



Driven by Insights
Delivered from Experience

Key actions CMOs need to take **now** to drive growth

Get focused, take decisive action, and prioritize commercial productivity.

SBI RESEARCH SUMMARY IN SIX BULLETS

- **CMOs aren't as in sync with the CEO's growth agenda as they think.** Only an elite set of marketing leaders are proactively taking steps to prioritize commercial productivity. The majority remain challenged to pivot and prove marketing's value as budgets tighten.
- **Bullish attitudes regarding the strength of demand may force many CMOs into a reactive posture.** Savvy CMOs remain tightly aligned with the CEOs' value creation strategy. Marketers need to prioritize a narrower set of initiatives and focus on commercial discipline, to drive revenue growth and maintain CEO trust.
- **CEOs view marketing as an expendable black box, especially during challenging times.** Lack of clear visibility into how marketing drives revenue casts doubt on the CMO's ability to support the CEO's commercial productivity agenda. CEOs' and CFOs' limited GTM knowledge further complicates CMOs' ability to defend budgets not clearly aligned to focused revenue growth.
- **Decisive CMOs lead the revenue team in taking calculated risks.** Consistent data management routines enable rapid investigation into changing buyer behavior. Visibility to early indicators of shifting demand allows for efficient GTM playbook changes before it's too late.
- **Tenacious CMOs boldly initiate challenging commercial conversations.** Instead of taking a backseat to the CRO, confident CMOs lead the discussion on critical decisions and GTM strategy pivots needed to maintain revenue growth.
- **SBI's CMO productivity guidance provides a simple framework to help marketing leaders focus.** Prioritize a narrow set of activities that keep revenue impact as the key measure of success. Maintain commercial productivity as the north star to be the trusted advisor the CEO needs now.

CEO FOCUS ON COMMERCIAL PRODUCTIVITY SHINES THE SPOTLIGHT DIRECTLY ON MARKETING; DO YOU HAVE A PLAN TO DELIVER?

In today’s environment of economic uncertainty, successful CEOs want to improve the efficiency of their go-to-market teams to accelerate growth, rather than simply adding expense in people and programs.

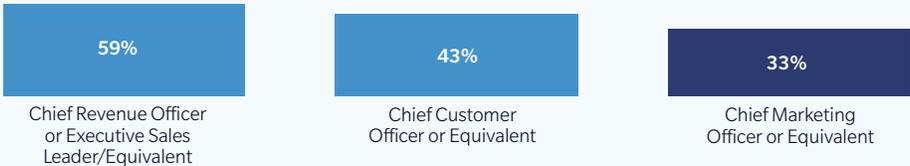
SBI finds that during recessions - when value creation is driven by accelerating growth without increased operating expense - a focused approach to growth is more successful than trying to remain agile or hedging one’s bets across investments. It’s what high-growth companies do differently than their competitors.

However, over 50% of CEOs don’t have faith in their CMOs’ ability to drive commercial performance today. Data from SBI’s July 2022 CEO Survey should give marketing leaders a reason to pause, then critically evaluate their current marketing charter and plan of action for the next 6-12 months.

CEO Confidence in Growth Leadership

Q: Candidly speaking, how confident are you in the following executive’s ability to drive commercial success for your organization?

% Agree or Strongly Agree



N = 120

Source SBI 2022 CEO Growth Survey

Recessionary environments are ripe for cost-cutting and budget scrutiny, putting pressure on CMOs to show clear ROI for their investments in programs and people. While CMOs’ investment decisions have largely been given the benefit of the doubt over the last 18 or so months, as many organizations experienced a run of growth, the tide is quickly shifting. CMOs must act quickly and proactively to rationalize marketing activities - on their own terms - to shift from an attitude of open exploration to one of focus and discipline, or risk having to adopt a more reactive posture when budget pressure comes down from the CEO.

Unfortunately, many CMOs are hesitating to act, preferring instead to keep their bets spread widely across channels and segments - cautiously waiting to see how the coming months play out. Other CMOs find themselves stuck in the frustrating situation of a GTM organization that does not see the value of marketing. Without coordinated action from sales and customer success, CMOs find it challenging to make the focused bets needed to succeed during a downturn, as the commercial engine itself isn’t in sync.

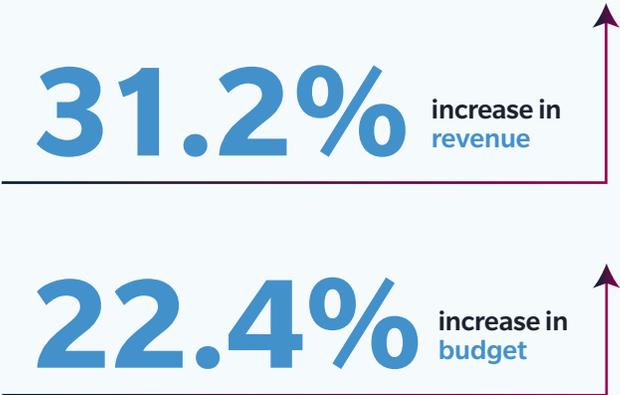
Paradoxically, even though it feels natural to hedge one’s investments in the face of uncertainty to limit exposure and allow for flexibility, making focused bets is the surer path to success. Focused bets allow GTM teams to operate with greater speed and flexibility. Focused bets also enable better resource optimization and faster pivots should conditions change. SBI has found that hedging often indicates either a lack of strategy or a flawed one.

CONTINUED OPTIMISM PUTS CMOs IN A RISKY POSITION FOR THE REMAINDER OF 2022 AND INTO 2023.

SBI sees CMOs poised to repeat the mistakes of the Great Recession.

CMOs started 2022 with optimism

Anticipated revenue and marketing budget increases from 2021 to 2022



Source: SBI CMO budget and spend benchmarking

Among the reasons for this optimism were continued economic investment and returns across many sectors. Opportunities to increase market share also contributed to a more positive mood. However, market and economic conditions have since shifted significantly.

As of August 2022, there was clear evidence of changes affecting market conditions like continued inflation and softening of demand across a variety of SaaS businesses. Concerningly, despite this recent evidence, many CMOs currently hold the belief that demand will remain strong and have yet to pivot their strategy to a more focused set of growth bets.

To illustrate this further, many CMOs remain focused on broader transformation initiatives driven by the pandemic-induced move to digital buyer engagement. While the movement to more digital strategies is essential long-term, CMOs should also be realistic about current market conditions and reprioritize more focused actions within their agenda - which may include those of the digital variety - to maintain revenue growth over the next few quarters of 2022 and 2023.

CMOs who find themselves questioning what actions to take now can take a page from the playbooks of leading marketers. SBI sees proactive CMOs taking focused action, transparently working with peers to maintain revenue growth, and ensuring visibility into marketing activity that is aligned with commercial productivity.

TAKE THESE 8 STEPS TO RETOOL YOUR MARKETING PLAN FOR INCREASED COMMERCIAL PRODUCTIVITY NOW.

Now is the time to take decisive, bold action. Savvy CEOs get this and need capable CMOs to help them execute. Tenacious CMOs are acting with confidence and precision. They're getting laser-focused on their ICP and directing investment against accounts and customer segments that meet a refined set of criteria.

The challenge for CMOs? It's hard to know where to start and decide what actions will lead to increased productivity - without sacrificing significant commercial opportunity. No one wants to be the CMO that cuts the little-known program that turns out to be a significant, previously unknown growth lever.

SBI's CMO productivity guidance framework can help. Distilled from SBI's perspective and recent conversations with CMOs actively driving productivity pivots within their organizations, this framework is full of ideas. Identify areas to drive efficiency and successfully lead the productivity pivot within your organization.

CMO Productivity Guidance Framework

1 Stop waiting for customer insight from others.	2 Stop spreading investments across too many channels and segments.	3 Stop sparring with commercial peers over pipeline influence and marketing tactic effectiveness beliefs.	4 Resist the temptation to revert to old ways of marketing.
5 Start experimenting to boost pipeline velocity and opportunity conversion rates.	6 Start aligning with customer segments that are in most need of your solutions now.	7 Start investing in full-funnel enablement for buyers and sellers.	8 Start assessing your team for under-utilized skills and offer opportunities to grow professionally.

1. Stop waiting for customer insight from others. No platform or measurement system will be the silver bullet to customer understanding. Your customers are shifting now as they react to market and economic changes. Instead of focusing on limitations of your systems of insight, use low-tech but effective ways to better understand your customers now. Surface insights to hone your positioning, messaging, and engagement strategy.

If you've relied on others across the organization to bring you "customer insight", roll up your sleeves and gather it first-hand:

- Read comments in LinkedIn posts on topics that relate to your solutions.
- Check discussions in active online communities within your sector.
- Dig into commonly held beliefs in your industry that may no longer be true, especially those beliefs that you suspect are holding customers back from seeing the value in your solutions.

- Attend an industry roundtable, talk to peers, and seek out provocative or emerging perspectives that run against the grain.
- Attend a customer call or QBR; review win/loss reports to identify insight from the front lines.
- Look at your NPS scores, and isolate the top accounts.
- Look beyond your NPS scores. Look at CSAT, talk with customer success, talk with sales, and talk with finance.
- Investigate where your most successful and most profitable customers come from, and discover “why?”

Take your shortlist of common themes or intriguing ideas that popped up in your research and schedule calls with customers. Ask questions to learn about each theme or idea in more detail.

Pro tip: listen intently to the words customers use to describe their current challenges and priorities, as well as their emotions. This will help you more acutely address the “why now?” for your buyers. And if your solution has sincere and real benefits related to cost containment or cost reduction, also stress those as core to your value prop to align with shifting customer realities.

2. Stop spreading investments across too many channels and segments. SBI’s recent CMO budget and spend benchmarking survey found that marketing programs, paid media, and technology budgets spread investments across all areas with little to no intention of pulling back the budget in anything outside of tradeshow and events (see datapoints on page 6). In many CMOs’ opinions, this allows for experimentation and reduces the risk that they are missing a way to connect with customers.

Unfortunately, many facing the expectation to grow more efficiently must start making trade-offs or risk spreading investments so thin that ROI is difficult to achieve. Insight from your customer listening will reveal specific channels and programs that are more effective in this environment.

Focus more narrowly for maximum impact. Keep track of what is working – and more importantly – what is not working. Make ongoing adjustments and changes to a more limited set of investments.

3. Stop sparring with commercial peers over pipeline influence and marketing tactic effectiveness beliefs.

Recent SBI CMO budget and spend benchmarking data shows sales and marketing disagreement over marketing’s role in several areas. One is pipeline influence. Marketers, on average, felt that marketing influenced 37% of the pipeline, while salespeople said it was more like 15%.

Sales & marketing disagree about influenced pipeline

Beliefs regarding percentage of pipeline influenced by marketing

37% what
marketers
believe

15% what
salespeople
think

Source: SBI CMO budget and spend benchmarking

Sales continues to view marketing programs skeptically. For example, on average, 81% of marketers think paid media/advertising is effective, while only 58% of salespeople think so.

Sales & marketing disagree about paid media effectiveness

Percentage of marketing versus salespeople who believe paid media is effective



Source: SBI CMO budget and spend benchmarking

Content/SEO, customer retention, and sales enablement have similar CMO-CRO disagreements over effectiveness. This often leads to each side arguing over the effectiveness of different tactics rather than the execution of the tactics themselves.

Instead of debating the effectiveness of a recent campaign, shift the conversation to exploring the shared goal(s) of the campaign. This allows you to develop a shared point of view about what is needed to engage buyers in a differentiated manner with your current set of products now. The takeaway - adopt common metrics and measure what matters.

- 4. Resist the temptation to revert to old ways of marketing.** Recent SBI CMO budget and spend benchmarking finds that nearly 50% of marketers question the effectiveness of events and tradeshow. However, only 24% say they think they will decrease the budget they spend on these programs.

Perceptions of event effectiveness differ with spend realities

Marketers are hesitant to fully commit to event budget reallocation



Source: SBI CMO budget and spend benchmarking

To meet customers when and how they want to engage, CMOs must continue to stay aware of changes in their customer's information-gathering habits and buyer journey. In many cases, that is probably less in-person, but that might not always be the case. Keep in mind that it's better to defend marketing investments based on the customer journey rather than simply following the herd mentality of what others are doing.

Additionally, while many CMOs had to quickly shift to largely digital engagement strategies during the height of the pandemic, some could not pivot with such speed. And whereas many have experimented and discovered emerging ways to engage with customers, not all tactics are fully refined at this point in time.

It's important to retain the digital muscle you've begun to develop and refine during the past two years of the pandemic. But push back on the urge to re-invest heavily in a more familiar pre-pandemic "marketing-as-usual" event strategy - unless your buyer journey warrants it.

5. Start experimenting to boost pipeline velocity and opportunity conversion rates. Taking a one-and-done or more episodic approach to marketing program effectiveness will lead to a reactive posture in this fast-evolving environment. Instead, create a continual test-and-learn environment where you're making small changes and adjustments that, over time, lead to large-scale improvements. To do so, prioritize these activities:

- Analyze your data to understand the impact of marketing programs on pipeline velocity and opportunity conversion rates.
- Spot trends that show risks or opportunities and develop action plans with your revenue leadership peers to implement new or revised marketing and sales plays.
- Compare individual seller pipeline to individual seller quota - although simple and not revolutionary, this is a way for management to see comparable performance across the team - and understand non-skill-based reasons for sellers with anemic pipelines (e.g., lack of SDR support, emerging market territory).
- Monitor average deal size movement and understand how it relates to market conditions and/or the engagement channels that drove buyers into your pipeline.
- Investigate variations in engagement, deal velocity, and contract value by customer segment.

Continue to stress-test your assumptions and further a culture of curiosity and experimentation. Never assume you have the winning approach. Rather, remain committed to the rigor of ongoing measurement and continuous improvement to refine the revenue engine. By doing so in an ongoing manner, the task can be broken into small pieces that fit into your current workflow and don't require a 6-month strategic planning process.

6. Start aligning with customer segments that are in most need of your solutions now. Like spreading your program investments too widely, trying to attract a wide swath of customers will create inefficiencies in areas like demand generation and other top-of-funnel activities.

Instead, investigate sub-segments within your customer base. Get real on where your solutions are essential versus nice-to-have in addressing your customer's core needs in this current environment. Consider more nuanced ICP factors (e.g., a refined technographic profile, current mindset towards competitive alternatives, including the status quo, or end-customer markets served) to isolate the most opportune segments to focus on.

Once you've identified these sub-segments, refine your messaging and content to target these groups. Speak more directly to the immediate challenges that make your solution the best fit for them right now.

7. Start investing in full-funnel enablement for buyers and sellers. Look for and remove barriers that slow buyers and sellers down. At a time when you're looking for greater efficiency, don't forget to look beyond awareness and demand generation to other places across your revenue engine. Here are some tips:

- Continue to evaluate your conversion rates by customer journey stage.
- Find places where buyers get stuck and assess the root cause.
- Critically evaluate the buyer experience - for example, are you requiring too many steps to get to a demo?
- Flow certain buyers directly to AEs and bypass SDR qualification by looking at buyer profiles and engagement data through a new lens.

Consistently ask yourself how you can improve the quality of information made available to buyers, in the places they are seeking it, and ensure they can access that information with as little resistance as possible.

8. Start assessing your team for under-utilized skills and offer opportunities to grow professionally. Your refined positioning and segmentation may require new or added skills, especially as you continue to mature your digital programs and motions.

Before hiring more FTEs, create stretch assignments where people build skills by doing. Embrace the fact that they'll make some mistakes, but the organization's capabilities will grow faster than waiting for perfection from your team before adding something new.

Communicate openly to your team the gaps that exist. Give individuals the opportunity to step up and contribute in new ways; for example, own new content development with their subject matter expertise, coach peers, or lead new outreach and customer engagement programs. In today's tight labor market, this approach has the added benefit of positively impacting employee engagement. Individuals can make forward progress on their career paths, learn new skills and demonstrate previously unrecognized strengths.

THERE IS NO INTEND. DO.

CMOs at the forefront of driving growth today are taking concrete actions, focusing on what they have and can control. They come armed with insight and initiate challenging commercial conversations with the CEO and their sales counterparts. They are not waiting for more data or process improvements. Rather, these adept CMOs are efficiently prioritizing investments, iterating rapidly to learn what works now, and driving internal consensus on GTM playbook updates. This results in success with little waste.

You can't do everything at once, but you must start somewhere. Pick at least one thing from the CMO Productivity Guidance Framework that you can start now – without additional technology and resources – and do it. Then pick another idea and build on that momentum.

By acting decisively today, CMOs will realize greater productivity and commercial performance in the face of uncertainty. Leading CMOs remain tightly aligned with the growth and value creation strategies of their CEO. They continuously build relationships of trust through their focus, collaborative work ethic, and bold decision-making - driving towards unforgettable growth even as operating expenses may flatten.

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WHY SBI?

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