



MYTHS AND OPPORTUNITIES

How Marketers Can Position Themselves for a Board Role

With all the focus on how social media and digital technologies are affecting business today, it stands to reason that marketers with contemporary experience in these areas would be in significant demand on corporate boards looking for ways to “get smart” on these important strategic priorities.

But the fact of the matter is that few marketers currently serve as directors on Fortune 1000 company boards today. While not entirely exhaustive, our research indicates that of the more than 9,800 board seats for those companies, only 38 are occupied by top marketing leaders. The list farther down in this article highlights some of the marketers who are among the very few marketing executives serving on public or private company boards, including two marketers serving on their own company boards.

So this begs the question, why aren't we seeing more senior marketers serving on boards? Certainly, lower director turnover on public company boards in the U.S. means that in any given year there are few openings to fill. And, not surprisingly, when openings exist, boards still tend to prioritize prior governance experience when recruiting new directors. In 2012, for example, S&P 500 companies added only 291 new directors, the smallest

number of new directors since 2001. Of these, only 87 had no previous public-company board experience. Historically, we have tended to see only those boards that are seeking to improve the diversity of their composition consider adding a CMO.

Despite the seemingly bleak prospects for marketers aspiring to serve as a corporate director, the good news

is that we have seen rising demand among boards for directors with what we call “modern marketing” skills. Specifically, more boards are looking for experience in digital and social media as well as mobile platforms and omni-channel retail. Advancements in digital technologies, social media and smart phone applications are certainly changing the way customers interact with brands, requiring new business models and strategies. Consequently, we often see directors grappling with the board’s role in ensuring digital and social media are adequately woven into corporate strategy. Most boards will acknowledge (if they are being honest) that they have no one in the boardroom with the expertise to ask management the right questions, absorb the responses and understand the implications. Perhaps relevant is the simple fact that the average age of independent S&P 500 company directors is over 62. Clearly, most sitting directors are of a generation that did not grow up with these technologies.

For these reasons, we believe demand will continue to grow for digitally savvy top marketers for board roles. For marketing leaders aspiring to serve on an outside board, we would offer up the following advice on how to position yourself for the opportunities that will no doubt arise.

■ Be careful what you wish for: Understanding the pros and cons

An outside board assignment can provide many personal and professional benefits to executives. Many find that outside board service enhances their ability to interact with their own boards by improving their knowledge of governance and their understanding of board dynamics and director expectations. Board work exposes individuals to different leadership styles, corporate cultures and business models and can broaden professional and personal networks. It also can help executives build skills and knowledge in new areas. One marketing executive we know at a global consumer company told us that she joined the board of a small-cap pure-play technology company with a similar target customer profile for what she could learn and apply in her “day job” — including its use of social media and digital platforms and its nimbleness as a smaller company.

On the down side, board service can demand a significant time commitment, particularly for members of the audit committee. One CMO who recently joined the board and audit committee of a small-cap company said she is currently spending eight hours a week on board work as she is getting up to speed on the company and its financials. While board assignments don’t typically require that much time, prospective directors should figure on at least quarterly board meetings each year (the average is about eight) as well as committee meetings and the all-important meeting preparation. As one executive said, “You will grossly underestimate the amount of time it takes to serve on a board, whether it’s a small or big company.” The time required for a company that is struggling or facing a critical transition, such as a CEO or CFO change, is even greater — directors can find themselves spending several nights a week on the phone for board or committee meetings in these situations. Beyond the significant time commitment, directors can face potential reputational risks and even personal liability when they are associated with a troubled company.

■ Understanding the search process

The process boards use to identify and recruit new directors is very different than a traditional executive search. Aspiring directors should understand the process and what they can and can’t influence. Recognize that you cannot “apply” for a board position; boards often reach out to candidates through retained search firms such as Spencer Stuart. In fact, by the time a search firm or board contacts a candidate about a director position, it already has articulated a very specific profile for the role, vetted numerous potential candidates (on paper) and narrowed the list to the top two or three to contact for assessment interviews. Most often, candidates actually have no idea they are being considered or that there is even an opening during this initial phase.

Given that the process largely occurs behind the scenes, the best way to increase the odds of your being considered for a board is to become well-known as an expert in your field and widen your professional network. Importantly, this includes making your desires known to your contacts, who may have access and insights into current board openings.

■ What you can do: Positioning yourself for a board role

Drawing upon our industry-leading work recruiting marketing and digital talent for corporate boards, we have developed several recommendations for how aspiring directors can best position themselves for outside board opportunities.

Be prepared to talk about your “USP” — unique selling proposition. Boards assume that you have the requisite “pure” marketing expertise, but you should be able to clearly articulate where your interests lie and why you want to serve on a corporate board. Being able to succinctly explain where you would be able to add value to a specific type or size of company; the challenges or governance topics that interest you or that you feel qualified to address; what you hope to get out of a board assignment and, importantly, what you have to offer will help you to prioritize the kind of company and board that makes sense for you. This will allow you to appropriately frame up your own credentials with individuals who are in a position to recommend you. For many marketers, we believe the “ticket to the dance” will be leading-edge experience in digital, social, mobile and consumer insight, but marketers aspiring to serve on a board should understand that they can’t just expect to be the “marketing expert,” as boards want multifaceted directors with broad-based business perspective.

Make sure your boss is on board. This may sound obvious, but we’ve seen a number of situations where someone assumes that it is okay to serve on an outside board and then, when an opportunity arises, the boss says no. Advising your CEO of your interest in a board role and gaining his or her approval early on will pave the way when specific opportunities arise. Thinking through with your company which industries would be complementary to your current role and which ones may represent conflicts is an important step that will save time later. Be aware that some companies have explicit rules about outside board service — for example, whether outside board service is permitted at all and, if so, who may serve — or limits on the number of outside commitments. Also, don’t forget that your CEO can also become a great referral for you, which is another reason to initiate the conversation.

Build a wide network of advocates. You should know that some director vacancies are filled through direct networking rather than through search firms. Therefore, it’s important to 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. An endorsement by individuals in the boardroom who have seen you in action in your job, interacting with your own company’s board or serving on a nonprofit or smaller company board is powerful. Do not assume that these people will “think of you” without that appropriate prompting.

Plant the seed with your CEO, directors on your own board and other people you know who serve on boards or work with boards. Tell them your elevator speech. Executives who are already serving on a board often get approached about new board opportunities. They frequently are too busy to pursue every opportunity presented to them and will refer the names of interested candidates to the nominating committee or search firm that contacts them about a board seat.

Get involved now. A large public company is unlikely to be your first board experience. Once you set your expectations about that, you can recognize that there are other places where you can get useful experience and put your knowledge to work. 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 board experience, allows others to see you in action in a board setting and helps build relationships that can open doors to other opportunities.

Get smart about boards and governance. Consider attending director education classes and events, which can help you become more familiar with the governance issues shaping the boardroom today. New director courses are offered by the premier business schools, and board advisory firms and director organizations frequently offer topic-based board education. In addition to helping you get smarter about governance issues, these events may introduce you to well-connected individuals who can offer unique insight into the director selection process. If possible, increase your exposure to your company board, whether by working on a special committee or presenting

to the board at a regular meeting. Any exposure to the boardroom can help differentiate you from other aspiring director candidates. The message is, don't be afraid to ask for this additional training and exposure.

Do your homework. More than a few directors can recount horror stories about their first board meeting — when the CFO was fired or the board began discussing the possibility of a bankruptcy filing. These are challenging situations that magnify the time commitment and can taint directors' reputation by association. As much as possible, know what you are getting into: Review SEC filings and other publicly available information and meet with multiple members of the governance/nominating committee and key members of management, including the CEO, the chief financial officer and general counsel, and maybe even the external auditor. Check the company's corporate governance ratings, examine its public policy positions and speak with industry and

financial analysts about the company as well as your own industry contacts. That said, understand that surprises can happen no matter how much vetting you do.

Serving on a corporate board can be an enriching and rewarding experience, one that can introduce directors to new ideas and fresh perspectives that they can apply in their own business. Marketers who aspire to serve on a board should take heart: while the number of CMOs who serve on boards today is relatively small, interest in modern marketing profiles — marketing leaders with experience in digital and social media and across mobile platforms and omni-channels — continues to grow. Properly planning today, by defining your unique selling proposition, gaining the support from your boss, building a network of advocates and enhancing your governance knowledge and experience, will best position marketers to take advantage of boards' growing interest in these skills.

Examples of Marketers on Corporate Boards*

Public boards

<i>name, current position</i>	<i>board</i>
Frances Allen, CMO, Denny's	MarineMax
Y. Marc Belton, EVP Global Strategy Growth and Marketing Innovation, General Mills	U.S. Bancorp
Lisa Marie Caputo, EVP Marketing and Communications, The Travelers Companies	Best Buy
Joan Chow, EVP & CMO, ConAgra Foods	The Manitowoc Co.
Beth Comstock, SVP & CMO, General Electric Company	Nike
Patrick Connolly, Executive Vice President and Chief Marketing Officer, Williams-Sonoma	Williams-Sonoma
Diane Dietz, EVP & CMO, Safeway	Whirlpool Corporation
Cambria Dunaway, President, U.S. and Global Chief Marketing Officer, KidZania	Brunswick Corporation
Trevor Edwards, Brand President, Nike	Mattel
Anne Finucane, Global Strategy & Marketing Officer, Bank of America Corporation	CVS Caremark
Shira Goodman, EVP of Global Growth, Staples	CarMax
John Hayes, CMO, American Express Company	Yahoo!
Matt Jauchius, EVP & CMO, Nationwide Insurance	Core Molding Technologies
Abby Kohnstamm, Executive Vice President and Chief Marketing Officer, Pitney Bowes	Tiffany & Company
Lisa Kranc, former SVP Marketing, AutoZone	Stage Stores
David Lauren, Executive Vice President, Global Advertising, Marketing and Communications, Ralph Lauren Corporation	Ralph Lauren Corporation
Esther Lee, SVP Brand Marketing and Advertising, AT&T	Clorox Company

Michael Linton, Enterprise CMO, Farmers Group	Capella Education Company
Robert Malcolm, former President, Global Marketing, Sales & Innovation, Diageo	The Hershey Company
Scott McCune, Vice President, Global Partnerships and Experiential Marketing, Coca-Cola	Gannett Co.
William McDonald, former EVP of Brand Management, CMO, Capital One Financial	Humana
Anthony Palmer, President, Global Brands & Innovation, Kimberly-Clark Corporation	The Hershey Company
Brenda Piper, CMO, Turner Broadcasting System Animation, Young Adults & Kids Media	Under Armour
Venkata Rajamannar Madabhushi, Chief Marketing Officer, MasterCard	PPL Corporation
Katherine Savitt-Lennon, CMO, Yahoo!	Vitamin Shoppe, Lockerz (private)
Susan Thronson, SVP of Global Marketing, Marriott International	Angie's List
Lorraine Twohill, VP Marketing, EMEA, Google	Williams-Sonoma
Peter Vaughn, Senior Vice President of International Consumer Products and Marketing, American Express Company	Vail Resorts
Mary Beth West, EVP and Chief Category and Marketing, Mondelez International	J.C. Penney Company
Larry Zarin, Former SVP & CMO, Express Scripts	1800Flowers.com
Private boards	
Lisa Bacus, EVP, Global CMO, CIGNA	Culver's, Shoutlet
Dermot Boden, Chief Brand Officer, Citigroup	Belkin
John Costello, President, Global Marketing and Innovation, Dunkin' Brands	Ace Hardware Corporation
Geoff Cottrill, CMO, Converse	Kimpton Hotel & Restaurants
Rita Cuddihy, COO Central Region, Marriott International	Frontier Airlines
Beth Hirschhorn, EVP, Global Brand & Marketing, MetLife	Maestro
Jolie Hunt, former Chief Marketing and Communications Officer, AOL	PopTech
Denise Incandela, Executive Vice President and Chief Marketing Officer, Saks Fifth Avenue	CST Brands
Candace Matthews, CMO, Amway	Fifth Third Bank-Western Michigan

* A sampling of principally marketing route up career executives now on corporate boards.

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About Spencer Stuart

Spencer Stuart is one of the world's leading executive search consulting firms. Privately held since 1956, Spencer Stuart applies its extensive knowledge of industries, functions and talent to advise select clients — ranging from major multinationals to emerging companies to nonprofit organizations — and address their leadership requirements. Through 54 offices in 29 countries and a broad range of practice groups, Spencer Stuart consultants focus on senior-level executive search, board director appointments, succession planning and in-depth senior executive management assessments. For more information on Spencer Stuart, please visit www.spencerstuart.com.

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