

CMO Success, Stage by Stage

For chief marketing officer success, focus on helping them attain the right skill set at the right corporate growth stage.

Kimberly A. Whitler
Jonathan Metrick

CMO Success, Stage by Stage

Kimberly A. Whitler and Jonathan Metrick

For chief marketing officer success, focus on helping them attain the right skill set at the right corporate growth stage.

Chief marketing officer turnover has long been a challenge for companies. As a company matures, it can become clear that the CMO's leadership skills and abilities no longer align with the organization's needs — which could spell the end of the CMO's tenure.

We interviewed 100 company leaders to understand how CMO roles and marketing functions should be organized at different stages of growth (from series A to IPO). What we found was surprising: The skills and abilities that make a CMO well suited to leading an early-stage company are quite different from those a company needs as it grows. We identified three key points at which organization-level marketing changes: Series A (the early stage), Series B-D (the developing stage), and Series E-IPO (the mature stage).

CMO Skill Requirements at Different Company Growth Stages

Assuming that a CMO has the skills and knowledge to succeed as a business matures through different growth stages is a mistake. What makes a CMO successful at an early-stage company may, in fact, limit their success at the company's mature stage unless there is an intervention to upskill them.

For example, at the early stage, organizations need a scrappy, nimble, roll-up-your-sleeves CMO who can go from creating content to pulling together and delivering an investor presentation. These CMOs often wear multiple hats, shifting from content creator to CMO to project manager

to analyst as needed, and are capable of stepping into and executing any number of roles. Marketing operations are often less structured and less routinized compared with other business functions, making it imperative that the CMO is flexible and can adapt to rapid change.

However, as companies grow (the developing stage), they need scale experts who are better equipped to help the marketing function become more structured and systematic. At this stage, it needs processes and repeatable systems that support scale. CMOs need skills associated with designing and engineering routines, systems, and processes that enable more consistent and efficient implementation of programs. This requires planning and structure and less ad hoc leadership.

As businesses mature further, CMOs need the ability to lead a more sophisticated organization with more layers and a broader remit. They shift to becoming a leader rather than a doer — or, metaphorically, they become more of an orchestra conductor versus a soloist. In addition to being capable of strengthening the processes to ensure repeatably efficient and effective operations, they also are adept at reorganizing, hiring, and developing talent to drive sustainable, profitable growth. They serve as general architects of the marketing function, adapting it to meet the changing needs of the company and “professionalizing” operations.

The Consequence of Failing to Address CMO Skill Needs

A CMO whose job evolves from an agile early-stage role to one that requires structure may be proficient in the former but struggle with the latter — and neither they nor the CEO may realize why. Or a CMO may enter a role at a larger, more mature company and not fully understand the different skills that are required, setting themselves up to fail. The nimbleness and skills CMOs must have at the early stage are quite different from the skills — the ability to lead, direct, and professionalize — that are needed at the mature stage. Often, the CMO job requires not just new and different skills but skills that are inconsistent with those required at earlier stages. As one executive told us, “The CMO had the skills to help get us to a billion dollars, but they prevented us from growing beyond a billion dollars.”

A key myth that contributes to the challenge is the belief that CMOs who have worked at larger, more sophisticated companies can easily lead marketing at a startup. This, however, contributes to the failure to match CMO skills with the life stage of the organization. It isn't necessarily true that because somebody worked at a large company that provided best-in-class training they can easily step into an early-stage CMO role and be effective. In an early-stage company, the CMO has to be agile and able to write and place ads, create presentations, or perform analyses themselves. In large organizations, there are teams of talented support people who do this work. At mature companies, there is usually already an established, well-structured marketing function in place when a new CMO arrives, so it's rare that a marketer would have had experience changing the system or processes. CMOs who have experience in such environments are used to delegating work rather than executing it themselves. This makes adapting to the needs of a startup quite risky.

Navigating the Skill-Requirement Change

If CMOs and CEOs are unaware of these changes in needed skills, then CMOs will be unprepared to manage the role

as their companies grow. Leaders can take these three key actions to help ensure that CMOs can succeed as the business grows.

1. Prepare and upskill the CMO. This option is arguably the toughest to do. It requires the acknowledgment that the CMO must acquire new skills and adapt to changing organizational needs. There are a number of methods that can be used to help CMOs upskill, such as: (1) hiring an executive coach, (2) hiring a fractional CMO whose skill set is at the next level of growth to serve as a coach to the CMO, (3) sending the CMO to an executive development program, and/or (4) developing a learning plan (for example, getting advice from executive recruiters).

2. Changing what's expected of the CMO. In addition to the above efforts to upskill the CMO, the CEO and/or CMO can recommend resetting the expectations for the person in the CMO role, the strategic plan, or the performance measurement system. Articulating a change in expectations as the company develops, incorporating the need to develop scalable systems into the strategic plan, and holding the CMO accountable for activities that increase scale and efficiency can help systematize the shift in the CMO's role. Taking these actions can help clarify the new skills and responsibilities that the CMO is expected to acquire.

3. Change the CMO. Another way to ensure that the CMO has the skill set required at a particular growth stage is to hire somebody with a proven track record at companies in that stage. In some cases, the CEO or the CMO themselves might suggest that it is time for such a change. It takes an astute CMO to understand that the organization's needs have shifted and that their strengths lie in leading a different-size company. In this case, the CMO would look to find a business at the growth stage where they are most effective and can excel.

When a CEO sees a disconnect between what their CMO can deliver and what their company needs, it can result in dissatisfaction that leads to turnover in the CMO role. When a CMO believes that their job has been designed wrong, their dissatisfaction can lead to their departure as well. Our research suggests that CEOs and CMOs need to be more aware of the level of skills required at each stage of company growth and ensure that the CMO is prepared to effectively perform as a company matures.

About the Authors

Kimberly A. Whitler is the Frank M. Sands Sr. Associate Professor of Business Administration at the University of Virginia's Darden School of Business and the author of *Positioning for Advantage: Techniques and Strategies to Grow Brand Value* (Columbia Business School Publishing, 2021). Jonathan Metrick is a partner and chief growth officer at Sagard, an alternative asset management firm active in venture capital, private equity, private credit, real estate, and royalties.



PDFs ■ Reprints ■ Permission to Copy ■ Back Issues

Articles published in *MIT Sloan Management Review* are copyrighted by the Massachusetts Institute of Technology unless otherwise specified at the end of an article.

MIT Sloan Management Review articles, permissions, and back issues can be purchased on our website: shop.sloanreview.mit.edu, or you may order through our Business Service Center (9 a.m.-5 p.m. ET) at the phone number listed below.

To reproduce or transmit one or more *MIT Sloan Management Review* articles **requires written permission.**

To request permission, use our website shop.sloanreview.mit.edu/store/faq, email smr-help@mit.edu or call 617-253-7170.