

THE HUB

THINKING MARKETING FOR BUSINESS VISIONARIES™ | September/October 2004

THOUGHT LEADERS

A Seat at the Table

A roundtable discussion about the future of marketing featuring chief marketing officers **Beth Comstock** of General Electric, **Joe Tripodi** of Allstate and **Jim Speros** of Ernst & Young.

Speros



What does your title, Chief Marketing Officer, mean?

Joe Tripodi: It means I'm a co-strategic driver of the business. Marketing is one of the main elements of moving Allstate forward and driving incremental revenue and incremental business with the company—along with our distribution people, our product people, and our claims organization.

I am also the voice of the consumer—or the customer—for Allstate, particularly at the senior-management table. You generally sit at those tables with people who have heavy finance or claims backgrounds and I really have to be the strong voice of the consumer and the customer at the table for the company.

Beth Comstock: It means several things. In the past year, we've led a revitalized effort around marketing, so being the Chief Marketing Officer means creating a best-in-class marketing function across the company. Setting the vision and the direction for the marketing function across the company is something that's in full swing at GE.

We're on a journey to prove that marketing can drive growth, and the Chief Marketing Officer position has a role in leading a company-wide initiative to drive growth. At the company level, we spend a lot of time focused on the GE brand, and building the brand around the globe. So, I would say the focus is on function, growth, and brand.

Jim Speros: My number one responsibility at Ernst & Young is to foster trust. As a professional services firm in accounting, our number one responsibility is to protect the public's trust, because they make very significant decisions based on the information we provide.

The title is also seen as supporting business development with regard to sales and getting our services exposed, and thirdly to foster loyalty and confidence—both inside and outside the organization. A fourth dimension of the title is to be the “voice of the customer,” and to project that voice inside the organization.

What do you see as the critical skill set of today's CMO?

Comstock: From a GE perspective, the biggest set of skills is being able to effect change. At GE, the marketing leaders are being asked to drive change. The Chief Marketing Officer has to be able to help others lead change. So, you have to be a change agent yourself and be able to help others develop the skills they need. The CMO has to have a vision and be a strategic thinker, but also have the ability to get things done.

You're expected to be both strategic and execution-oriented. That takes a lot of experience. You have to be a passionate learner—learning from both your successes and failures. A lot of that comes from risk-taking. If you think it's a good strategy, then the only way you're going to know is to try to go forward on the plan and learn whether you made the right steps along the way. →

Comstock



Tripodi



About the Panelists

Jim Speros joined **Ernst & Young** in 1998 after serving as vice president of advertising and marketing communications for AT&T's Business Services and Multicultural Marketing divisions and managing AT&T's worldwide corporate communications program. Jim began his career at three advertising agencies: Benton & Bowles, SSC&B and NW Ayer, in a variety of media planning assignments. He is the immediate past chairman of the Association of National Advertisers.

Joseph V. Tripodi is senior vice president and chief marketing officer of **Allstate Insurance Company** and a member of Allstate's senior management team. He was previously chief marketing officer for The Bank of New York, chief marketing officer for Seagram Spirits, and executive vice president for global marketing for MasterCard International. Joe is currently a member of the board (and past chairman) of the Association of National Advertisers.

Beth Comstock. As chief marketing officer of **General Electric**, Beth oversees commercial excellence and development of the marketing function company-wide. Previously, Beth held a succession of communications positions at NBC, Turner Broadcasting and CBS Entertainment. She was named "Marketing Executive of the Year" by BtoB Magazine in 2003 and "PR Professional of the Year" by PR Week magazine in 2004.

← **Tripodi**: Strong leadership, decisiveness, and being prepared to take a stand and make decisions are most important. You also have to have a "change agent" mentality. You may not be able to change the culture, but you can stretch the culture to open people's eyes to new ways of doing things.

As CMO, you need to be the champion of an innovation pipeline in your company. Team focus is also important. Marketing is not an island. You can't be successful alone. Marketing needs to work closely with distribution, product and the claims organization to be successful.

Speros: The key skill is to be an "engine of ideas." Great marketing leaders are idea generators and have the ability to spot ideas. They are strong communicators. They are collaborative. They are adaptive and flexible. They move quickly from strategy to execution with a strong bias towards execution — because PowerPoint presentations will only get you so far! It's about creating results. You have to be able to lead, motivate, and inspire teams of people, just as you do in most other positions of responsibility.

How are you using technology to support the marketing process?

Speros: At Ernst & Young, we have something called "The Branding Zone," which is a worldwide network of information related to marketing strategies, global identity guidelines, templates, and photo image libraries. We also share best practices on that network within the worldwide marketing community. It gives us the ability to connect and reach globally and instantaneously and to share knowledge, information, and ideas.

The Branding Zone codifies things where they need to be codified — things like brand position, brand identity guidelines, for example. Our photo image library, on average, saves about 7 to 10 million dollars a year, just because we've created this repository of images that people can use. Technology is really a facilitator and, of course, with the digital environment, it's much easier to share information globally and very quickly.

Tripodi: Allstate's most obvious use of technology would be the internet, and the way we are using it internally — not only to

communicate, but also as internal tracking mechanisms around marketing projects. We're building out a fairly sophisticated process here that is heavily reliant on project management software and technology to help us monitor, chronicle and evaluate our overall activities.

We also use technology to communicate more effectively, more directly and immediately with our agent network — almost 12,000 agents around the U.S.

I've always looked at the internet as the ultimate kind of democratizer. You need to use it as a knowledge-transfer tool, to move wisdom, learning, knowledge, out to the fringes of your company. You can gain a competitive advantage in your business that way.

Comstock: First, at a very macro-level across the company, we're using technology to create capacity for growth. We're expecting technology to free-up resources so that we can re-deploy them toward marketing efforts, toward more market-focused, customer-focused projects. There's a rallying-cry across GE that technology has to free-up capacity so that the company can be more market focused on a macro level.

In terms of the operation of the marketing function itself, we're using technology to connect the marketing function to best practices, and to drive productivity and measurement systems. Right now, we're in the process of building a company-wide marketing dashboard, if you will. It will track various matrices in terms of marketing and sales and will give us a top-line view of how well marketing is progressing.

What is your vision of the future of marketing within your organization?

Comstock: Our vision at GE is that we can make a real difference in driving growth for the company and that people will understand the contribution that marketing makes in driving the company forward. The key vision is that marketing has to be a force in the company for helping to set the strategy and driving the company forward from a marketing perspective.

Speros: My vision of the future of marketing within Ernst & Young would be that marketing becomes part of the firm's DNA. When marketing is viewed as part of the

firm's DNA, its brand and reputational decisions are considered in every interaction externally, because every single person becomes a touch point and a representative of the brand in some way. In addition, our own internal vision is to be the magic — to take that which sometimes is seemingly dull, dry, and boring and to make it exciting, interesting, and appealing.

What's needed is a longer-term perspective, because marketing in many cases requires some "soak time," as I like to put it. The discipline of building brands, reputation, and image takes time. Unfortunately, more and more companies are held to worshipping at the altar of quarterly results. That's often the wrong perspective for a marketing leader, who may need a horizon of two, three or four years before things start clicking and working effectively.

Tripodi: Accountability is an imperative, so the future is about focusing on the key markets within the U.S., the key consumer segments and the key products that drive the greatest economic value for the company. We will also play more aggressively through the internet and the whole interactive world. And we are differentiating our products, our brands and our customer experience, so that we win the hearts and minds of consumers.

To that end, we created a customer experience group within the marketing function because the customer experience is becoming an increasingly important activity for Allstate. It's becoming a huge motivator and rallying cry for our company. So, it's a three-pronged approach — to focus, strengthen and differentiate — that will make progress going forward.

Does the CMO enjoy the same status as the other titles in the CXO suite?

Tripodi: (*Laughs*) I hope so! I'm part of what Allstate calls the SMT — the Senior Management Team. That's the most senior people in the company, and it's a group of about twelve people. That status has to be earned. You have to earn your credibility with the CEO and also with your peers. It's an ongoing process, but as long as you're able to demonstrate the linkage between your spending and your results, then you are seen as a very important player.

It's when CMOs — or marketing as a discipline — get too soft and there's not a demonstrable linkage between the two that marketing gets in trouble. That's one of the real important components of the future success of any CMO — that is, their ability to demonstrate the overt linkage between expenditure and results. Once you get your budgets up to hundreds of millions of dollars, you have to be able to prove there's value associated with that.

Comstock: I think so. The good news for us is that we have a chairman, Jeff Immelt, who has a background in both marketing and sales. He has a real passion for marketing and has really made marketing a priority. That's really helped to drive marketing forward and get the attention and the seat at the table that it needs.

And, because of that, he's held his business leaders accountable. We have a company-wide marketing initiative that we call "imagination breakthrough." It's all about using marketing to drive growth and he's made that one of his key initiatives. It is one of the most visible efforts in our company right now. It's a great time to be in marketing at GE. We're all very excited about being able to be part of this rebuilding process.

Speros: Because marketing is a fairly new concept in professional services, it is growing in stature. It is being recognized as vital to protecting and enhancing the firm's reputation and brand. What's interesting at Ernst & Young — unlike selling package goods or durable goods — is that our people are our "product." Our people are our brand ambassadors, each and every day. So, positioning them as ambassadors to our customers is our primary marketing goal.

To that end, marketing works closely with human resources, as well as with our chief strategy officer, the chairman, the global vice-chairs of practices, and the CIO, as well. We work very collaboratively. There's a growing recognition that if you look at the responsibility of being stewards of the public trust, that marketing can play a very important role in enhancing our perception among the public and our clients. ■

THE HUB

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