TBWA Advertising was located at 292 Madison Avenue, back when a Madison Avenue address was still de rigueur for an agency's letterhead. It was the summer of 1991, and TBWA was in full swing with the iconic Absolut campaign, now polishing its fame to blinding perfection. The agency exuded the untouchable cool of an international catwalk model: aloof, poreless, slightly bored, altogether intimidating. If advertising had paparazzi, they would've camped outside the door. Entering the lobby made one feel suddenly self-conscious, acutely aware of some otherwise irrelevant detail, such as the fact that the dry cleaner's seamstress had recently re-sewn a button in a slightly off-color thread. Yet on the first day of my unpaid summer internship at TBWA, walking into that lobby, I felt no intimidation whatsoever. Not because I possessed that same unattainable cool, but quite the opposite. I was too clueless even to have a clue of how clueless I was. Just two weeks earlier I'd graduated from college wearing my new \$29.95 Thom McCann white pumps that coordinated with my Laura Ashley hair bow.

During my first week, I discovered a most startling fact: The creative department staff locked their file drawers at night. Why? So no one could steal their ideas. This, as you might imagine, intrigued me entirely. What was this intellectual bullion? These same employees unthinkingly left personal valuables such as watches and cameras on their desks at night, yet locked their file drawers? Whatever lay inside those OfficeMax treasure chests, I wanted some of it.

Locking up the ideas was a little extreme. Perhaps. But actually I'm beginning to wonder if our industry knew something back then that we've since forgotten: Nothing in an agency is more valuable than ideas.

Until fairly recently, clients and agencies shared a reverence for ideas. For those of you who got into the business recently and have only seen the near-extinct species known as a print ad trapped in amber, here's a flashback. Computers were a novelty (a spiffy little number named the Mac Classic had just been introduced). Type was still hand-lettered for meetings, then, once approved, sent out overnight to be set. Brands didn't have to compete for attention with iPods, BlackBerries, YouTube, Wii video games, Facebook or Netflix. They barely had to compete with cellphones, websites or a newfangled thing called e-mail. Media options were so limited (single page or spread?) that we didn't have to deal with an entire range of variables, which meant that if a timeline was a week long, six-and-a-half days were spent developing the strategy and idea.

Advertising has changed since then—and decidedly for the better. We're entering a new renaissance, one with more creative opportunities than ever before, a

BY SALLY HOGSHEAD

time when "idea" is no longer synonymous with a 30-second TV spot. Yet in our rush to conquer new media, true insights are often becoming an afterthought. Especially among clients. We're at risk of going to an opposite extreme, throwing out the baby with the 30-second bathwater. As we're exploring various mobile-platform-this and Facebook-application-that, there's only a fraction of time and energy left over to spend on a little thing I'll nostalgically call "the concept."

Caveat: Lest you think I'm a cantankerous old-timer with a "those were the good ol' days" chip on my shoulder, please know that's not the case. I'm not romanticizing the sepia-toned days of traditional media or suggesting we return to churning butter by hand. New media is very cool and very necessary, and unquestionably the future of our business.

To be successful over the long haul, your career can't be founded upon trendy epiphanies or shiny new executions. Just as a pun wasn't a concept in the late 80s, a typographical treatment wasn't a concept in the mid 90s and shock value wasn't a concept in the late 90s, so does new media need a core idea in order to reach its full potential.

Most new-media revelations will seem laughably quaint in a few years. But true human insight will never go out of style.

Our greatest value—as employees, leaders and entrepreneurs—will come from the substance of our ideas. The people who have the most job security, make the most money, carry the most prestige—at all levels, in all departments, across advertising, marketing, film, PR and every other communication profession—are idea people. They can consistently do the heavy lifting of solving problems with new solutions. These stars do much more than merely sell; they have the horsepower to expose something so incredibly potent about our needs, values and ambitions that they can incite a change in behavior. Think about that. In a cynical and jaded world, few governments have enough juice to voluntarily change behavior among millions of people the way Apple can.

The reality is that now there's less time for big ideas, and depressingly, in an age of fear and uncertainty, often less client appetite for those ideas. We're all running in a million directions at once. On many assignments, the process is so pressured and frenzied that we're forced to skip a stage of mental heavy lifting: that amniotic mess when a brand engages deeply with the messy and difficult question of what it actually wants to say. Even presentations to clients are starting to showcase forms of media in place of concepts:

Agency: We're proposing a new concept: a series of webisodes.

Client: Interesting. What are they about?

Agency: Ah, don't know yet. We'll figure it out later.

When authentic insight starts to lose currency in the client equation, we devalue our *raison d'être*, thereby leaping to the slippery slope of commoditizing who we are and what we do.

Call me retro, but I miss the craft. Increasingly, our process has been crushed to the point that it no longer includes those magical steps in which we sort through a litter of irrelevant data to discover a single, glittering truth, to polish that truth into a meaningful message, then finally to adjust this message through countless mental Rubik's Cube variations until it clicks into the perfect combination of thoughts and emotions.

There are countless fantastic exceptions—hellooooo, Dove "Evolution"!—that have an awesome concept in which brand message is intrinsically born out of its media. Yet in and of itself, "YouTube" is not a concept. "Second Life" is not a concept. "SMS text" is not a concept. These are forms of media and they still need a killer concept to be used to their fullest potential. The medium might be the message, but it's still no substitute for a concept. As our media gets cheaper, faster and shorter, don't allow your thinking to get smaller.

Now, back to the internship. By the end of the summer I'd realized two things with utter certainty: Ideas are the most valuable currency in a career. And more important, I'd stop buying shoes at Thom McCann.

# READY TO MAKE A SWITCH? DO IT

**VARIED MARKETING EXPERIENCE WORKING IN SEVERAL DIFFERENT INDUSTRIES CAN YIELD SIGNIFICANT BENEFITS, THESE VETERANS SAY**

BY MEG MITCHELL MOORE



**SCOTT PARKER:** SPENT 15 YEARS IN CONSUMER PACKAGE GOODS—THEN LEFT TO TAKE A JOB WITH BANK ONE. THEN BATH & BODY WORKS. THEN JENNY CRAIG. HE CREDITS HIS DIVERSE EXPERIENCE FOR HIS EFFECTIVENESS AS A MARKETER.

YEARS AGO, WHEN LAURA SANKEY moved from a brand-management position in the Charmin division of Procter & Gamble into a similar position in the Duncan Hines division, she decided to explore her new world. She asked the test kitchen to bake her some samples of competitors' brownies. Forty batches later, Ms. Sankey was on her way to a bellyache and also to putting into action the first rule of marketers on the move: Immerse yourself in each new brand. Then she did it again. And again. After leaving P&G, she spent a brief time in the consulting world then moved to Coors Brewing Co., where she was VP-marketing. Most recently, she was exec VP-marketing and communications for Denver-based Qwest.

There was a time when Ms. Sankey's varied résumé would have made her an anomaly. Now she's part of a sizable subset of marketing executives who have spent time in myriad industries. Some, of course, have little choice in the matter, but others move when interest, timing and opportunity happily collide.

Take Scott Parker, VP-marketing for Carlsbad, Calif.-based Jenny Craig. Mr. Parker spent 15 years in consumer package goods—reaching the level of VP-marketing for Dial soap—before he left to take a job with Bank One. "Frankly, at that point I'd done the consumer-package-goods thing and I was looking for opportunities to broaden my skills," he says. As senior VP-marketing for credit cards, Mr. Parker seized the opportunity to grow his skills in direct marketing and data mining. Then he was off to Bath & Body Works, where he gained critical retail experience. "Retail is a very different animal with respect to the kinds of tools you use, the speed at which the business moves and the speed with which you have to respond," Mr. Parker says. He credits his effectiveness in his position at Jenny Craig—which he calls a combination of all three previous industries—to his diverse experience.

Richard Taylor, the newly appointed CMO at Goal Financial, a student-lending organization based in Alexandria, Va., spent four years as senior VP-brand marketing at AOL. Before that, he held the VP-U.S. marketing position at Burger King, and prior to that he spent a decade at Bacardi, where he says the package-goods environment instilled in him a disciplined marketing approach. "Looking back, I wish I'd looked at even more industries," Mr. Taylor says. "It's been a tremendous help to me in how to assess new business opportunities and build brands."

As these executives have navigated changes from industry to industry, they've certainly picked up some new expertise. But they've also found many of their skills to be transferable.

At the same time, there's no doubt that learning curves exist for those who choose to step out

of their comfort zones, and they can be steep. "For folks going from heavily marketing-driven companies, one of the challenges is that they have to learn how not to overpromise," says Doug Hall, founder-CEO of Eureka Ranch, a think tank based in Cincinnati. For Mr. Parker, moving from consumer package goods to retail meant realizing that different tools were available—or not—to communicate the overall brand image.

Ms. Sankey, meanwhile, has learned that striking the right balance between rational and emotional messaging changes from one industry to another. In the image-driven beer industry, she says, it was easy for marketers to forget the rational side of the messaging. In communications the opposite is true. "Getting that balance right is something that you have to do no matter what industry you're in," she says.

Then, too, frequent movers face pronounced differences in the products they seek to market. Ms. Sankey says marketers in the beer industry must contend with a three-tier distribution system in which distributors are a key link. For Mr. Parker, the move to Jenny Craig meant learning to market a product whose consumers can be reluctant. For Mr. Taylor, learning to speak a new language can be baffling. "Everyone's got his own set of acronyms for different products and services," he says. To combat that initial bewilderment, Ms. Sankey urges marketers to ask a lot of questions, no matter what their level. "There's no way you can know it all when you switch industries."

Even as they grapple with new vocabularies, CMOs on the move often must become accustomed to a change in how the rest of the organization views marketing.

Of course, where challenges lie, so do opportunities. Mr. Taylor notes that because lending institutions are just beginning to embrace marketing, he can be deeply involved in how the organization shapes its marketing plans.

These marketing executives are unanimous in one piece of advice: If you have the chance to change industries, take it. "I do believe that the future CMOs are going to be grounded in a variety of segments," Mr. Parker says. "I would be afraid to grow up too vertically in one place."

"If you can find a company that wants to make great products or services, do it," adds Mr. Hall. Not only will your résumé thank you, it's likely that your new organization will too. "When you come into an industry fresh, you listen with a whole new set of ears," Ms. Sankey says. "You're not encumbered with all the different data sizes and file sizes or hops-and-brewing techniques, and that can make a big difference in terms of being able to make some meaningful changes."

# WHAT YOU NEED TO DO TO GRAB THAT COVETED CMO POST

**TO GET THE JOB EVERYBODY'S GUNNING FOR, EXPERIENCE IS KEY—SO EMBED YOURSELF IN AN ORGANIZATION THAT WILL LET YOU BUILD A WIDE RANGE OF BRANDING SKILLS**

SO, YOU WANT TO BECOME a chief marketing officer? Get in line.

These days it seems that just about everybody does: agency executives who want to become clients; consultants who want to become more accountable for their strategies; digital and direct marketers who want to cash in on the hot commodity that is their knowledge and experience; sales executives who want to leverage their channel and customer expertise; and, of course, the classically trained marketers who have worked their way up managing brands at the more traditional marketing “academies.” Despite all of the press, peril and drama around CMO tenure, it remains a job in high demand, both for individuals and at companies across multiple business sectors, including consumer package goods, financial services, health care and even professional services.

But what does it mean to be a marketing chief today and what are the keys to success?

No doubt, the marketing business is changing and becoming an increasingly metric-driven discipline. It requires even sharper analytic rigor, strategic reasoning and business acumen. But it also still relies, thankfully, on intuition, vision, conceptual intellect, perspective, persistence and creativity. And one thing remains clear:

Experience is critically important. At its core, marketing refers to the efforts to connect a company and its collection of businesses, brands and services to an end user, whether an individual consumer, another business or even an institution. Companies that are serious about marketing embrace an end-user orientation. Doing so requires understanding the behavior and attitudes of the end user and creating products, services and strategies that deepen a connection to them in proprietary, profitable and sustainable ways. To be the officer in charge of marketing today is to be the executive who champions this effort through a combination of well-developed functional expertise, broad business perspective and the ability to lead constituents both inside and outside the company.

There is no substitute for a solid foundation of great training and early discipline for those seeking the CMO track. If you are starting out, do so at a company for which marketing is a strategic business driver and training is considered a critical investment—and where you’ll master the basics. Over the years, this has almost exclusively meant joining Procter & Gamble or General Mills or Kraft following business school—bastions of product marketing and brand discipline. Increasingly, though, the training ground is shifting. Certainly some of the CPG stalwarts such as P&G continue to be

BY BRADFORD MCLANE AND DAVID SELBY

**ABOUT THE AUTHORS:** David Selby is a member of Russell Reynolds Associates’ consumer sector and marketing officers practice. Bradford McLane is the leader of the firm’s marketing-officers practice for the Americas.

recognized as cutting-edge marketers and the place to learn marketing, but for CMOs of the future, package-goods marketing may not provide as complete an experience as it once did. Tomorrow’s marketers may just as likely get their start in management or brand consulting, in financial services, retail, or even by joining one of the leading marketing-services firms, such as Digitas or OgilvyOne, that are setting the course for customer engagement, brand development and measured marketing investment in a complex marketplace.

Wherever you start, the goal is to gain broad exposure to both traditional and new marketing channels, to work with brands and businesses in various sectors and stages of development, to get hands-on experience analyzing consumer behavior and to be able to develop and implement strategies and measure their performance in the marketplace over time.

Meanwhile, our work with companies and marketing officers across various industries and sectors has identified a core set of professional and personal competencies that we see as critical to CMO success, both now and in the future: business acumen and technical expertise; strategic perspective; brand-management skills; hands-on leadership; the ability to build teams and strike partnerships; accountability; and adaptability, flexibility and resilience.

For all of the discussion around CMO movement and shortened tenure, it is amazing that some top marketers have managed to secure stable careers. Jim Stengel at P&G, Mike Boylson at JC Penney, Michael Francis at Target and John Hayes at American Express are all examples of executives who have risen to the top marketing post and have achieved great things once there. Each of these executives has “majored” in an industry and with a company in a way that has enabled them to achieve consistent success through various business cycles and management structures. Indeed, there is something to be said for tenure and sticking around long enough to learn a culture, a company and an industry.

These executives are not only marketing experts, but they possess deep expertise and experience within their respective industries and companies. They have well-honed instincts and the knowledge of how to get things done as well as credibility with their peers, teams and executive leadership that allows them to efficiently and effectively drive results.

If you’re lucky enough to find yourself with a company whose values you share, whose mission excites you, where you feel valued and see meaningful opportunities for growth, don’t be afraid to stay there if you can. If you are good, you may be rewarded, as the pendulum is clearly swinging back toward a renewed interest in internal candidates. There are too many examples of CMOs who have parachuted in from the outside with unrealistic expectations and, in their zeal to please and put points on the board, have missed the cultural imperatives of their new company.

Of course, not every company has a bench full of worthy CMO prospects who are willing to wait patiently for the opportunity, and not every executive with patience has the stuff required to be a CMO. If you are a company executive considering the recruitment of a new CMO, consider: Does my business model support the need for an enterprise-level strategic marketer? Do I really need a CMO? Is my company ready to accept a potential change agent and consumer/customer advocate from the outside?

Likewise, if you are an individual considering a new CMO opportunity, do so carefully and take the time to address questions such as: Does this opportunity leverage who I am and what I know? Will I be able to have a meaningful impact on the business? Is there clarity around the role and how it is defined?

Bottom line is this: Do your homework. If more companies and individuals, and the executive recruiters working with them, spent the time and due diligence addressing these and other questions, the rate of CMO failure would certainly drop.

**BIG FOUR:** THEY ROSE TO THE TOP MARKETING POST AND STAYED THERE.



**JIM STENGEL**  
P&G



**MICHAEL FRANCIS**  
TARGET



**JOHN HAYES**  
AMERICAN EXPRESS



**MIKE BOYLSON**  
JC PENNEY

# THE RACE FOR THE BEST AND BRIGHTEST

**THE NO. 1 CRISIS FACING THE INDUSTRY RIGHT NOW IS A DEARTH OF BOTTOM-LINE-BOOSTING TALENT. BUT AGENCIES AND MARKETERS ARE FIGHTING BACK**

BY DALE BUSS



**BILL MCDONALD**  
CAPITAL ONE

BENNETT PORTER IS WICKEDLY busy these days. She has just been promoted to Yahoo's head of marketing for Southeast Asia, so she's frequenting the parabola between Singapore and corporate headquarters in Sunnyvale, Calif. Yet Ms. Porter still is in the process of disengaging from her key role in building the company's buzz-marketing department from scratch over the last eight years.

And, oh yes—she's continually processing calls from headhunters. "I'm always willing to listen, but I end up handing off these opportunities to other people," says Ms. Porter, who's in her mid-30s. "Yahoo has always anticipated my restlessness and given me new challenges so that I don't really have time to entertain other offers."

Each time Ms. Porter blithely hangs up on a recruiter is another small confirmation of the unprecedented talent squeeze that is throttling the marketing business. A shortage of strategic thinkers who can sagely guide brands or act as true business partners to clients has become severe. There's also a real dearth of people who can function holistically in an increasingly fractured media landscape that has become dictated—if not dominated—by digital platforms.

And there's a four-alarm shortage of professionals such as Ms. Porter who can do both. "There's probably a 'negative unemployment' rate with those people right now," says Steve Lanzano, chief operating officer of MPG North America, a New York agency.

Marketing executives are trying to ease the shortage by throwing more money, perks and opportunities at individuals they want to keep; redoubling internal talent-development programs; casting their nets wider for potential recruits; helping develop advertising-education programs; and redefining the traditional roles of agency and client.

But for now, each major feature of the industry's deficit in talent, skills and experience is proving disruptive in its own huge way.

The lack of capable big-picture thinkers can leave brands adrift. "With the disaggregation of the entire industry, everyone is a specialist now, and it is difficult to find brand-management execu-

tives who have all the requisite merit badges as well as being strategic generalists who can put all the pieces together," says Bill McDonald, exec VP-brand strategy for Capital One.

And the shortage of technologically fluent professionals can render brands incapable of leveraging today's explosion of digital demands and opportunities.

"The magnitude of platform diversity has become such that it isn't a question of whether there is talent — there's just not been enough time for everyone to become proficient in everything," says Peter Krivkovich, president-CEO of Cramer-Krasselt, Chicago.

Agencies are bearing the brunt of the shortage and are sustaining an industrywide attrition rate of as much as 30% a year, by some estimates.

Many brand marketers claim that they've got their own bases covered. At JC Penney in Dallas, for instance, Chief Marketing Officer Mike Boylson says marketing-department turnover is practically nil. "We sell people on the multichannel aspect of our stores and the internet," Mr. Boylson says, "and we bring them on to a team and pair them up with people who know our end of the business, and then use their combined skills."

Large-agency CEOs also maintain that they're holding their own. "There are a few agencies in the world that people really want to go to, and we're in that group," says Rich Silverstein, co-chairman of Goodby, Silverstein & Partners, San Francisco. "But the very small pool of good talent seems to have a lot of choices of where they can go, and a lot of agencies are competing for them."

Heads of lesser known, midsize and small agencies, meanwhile, don't try to sugarcoat the fact that they're experiencing the brunt of the talent crunch. "We can't compete financially for startup salaries with a lot of other industries," says Beau Fraser, managing director of Gate Worldwide, an Ogilvy agency in New York. "So the best and brightest are going where it's cool—like finance or consulting—and if they're creative people, there are so many outlets that create content now, including Hollywood, music and the web."



**ERIC VAN DEN HEUVEL**  
MEDIA DIRECTOR, THE GATE

Geography doesn't necessarily inoculate agencies either. In sunny San Diego, for example, the cost of living is so high that non-Californians suffer sticker shock when they come in for interviews. "Now we've decided to stick only with people who already live in California and [who] understand what it takes to live here," says Indra Gardiner, president of Bailey Gardiner, based in San Diego.

Media companies, meanwhile, are struggling with their own talent squeeze as their marketplace changes convulsively. "We've raised the bar because we're representing brands now, not just types of media," says MaryAnn Bekkedahl, exec VP-group publisher at Rodale.

But given the rush of media to interactive platforms, the Emmaus, Pa.-based publisher doesn't have time to grow its own talent to fit. And the competition is fierce for the handful of professionals anywhere who represent the perfect elixir of experience, savvy and digital proficiency.

"We're only looking to bring on people

who have multimedia experience," Ms. Bekkedahl says. "But it's like looking for a needle in a haystack. I don't expect people to have done it before in terms of representing multimedia. I'm just hoping that they've had maybe three to five years of print and then some online. Or, if they worked for a marketing company, maybe they understand events and promotions."

Nicola Bridges is one of Rodale's prize new recruits. Ms. Bekkedahl plucked the new editor of Prevention.com from iVillage.com, where Ms. Bridges was VP-editorial programming.

Ms. Bridges was busy recruiting more people like herself as she prepared for the fall relaunch of the site. "The key is to go outside the core media pool," she says. A case in point: the new producer she just hired from a real-estate-industry website, who also "has a passionate connection to health and healthy lifestyles."

Some entire disciplines are parched from the talent drought. Media planning and

buying, for example, traditionally has been a colorless domain. But the proliferation of new digital channels and rising client demands for spending accountability have made these jobs—and their practitioners—sexier. Too bad few agency folks have the depth or breadth of experience to navigate this new media world.

So Eric van den Heuvel, Gate's director of media solutions, gets three to five calls a week from agencies, clients and headhunters who covet the 35-year-old's combination of client-side, internet and media experience. He's content where he is for now, especially because "our media side is finally getting space at the big table and being treated by clients with equal importance as creative," he says.

Attacking this problem requires a broad offensive that must begin with marketing executives understanding the reasons for the talent shortage. It began with the dot-com

## WHY DIVERSITY REMAINS ELUSIVE

The marketing industry and employee diversity ought to be a fantastic match. Advertising works the cutting edge of societal evolution, after all. And over the past generation, the expansion of ethnic populations has become one of the most powerful social and economic dynamics in America.

But this hasn't been a groundbreaking relationship. Minority members accounted for 13.9% of total creative employment at the large agencies surveyed by the American Association of Advertising Agencies last year, up from 11.3% five years ago. Total minority employment at the agencies improved to only 20% from 18.2% in 2002.

"The industry doesn't cast a wide enough net looking for talent," says Ronald Owens, former VP-diversity inclusion at TMP Worldwide, a marketing-recruiting agency, and now an independent consultant.

Some marketing executives concede Mr. Owens is right. "As an industry, we've been more reactive rather than proactive about this," says Bill McDonald, exec VP-brand strategy for Capital One.

At the same time, "Advertising hasn't been at the forefront of [minorities'] minds as a career point," says Peter Krivkovich, president-CEO of Cramer-Krasselt, Chicago. Moses Foster can explain that. "A huge part of our [African-American] population is the first generation to go to college," says the president-CEO of West Cary Group, a new Richmond, Va.-based agency. "And if you tell your mom and dad, 'I'm going into advertising to be a copywriter,' they might rather you be a doctor or lawyer."

How can the industry close the deal with minorities? The first thing is to realize that the benefits of doing so go far beyond meeting quotas—and to understand that those advantages don't stop with gleaning the insights a member of a given ethnic group might be able to provide about marketing to his or her family and friends.

"I want to work with other good designers who take their work seriously," says Cheyney Robinson, an African-American who is a creative director at the Atlanta

**DIVERSITY**  
CONTINUED ON P. 10

**TALENT CONTINUED ON P. 11**

# WORDS OF WISDOM

**WANT TO KNOW HOW TO GET AHEAD IN THE AD GAME AND CREATE A DREAM CAREER? TO FIND OUT, WE WENT STRAIGHT TO THE TOP**

HOW COMPETITIVE IS THE AD BUSINESS? Just ask acting legend Bruce Willis, who played an ad exec in the recent thriller "Perfect Stranger." Willis, a fearless type who has faced nearly every possible villain in the "Die Hard" franchise, reportedly exclaimed, "Wow, this business seems more cutthroat than Hollywood."

Touché. But thankfully, some of the best in the ad business are willing to set that competitiveness aside, if only for a moment. We wanted to take a minute to talk to some industry leaders and get their advice for creating a career of passion and promise—guiding principles to stick by whether you're just starting out, in midcareer or at the top of your game.

Sharing their thoughts with us were CEOs such as Interpublic's Michael Roth and Leo Burnett's Tom Bernardin, as well as chief marketing officers such as Sony's Mike Fasulo and YouTube's Suzie Reider, among others. The tips from these marketing titans were honest, meaningful and surprising. So for everyone who's ever wanted to have five minutes alone with the boss to pick his or her brain, here's your chance. Listen up.

BY CHRIS TAYLOR



**TOM BERNARDIN**,  
CHAIRMAN-CEO,  
LEO BURNETT  
WORLDWIDE

"Follow and engage with art, design, music, movies and technology. Live it. Experience it. You'll end up with a good foundation for developing the ability to recognize talent. Travel widely, or at least leave your comfort zone. If offered a foreign assignment, take it. If not, seek one out. Take risks; that's how we learn. Keep fear in check. Don't be afraid to say 'I don't know' at any stage of your career. Never bullshit an answer. The most creative people are the most difficult to manage, but they are the easiest to inspire. It's always worth the effort. Focus on the job you have, not the next one."

■ *Mr. Bernardin is responsible for Leo Burnett's global operations, overseeing more than 200 units in more than 80 countries. He was formerly CEO of Lowe, New York, the flagship office of Lowe Worldwide.*



**VICKY FREE**, VP-  
ENTERTAINMENT  
MARKETING,  
TNT/TBS/TCM

"I have two mottos. The first one is to know thyself, and do you? Look at yourself in the mirror and understand exactly who you are—the good, the bad and the ugly. Then do the best possible you. Focus on what you're good at, and surround yourself with staffers who can strengthen more challenging areas. The second motto is to be bold and fearless. One of my favorite poems is by Marianne Williamson, and one line that stays in my mind is: 'Who am I to be brilliant, gorgeous, talented, fabulous? Actually, who are you not to be?' In those moments in meetings when you're with higher-ranked people and you have a question or an idea, you have to dig deep to be bold and fearless. Because when you're trying to differentiate yourself and get to another level in the organization, those moments are key."

■ *Ms. Free builds marketing campaigns for a variety of series on the three Turner-owned networks. She was previously with McDonald's Corp., where she was most recently director of women's initiatives for the U.S.*



**MICHAEL ROTH**,  
CHAIRMAN-CEO,  
INTERPUBLIC  
GROUP OF COS.

"Make sure you find yourself in a company you're proud to work for, surrounded by people you enjoy being with. Then put your head down and do the best you can, and don't worry about all the other stuff that may be going on around you. Because sometimes people get involved in office politics or are thinking about their next job already rather than just focusing on what they do well. But if you're working with people who recognize talent and appreciate hard work, then the rest will follow. That's the way we do it here; we try to encourage open-door policies and have free discussions about issues, and believe that everybody should be available to help out their colleagues. It's very important these days to surround yourself with people like that and to work for a company that stands for the principles you want to stand for. You need to find that out early on."

■ *Mr. Roth has helped lead Interpublic, first as chairman and then as CEO since 2005. He was formerly CEO of the financial-services firm Mony Group.*



**JAN THOMPSON**,  
VP-MARKETING  
COMMUNICATIONS,  
NISSAN NORTH  
AMERICA

"Time is very limited. Young people look at life like they have a million years left, but they don't. So in that time you've got, live your own life, and don't let corporations dictate your life to you. Find what you love and go with it. If something isn't right, give it up and move on. And in doing so, live within your means. Because you get in trouble when you don't live within your means, and end up doing things you don't want to do. Another piece of advice is to read and learn everything you possibly can. First-mover advantage always wins, so don't sit around and wait for everyone else. Move faster, be at the head of the game and put the dinosaurs where they should be."

■ *Ms. Thompson oversees development and execution of advertising and marketing for the Nissan and Infiniti brands. She was previously president-CEO at the Designory, an Omnicom-owned marketing-services agency.*

## DIVERSITY CONTINUED FROM P. 9

office of Avenue A/Razorfish. "It's less about me being or specifically wanting to work with a person of color. Inherently, in making diversity important, agencies will have a better product."

Other agency executives agree. "People from different backgrounds and cultures, speaking different languages, tend to have different creative talents," says David Becker, president and co-founder of Philippe Becker Design in San Francisco.

Indeed, certain minorities may define one of today's premium candidate pools. "The best résumés I'm seeing now are from foreigners; so during the last couple of years I've hired a lot of Indians, Pakistanis and other Asians who have come here for school and don't want to go home," says Beau Fraser, managing director of Gate Worldwide in New York.

The second priority is to work harder to bring in minorities and keep them. "It has to be a business imperative, and management needs to actively drive it," says Laurence Boschetto, worldwide president-chief operating officer, DraftFCB, Chicago.

To improve its odds, DraftFCB emphasizes internal mentoring of ethnic staffers and external outreach to employees' friends and at minority-dominated colleges. Partially as a result, Mr. Boschetto says, DraftFCB has women and minority members "at almost every

level of management," most of them homegrown.

Reaching out to minorities, Mr. McDonald says, is one big reason he makes a lot of speech and seminar appearances. That's also why Mr. McDonald understood when Mr. Foster, the former interactive communications manager and head of Capital One's creative shop, AT Capital One, decided it was time to leave.

Mr. Foster founded West Cary Group in April and also has launched Remar (Reflections of the Marketplace), a program associated with Virginia Commonwealth University's marketing department that is aimed at reaching minority high-school and college students.

"We want to demystify and take away the shroud," Mr. Foster says, "show that this business is exciting and that you can make a good living at it."

The 4A's increased participation in its multicultural advertising-internship program to 150 collegians this year from about 100 last year and just 12 in the first year, 1973. And now the organization is pressing younger.

"To be successful in identifying people of color, it needs to start before they get into college by making high-school students aware of advertising as a career," says Angela Johnson Meadows, manager of the 4A's diversity programs.

—D.B.



**MICHAEL FASULO**,  
CMO,  
SONY  
ELECTRONICS

"For young talent, use your early career as a platform to gain knowledge of different areas of business. I rotated every two or three years, starting in finance, then operations, then sales, then product marketing, then leading a turnaround, then a start-up, and now CMO. For more-seasoned professionals, they should possess an adequate amount of financial acumen, as it will always be a value in any corporation and all boardrooms. It will provide instantaneous credibility to marketers, who continue to get questioned about the ROI of their activity. The most successful are those who can articulate both the art and the science to marketing and apply it to business fundamentals. Finally, think broadly ... and try to measure as much as possible and tie your actions back to the objectives of the firm."

■ *Mr. Fasulo leads Sony Electronics' corporate marketing, including advertising, promotion and trade-show efforts, as well as direct-marketing and web services.*



**SUZIE REIDER**,  
CMO,  
YOUTUBE

"Try imagining what your manager's manager is thinking about. In the long run, thinking about your company from your boss' perspective will help you to be successful. When I was younger, I attended an off-site meeting with the president of my division. During that meeting, he asked me if he had erred in planning sales meetings for two magazines in the same week. At that time, I realized that no matter how senior one is, everyone has someone to answer to. You'll be a better employee if you think about what your manager and their manager might be up against. Also, use every opportunity you have for improving your communications and public-speaking skills. But develop your own style that works for you. Get good at presenting and crafting stories early on in your career. It's the best way to advance."

■ *Hired as YouTube's first CMO in 2006, Ms. Reider oversees ad sales. She was formerly CNET senior VP-general manager of entertainment.*



**HAMISH MCLENNAN**,  
GLOBAL CEO,  
YOUNG &  
RUBICAM

"The first big lesson I learned was to observe, listen and roll up my sleeves. There's much to learn from people around you. The temptation when you're just beginning in the business is to focus on showing people what you know, when really the smarter strategy is to let people show you what they know. Absorb all you can, and don't wait to be asked; make it your business to jump in and help where you can. Find where you can make a difference, and dedicate yourself. I'll pass along the best advice I ever received: Someone once told me to make decisions, as most people hate making them. But just make sure you make more right ones than wrong ones."

■ *Mr. McLennan became global CEO in 2006, promoted from his role as head of Young & Rubicam Brands in Australia and New Zealand. He originally joined Y&R in 2002, after serving as national managing director at George Patterson Bates in Melbourne, Australia.*

## TALENT CONTINUED FROM P. 9

meltdown at the beginning of the decade, which took out of play a lot of marketers who had begun compiling digital experience. The post-9/11 recession in the marketing industry also constricted the inflow of talent for a while.

Agencies have been hit hardest because they are struggling both to prove their fundamental worth to clients and to handle the rapidly changing work itself. "Because everyone and his mother has an opinion, a good [agency] strategic person gets challenged at every turn," says Bruce Mittman, CEO of Mittcom, a Newton, Mass., agency. "They start to get tired of it and end up going on the client side, where they get challenged less."

At the same time, agencies blame today's decided paucity of competent professionals. The biggest premium is on junior-level people in their late 20s and early 30s who have experience with clients as well as with digital platforms. The new dominance of interactive media arrived so suddenly that few seasoned marketers have had the time to ramp up on new technologies even if they've had the inclination.

The other problem is that entry-level careerists who grew up on digital media don't have industry experience yet. And many of them leave a lot to be desired in general. It isn't a demographic wrinkle; there are plenty of Gen Xers and Millennials in their 20s and 30s who could populate the marketing world.

Quality, not quantity, is what they lack. "We get a lot of résumés, but I'm extraordinarily disappointed when I meet the people," Mr. Fraser says. "There's an awful lot of bravado and confidence but not much substance, and they have difficulties in thinking through a problem."

Yet others believe agencies must share the blame, because plenty of raw talent is available; the industry simply has misappropriated and wasted it. "We've really pigeonholed folks in this industry and created vertical proficiency, but we haven't created horizontal platforms to deliver channel-agnostic and media-neutral work," says Laurence Boschetto, worldwide president-chief operating officer of DraftFCB, Chicago.

So what are marketing executives doing about easing the talent shortage and its effects? Several things:

1. Boosting pay and perks. Salaries are growing by as much as 25% to 30% for professionals with strong résumés in interactive media, by some estimates. This summer, the Atlanta office of Avenue A/Razorfish also raised its employee-referral bonus to \$4,500 for a two-week "contest" period, compared with the previous \$1,500.

Small agencies should get creative. Philippe Becker Design, San Francisco, for example, has a ski cabin at Lake Tahoe available for agency staff.

2. Improving the culture. "If you have a rich culture," Mr. Boschetto says, "the recruiting issue won't be as intense." So, for example, MPG is emphasizing to potential recruits the fact that its parent, Havas, has been winning awards for the company's operational "green" orientation.

3. Enhancing talent development. Marketing careerists now expect stretch assignments, such as international rotations, earlier. Meanwhile, experienced managers and strategic thinkers want "active guidance through their careers," Mr. Boschetto says. So DraftFCB emphasizes staff development and succession planning by requiring certain managers to identify their top 10 people and the potential challenges in retaining them.

4. Going beyond the hot skill set. Marketing executives can short-change themselves if they focus too narrowly on what's listed on a résumé. Cammie Dunaway, CMO of Yahoo, says she looks "for marketers who have lots of intellectual curiosity and are excited by learning and experimentation, and not just by relying on the set of tools they learned in school."

At the same time, nowadays many in the industry are guilty of looking past those with traditional-media experience just because they can't pepper their credentials with a lot of dot-com references. "Agencies are too fearful of taking a seasoned person, someone who gets it, because they might not know how to do interactive," says Leslie Kay, president of Kay & Black, a New York marketing-recruiting firm.

5. Identifying talent outside the industry. Networking by current employees is Goodby's single best source of new recruits, Mr. Silverstein says.

But marketers must look even harder outside their industry as well, Ms. Kay says.

6. Building up marketing education. More

**NICOLA BRIDGES**,  
EDITOR,  
PREVENTION



agencies, including Avenue A/Razorfish, are getting actively involved with local college and university marketing programs, offering more internships and making more on-campus appearances.

Yahoo even employs a handful of marketing interns from local high schools, akin to an old-fashioned co-op program. "Managing them requires some new skills for our leadership team," Ms. Dunaway says. "They'll ask you if it's OK to go to lunch now."

7. Making agency careers more rewarding. More careerists now simply fail to see agencies as great places to work. One reason for that, says Capital One's Mr. McDonald, is that "many clients have taken things in-house and asked agencies only to implement."

But Mr. Boschetto laid more blame at agencies' feet. "There used to be mystique, excitement and dynamism in this industry," he says. "Today, people look at it as more transactional and short-lived. We will fare better in attracting strategic talent when we credibly position ourselves as an industry that generates and implements creative ideas that are best for building business."

**STEPHEN  
QUINN:**EXEC VP-CMO  
AT WAL-MART

ROHANNA MERTENS

# BEATING THE TENURE ODDS

**SURE, EVERYONE KNOWS THE CMO JOB IS RIFE WITH RISKS AND CHALLENGES. BUT YOUR TURN AT BAT DOESN'T HAVE TO BE SHORT-LIVED. HERE'S HOW TO MAKE IT LAST**

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BY GREG WELCH

**ABOUT THE AUTHOR**

Greg Welch is the global practice leader for Spencer Stuart's Consumer Goods & Services Practice, also leading the firm's Marketing Officer Practice. He created Spencer Stuart's annual CMO Summit and is the co-founder of the Marketing 50 group.

SALARY CAPS. INJURIES. Frequent loss of top talent. Pressure to assemble the best team and sustain a winning formula.

No wonder head football coaches and baseball managers have short tenures. In fact, it's not uncommon to see a coach or manager come under fire from fans and the media a year or two after a championship season once the winning stops.

Sounds a bit like life as a CMO, doesn't it?

It's tough, it's intense, but in sports, just as in business, some individuals manage to not only survive but thrive in such environments. Take Joe Torre, in his 12th season managing the New York Yankees. Or Tony Dungy, in his sixth year as head coach of the Indianapolis Colts. Like winning CMOs, they're leaders. They've been able to lead their teams and maintain a focus on their organizations' greater cause, all while under intense scrutiny.

Spencer Stuart's latest CMO tenure study found that the average CMO tenure is 26 months. But like coaching winning teams, it's important to look beyond the statistics and realize that marketing is a complex function, defined differently from industry to industry, let alone from company to company. As a result, expectations do vary, so the tenure figure

needs to be kept in perspective.

Undoubtedly, there is real pressure for CMOs to achieve strong, measurable results. But in the search for appropriate metrics, can the contributions of the marketer really be evaluated solely by a revenue number, which in most organizations is priority No. 1?

We have to start viewing the marketing role differently. It is not unusual to see fantastic marketing executives post less-than-stellar top- or bottom-line results over their first couple of quarters. However, a peek behind the curtain can reveal meaningful progress toward reaching a number of important goals, such as developing a new initiative that will strengthen a brand's positioning or launching a campaign that will open up new channels of distribution. These activities may not show up in near-term revenue or profit numbers, but they will help boost results in the long term.

Some factors are just not immediately quantifiable, which is not surprising given CMOs' growing list of responsibilities. Marketing is evolving from its traditional roots in very definable and traceable advertising and brand development toward a broad-based, commercially oriented and demanding role. As a result, the job of the CMO is changing faster than

1.

**FOCUS ON CONSUMERS**

At the start, immerse yourself completely in the company—including its customers. Mr. Quinn was fanatical about getting to know both the Wal-Mart customer as well as the brand. “It’s not about you—it’s about serving customers. It takes the right research, getting to know associates in the company and shopping with customers, and that takes time,” he says. And getting to know your customer is an ongoing process that extends beyond your first six months. “If you’re in your first six months and you know exactly how you’ll go to market, you are wrong and headed to underperform against the 26-month standard.”

2.

**TAKE A GLOBAL VIEW**

Bring a global vision and credibility across cultural lines through your marketing plans and adapt to differing ways of conducting business regardless of geography. Today’s best marketers are able to collaboratively implement a new global strategy, while balancing the existing local needs with corporate vision. Often it’s the little things, such as scheduling an intra-company conference call that is convenient for your colleagues in Australia, rather than what is best for those in New York, that matter. It’s amazing how a globally thoughtful gesture can be appreciated.

3.

**MAKE YOUR PRESENCE KNOWN**

Build and maintain positive relationships within the organization and tie together the power of diverse points of view for the good of the company and brand. Identify and pursue partnerships that will champion your marketing strategy to move it forward. I often ask CMOs how much time in their routine week they allocate to their peer functional leaders such as the CIO or CFO. Those who are able to collaborate closely with such important allies and embed the marketing agenda in areas such as technology will come out on top over the long run.

4.

**BE A LEADER**

Provide a strong sense of commitment and direction by managing performance and outcomes, yet also delegate responsibility and keep your team challenged and motivated. I often suggest to CMOs to reach out on a personal level, within their first 30 days, to their most-prized team members. A 10-minute conversation can open new lines of communication when the current business agenda isn’t the focus of the discussion. Find out how the kids’ soccer season is going, how things are with the new house or how he/she is feeling about his/her career development. Such conversations are powerful and typically pay huge dividends.

5.

**SPARK CHANGE**

Know that change is necessary and vital to individual and organizational growth. Be an agent of change and be willing to adapt to a changing environment. And, be confident in your ability to turn things around by rooting out efficiencies. We know of an instance when one company saved \$5 million on printing costs by simply altering a process. Just imagine what a tiny change can do in your company or organization.

6.

**DELIVER THE GOODS**

Deliver results on time, every time, without compromising quality. Look for short-term wins to support long-term goals, while driving the numbers. We see many first-time CMOs undertaking large-scale business initiatives when in fact what are most needed are simple strategies that slowly build to a grand-scale campaign. Beyond gaining early victories, don’t be afraid to communicate bad news too. Organizations respond best when the news isn’t sugarcoated. Be open, honest and transparent in your results communication even if the desired outcome was not achieved. What you lose in momentum is gained in credibility.

7.

**TAKE RISKS**

View failures as opportunities for growth despite personal risk or exposure and demonstrate this by sometimes making decisions with less-than-complete data. Consider what Mike Haaf, CMO of Food Lion, has achieved by taking what many would consider a significant professional risk: He led a major internal initiative to garner support from his CEO and several of the company’s top leaders which then directed significant financial capital into two new store formats: Bloom and Bottom Dollar Food. Not surprisingly, for a traditional retailer, this represented a major shift in thinking and the payoff has been significant.

8.

**ALIGN WITH THE CEO**

Formulate strategies through rigorous assessment, while balancing short- and long-term needs appropriately. One of the downfalls of CMOs who don’t make the grade is that their goals are misaligned with those of the CEO. In fact, an ANA and Booz Allen Hamilton study found that only 37% of marketers polled focus on driving the CEO’s agenda. Think strategically and align your agenda with the company’s multiple objectives. If you don’t know precisely what your CEO’s top three to five goals are, or if you do but yours are not aligned, now would be a great time to get in sync.

9.

**DIVERSIFY THE TEAM**

Leverage the team’s power to address key issues and readily solicit and incorporate feedback. Continually identify opportunities to work with others to benefit a common goal. Adapt an open, direct and collaborative communication style. We find that the best leaders hold dear the value of a truly diverse team. This means not only ethnic and gender diversity, but also varying age and functional expertise. Once you have assembled a team that ideally resembles your customer base, designate time to meet as a group to focus on innovation.

10.

**STAY SHARP**

Remain on the cutting edge of the most sophisticated marketing tools and assemble teams capable of innovating within this ever-changing technology-driven environment. Also, build a relationship with the chief information officer. Fifty-two percent of CMOs say IT doesn’t understand the needs of marketing. Open up dialogue and be heard.

ever. Today, our clients are looking for marketing executives who are not only financially astute, but also are creative, technologically savvy, culturally sensitive across geographies and think like general managers. Marketing leaders must possess the full arsenal of marketing functional skills, which is just part of the “ante” to get access to the C-suite.

The good news is that there are CMOs who are

prospering in their positions and defeating the ominous tenure odds. As Wal-Mart Exec VP-CMO Stephen Quinn explains, the CMO race should be approached as a marathon, not a sprint: “Build for the long term. Invest in people, in both recruiting and developing your team. Relationships are critical in most organizations and it takes time to build these so that there is trust,” he says. “Without trust, you

can’t be a high-performance team. Without teamwork that leads to cross-enterprise coordination, you can’t succeed in the hyper-competitive markets we face today.”

Although we expect CMO tenure to stay in the headlines, CMOs who follow the 10 steps listed above are likely to find that they will beat the tenure odds and have more time to carry out their plans.

# TECH SKILLS: YOU BETTER HAVE 'EM

**TWO-THIRDS OF CEOS THINK THEIR TOP MARKETERS LACK THE KNOWLEDGE TO MAKE INFORMED DIGITAL DECISIONS. HERE'S HOW TO STAY UP ON WHAT'S NEW**

BY ERIK SHERMAN



**ANTHONY RODIO:** EARLIER IN HIS CAREER, THE SUPPORTSOFT CMO HIRED A CONSULTANT TO TEACH HIM ABOUT WEBSITE OPTIMIZATION. "TECHNOLOGY CHANGES SO FAST," HE SAYS, "THAT IF YOU STAY AWAY FROM [THE DETAILS] TOO LONG, YOU CAN [MAKE YOURSELF] OBSOLETE."

ANTHONY RODIO, now chief marketing officer of SupportSoft, had been at Proctor & Gamble, MSN and Amazon.com. But when he arrived at entertainment-ticket exchange StubHub, management wanted him to run a search-engine-optimization program that had gone into the toilet. Only he hadn't a clue of how to do it.

He had to quickly amass a lot of knowledge, going to one website after another and hiring a consultant to get things going as well as teach him. "As you scale your career you get further removed from doing the work," Mr. Rodio says. "Technology changes so fast that if you stay away from [the details] too long, you can [make yourself] obsolete. You can go back to being a VP of marketing somewhere, or you can explain why your first CMO gig only lasted a certain period of time."

Having up-to-date skills is apparently rare for CMOs. Talk to the "honest" ones, says Richard Guha, chairman of Marketing Executives Networking Group, and between 20% and 30% will say "they're surprised at how much relearning they have to do." And about two-thirds of CEOs and 90% of chief financial officers think their CMOs lack needed skills—maybe one reason average tenure in the post is little more than two years.

"The question becomes: Is there anything you can do about it?" says Jeffrey Merrihue, CEO of Accenture Marketing Sciences. One step is staying on top of what's new, such as internet marketing. "The digital imperative, if it used to be optional, it's now mandatory," he says.

David Trachtenberg, CMO of online jewelry marketer LoveandPride.com and former executive director-marketing at MCI and president of Prodigy Communications, keeps his eyes and ears open. "I do spend a lot of time online and on competitive sites for my business," he says. "When I see new things going on from a technology perspective that I haven't seen before, I want to speak to someone and see what it's all about." Mr. Trachtenberg also suggests reading books, magazines and websites to "avoid the not-invented-here" syndrome. Or maybe that should be the I-never-heard-about-it complex.

Being behind on technology is a big danger in smaller companies, where the CMO must wear several hats. But technology is easy compared to the lack of strategy and finance background happening in bigger firms. "Over the last 10 years it's become a major issue," Mr. Guha says, "which is why, by the way, most Fortune 500s don't have a CMO, in a literal sense."

Only a dozen out of the FTSE 100 in the U.K. have a marketing person as a senior board member. "You have a very serious strategic shortcoming," says Mr. Merrihue. "If it's reality, then the marketer needs to get extra training out in the marketplace. And if it's perception, then he or she

needs to express himself or herself in a way more relevant to the board."

The attitude change has been swift. "Skills that would put a CMO in good stead even two or three years ago would leave them drowning today," says Jane Stevenson, global managing partner for the CMO practice of executive-recruitment firm Heidrick & Struggles. CEOs are frustrated with CMOs having no P&L experience and no eye for profitability and stock price.

Good breeding is no exemption. Many of Mr. Guha's members have Ivy League M.B.A.s and high income. "But I have to tell you, when many people get made CMOs instead of being executives, they're not ready for it," he says. Neither graduate schools nor corporate executive-development programs are forcing marketing people to obtain the background they need.

No matter whose fault the gap is, though, CMOs still don't speak the same language as CEOs and CFOs. "When someone loses their job in eight weeks, and I knew someone who did, it wasn't what they did," Mr. Guha says. "But somehow they communicated something that created a lack of confidence in their abilities."

And yet, it all comes as a shock to many who lose their jobs. "By and large, a lot of CMOs were pretty effective VPs of marketing," Mr. Rodio says. "Then they get promoted and they don't have the quantitative- and strategic-thinking background, and then they're surprised that their tenure is short."

What's missing—and what can help solve the problem—is an appreciation for lifelong learning. "There's a tendency to think: 'I've been doing marketing for 10 or 15 years. I don't need to learn more,'" Mr. Guha says.

School can sometimes help, but at such a senior level, the person likely has too little time and too many responsibilities. There are many other tools available for CMOs to continue learning: online classes and reading, or using consultants and advisers. Some companies provide extended orientation called onboarding that can be useful.

The important consideration is to get whatever help you need early on. "It's most generally successful when the marketing exec feels they need additional support and help to get ahead of the curve and initiates it," Ms. Stevenson says.

Of course, someone must want the help and use it. For example, there are CMO boot camps, where people new to the position can get a crash course. That's great if people show up, but Mr. Guha says no-show rates run 50%. Those who pass on assistance may find themselves soon passed over.

"You don't see ex-CMOs getting reappointed elsewhere," Mr. Merrihue says. "The tenures are short, and the possibilities of getting reacquainted are low. It's a tough business right now."

# DOWN FOR THE COUNT

**THE AD INDUSTRY HAS ADDED 95,000 JOBS SINCE ITS POST-BUBBLE LOW. BUT EMPLOYMENT STILL IS 130,000 BELOW ITS 2000 PEAK. THERE IS GROWING CONCERN ABOUT RECESSION**

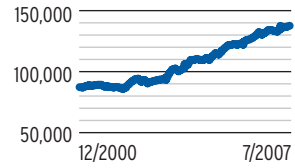
**DATACENTER** BY BRADLEY JOHNSON

U.S. COMBINED ADVERTISING/MEDIA employment in June reached its highest level since the 2001 recession. Now the not-so-good news: The ad industry in July lost jobs for the first time since January—and overall U.S. employment in August dropped for the first time in four years amid growing recession worries. It's a mixed bag for ad jobs. Media have cut about one in eight jobs since the 2000

bubble-era peak. But advertising/marketing services employment is just 1.6% below its '00 peak; the diverse field is somewhat insulated from troubles faced by old media. Add it up, and ad-industry employment hasn't kept pace with U.S. job growth: Total ad/media employment is down 7.4% from 2000 while the overall U.S. payroll has risen 4.2%.

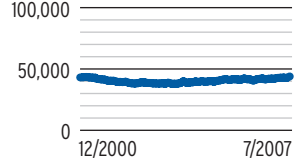
## ADVERTISING & MARKETING SERVICES

### MARKETING CONSULTANTS



+57.6%  
**+50,300**

### MEDIA BUYING AGENCIES



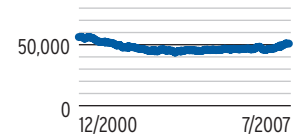
+1.9%  
**+800**

### AD AGENCIES



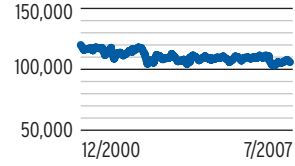
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**-18,600**

### PR AGENCIES



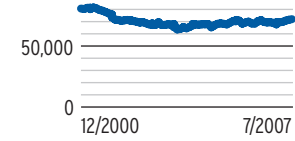
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**-5,500**

### MARKET RESEARCH



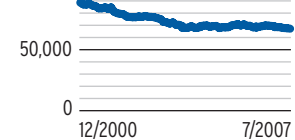
-12.0%  
**-14,300**

### GRAPHIC DESIGN



-12.3%  
**-10,100**

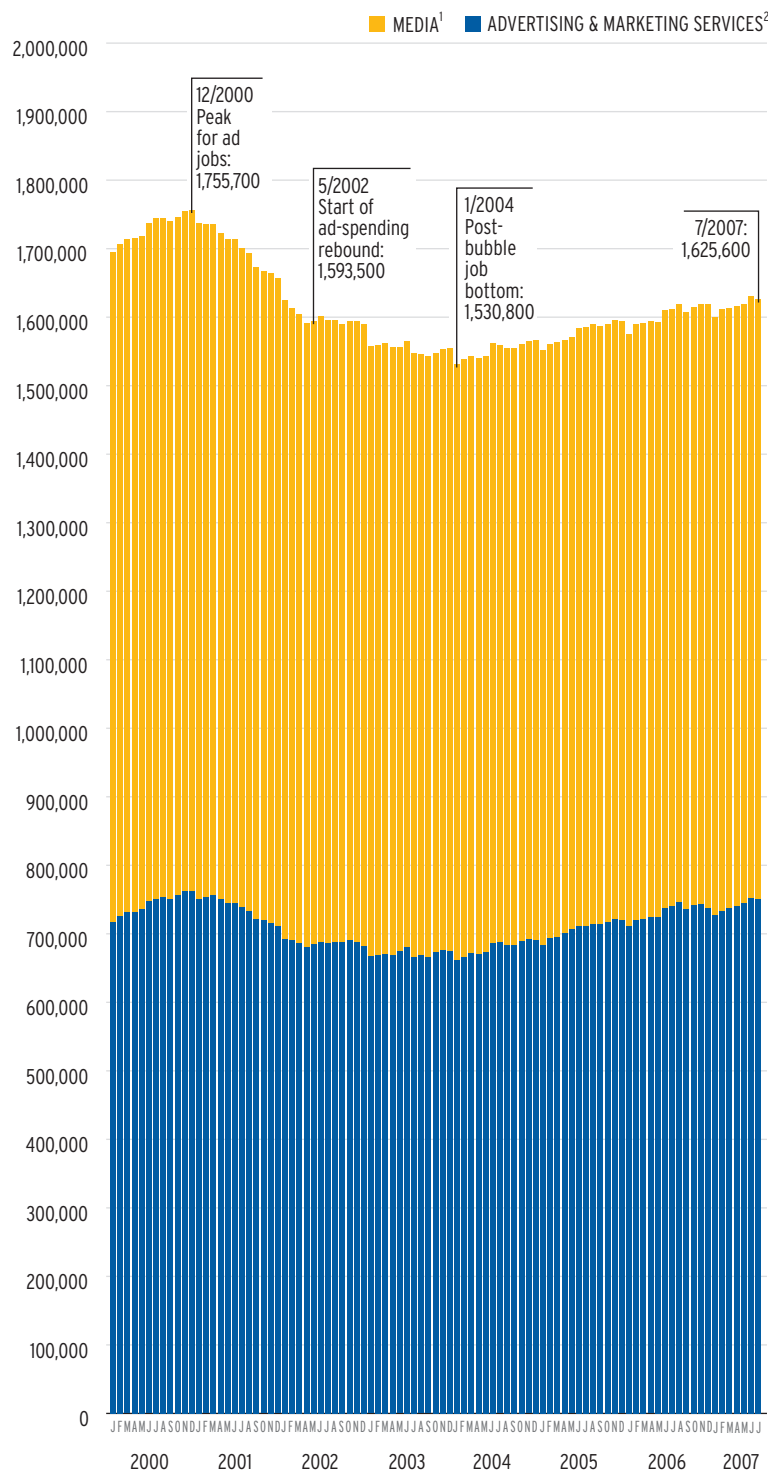
### DIRECT MAIL



-24.2%  
**-21,400**

Employment change, in % and in number of jobs, July '07 vs. Dec. '00

## U.S. AD & MEDIA EMPLOYMENT

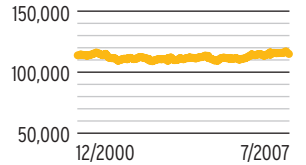


1. TV, radio, newspaper, magazine, internet media cos. 2. Ad, media, direct and PR agencies; graphic design; marketing consultants; market research; and other ad/marketing services. Source: Ad Age DataCenter analysis of Bureau of Labor Statistics data

## MEDIA

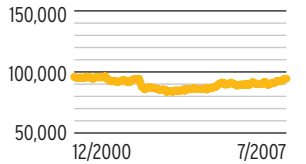
Employment change, in % and in number of jobs, July '07 vs. Dec. '00

### RADIO



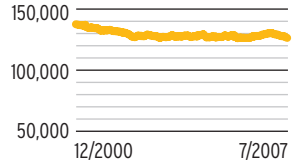
+0.7%  
**+800**

### CABLE TV



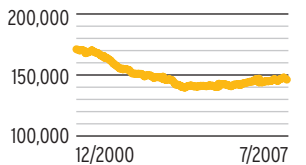
-1.5%  
**-1,400**

### BROADCAST TV



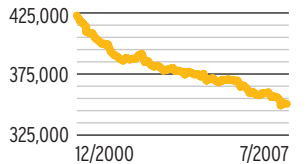
-8.1%  
**-11,200**

### MAGAZINES



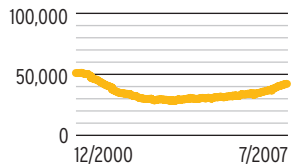
-14.6%  
**-24,900**

### NEWSPAPERS



-17.1%  
**-72,300**

### INTERNET MEDIA COS.



-17.4%  
**-8,900**

**MORE INFO** For deeper jobs data, go to DataCenter at [AdAge.com](http://AdAge.com) and click on This Week.