



CMOs on Boards

Is Change Coming?

On paper, it would seem that today's boards of directors should have an obvious interest in bringing marketers to the table.

After all, the current business environment has changed dramatically from just a few years ago: Now, senior marketing executives play a key role in such areas as digital transformation and social media — in addition to the task of managing engagement and the crucial relationship between customers and brands. Today's companies must know their customers, and with the growing use of data and analytics, it's marketers who are able to bring the deep knowledge of what clients want and can help create a more personalized customer journey.

Nevertheless, the number of marketers serving as directors on Fortune 1000 company boards remains surprisingly low: Our research finds that only 26 of the thousands of public company board seats are currently occupied by marketing leaders. Importantly, this figure from public companies includes only marketers currently holding a CMO (or similar) title, and it does not count the plethora of former marketers who may have already moved into bigger GM roles. As boards look beyond CEOs as a pool of director talent — including executives with experience in technology, finance, marketing and other areas — we've found that additional opportunities are opening for women and minority executives.



“One of the biggest areas of expertise marketers have is the ability to tie together many key areas of focus for businesses.”

SUZY DEERING
 CMO OF SALES & GROWTH MARKETS, EBAY
 BOARD MEMBER, PODS

While the numbers tell a dispiriting story for marketers aspiring to a non-executive role, the good news is that the tide may be turning. As we have watched an increasing number of talented marketers ascend into CEO- and president-level roles, it is apparent that their chances of landing board roles (as general managers) will increase.

And importantly, it is worth noting that most boards naturally skew older — the average age of S&P 500 directors is 63, according to our 33rd annual United States *Spencer Stuart Board Index* (SSBI) — and the majority of directors on publicly traded boards simply aren't as fluent as CMOs in newer/disruptive business models and strategies. Consequently, we believe more boards will seek out the specialized knowledge that marketers possess, helping to facilitate a more “modern” conversation among non-executive directors. The CMO's presence also likely will bring down the average age of the board as well.

THE EVOLVING NUMBERS GAME

One obstacle keeps marketing leaders from wider representation on boards: Only a small number of seats become available on U.S. boards every year. As an example, S&P 500 boards appointed just 428 new independent directors during the 2018 proxy year, according to the 2018 SSBI. This modest rate of turnover means the average S&P 500 board added fewer than one new director over the year (0.88).

“Research suggests that humans are susceptible to ‘in-group bias,’ which means we tend to prefer people like ourselves,” Kim Whitler, associate professor at the University of Virginia's Darden School of Business and a former CMO herself, told us in an interview. “So it is understandable that finance board members might prefer including more finance experts because they speak the same language and share a similar paradigm of how firms work.”

And not surprisingly, when openings become available, boards tend to prioritize leaders who have prior CEO or governance experience: Of the 428 new S&P 500 directors, 36% were active or retired CEO or president-level executives.

It's relevant, then, that more marketers are becoming CEOs, which could lead to more board members who have a marketing background. Some 25 percent of CEOs have marketing experience, according to a study by Frank Germann, assistant professor of marketing at Notre Dame's Mendoza College of Business, who analyzed the largest 233 publicly traded firms. Marketers tend to succeed at the C-suite level because they are

How marketers can increase their chances of getting on a board

For marketing leaders, serving on an outside board can be an enlightening, career-changing opportunity.

“Becoming an independent board member has been an enriching experience for me — it has made me a better executive, broadened my perspective across the full scope of the enterprise, and allowed me to use my digital, marketing and operational skills to have a positive impact in the boardroom,” said Trish Mueller, former CMO at Home Depot and director on Dave & Buster’s board. “The digital age has material effects across the entire organization, and it’s rewarding to be able to use my knowledge to inform leadership thinking on strategies for success today and in the years to come.”

But getting onto a board isn’t easy. For marketers aspiring to serve on an outside board, we offer up the following tips on how to position yourself for the opportunities that will arise — and may be more likely in the coming years.

Remember: It takes work

Board service can demand a significant time commitment: 32 percent of our survey respondents say they spend between 11 and 20 hours a month on board work (i.e., research, meetings, travel, etc.) As one executive said, “You will grossly underestimate the amount of time it takes to serve on a board, whether it’s a big or small company.”

Get involved now

A large public company is unlikely to be your first board experience. More opportunities are available on the boards of local nonprofits, universities, smaller companies and private companies, including private equity portfolio companies and advisory boards. Participating on these boards provides valuable experience, allows others to see you in action in a board setting and helps build relationships that can open doors to other opportunities. It is also an excellent place for you to sharpen your general governance skills while learning to focus on high-level strategic issues — as opposed to getting too far into the weeds on tactical issues.

Further develop your expertise

Become well-known as an expert in your field. For instance, some say technological acumen — and the ability to incorporate it into the customer journey — will be a crucial skill.

“I believe that the areas that will serve as differentiators will be technological chops and a focus on customer experience, using digital tools to complement a traditional business,” said Eduardo Conrado, former CMO at Motorola Solutions and current CDO at Ascension, and board member of ArcBest. “I think most boards are looking for a technologist who is customer centric to add to the board talent profile.”

Be prepared to talk about your “USP”

It’s important that you can clearly articulate your “unique selling proposition” and the value that you would bring to a board. Also, boards will want to hear about the challenges or governance topics that interest you or that you feel qualified to address, as well as what you hope to get out of a board assignment.

Make sure your boss is aware of your board aspirations

Alerting your CEO that you’re interested in a board role — and gaining their approval early in the process — will be valuable when opportunities arise. While it’s obviously important to have the leader’s approval, your CEO can also serve as a reference, which will be crucial in your efforts. Remember, your boss can also be a tremendous source of board leads for you, particularly if they are a big supporter of yours.

Build a wide network of advocates

Let friends and colleagues who serve as directors or board advisers know of your interest so that they can suggest you when an opening arises. Discuss your interest with your CEO, directors on your own board and other people you know who serve on boards or work with boards. You might also investigate attending a university business school course on boards, which could improve your chances for board placement. Several well-known colleges offer such programs, including Northwestern University’s Kellogg School of Business, Harvard Business School and Wharton School of the University of Pennsylvania.



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LINDA BOFF
CMO, GE
BOARD MEMBER, DUNKIN’ BRANDS

“more agile, more versatile, and less risk-averse,” Germann said at an American Marketing Association conference. Indeed, several former marketing executives (and current directors) have gone onto bigger management roles, including: Sona Chawla, president of Kohl’s; Mary Dillon, CEO of Ulta; Brian Niccol, CEO of Chipotle; Russell Weiner, president, USA of Domino’s Pizza; and Mary Beth West, chief growth officer of The Hershey Company.

MORE MARKETERS = HIGHER RETURNS?

Another reason talented marketers may well become more popular in the boardroom: their presence can have a positive impact on company revenue. Organizations with at least one marketer on the board had a 3-percentage point increase in total shareholder return compared to a board with no marketing-experienced directors, according to a 2015 study by the University of Virginia’s Whitley, Ryan Krause from Texas Christian University and Donald R. Lehmann at Columbia University.

“One of the top challenges that boards and CEOs are dealing with is creating growth,” Whitley said. “And the knowledge that capable marketers bring to the board — such as how to create organic growth to drive profitable revenue — helps complement the more efficiency, compliance and monitoring competencies of the people who dominate boards (e.g., finance, accounting, operations, etc.). In other words, the boards that include marketers have a competitive advantage, as they can use this knowledge to help think about growth strategies and resource allocation decisions regarding growth.”

These factors are part of the reason marketers believe more marketing leaders will be appointed to boards in the coming years. Spencer Stuart recently surveyed more than 250 senior marketing executives (see chart), and 73 percent of respondents agreed that marketers will continue to have a larger presence on boards. We should also point out that several CMOs sit on the boards of other noteworthy companies, such as Greg Revelle, CMO of Kohl’s, and Tony Weisman, CMO of Dunkin’. Other former marketing leaders have earned a



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SETH FARBMAN
FORMER CMO, SPOTIFY
BOARD MEMBER, J. CREW



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RAJA RAJAMANNAR

CMO, CHIEF COMMUNICATIONS OFFICER & PRESIDENT, HEALTHCARE, MASTERCARD
BOARD MEMBER, PPL CORPORATION

place at the director’s table, including: Gary Briggs, former CMO of Facebook; Stephen Quinn, former CMO of Walmart; Becky Saeger, former CMO of Charles Schwab; Susan Thronson, former SVP of global marketing at Marriott International; and Joe Tripodi, former CMO of Subway.

MARKETING SKILLS ARE BECOMING MORE VALUABLE

On an anecdotal level, the good news is that we have seen an increased demand for non-executive directors who possess “modern marketing” skills. Specifically, forward-looking boards are seeking directors with experience in digital transformation, social media, customer relationship management and loyalty, mobile platforms, and omnichannel retail. It appears that boards now realize the importance of ensuring digital, data, customer insight and social media are woven into corporate strategy, and marketers have the vision — and technical know-how — to do just that.



“Becoming an independent board member has been an enriching experience for me — it has made me a better executive.”

TRISH MUELLER

FORMER CMO, HOME DEPOT
BOARD MEMBER, DAVE & BUSTER’S

“One of the biggest areas of expertise marketers have is the ability to tie together many key areas of focus for businesses — some of these areas are data and technology, as well as overall enterprise systems to create personalization and connected customer journeys,” said Suzy Deering, CMO of sales and growth markets at eBay and board member of PODS. “Marketing is at the center of different types of companies, but something they have in common is the need to innovate faster to address a hyper-connected customer.”

Linda Boff, CMO at GE and member of the board of Dunkin’ Brands, agrees: “Marketers bring the voice of the customer to the table, which every company needs to consider — along with financials and governance. Increasing innovation, transformation and customer centricity is the purview of the CMO, and that’s a skill set that most boards would welcome.”



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EDUARDO CONRADO
CURRENT CDO, ASCENSION
FORMER CMO, MOTOROLA SOLUTIONS
BOARD MEMBER, ARCBEST

In other words, marketing insight — which for years had been seen as a “softer and creative” skill — is becoming increasingly valuable on its own and could eventually lead boards to prioritize more marketers for vacant board positions. Forty-two percent of respondents to the Spencer Stuart survey say marketers’ top skill is bringing consumer/client insights to the board, while 40 percent say the awareness of digital technologies is key.

“The board relies mostly on my general management experience, but it also draws upon my marketing experience, be it digital, brand management, sponsorships, internal communications, social media or consumer experience design,” said Raja Rajamannar, CMO and chief communications officer and president, healthcare at MasterCard, and member of the board of PPL Corporation. “There are a number of instances where my CMO experience was not only helpful, but critical.”

Beyond that, boards also need directors who have general expertise and can see the bigger picture, while also possessing this specialized knowledge and insight. Marketers tend to work across functions and have a deep understanding of areas such as strategy that are becoming increasingly important.

“With today’s rapid transformation in business, a management team benefits from having operators on the board, and CMOs are increasingly in the center of cross-functional operations,” said Seth Farbman, former CMO at Spotify and current board member at J. Crew. “That experience provides crucial insight that marketers should leverage.”

Conclusion

It would be understandable for marketers to look at the numbers and feel discouraged about their chances to be appointed to a board. But we believe the tide is turning and opportunities will present themselves to the very best marketing professionals. As the business landscape changes, the case for putting truly talented marketers onto boards will most certainly increase. Marketers’ experiences in areas like digital and social media represent a tremendous opportunity for companies, and they can provide the crucial insight and fresh perspective that boards currently lack. And for a select group of well-prepared marketers, we expect that more opportunities to help modernize boardroom conversations will be available. The question is: will they be ready?

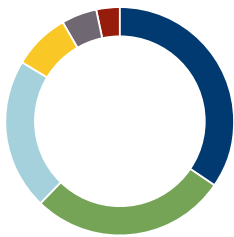
SURVEY OF MARKETERS

We recently surveyed more than 250 marketing professionals about their own experiences with boards.¹

What boards are you currently on?



What piece of advice would you have for marketers who want to get on a board?

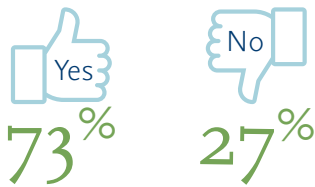


- 34% ● Start by seeking a director position with a smaller company board, local nonprofit, academic institution, etc.
- 27% ● Be prepared to articulate why you want to sit on a board and how you could add value
- 21% ● Build a network of current board directors to advocate for you
- 8% ● Advise your CEO of your plans and gain her or his approval
- 5% ● Get smart about board and governance issues
- 3% ● Other

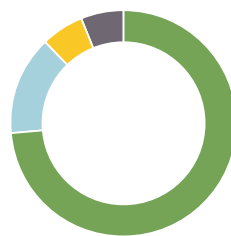
How many hours per month do you spend on board work (i.e., research, meetings, travel, etc.)?



Do you expect that marketers will become more prevalent on boards in the coming years?

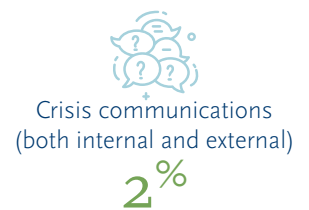
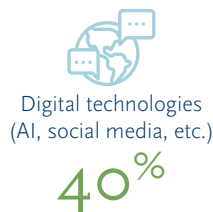


If you answered no, why not?



- 73% ● Other functions more critical for the boardroom
- 14% ● Other
- 6% ● Lack of turnover on boards/limited opportunities
- 6% ● Too many demands with their "day job"

In what areas might marketers bring the most value to the board?



¹ Percentages may not total 100% due to rounding.

CMOs ON 1000 BOARDS*

Marketer	Board(s)	Current position
Lisa R. Bacus	Teradata	EVP & CMO at Cigna
Lynne Biggar	Voya Financial	CMO & chief communications officer at Visa
Margaret A. Brea	LSC Communications	SVP & CMO at MicroStrategy
Giuseppina Buonfantino	Carter's	CMO at Kimberly-Clark
Lisa M. Caputo	Best Buy	EVP of marketing, communications and customer experience at The Travelers Companies
Jerri L. DeVard	Under Armour	EVP, chief customer officer at Office Depot
Susan Somersille Johnson	Constellation Brands	CMO at SunTrust Banks
Esther Lee	The Clorox Company	EVP & CMO at MetLife
Lori Lee	Emerson Electric	CEO, Latin America & global marketing officer at AT&T
Ann Lewnes	Mattel	EVP & CMO at Adobe
William P. Mansfield	Graybar Electric	SVP marketing at Graybar Electric
Jamie Moldafsky	R.R. Donnelly	CMO at Wells Fargo
Anindita Mukherjee	Hertz Global Holdings	CMO at S.C. Johnson & Son
Cynthia S. Nicholson	Selective Insurance	CMO at Feed
Michelle A. Peluso	Nike	SVP & CMO at IBM
Karen Quintos	Cummins, Lennox	EVP & chief customer officer at Dell
Raja Rajamannar	PPL	CMO & chief communications officer and president, healthcare at MasterCard
Ralph E. Santana	Dollar General	EVP & CMO at Harman International Industries
Philip Schiller	Illumina	SVP marketing at Apple
Marcella Shinder	CarMax	Global head of marketing at WeWork
Gail Tifford	Fossil Group	Chief brand officer at Weight Watchers
Deborah Wahl	Groupon	CMO at Cadillac
Karen Walker	Eli Lilly	CMO at Cisco
Kevin M. Warren	Illinois Tool Works	CMO at UPS
Kara Wilson	Paychex	CMO at Rubrik
Jacqueline Yeaney	Avaya	SVP and CMO at Ellucian

*As of March 19, 2019.

A SNAPSHOT OF OTHER CMOs ON BOARDS*

Marketer	Board(s)	Current position
Phyllis Anderson	Andersen Corporation	Former CMO at Express Scripts
Katie Bayne	Ascenca Retail Group and The Honest Company	Former CMO of Coca-Cola North America
Michelle Bottomley	Bose	EVP & CMO of New York Life
Gary Briggs	Petco and Etsy	Former CMO at Facebook
Kathy Button Bell	Johnson Outdoors	CMO at Emerson
Cammie Dunaway	Planet Fitness and Red Robin	CMO at Duolingo
Anne Finucane	CVS	Former CMO at Bank of America
Lauren Flaherty	Brunswick	Former CMO at CA Technologies
Matt Jauchius	Core Molding Technology	CMO at Fifth Third Bank
Abby Kohnstamm	Tiffany & Co.	Former CMO at Pitney Bowes
Carol Kruse	Valvoline	Former CMO at Cambia Health
Jaya Kumar	Sabra Dipping Company	CMO at Capital Group
Kirsten Lynch	Stitch Fix	CMO at Vail Resorts
Jim Lyski	Ansira	CMO at CarMax
Sharon Rothstein	Yelp	Former CMO at Starbucks
Becky Saeger	E*Trade	Former CMO at Charles Schwab
Jennifer Storms	Dave & Busters	CMO at NBC sports
Roxanne Taylor	Pure Storage	Former CMO at Accenture
Joe Tripodi	Voya	Former CMO at Subway
Susan Vobejda	Cision	CMO at The Trade Desk
Lucas Watson	W.W. Grainger	CMO at Cruise Automation
Tony Weisman	Cardlytics	CMO at Dunkin'
Mary Beth West	Hasbro	CGO at Hershey

*Includes CMOs on the boards of private companies and public companies not in the Fortune 1000.

AUTHORS

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ABOUT SPENCER STUART

At Spencer Stuart, we know how much leadership matters. We are trusted by organizations around the world to help them make the senior-level leadership decisions that have a lasting impact on their enterprises. Through our executive search, board and leadership advisory services, we help build and enhance high-performing teams for select clients ranging from major multinationals to emerging companies to nonprofit institutions.

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