

For CMOs to Be Visionary Leaders, They Must Have a P&L Mind-set



Plus Four Tips For Adopting That Mind-set Even Without Direct Experience

By **Scott Davis**

Walmart's Stephen Quinn has it. So does Adobe's Ann Lewnes. Steve Meyer of Dell services and Cammie Dunaway of Nintendo have it, too.

"It" is a P&L mind-set: a deep understanding of and/or hands-on experience with what it takes to run a business line and deliver the numbers. It's a mind-set critical for senior marketers to develop or sharpen if they expect to advance from being order takers or sales supporters to enterprise-wide, visionary leaders.

Data without insights is a waste of research dollars and efforts. Similarly, having insights without an understanding of economic impact ultimately shortchanges the organization. That's why a P&L mind-set is no longer optional, at a time when marketing must continue to drive both near-term and long-term results.

The good news for marketing heads without direct P&L experience is that a P&L mind-set is not necessarily tied to P&L ownership. Stephen Quinn of Walmart had that responsibility at PepsiCo, Johnson & Johnson, and other leading packaged-goods companies. But his view is that CMOs who are freed from direct P&L responsibilities—the forecasting, the financial planning, the reporting systems—are in a far better position to focus on the customer and across the enterprise, adding horizontal value to the organization, versus the vertical P&L value.

In interviewing him for my latest book, *The Shift: The Transformation of Today's Marketers into Tomorrow's Growth Leaders*, I learned that Quinn's perspective is that the customer will always be more important than controlling the P&L. But he also says marketing leaders won't have the

credibility to initiate the types of conversations that need to be had to truly grow the business if they haven't mastered the dynamics of a P&L.

On the other hand, Adobe's Ann Lewnes embraces her P&L ownership. Her view is it's a natural extension of marketing's go-to-market strategy, and she's on the hook in a big way. Lewnes owns traditional marketing, as well as having P&L responsibility for Adobe's largest vertical—education—as well as e-commerce.

Lewnes says she believes it makes her more credible and more conversant. Owning a P&L, she says, helps marketers get to the place where they understand the product and the customer in an intimate way, enhancing their ability to be a credible resource for the business.

But the debate is not so much about current ownership or past P&L responsibilities prior to taking on a leading marketing role. More important, it centers on whether a P&L orientation has been built or not and whether you are a traditional, tactician marketer or truly a P&L-led, visionary marketer.

With a P&L mind-set, visionary marketers can take insights gleaned from the data they collect and turn those insights into action—new products, new programs, new pricing, new segments to pursue—with commensurate economics tied to each. With a P&L mind-set, visionary marketers can credibly step up to the plate and be catalysts in setting the growth agenda. And, with a P&L mind-set, leading marketers can forge relationships with sales and finance, driven by a common language not spoken in most companies today.

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So, without direct P&L experience or depth, can traditional or tactician marketers shift their orientation toward having a P&L mind-set? Here are a few suggestions from leading CMOs.

1. Understand the business inside and out.

Become an operator; ring the register; spend time in the field with employees and customers, develop a deep understanding of the different ways your company makes money and your customers' different needs and wants. Pam Butcher was corporate VP/Marketing and Sales at Dow prior to her current VP/General Manager role, and says her time in the field with customers was worth "a lifetime of other types of training."

2. Conduct any business dialogue from a strategic perspective.

Articulate precisely how your ideas will enhance and drive the growth agenda and bottom line. Stop talking about your marketing budget and start talking about the company's growth budget. Barry Judge, CMO of Best Buy, has said, "I

want to put our money where we have the best chance of improving the overall business (whether it is in marketing's domain or not)."

3. Form deep alliances with sales, finance, human resources, information technology and individual business units.

Doing so will drive your own credibility as well as contribute to organizational success. Beth Comstock, Senior VP/CMO of GE, says one of her most important relationships in terms of driving forward both the growth and marketing agenda is with GE Vice Chairman/CFO Keith Sherin.

4. Seek out small P&L wins and market them throughout your organization.

Be open to diverting traditional marketing funds into initiatives that, for instance, enhance the customer or employee experience, as Best Buy and Carlson Hotels have done in the past.

This article originally appeared in the CMO Strategy section of AdAge on June 3, 2009.



Scott Davis is a Senior Partner of Prophet, a global consultancy that helps senior management more effectively use branding, marketing, design, and innovation to drive profitable growth. This article is based on his new book, *The Shift: The Transformation of Today's Marketers into Tomorrow's Growth Leaders* (Jossey Bass).