

# CONNOTE

ISSUE **03**

THE MAGAZINE FOR THE NEXT GENERATION OF MARKETING



Mary Kay CMO Sheryl Adkins-Green: Momentum is Better Than Speed

Client-Agency Erosion: Restoring a Momentum of Trust

Meet the Movers: 4 Companies Shaking Up Their Industries

DOES YOUR BRAND HAVE THE

# MOMENTUM TO THRIVE?



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## MOMENTUM IS MORE THAN JUST SPEED

**M**arketing executives often toss around phrases like speed to market, speed of business, and speed of ideation. When it comes to the business of marketing lingo, “speed” has moved to the top of the elite buzzword list. In fact, when I hear business people talk about speed these days, I shut down, because it often means nothing other than a way to talk about not being slow—getting past red tape, hurrying up production, or making decisions sooner. Marketers often focus on working faster, not smarter, making shortcuts and looking at parts of the problem rather than the big picture. Speed is not the magic be-all and end-all ingredient in marketplace success.

When I was a kid, the concept of speed, being first, and winning ruled my every thought. It was about gritting your teeth and just going for it. I needed to swim faster, I needed to sell more raffle tickets quicker, and I needed to ride my bike down dangerous hills at top speed to look cooler. As I matured I learned that, in order to keep up the pace and win, all of these things take practice. You have to notice the conditions around you, and you have to improve. Most marketers know that feeling, but making it happen is a whole different conversation.

No one likes being last in the pack when it comes to marketing. No one wants to ride their bike fast as all get out down a dangerous hill only to lose, or to win and then crash, never to repeat the feat again. Well, maybe if you are a thrill seeker. But marketing is about generating revenue, not thrill seeking. Speed is not enough to

sustain a brand. Buzzwords and process diagrams won't help—it takes a commitment to gaining and sustaining momentum.

In this issue of *Connote*, we explore the real meaning of momentum. Momentum is better than speed, more important than being fast, and provides more continuity than just a lot of motion in marketing. When a brand has momentum, all the levers across the marketing

mix are in sync: customers are listened to; products, services, and great ideas witness healthy, sustained growth; and things get done in a way that gracefully weaves timing, quality, and mission together into desired outcomes.

The articles in this issue tackle many of the facets and underlying promoters of momentum. We investigate the success and momentum of Mary Kay's global growth with CMO Sheryl Adkins-Green, and we talk with Professor Christine Moorman at Duke University's Fuqua School of Business. A number of top thinkers in marketing have contributed their insights in these pages on

topics of accountability, culture, mission-driven brands—and we even weigh in on the value-based agency compensation debate.

On behalf of my co-executive editors Kathy Leonard and Rob McEnany, we hope you enjoy this issue of *Connote* and that you explore the levers you need to create or sustain momentum with your brand.

Gordon Price Locke  
Editor-in-Chief



Robert McEnany from Levenson Group, Kathy Leonard from Freeman+Leonard, and Gordon Price Locke

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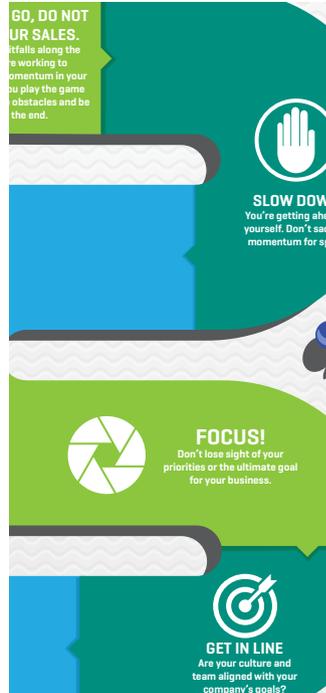
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## JOKEY JARGON

**“W**eird Al” Yankovic’s latest studio album *Mandatory Fun* follows his usual formula of genius spoofs of Top 40 tracks, this time taking digs at poor grammar, tacky dressers, and our favorite bad office habit. His Crosby, Stills & Nash-style send-up, “Mission Statement,” takes corporate jargon to task.

Visit [connotemagazine.com](http://connotemagazine.com) to see Yankovic’s music video for “Mission Statement.”

## CONFERENCE CONFAB

### NOVEMBER 5-6

#### AD:TECH NEW YORK

New York, NY

What we like: Hands-on workshops and classroom lectures covering the very latest in digital marketing, one-on-one product demos on the expansive expo floor, and killer keynotes.

▣ [ad-tech.com/ny](http://ad-tech.com/ny)

### DECEMBER 1-3

#### IGNITION: FUTURE OF DIGITAL

New York, NY

What we like: A focus on trends and innovation, great networking opportunities across multiple industries, and big-name speakers, including Mr. Amazon himself, Jeff Bezos.

▣ [businessinsider.com/  
event/ignition-2014](http://businessinsider.com/event/ignition-2014)

### DECEMBER 9-10

#### DALLAS DIGITAL SUMMIT

Dallas, TX

What we like: Intense pre-conference workshops, rubbing elbows with marketing royalty (last year’s guests included Steve Wozniak and the voice of Siri!), and a lot of bang for your conference buck.

▣ [dallasdigitalsummit.com](http://dallasdigitalsummit.com)

## TED TALKS TO FUEL YOUR MOMENTUM

Every day, marketers face the difficult charge of having to be equally imaginative and business-savvy. Executives must be leaders who can predict the future while also creating it. Being under the gun to constantly generate new ideas, new content, and new innovations can be draining. That's why we love the interesting, inspiring offerings from TED Talks all over the world. Here are 10 of our favorites.



**JOI ITO:** WANT TO INNOVATE? BECOME A "NOW-IST"  
Is looking toward the future holding you back? The head of MIT's Media Lab shares his thoughts on how being present in the moment leads to truly innovative creativity.



**STING:** HOW I STARTED WRITING SONGS AGAIN  
He might have 16 Grammy Awards, but even Sting gets writer's block. He talks about how he overcame his creative slump by helping to tell other people's stories.



**SIMON SINEK:** WHY GOOD LEADERS MAKE YOU FEEL SAFE  
What makes a person a good leader? Author and leadership expert Sinek discusses the big responsibility leaders have to make others feel safe even in the face of uncertainty.



**JENNIFER GOLBEK:** THE CURLY FRY CONUNDRUM—WHY SOCIAL MEDIA "LIKES" SAY MORE THAN YOU MIGHT THINK  
Facebook knows a lot about you—maybe too much. Golbek, a computer scientist, shares a behind-the-scenes look at just what your social media "likes" really say about you.



**ELIZABETH GILBERT:** SUCCESS, FAILURE, AND THE DRIVE TO KEEP CREATING  
Success didn't come easily for Gilbert, now a popular author. She shares her tips on dealing with failure, success, and continuing to create no matter the outcome.



**ANNE CURZAN:** WHAT MAKES A WORD REAL?  
Language is a constantly evolving communication tool, and language historian Curzan explores the humans who decide how new words in the dictionary are born.



**LARRY PAGE:** WHERE'S GOOGLE GOING NEXT?  
Everybody wants to know what Google has planned. This Charlie Rose interview with CEO Page dives into his vision for the Internet giant, plus insights from their new AI.



**SARAH LEWIS:** EMBRACE THE NEAR WIN  
What motivates us toward success? Lewis, a writer and art historian, discovered through art critique that the almost-failure might push us forward more than the perfect win.



**ROSELINDE TORRES:** WHAT IT TAKES TO BE A GREAT LEADER  
Truly great leaders ask the hard questions. Leadership expert Torres has spent 25 years observing leaders at work, and she uncovered the three crucial questions for every leader.



**DIANA NYAD:** NEVER, EVER GIVE UP  
You can chase your dreams at any age. Nyad shares the inspiring story of the four times she attempted the 100-mile swim from Cuba to Florida—and the fifth time, when her dream became a reality.

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### (WRITTEN) CONTENT IS KING

The percentage of marketers that said original written content is their single most important form of content, followed by original visual assets (19%) and original videos (12%).

— Social Media Examiner



# THE SKYPE DILEMMA: 10 TIPS FOR KEEPING YOUR AUDIENCE'S ATTENTION

BY DIANE WEST, PRESIDENT OF 2CONNECT

No traffic. No airports. No delayed flights. As companies continue to explore ways to cut travel costs, Skype or other online conferencing tools will continue to replace face-to-face interactions.

But beware—many things can go terribly wrong when connecting remotely. “We’ve interviewed candidates on Skype from home with some funny results,” said the president of a prestigious marketing

firm. “One woman’s cat, unbeknownst to her, climbed up on the bookcase behind her, laid down, and began, well, shall we say... grooming itself!”

If you want to make a great first impression, nail a presentation, or maintain momentum during the sales process, take note of these 10 helpful tips.



## 1// DON'T LET THE CAT STEAL THE SHOW

Skype audiences aren't really captive audiences. They're easily distracted by what they see on the screen: a messy desk, wall art, people walking behind you—and yes, cats too. Do your audience a favor: Remove and prevent distractions that steal the show.



## 2// STICK TO DRINKING COFFEE AT CAFÉS

Just because you can log in from the coffee shop, it doesn't mean you should. Slow or unreliable Wi-Fi, a lack of privacy, and an unprofessional appearance (and tip No. 1!) make your home office a much better choice.



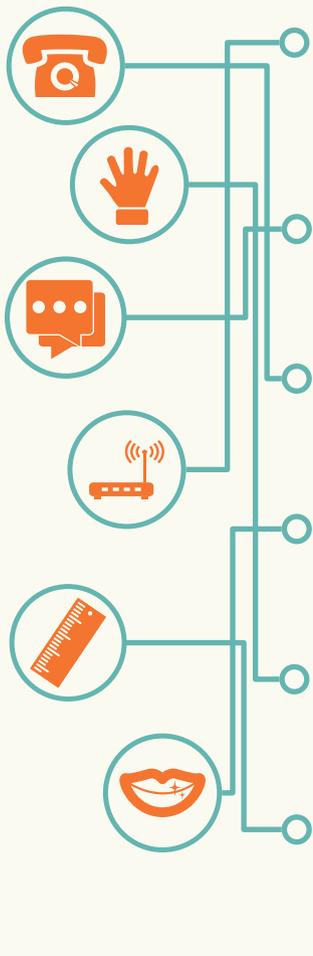
## 3// MAKE EYE CONTACT—WITH THE CAMERA

Looking at the screen and directly into the eyes of the person on the other side feels most natural. But if you want to “appear” as if you are making eye contact during a Skype interaction, look directly into the video camera.



## 4// PREPARE HEAD TO TOE

When it comes to wardrobe, wear what you would normally wear if you were meeting in person. Ditch the PJ bottoms. You never know when you'll have to stand up.

- 
- 5// BE MEETING MONOGAMOUS**

Other programs can interfere with your meeting. They may impact your connection, or inopportune pop-up notices may break momentum. Unless you need another program during the presentation, stick only with Skype.
  - 6// RETHINK “TVJUNKIE22”**

First impressions count in the remote world too. Set up a Skype account exclusively for professional interactions. Keep clever user names and cute pictures for personal accounts.
  - 7// HAVE A BACKUP PLAN**

Anticipate technology problems and prepare accordingly. Be ready with a contact number in case you need to ditch the video feed.
  - 8// SHOW OFF YOUR PEARLY WHITES**

Let’s face it—remote experiences are unnatural and impersonal. A friendly smile can go a long way when you are working to build rapport with your audience.
  - 9// LEAVE THE JAZZ HANDS IN DANCE CLASS**

Excessive hand movement can overwhelm the audience. The same goes for dangling bracelets and the noise of a clicking pen in your hands.
  - 10// KEEP YOUR DISTANCE**

Someone standing two inches from your nose is creepy in person. The same is true when you get too close to the camera. Position yourself so that you will appear at an ideal distance in the viewer’s screen.

The bottom line is that you should always think about your audience’s experience. When you do, they’ll reward you with their full attention.



## They say a good idea can come from anywhere. So where is it?

It's easy to panic when that genius marketing campaign is nowhere to be found. But peace of mind is always close at hand. The exceptional talent of Imagine Nation™ stands ready to bring you powerful, business-building ideas.

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The cover of the 65th Art Directors Annual, designed by Bob Gill

# FRIENDS ARE TEMPORARY, BUT ENEMIES LAST A LIFETIME

ENEMIES ARE INEVITABLE, SO CHOOSE THEM WISELY.

BY HOWARD GOLDTHWAITE



hen you connect with someone on LinkedIn, you check a box to label them as a colleague, classmate, or friend. Maybe they should add “enemy” to the list. We might as well be honest about it.

On second thought, maybe the reason there’s not a social network to stay connected with our enemies is because we never forget them. We only lose track of our friends.

The cover of the 65th Art Directors Annual, designed by the great Bob Gill, perfectly summed up the cutthroat world of advertising, and business in general. It also teaches a lesson to remember—the guy shaking your hand, looking you in the eye with a warm smile on his face, may not be as friendly as he looks.

People forget the nice things you did, but they won’t forget the time you stabbed them in the back. Don’t believe me? Which memory is clearer: the name of the coworker who surprised everybody with bagels and cream cheese one random morning, or the coworker who trashed your work in front of your boss during a meeting?

We have a psychological need for rivals and enemies. Every *yin* craves a *yang*. History is basically the record of who was an enemy with whom. The opposing team in sports gives us a safe outlet to satisfy our primal, deep-seated need for an enemy. We need enemies to push against, the way one flying buttress needs an opposing buttress on the other side. But since we need enemies, and they’re inevitable, it makes sense to choose them wisely. So before you bad-mouth a coworker, pick a fight

with your neighbor, or make a condescending remark, ask yourself—do you really want this person as an enemy for the rest of your life?

Some people make friends everywhere they go. But other people are simply courtesy-impaired, so they make enemies everywhere instead, like Larry David in *Curb Your Enthusiasm*, or the villainous villainess of reality television, Omarosa. Take an inventory of the people you know. If you have more enemies than friends, you’ve just been diagnosed as courtesy-impaired.

Winston Churchill had a famous quote about enemies: “You have enemies? Good. That means you’ve stood up for something, sometime in your life.” Of course, it’s also true to say: “You have more enemies than friends? Is it your own fault for being a jerk? Probably.”

Richard Nixon was a virtuoso at making enemies, and pioneered the art of keeping an enemies list. As you assemble your own list of lifelong enemies, make them thoughtfully and only for the right

reason. Make them because you stood up for something right in this world, not because you made a snarky comment about their new hairdo.

Of course, do your best to remember your friends, and choose them wisely too. Don’t waste time investing in people who ditch their friends once they can’t use them anymore. With friends like that, who needs enemies?

*Bob Gill is an award-winning illustrator and graphic designer. For illustration or design work, please contact him at 212.460.0950.*

Before you bad-mouth a coworker, pick a fight with your neighbor, or make a condescending remark, ask yourself—do you really want this person as an enemy for the rest of your life?

# BOND-WORTHY WEARABLE TECH

BY JESSICA FRITSCHÉ

You don't have to be 007 to get the good toys. From fitness trackers and smart watches to high-tech jewelry, wearables are the current gadget of the moment. They hold a lot of promise for marketers, with the advent of beacons and other location-aware interactivity, but they can also help busy leaders keep track of appointments, alerts, and more.

## PEBBLE STEEL [\$249, [getpebble.com](http://getpebble.com)]

Pebble was first introduced as a Kick-starter project in 2012, but fast forward two years and the popular wearable has sold more than 400,000 units. Pebble's latest offering, the Steel, features an easy-to-read display and sleek metal band, along with the ability to run more than 1,000 apps. iOS and Android app developers can even interface directly with the Pebble for more extensibility. Bonus: It's waterproof up to 5 meters!

## GOOGLE ANDROID WEAR

[starting at \$199, [play.google.com](http://play.google.com)]

Never one to be left behind in technology innovations, Google's Android Wear program wants to seamlessly connect Android users to their devices. Android Wear provides at-a-glance information, controls, and notifications, along with fitness features and, of course, instant access to Google via voice commands. At press time, watches are available from LG and Samsung, with more to come from Motorola and HTC later this year.

## RINGLY

[\$145 for pre-orders, [ringly.com](http://ringly.com)]

One of the most unique—and certainly the prettiest—entrants into the wearables market is Ringly. The chunky, oversized ring wraps wearable technology in the fashionable trappings of semi-precious stones and 18 karat gold for those who'd like something a bit more Fifth Avenue than Silicon Valley. The ring reacts to a number of notifications, all managed through the accompanying iOS or Android app.



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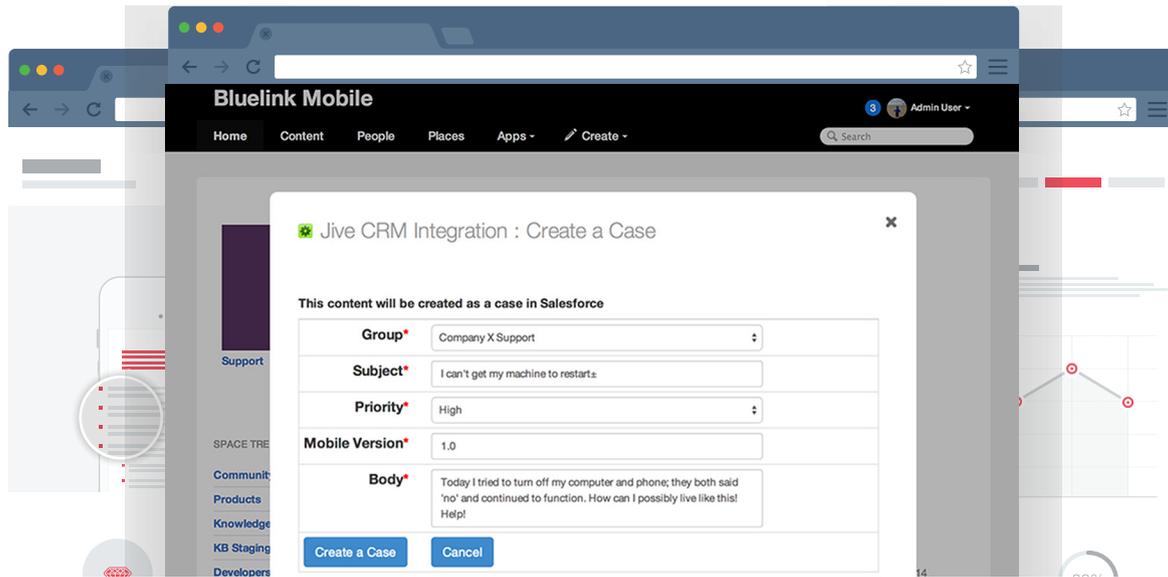


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# JIVE TALKIN'

ADAM MERTZ OF JIVE SOFTWARE TALKS PLATFORM AND TRENDS

BY ELISE ANTHONY



**C**ommunity building strategy and technology have long bedeviled the marketing department. Bad UX and a lack of executive support can quickly derail the best of intentions.

The right technology can automate and integrate customer care and ROI, but only if the strategy is designed around authentic conversation and audience development.

Can marketers fuse the allure of social media's real-time collaboration with measurable value that appeals to the CFO? We posed a couple of questions to Adam Mertz, senior director of product marketing at Jive Software, the community platform that is used by T-Mobile, Hitachi, a number of airlines, and even Apple support.

**Q: WITH THE CONSIDERABLE CHOICES THAT MARKETERS FACE IN SELECTING COMMUNITY PLATFORMS, WHAT SETS JIVE APART?**

**A:** There are five key community platform elements that have the biggest impact on success for a marketer driving a community strategy:

- Search/discoverability
- Versatility in multimedia sharing
- Engagement drivers (gamification and robust mobile solutions)
- Holistic analytics that capture user sentiment and ROI

➤ Integration to CRM, marketing automation software, corporate websites, and other popular plug-ins

Jive has a number of features that set it apart when it comes to these five elements—responsive web support, native Android and tablet apps, an available SDK and marketing automation system integration, ROI-centric community value reporting, and real-time chat and live screen-sharing. These features allow marketers extreme flexibility and integration so they can work best with their communities and capture the right data.

**Q: WHAT COMMUNITY TRENDS SHOULD MARKETERS EXPECT TO SEE IN 2015?**

**A:** The key trend that marketers need to be aware of and drive toward in the next year is creating a central customer and partner hub that connects to and extends their existing investments and systems, like web properties and marketing automation systems, to their CRM systems.

Simple Q&A forums and a Facebook fan page aren't bad, but don't fully support the evolving expectations and preferences customers and partners have for engaging with you. These evolving expectations are forcing a trend of companies revising and rethinking their work style, i.e., the way they support, enable, communicate, and collaborate with customers and partners.

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WHEN  
**TIME**  
IS YOUR BIGGEST COMPETITOR

For Mary Kay CMO Sheryl Adkins-Green,  
it is momentum, rather than speed,  
which counts in winning the market.

**BY GORDON PRICE LOCKE**



Mary Kay entered 2014 in the 163rd spot of *Forbes'* top privately held companies list and has estimated revenues of approximately \$3.5 billion annually. And 2013 was a banner year for the company, as it had several of the highest grossing months in its history according to several independent analysts.

To further explore the impressive growth of this cosmetics giant, we sat down with Sheryl Adkins-Green, who has served as Mary Kay's chief marketing officer for the last five years. Adkins-Green previously held marketing leadership roles at Alberto Culver, a leading beauty products manufacturer whose brands include TRESemmé, Noxzema, and St. Ives; Cadbury Schweppes/Snapple; Citibank; and Kraft Foods.

The company has accelerated its growth during Adkins-Green's tenure, and along with that has come the complexities of international strategic brand communications and dealing with emerging market practices. In the last 10 years, Mary Kay's revenues from international growth have gone from 30 percent to 70 percent, with markets like China, Brazil, and Russia among its global marketplaces.

### MOMENTUM IS BETTER THAN SPEED

One of the more salient points that Adkins-Green makes is that her focus is not speed for speed's sake, but a consistent tide of momentum across every facet of the brand, from research and development and product positioning to company culture and the consumer. The question became, how does a brand keep such great momentum and stay true to its purpose in an industry mired in government regulations, increasing competition, and end consumers who are messaged by almost any brand at any moment?

"I feel that speed-to-market usually comes up in the context of when you need to make a big leap with something," says Adkins-Green. "Often it's in the context of a product launch or a promotion, or maybe an ad campaign." Speed, she adds, is usually a tension point in marketing, typically centered around one big item in your marketing plan. "Marketing momentum is about the everyday energy and relevance that you keep pulsing throughout your brand and organization." Adkins-Green suggests that when you are effectively bolstering momentum, you are not dependent on just the big, fast hits, or confronted with the conversation around fixing speed-to-market issues.

She explains that you need to be able to execute various marketing initiatives quickly, but one fast product launch in and of itself isn't going to have the impact of the day-to-day motion you need to have for true momentum. Adkins-Green says, "I think

**omentum: the strength or force something has when it is moving.** Nothing exemplifies this definition quite like the growth of one of the largest cosmetics companies in the world, Mary Kay.

Founded more than 50 years ago by Mary Kay Ash, the global brand manufactures and distributes more than 600 different cosmetic and beauty products worldwide. More than 3 million people in 37 countries are part of the Mary Kay sales ecosystem, and it is among the top beauty product wholesalers competing with brands like Avon, Alticor, L'Oréal, and Nu Skin.

**Increase in Mary Kay revenues from international growth in the last decade:**





Sheryl Adkins-Green leads a workshop with her marketing team at the Mary Kay headquarters in Addison, Texas.

that's particularly true now that consumers and our customers are looking for news and excitement pretty much every day."

Adkins-Green further elaborates: "Momentum is a very relevant concept today because it's what's helping you stay in contact with your key audience and meeting their interests always, [not just when your marketing team can get the work done]." The root of momentum for Adkins-Green is consistency and reliability embedded in the brand. She adds, "It's knowing every day that Mary Kay has something relevant to share with [the customer]."

### STAYING TRUE TO YOUR MISSION

Any brand that extends itself beyond its home base—in this case, Mary Kay's U.S. brand legacy—confronts complexity. Mary Kay entered the Australian market in 1971 and began to expand its global presence 20 years ago when it entered the Chinese market. Today, the brand continues to tackle the opportunities and challenges of entering new markets with its Independent Beauty Consultant business model.

Part of what works for Mary Kay, according to Adkins-Green, is staying true to its mission and roots—irresistible products, positive community impact, and creating rewarding opportunity. The other aspect of the brand that works is its purpose, which is to help women reflect who they are, be who they want to be, and accentuate their own beauty.

"Marketing momentum is about the everyday energy and relevance that you keep pulsing throughout your brand and organization."

— SHERYL ADKINS-GREEN

It is about personal, local relationships and exceptional products for women from all walks of life.

Regardless of the brand and product success that Adkins-Green leads, there are still challenges, such as Mary Kay's growth in China. "The challenge with China is not actually because of cooperation, but culturally it's probably the most different from the U.S.," Adkins-Green says. She explains that this, coupled with the distance and time difference, makes it more challenging to communicate, train, and connect with the independent sales force in China and exchange ideas on a real-time basis.

Mary Kay is also open to utilizing new marketing strategies in China. Adkins-Green shares an example that boils down to listening and empowerment. "We are learning that the brand is very aspirational in APAC. In support of that, one of the programs that the local market initiated was a model search contest. This was an example of the local market feeling the need to do something different than the global brand strategy."

This didn't disrupt Mary Kay's brand purpose, but simply allowed it to manifest itself in a different way, giving the local market the empowerment to connect with their customers on a new level and bringing new insights to the brand.

"It was very successful," Adkins-Green says. "The local team brought the learning and shared it at our global marketing conference. ...I think that's an example of knowing when, where, and how to let go and leverage local insight and the talent of the local marketing team, then looking to that as content that other markets are going to be able to leverage down the road."

### CMO: GREAT LEADER OR GREAT MARKETER?

In running a global marketing organization, the process of buy-in with other executives at Mary Kay is bound to



Sheryl Adkins-Green speaks at Mary Kay's 50th Anniversary Seminar in 2013.



more than  
**3 MILLION  
PEOPLE**  
in  
**37 COUNTRIES**

are part of the Mary Kay  
sales ecosystem

**600**

number of different cosmetic  
and beauty products Mary Kay  
distributes worldwide

create friction. When asked how this might threaten momentum, Adkins-Green replies, “The culture at Mary Kay is so strongly anchored in collaboration. When I first joined a little over five years ago, my leadership style, coupled with the culture of Mary Kay, prevented tough conversations from being a struggle or an argument because the product portfolio is all about the front line.”

A great strength of the Mary Kay leadership team is that they are all aligned around the common mission of enriching women’s lives and supporting the success of the independent sales force. “By definition, we are always on the same page with that ultimate goal in mind,” says Adkins-Green. “When we do have a difference of opinion, we talk in terms of what’s going to help the Independent Beauty Consultant be most successful. That is usually the tie-breaker, if there is a debate.”

When reflecting on what makes her passionate, Adkins-Green’s answer is swift and definitive: people and connections—connecting with each other and deeply connecting with the brand. “My role as CMO is really about connecting ideas and being accountable for strategically connecting the key messaging around the world,” she says.

However, the alignment of key messaging for the brand was one of the toughest challenges Adkins-Green confronted when she took over marketing for Mary Kay. “I had to consolidate brand messaging around the world because it means so many things to different people.”

Adkins-Green and her team spearheaded that change, keeping momentum in mind. “What [we] did was really crystallize the essence of the brand with a vision statement. From that we built a communication strategy that not only resonated with the Mary Kay markets around the world, but most importantly with the independent sales force and the end consumer.”

## ADAPT WHILE IN MOTION

Adkins-Green is also working with her team to engage with the next generation of consumers and Independent Beauty Consultants. In lieu of sitting in conference rooms and doing focus groups, there has been increased momentum and focus toward engagement on college campuses. For example, they targeted the female 18-25 segment through an American Advertising Federation case competition, giving the marketing team the opportunity to get input from college students from more than 200 college campuses.

Adkins-Green cites the company's social media footprint as another area where momentum is key. The shift toward digital and social media as the primary marketing channels is a huge opportunity for Mary Kay, a brand that has always been driven by word of mouth. "I feel that we do well versus a lot of brands in terms of fan base and engagement," she says. "But as I look at it in the context of the over-30 Independent Beauty Consultants around the world, we are just scratching the surface."

Getting Mary Kay's global independent sales force to use social media is a high priority. "On any given day, the Independent Beauty Consultants are messaging in their own voice, too, so I still have another big layer of alignment on social media," shares Adkins-Green. "With social media, we are a work in progress."

Mary Kay is also starting new efforts in social publishing, making it easier for the independent sales force to use company-created content. And it is investing in a digital asset management system to foster future growth, important as a facet to sustaining momentum.

## FORWARD MOMENTUM

Sharing what she learned in 2014, Adkins-Green says, "I feel like I learn something new every day, [such as] our recent experience engaging with the different college teams and understanding how motivated they are to be successful. The conversations around leadership, achievement, giving back, and the desire to succeed are things I think the media has dismissed about this generation's qualities. I think the media has done them a disservice. Members of this generation are very hard-working, but want to understand and see the end result. [They want to] feel like there is a purpose, whether it's financial or a community impact, and this is important to know for our brand."

In looking at the wholesale, both online and offline, and retail storefront models in Mary Kay's industry—all vying for the same buyer—Adkins-Green tackles the question of "who is the biggest competition?"

"It isn't so much about *who* is the competition, it is *what* is the competition—and, that, simply put, is time. Time is my biggest competitor."

And while that may, indeed, be the case, Sheryl Adkins-Green has Mary Kay's momentum aimed in a direction that would make any CMO proud: forward.

The shift toward digital and social media as the primary marketing channels is a huge opportunity for Mary Kay, a brand that has always been driven by word of mouth.



number of years ago Mary Kay was founded

163

Mary Kay's place on the 2014 Forbes top privately-held companies list



Mary Kay's estimated yearly revenues equal approximately

\$3.5 billion



# CLIENT-AGENCY EROSION:

WHY WE NEED TO RESTORE THE MOMENTUM  
OF TRUST IN THE PROCUREMENT ERA

BY J. FRANCISCO ESCOBAR





uch change has taken place in the marketing services industry since the year 2000. The advent of the “Procurement Era” along with two severe economic shocks—the dot-com bust and, more recently, the “Great Recession”—have taken a toll on the most important component of marketing services relationships: the element of trust. Three major areas are responsible for this erosion of trust between marketing clients and their agency partners—transparency, equity, and the interpretation of value. Without agreement on standards and guidelines in these vital areas, individual marketers have been left to their own devices, while individual agencies have been somewhat defenseless against a hodge-podge of interpretations and practices that threaten the very fabric of commerce.

## TRANSPARENCY

As the spend-based commission system has become virtually irrelevant as a total form of agency compensation, the predominant use of labor-based models has opened the door to client-side procurement and strategic sourcing to exploit transparency in the interest of lowering the cost of services. The use—or, rather, misuse—of benchmarks, all in an attempt to get agencies to fully disclose their proprietary financial information and business economics, has at times been ludicrous. What our industry clearly needs are rules of the road for what is acceptable and unacceptable,

in what may be called “limited full disclosure.”

Trust is eroded when a client feels like its agency is withholding information, or when an agency feels like its client is over-reaching (e.g., requesting individual salaries). We must heed the wise words of business guru Peter Drucker from his 1954 classic, *The Practice of Management*, “... the purpose of business is to create and keep a customer; the business enterprise has two—and only two—basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs. Marketing is the distinguishing, unique function of the business.”

So long as we allow relationship stakeholders to view marketing as a cost to be reduced rather than an investment to be optimized, the issue of inappropriate financial transparency and benchmarking will NOT go away.

More recently, the subject of transparency has been at the center of two burning issues in media remuneration—rebates and programmatic buying. The former is an age-old controversy, and the latter a new-age dilemma.

TRUST IS ERODED  
WHEN A CLIENT FEELS  
LIKE ITS AGENCY  
IS WITHHOLDING  
INFORMATION, OR  
WHEN AN AGENCY  
FEELS LIKE ITS CLIENT  
IS OVER-REACHING.

## REBATES

Media rebates are a totally normal and acceptable business practice in many countries. In some cases, they are the dominant form of income for media agencies. Thus, it boils down to just two issues of transparency in any given client/agency relationship. First, has the media agency disclosed to its client the markets in which it is receiving rebates? Second, has the client expressly written into its agency contract(s) how rebates will be treated? A lack of either disclosure or specific contractual language creates an opportunity for, and perception of, foul play.

## PROGRAMMATIC BUYING

In the rapidly expanding digital media space, programmatic buying, real-time bidding, and other activities generated by demand-side platforms (DSPs) have created significant revenue growth opportunities for technology providers and a host of marketing/media services providers. The capital investment required by these firms to play in this exchange marketplace is significant, coupled with the clear risk associated with carrying media “inventory.”

Large players in the industry have taken differing positions on the financial transparency of their “trading” companies, from full to very limited disclosure of profitability on individual and cumulative transactions. There is currently no right or wrong answer; it is up to individual clients and agencies to ensure they are having sufficient dialogue in this area so that there is a clear understanding about current business practices as it relates to their unique relationship. Anything less will keep a client wondering if they are being exploited, further eroding trust.

## EQUITY

There is no greater enemy to trust than the lack of equity in a relationship. When it comes to assessing fairness in client/agency relationships, one needs to look no further than the contractual agreement between the parties. While there are way too many instances to discuss the subject of equity in contractual matters, there are three areas where the greatest transgressions take place.

With the exception of serious brand competitors like Coke vs. Pepsi, most competitive situations are 80% perception and 20% reality.

## 1 AUDIT

When a client/agency relationship begins to exhibit trust issues, the contract is unearthed to ascertain what is contained in the audit provision. It is vitally important that this provision be so unambiguous as to not be subject to liberal interpretation by either party. At minimum, audit provisions should include the following:

- ▶ Reasonable notice period and conducted during business hours
- ▶ Require an audit plan with clear objectives shared with agency beforehand
- ▶ Auditors under nondisclosure with agency
- ▶ Mutually acceptable external audit firm, not compensated on a contingency basis
- ▶ Restrictions — no access to personnel data, agency overhead/profit, other client data
- ▶ Limited to one audit every 365 days (unless there is evidence of contractual breach)
- ▶ Findings favoring agency go to offset findings that favor client
- ▶ Audit results shared with agency prior to finalizing report to client
- ▶ Reasonable length of time in which audit may take place after termination (1 to 2 years)

## 2 COMPETITIVE EXCLUSIVITY

While there are certain untenable competitive situations—such as Coke/Pepsi, AT&T/Verizon, and Home Depot/Lowe’s—





most others are often 80 percent perception and 20 percent reality. A well-written and equitable exclusivity clause should force the client to list its competitive concerns. Additionally, these restrictions should apply mostly to identifiable key agency personnel on the staffing plan. And, most importantly, the clause should bring the parties together in dialogue.

### 3 PAYMENT TERMS

Without exception, there is no more contentious, damaging, and inequitable issue facing our industry today than that of payment terms. A little history sets the stage. In 2004, the merger between Belgium-based company Interbrew and Brazilian brewer AmBev created the brewing company InBev. Within two years' time, InBev embarked on an ambitious global cost-reduction initiative which centered around a movement to unilateral 120-day payment terms across its entire supply base.

InBev's acquisition of Anheuser-Busch in 2008 brought this issue to the U.S. and started a domino effect across the largest global packaged goods companies, and the industry as a whole. Although several industry groups are working to address the

InBev's acquisition of Anheuser-Busch began a chain reaction of 120-day payment terms across the packaged goods industry.

issue directly, there has been no concerted effort to denounce this practice as patently unfair and damaging to the service provider community, and ultimately the overall marketer ecosystem. How can it be that companies whose current cash position may exceed the market capitalization of

the biggest marketing services holding companies expect to extend cash payments, particularly in the current low interest rate environment on cash deposits? And even more ironic is the concept of cash neutrality in master service agreements, where large advertisers expressly define it as what it truly is and then choose to apply it only to the cash management of media expenses between themselves, agencies, and media owners, but not to fees, production, or third-party expenditures.

### VALUE

The notion of value has become central to the dialogue as the industry makes attempts to get away from payment based on people's time to that of results generated by agencies' deliverables. But who



ultimately defines value and, more importantly, who determines it?

Two bellwether companies, representing the largest marketer and most valuable brand in the world, respectively, have taken it upon themselves to lead the industry with “value-based” compensation models. Sadly, both of them miss the mark on an interpretation and application of value that would engender and foster trust with their agency supplier partners.

In both cases, payment is initially determined by historical labor-based models and adjusted based on each company’s definition of value. Then, the ultimate determination of value is once again solely the purview of the client, with a significant component being a subjective, qualitative evaluation of agency performance.

The real benefit in these two models is purely on the buyer’s side. On one hand, creating a general contractor model removes internal/external cost, which then eliminates multiple touch points, transactions, and negotiations. But efficiencies are gained by managing agencies via menu pricing and standardized spreadsheets.

To their credit, both companies have continued to enhance their respective models since their joint introduction in 2009, but neither

appears to have budged in the direction of increased collaboration on the definition and determination of value.

Value, like transparency and equity, has to be a two-way street. Nothing could be more productive in client/agency relationships than the dialogue that is created between the parties to mutually define success and value for their unique “marriage.” And even more interesting is when actual monetary value can be tied to the accomplishment of collaboratively devised objectives. When a client and agency can agree to a scope of services that relate to realistically achievable objectives, and the agency is able to exceed them, then you have true incremental value that should be rewarded accordingly. It’s not rocket science or brain surgery, but

it does require a commitment by both parties to put in the necessary effort, energy, and time to ensure a fair and honest playing field. Doing so can only serve to encourage and restore trust.

## RESTORING A MOMENTUM OF TRUST IN THE MARKETING SERVICES INDUSTRY CALLS FOR EXPLICIT, CONCERTED ACTION BY THE MAJOR INDUSTRY ASSOCIATIONS.

### AN INDUSTRY CALL TO ACTION

Restoring a momentum of trust in the marketing services industry calls for explicit, concerted action by the major industry associations. We desperately need collaboratively developed standards and guidelines governing the critical issues of transparency and equity in client/agency relationships. Conversely, value should remain a nut for individual, involved parties to crack. Given the uniqueness of each and every engagement between marketers and their supplier-partners, every significant statement of services or statement of work (SOW) between the parties must contain a specific section addressing the mutual expectations of transparency, equity, and value.

J. Francisco Escobar, founder of JFE International Consultants, is a business management advisor to global advertisers and agencies in the marketing services industry. He has restructured and stewarded major agreements from both sides of the negotiation table. He speaks internationally on issues surrounding marketing procurement and optimizing business relationships.



A C C C O

U N N T

A B I L

I T Y

**NOT AS SIMPLE AS IT SOUNDS**

BY SAIRA HABASH

# “ACCOUNTABILITY” MAY BE THE MOST OVERUSED AND UNDER-PRACTICED WORD IN THE MODERN BUSINESS VOCABULARY.

What manager doesn't, at least in an interview or in conversations with a boss or the board of directors, enthusiastically embrace the idea of personal accountability? What company doesn't tell prospective clients that accountability is part of the firm's DNA? But what does that really mean? Accountable for what? Accountable to whom? What happens if you succeed, what happens if you don't?

It's easy to sign on for the positive side of accountability, of course. When things are going well, when marketing is working, sales and operations are hitting their marks, execution of the program is clicking, and sales are moving steadily higher, you can count on a stream of congratulatory emails applauding the brilliant thinking and hard work of “the team” that made it all happen.

But when the tides turn, and they inevitably will for any enterprise, that's when an individual's, or an entire organization's, commitment to accountability is put to the test. We've all seen it happen: The team experiences an adverse outcome, followed by a desperate scramble for data to show the boss or the client that somebody else in some other department dropped the ball. Nothing dissipates energy or damages working relationships faster than finger pointing and blame shifting—the exact opposite of accountability—when the going gets tough.

## ACCOUNTABILITY DEFINED

According to author and speaker Greg Bustin, accountability is doing what you said you were going to do, at the time you said you were going to do it. Keeping your promises. Couldn't be simpler. So why do so many people struggle with accountability?

The struggles probably have more to do with what accountability isn't than with what it is. Accountability isn't a set of rules, a policy, process, or system imposed by somebody else. Commitment to accountability comes from within.

Character has often been described as what you do when nobody is watching. In much the same way, accountability is a personal value that

*Nothing dissipates energy or damages working relationships faster than finger pointing and blame shifting—the exact opposite of accountability—when the going gets tough.*

is evident in good times and in bad, applied in both small and significant matters, whether or not anybody is watching, asking, or even visibly keeping track.

Managers can motivate their teams with praise, with money, with titles and promotions, with increased responsibility, or sometimes with threats. Companies can motivate their partners and vendors with financial incentives, recognition and appreciation, contract extensions, and expanded assignments. But none of that is as effective for sustaining positive performance and momentum as hiring a person (or an agency) who comes to the work with a strong internal compass, and a personal commitment to accountability.

In an interview, it's relatively easy to make sure the candidate has the required professional knowledge and the appropriate skill set for the challenge. But how do you know whether an otherwise qualified candidate has this commitment to accountability? It is perilously easy for a candidate to say all the right words about accountability, and even genuinely mean

them, without fully understanding what real accountability looks like.

Often, it's best to ask questions around an issue, rather than confronting it head-on, and listen carefully for the tone and consistency of the responses.

- ➔ “Tell me about a time when you made a really bad decision, and a co-worker called you on it. How did you react, what did you do?” When a candidate believes in accountability, that is, accepts that his or her actions have consequences, and owns the consequences that result from those actions, it will take the edge off self-confidence before it takes an exaggerated turn into arrogance.
- ➔ “Has there ever been a time that you changed the way you were doing something so another department could improve its effectiveness, and boost overall results?” Being part of a team sometimes requires sacrifice. In a culture of accountability, each individual must not only understand the higher-order goals of the enterprise and derive satisfaction from being part of achieving them, but also



hold themselves accountable for doing everything they can, within their role and control, to help achieve them.

- ➔ “Do you think it’s important to debrief after a project is completed? Even if it’s gone really, really smoothly?” It takes determination to continually work at getting better, especially when what you are doing right now seems “good enough.” Staying constructively critical of performance even when things are going well is just as important as staying positive when things aren’t going as you had hoped.

*In a culture of accountability, each individual must not only understand the higher-order goals of the enterprise and derive satisfaction from being part of achieving them, but also hold themselves accountable for doing everything they can, within their role and control, to help achieve them.*



## THE REALLY TRICKY PART: THE LEADER'S RESPONSIBILITY

We generally hold people on our team accountable for keeping their promises, and for outcomes over which they have some level of control. But fairness also demands that, whether the issue is a full-time job or a short-term project assignment, co-workers get the tools they must have to succeed, starting with absolute clarity on four key points:

### 1 EXPECTATIONS

Have I spelled out exactly what I am asking this co-worker to do? Have I delegated a task or a solution, a concrete problem or an abstract issue? Are my expectations for this co-worker's response reasonable? Have I been clear and specific about when the project needs to be completed and why, what check-ins I expect, and what a successful end result will look like?

### 2 RESOURCES

Have I provided all the resources—information, budget, time, manpower, contacts—necessary for my co-worker to succeed? Have I made myself accessible enough to provide support, encouragement, and guidance?

### 3 PROCESS

Are processes already in place for accomplishing some or all of the tasks I am delegating? Is the time frame allowed realistic? Has my co-worker received all the training required? Is my co-worker familiar or experienced enough with those processes to follow them without close supervision?

### 4 OUTCOMES

Have I communicated, specifically, what I am expecting my co-worker to deliver? A point-of-view or a recommendation? A strategic direction or tactical plan? Complete to what level of detail and finish? Have I set measurable goals? Does my co-worker understand the “big picture,” and where this project fits?

As leaders, we pretty much get the behavior, or excuses, we tolerate. Confronting a co-worker who has failed to keep a promise is one of the most difficult, unpleasant tasks senior managers are expected to accomplish, but one of our most important accountabilities for building team morale and effectiveness. Once you've covered these “Four Points of Clarity,” holding co-workers accountable for their promises becomes much less uncomfortable and much more constructive. And promising results to your client or CEO becomes much less uncertain and stressful.

Saira Habash is managing partner at Levenson Group. She is an industry leader in integrating traditional, digital, and multicultural marketing and media and holds degrees from the University of Texas at Arlington and Kinnaird College in Pakistan.





Clockwise from top left:  
Shahneel Kanji, Akil Momin, and Safin Maknojia of Mrked; Todd Wagner of Chideo; Bettina Bennett of WhichBox; and Candy Smith of Candy's Signature Cocktails



# MEET

# THE

**Four companies who are  
shaking up their industries  
on the way to success**

contributed by Kathy Leonard  
and Jessica Fritsche

introduction by Charles F. Kemper

# MOVERS



**Charles F. Kemper**

The leap between getting a startup off the ground to becoming a successful company can be a difficult one. The secret is not just being fast, but gaining and keeping momentum. Half of startups will fail within the first four years. Going from an idea and getting funding to competing in the open market is where execution proves out a business. It takes more than just an innovative idea and a lot of buzz to sustain a new business.

As an experienced venture investor, I currently serve as a Founding Partner at the Entrepreneurs' Roundtable Accelerator in New York City, a seed stage investment fund for software and commerce companies. I am very familiar with what a company needs to make the grade, and one of the biggest drivers is momentum and ability to evolve as the new business scales. The inertia a business gets from creating momentum starts at the top, with its leadership. Momentum isn't easy to achieve, but it sustains a business once the initial buzz dies down, and a culture of execution and long-term relevance becomes essential.

When do new ventures see signs of breakdown or a loss of momentum, and better yet, how do they hang on through those breakdowns? How does a startup create the sought-after competitive advantage? How do you create a brand that will stand the test of time? Augmenting or adding leadership can lend itself to a successful transition through the tough times, as can re-checking your alignment in the marketplace, being willing to shake up your business model, and being smart with your budgets. It isn't enough to have a great product if the vision isn't scalable, and that scalability, flexibility, and willingness to change as growth happens can lead to major momentum—the kind that can help a company sail past startup and into the bigger leagues of success.

These three steps are my best advice for startups who want to sustain momentum and create success. Companies that think carefully about these three things can definitely

position themselves more favorably to withstand the ups and downs of years three, four, and beyond for consistent growth in their businesses.

### HIRE A COMPLEMENTARY TEAM

Many (if not most) of the more successful companies that evolve from startup to continuous growth organizations were well-conceived from the start. Before kicking off a startup, it's important that a founder is self-aware enough to truly understand what skills he/she excels at in business. Great leaders who build sustainable businesses surround themselves with other people who can complement their skills and bring diversity to the organization. Evaluate yourself and give thought to what your weaknesses are. This can be very difficult for most entrepreneurs, but "letting go" is a critical component of scaling a team. The key here is to truly know thyself, and hire/recruit people to do things better than you can.

### BE UPFRONT AND ALIGNED WITH YOUR CO-FOUNDERS

Co-founders are unequivocally aligned on one another's personal goals and reasons for starting a business. People start businesses for many different reasons, such as wanting to change the world, not wanting to have a boss, or wanting to make a ton of money, and it's critical that founders know why they're taking this massive undertaking together. This includes things like philosophy on vacation time and work hours; what kind of company culture and communication style you want; or how excess and un-

allotted company cash, resources, or profits are handled. So, not unlike a marriage, it's key that co-founders communicate about their personal needs, desires, and motivations to make sure that everyone's individual goals are aligned and being met.

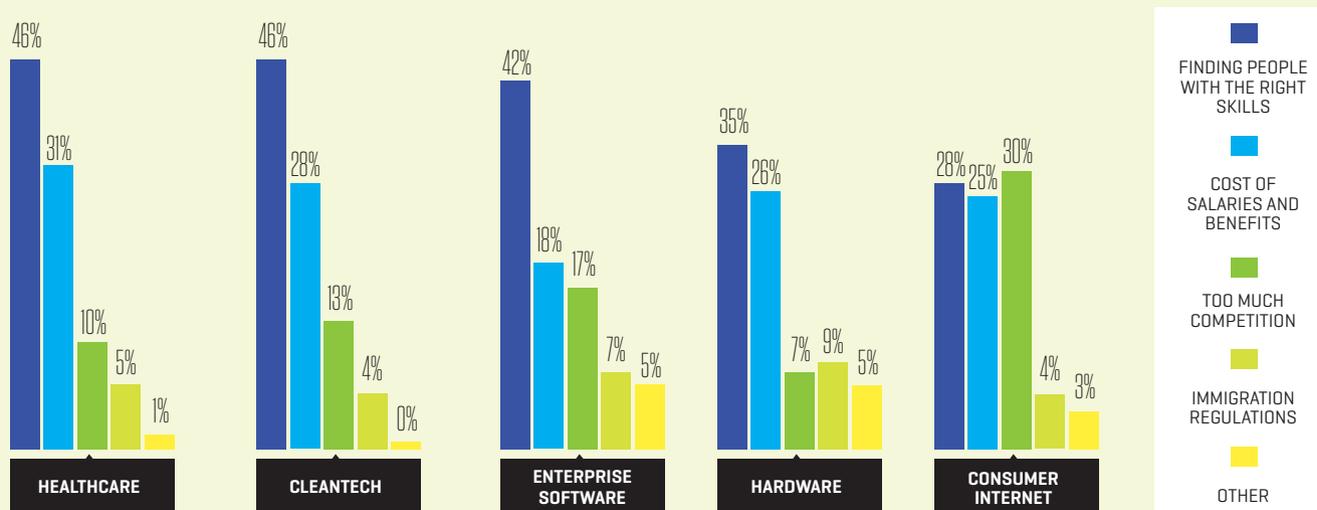
### UNDERSTAND YOUR INDUSTRY'S KEY DRIVERS

A successful company truly understands the capital dynamics of its business and industry. By this, I don't mean simply building a detailed financial model in Excel, but rather having a deep understanding of what the three to five cost and revenue drivers are for a business, and how those drivers impact growth over time. Often it's great to have an outside perspective, but it's also super critical to know what worked in the past and why or how it worked. Additionally, it's also important for founders to have some longer-term understanding and thesis on how technology and the Internet might impact their industry. Having some five- to 10-year vision on what technology can do to your industry generally, or for your company more specifically, is critical to being well set up for success.

The four companies we are highlighting are at varying stages of life—a not-quite-to-launch venture, a fast-rising charitable startup, a tech-based seed accelerator grad, and an established accessories brand with a message—but they all have one thing in common. They're all using momentum to build their business and brand into something bigger.

## SKILL LEVELS ARE THE GREATEST HIRING CHALLENGE FOR STARTUPS

The most challenging aspect of finding and retaining talent for startups in 2013



SOURCE: STATISTA VIA SILICON VALLEY BANK, CREATIVE COMMONS ATTRIBUTION

## CANDY'S SIGNATURE COCKTAILS

In the crowded world of branded spirits, Dallas' Candy Smith is looking to stir up the market with a new line of all-natural, ready-to-pour vodka drinks, Candy's Signature Cocktails. Her U.S.-made product will launch this year with two signature flavors, Lemon Drop and Honey Bee.

But it isn't the vodka that makes Candy's Signature Cocktails so unique (although this writer attended a tasting and it's pretty darn good). It is her targeting and positioning approach that she wants to set her apart.

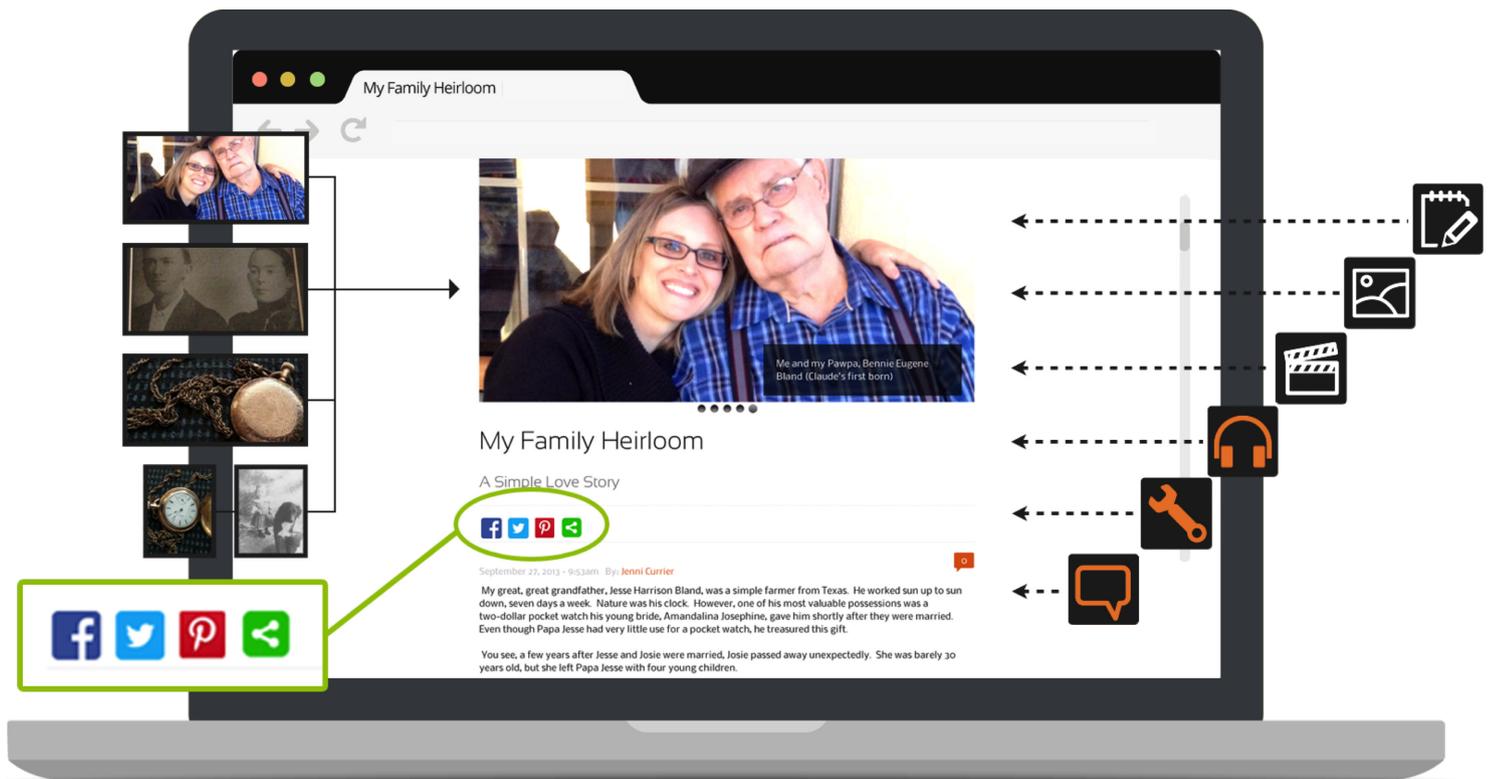
Smith, a 10-year producer of promotions for brand giant Brown-Forman, is no stranger to launching products in the spirits category. She created and produced an average of 20 promotions a year for several spirits companies, giving her a vital perspective on the adult beverage marketplace.

Candy wants women, and she's got two types in mind: the "ambitious socials" who lead an active social life and the "sophisticated socials" who lead an active family life, women who are happy, modern, philanthropic, artistic, and inspiring. Smith wants to create a bond with them with a product made by a woman for women.

She also knows how to tap the psyche of her female target, her best bet in creating that elusive brand bond. The bottle is beautiful and designed to fit nicely in a woman's hand. And to enhance the brand experience, she includes a heartfelt toast on the back of every bottle. One reads, "Fall deeper in love. Go higher in spirit. Listen to your heart. Respect your mind. Let your dreams be endless." And she signs her toast, "Much love, Candy."

**THE BOTTLE IS BEAUTIFUL**  
**AND DESIGNED TO FIT NICELY**  
**IN A WOMAN'S HAND.**





## WHICHBOX

Marketing and advertising are undergoing seismic shifts. Just offering great products is no longer enough for brands in today's marketplace. They must now find new ways to build engaged, authentic relationships with their customer base. That's where up-and-coming technology company WhichBox Media steps in. It was co-founded by Bettina Bennett, who serves as the CEO and "Chief Maverick." Its platform, whichbox®, is the only interactive storytelling engine that empowers brands to grow passionate fans and brand ambassadors through storytelling and crowd-sourced, curated, user-generated content.

whichbox® is built around a digital publishing platform that combines interactive community and social networking features with user-generated content tools and gamification. Its patent pending organic storytelling® tools can be used by both brands and their fans to create multimedia stories without any coding know-how. Integrated content management, SEO optimization, and analytics let brands track what's working and get the inside scoop on how content is performing and relationships are forming.

The company's star is rising fast. Not only is it already working with clients and turning a profit, but it's also catching the eye of investors and more. Earlier in 2014, WhichBox participated in the exclusive Dallas accelerator, Tech Wildcatters. It was recently honored in Silicon Valley by AlwaysOn as a Global Top 100 Company to Watch, and has been recognized through multiple awards and other honors, including the OnMedia 100 and North Texas Women in Technology Awards.

whichbox® is the missing link, bringing together storytelling, social media, and user-generated content to allow brands to do more than just talk at their customers—now they're talking with them and creating alongside them.

**WHICHBOX® IS BUILT**  
**AROUND A DIGITAL**  
**PUBLISHING PLATFORM THAT**  
**COMBINES INTERACTIVE**  
**COMMUNITY AND SOCIAL**  
**NETWORKING FEATURES WITH**  
**USER-GENERATED CONTENT**  
**TOOLS AND GAMIFICATION.**



## CHIDEO

When charity meets video, a Chideo is born. Such is the brainchild of Todd Wagner, entrepreneur, visionary, and honored philanthropist whose partnership with Mark Cuban and Broadcast.com landed him in the rarefied circle of instant billionaires.

Not one to limit his interests to business, Wagner started his own charitable foundation to fund causes like after-school programs for inner-city kids and grants to the Boys & Girls Clubs of America. Perhaps this belief in giving back, combined with his background in technology, was the inspiration for Chideo—the first ever, one-of-a-kind Interactive Charity Broadcast Network.

How does it work? Celebrities provide exclusive digital video content, such as live and or on-demand events, behind-the-scenes sneak peeks, music videos, and film trailers. Fans can then view the content via the Chideo app or the Chideo website (chideo.com) for a small fee, generally \$1.00, knowing part of their fee will be donated to the charity of the celebrity's choice. Chideo is also highly interactive, allowing fans to ask questions, suggest future topics, vote on ideas, and enter contests.

From Bradley Cooper to Bill Clinton, LL Cool J to Keke Palmer, close to 100 celebrities are already using the service to engage with fans and support their favorite causes. Chideo is more than just crowdsourced fundraising—it provides value to everyone involved through content and engagement.

**FROM BRADLEY COOPER TO BILL CLINTON, LL COOL J TO KEKE PALMER, CLOSE TO 100 CELEBRITIES ARE ALREADY USING CHIDEO TO ENGAGE WITH FANS AND SUPPORT THEIR FAVORITE CAUSES.**



## MRKED

Mrked is fashionable mobile accessories with a mission. The iPhone case-maker was born from a love of design and gadgets, an entrepreneurial spirit, and most importantly, an aspiration to give back to the world and make it a better place.

The three founders—Akil Momin, Safin Maknoja, and Shahneel Kanji—first conceptualized Mrked in 2012 and officially launched it in 2013. They wanted to create a business that embodied all their interests, as well as supported the ideals that brought their parents to America in the first place—the desire to provide access to quality

education and opportunities to succeed.

The company supports girls' education through a profit-sharing model that gives 15 percent of its profits to Room to Read, a nonprofit organization dedicated to literacy and gender equality in education in Africa and Asia. Room to Read's program supports girls in completing secondary school and developing life skills through mentoring and training, which helps lead to decreased illiteracy in future generations and positions girls and their families to have better lives.

Mrked's iPhone accessories are available in more than 100 stores across the United

States, including Birchbox's popular online marketplace, as well as its own website (mrked.com). Targeted retail locations include college bookstores, where Mrked can connect philanthropy-minded millennials with the cause through its bright, trendy accessory offerings.

Mobile accessories are a dime a dozen, but Mrked is more than just a pretty case. As a booming small business combining a passion for product, a dedication to education, and a commitment to charity, it is truly leaving a "Mrk" on the world.

# CREATING

# AN

HOW BRINKER  
REALIGNED ITS VISION  
TO BUILD A BETTER  
BUSINESS

BY HILARY LAU

# ACCOUNTABLE CULTURE



's  
chili's



# **FOR DECADES** **BRINKER** **INTERNATIONAL,** **THE LEGENDARY** **HOSPITALITY** **COMPANY FOUNDED** **BY NORMAN** **BRINKER IN 1975,**

has played a role in revolutionizing the restaurant industry through a variety of casual dining concepts. And though you might not have immediately made the connection, since Brinker's name does not appear on any of its restaurants, chances are you've sipped a margarita at a Chili's or sampled Italian-American cuisine at a Maggiano's Little Italy. Brinker, the Dallas-based parent company of those chains, operates restaurants across the world—"from Chicago to Cairo"—that serve more than a million people each day.

Years before the worldwide masses started flocking to Brinker's restaurants, the very first Chili's opened on Greenville Avenue in 1975 and began frying up burgers for a line of hungry patrons that often stretched out the door. Three years later, Doug Brooks, who would eventually become Brinker's longest tenured employee, joined the Chili's team. Brooks rose through the ranks to become president in 1994 and chairman and CEO in 2004 before

retiring in 2013 and assuming a consulting role. He has seen the brand evolve and transform from a small-time shop run by a quirky band of "Hamburger Hippies" to a wildly popular community staple through decades worth of corporate milestones—an initial public offering, a hard hit to stock prices from the Great Recession, and the acquisition and disposition of 20 well-known restaurant brands.

So what does it take to grow a hometown burger joint into a restaurant conglomerate, and how has Brinker been so wildly successful with its concepts? Brooks chalks it up to a variety of factors, including strong brand identities, a thriving and positive corporate culture, and momentum that is aided in part by a vibrant and competitive restaurant industry.

Before 1984, Chili's served only burgers, tacos, and Texas-style chili. Over the course of several decades and menu additions, the restaurant paved the way for hordes of full-service casual dining eateries, and its quirky Southwestern style—encapsulated by an iconic green and red chili logo—proved to be just the right balance of enticing and memorable.

But, arriving at this seemingly ideal convergence of business strategy, brand identity, and corporate culture didn't happen overnight. In fact, Brooks says that though Chili's was among America's first casual dining chains, Brinker found itself with an overloaded portfolio of restaurants in the mid-2000s. And, the number of competitors was growing fast.

## BRINKER INTERNATIONAL STOCK PRICE CHANGE



**\$3.57**  
in 2008



**\$26.41**  
January 2014



**\$50.00**  
October 2014



**chili's**  
LPL  
**HOMEMADE CHILI**

CHILI'S OWN TEXAS RED 1.50  
 TEXAS RED W/BEANS 1.50  
 CHILI'S PIE (chili, cheese, onion, chips) 1.50  
**BURGERS** (½ lb. meat)  
 OLDTIMER (mustard, lettuce, tomato, onion, & pickles) 1.50  
 OLDTIMER W/CHEESE (same as OLDTIMER w/cheese) 1.65  
 OUR OWN CHILI BURGER (same as OLDTIMER w/chili) 1.65  
 CHILI'S TRIP (chili, cheese, & sauteed onion) 1.75  
 TERLINGUA PRIDE (everything in the kitchen w/our own "TEXAS RED") 1.86  
 NO-BUN BURGER (½ lb. meat, sliced tomato, & cheese) 1.50  
 HOMEMADE FRIES .50  
**TACOS**  
 CHILI'S SPECIAL SOFT TACOS (flour tortilla stuffed w/chili, cheese, onion, lettuce, & HOT! sauce) 1.50  
 TOSTADOS & HOT SAUCE .50  
 CHILI'S MARGARITA 1.50

Founded in 1975, Chili's served only a small menu of burgers and house specials for almost a decade before expanding into the Southwestern-style casual dining chain we know today.





“We had an overabundance and an oversupply of restaurants, and we learned that it’s very difficult to manage nine different brands, which is what we had in the late ’90s when I was chief operating officer,” Brooks says. “We had individual brands with their own leadership teams; it was very expensive and difficult to focus and prioritize resources—both capital and people—toward nine different businesses in the same industry.”

In November 2008, Brinker’s stock price fell to an all-time low of \$3.57. That wasn’t the only issue the company faced, however; with the addition of so many brands and new people, Brinker had also lost its culture. It was then

that the company decided to start reeling in its portfolio and conceptualizing new strategies that would, in turn, drive Brinker’s momentum and sales.

Brinker found success in downsizing to just two restaurant brands: Chili’s and Maggiano’s Little Italy, which it had acquired from Chicago-based Lettuce Entertain You in 1995. With a newly honed focus and fewer cooks in the kitchen, Brinker’s corporate oversight of both companies evolved into a well-oiled machine whose “passion” (Brooks sees Brinker’s purpose as deeper than a mission) found its way in what he calls a “Culture of Accountability.”

“We kind of lost our heart and our soul,” Brooks says.



After a downturn in late 2008, Brinker needed to reframe its focus. It downsized its portfolio of restaurants to just two brands: Chili's and Maggiano's Little Italy, which Brinker acquired in 1995.

Today, Brinker stock trades around \$50 a share and Brooks' "Culture of Accountability" has gained traction on every level of the company's operations.

"In 2008 and 2009 we had to create a new culture and really start over in a lot of different ways." Under Brooks' leadership, the company turned itself around and bounced back more vibrantly than ever. "When we really got going in 2009 and 2010, four things had to happen: people, culture, strategy, and execution," he says. "Of those four, the culture part, in my mind, was by far the most important."

Today, Brinker stock trades around \$50 a share and Brooks' "Culture of Accountability" has gained traction on every level of the company's operations. From dish washers to corporate bigwigs, everyone in the organization uses the same results-oriented terminology and is expected to abide by one big idea—the ultimate success of Brinker's brands—divided across four metrics: sales, profits, guests, and teammates. With these common alignments in mind, all employees are equipped with the same tools to strive toward a common goal, which Brooks says makes for a culturally charming place to work.

"Culture is the way people kind of think and act in a company, but when we talk about 'Culture of Accountability' at Brinker, everybody has a personal choice to rise above their own circumstances and have ownership to achieve results," Brooks says. "If everyone is going for the same four results, then it's easier to align people. People in companies like to be victims, but in a 'Culture of Accountability,' you're not going to be a victim. You're going to be a victor."

Hilary Lau is the assistant editor of *D CEO* magazine in Dallas, Texas and its online verticals *D Business Daily*, *D Healthcare Daily*, and *D Real Estate Daily*.

# PURPOSEFULLY LED POSITIONING EQUALS BRAND MOMENTUM

Great brands are strong, impressive, and consistent. More importantly, they exhibit consistency in their promise through their brand message, at every touchpoint and with every customer encounter.

BY MICHAEL PALMER





**O**verseeing and managing brand consistency is key to achieving customer perception, from the onset of the engagement all the way through the buyer decision-making process. Marty Neumeier, author of *The Brand Gap*, said, “A brand is a person’s gut feeling about a product, service, or company.” You want your customer to feel good about your product, so if branding encourages a sense of trust from your customer, then it is important to build it into your marketing framework and deliver on it consistently.



#### DO NOT CONFUSE CONSISTENCY WITH STAGNATION

MasterCard is a great example of this principle. The brand message has stayed the same for 20 years, but the relevance of MasterCard’s “Priceless” campaign is as germane today as when it was first introduced. Great brands don’t live in the past. They look toward the future. They continue to grow. They strive to build their brand momentum.

Why momentum? It represents not just a snapshot of the present, but a glimpse into what the future could be. Perceived momentum is also significant, because it creates the conditions for further momentum—after all, if consumers believe your brand has momentum, then indeed it does.

However, proceed with caution; an organization will not survive in the long run if it is all hype and no substance. Ultimately, you will need to bring something unique, fresh, or superior to the market. But the perception of momentum will attract more confidence in and resources to your organization, as well as keep you on a path to industry leadership in a crowded market.

Great brands don’t live in the past. They look toward the future. They continue to grow. They strive to build their brand momentum.

#### YOU CAN’T JUST SAY SOMETHING—YOU HAVE TO BE SOMETHING

As brands become more experiential, leading marketers will need to rely less on just creating brand images through advertising campaigns and more on using real, inspiring stories and authentic customer experiences to create the brand, enabling their customers, advocates, and friends to join them in

the brand-building mission.

Brands that break through today have a defining characteristic: a highly energetic, engaged leadership and employee base that believes in the brand, feels empowered in working toward a bigger mission, and has the tools and incentives to deliver.

This requires a clear understanding, articulation, and communication of your brand’s purpose. While every brand works to make a promise, a promise alone will not separate one brand from another in a marketplace where consumers are untrusting and management is constantly demanding budget justification. Having a defining purpose will.

#### IS YOUR STORY POWERFUL ENOUGH?

Today, your story needs to do so much more than guide your messages and communications; it should serve to unite the company and drive growth under a common mission. Is your story still relevant as the market is changing? Is it based on a deep truth that only you can claim? Is it simple and emotional enough to be retold by others?



ConAgra's support of Feeding America helped elevate its story while demonstrating its mission to feed families.

One way to elevate your storytelling is to partner with the right charity. When Joan Chow, CMO of ConAgra, discovered that 17 million children go hungry every night, she knew her organization could do something to help solve this problem. She connected her team and the company to Feeding America, creating communications that highlighted the issue while offering consumers options to join with ConAgra in attacking this challenge. She encouraged the entire company to participate as well, and plant teams adopted local food banks to help them load their pantries and serve local families.

The key to the success of ConAgra's Feeding America campaign is that supporting the charity demonstrated what the company was about—caring about feeding families. The best result of all is that this program led to the delivery of more than 4 million meals to the hungry, and a 48 percent increase in profits.

Many brands claim to stand for a higher purpose; truly, purpose-driven brands translate their values into substantive actions to effectively bridge the divide between internal corporate activities and everyday consumer experiences. That means their purpose is made both literal and visceral, impacting more people in meaningful ways.

What are you doing to determine, then communicate, your brand's purpose and drive your brand momentum forward?

A former marketing VP with General Foods, Borden, and Anheuser-Busch, Michael Palmer has been an executive with the Association of National Advertisers for more than 20 years.

# ConAgra's Feeding America Campaign

## 17 MILLION

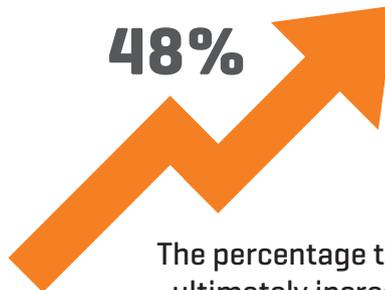
Number of children who go hungry every night



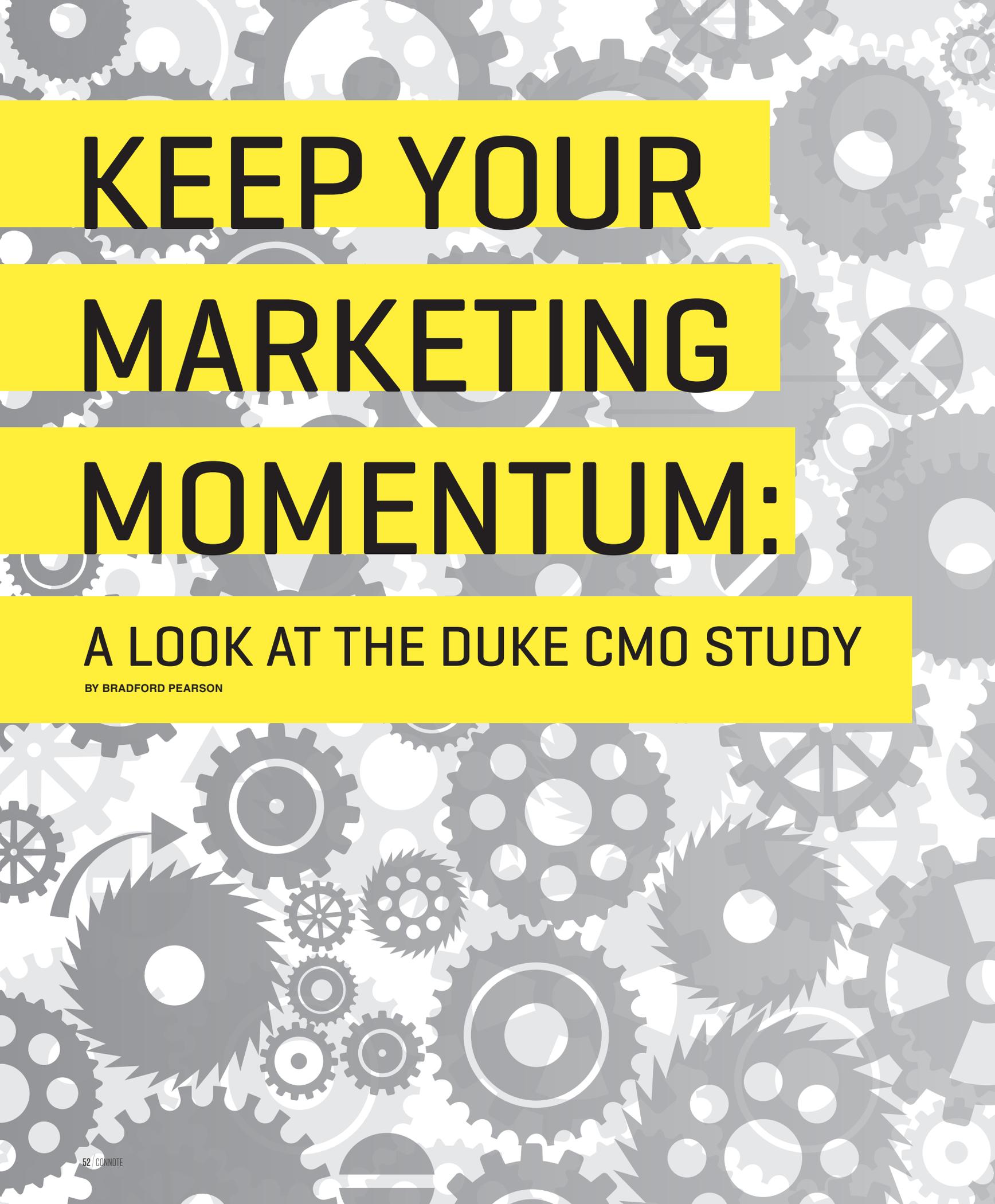
After reaching out to Feeding America, ConAgra CMO Joan Chow helped kickstart a ConAgra campaign that resulted in the delivery of 4 million meals to the hungry.



## 48%



The percentage the campaign ultimately increased profits for ConAgra.



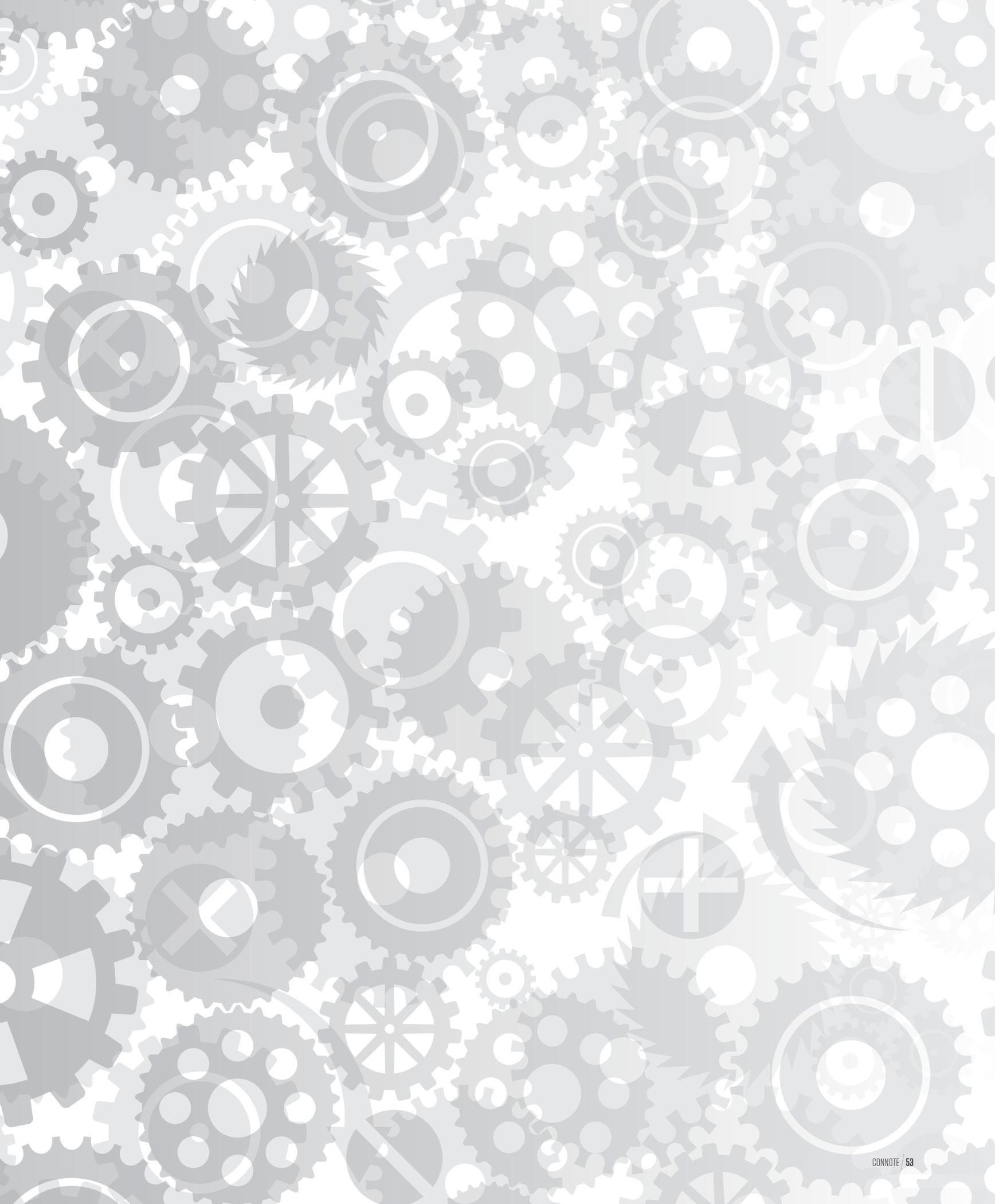
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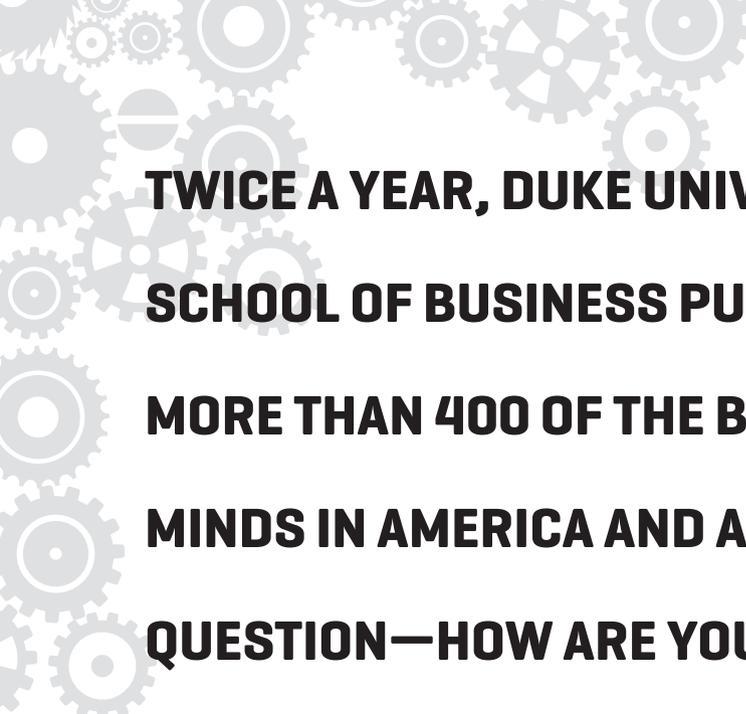
**MARKETING**

**MOMENTUM:**

**A LOOK AT THE DUKE CMO STUDY**

BY BRADFORD PEARSON





# TWICE A YEAR, DUKE UNIVERSITY'S FUQUA SCHOOL OF BUSINESS PULLS TOGETHER MORE THAN 400 OF THE BEST MARKETING MINDS IN AMERICA AND ASKS ONE ESSENTIAL QUESTION—HOW ARE YOU DOING?

**O**kay, there are technically a bunch of questions, but the general tenor of the survey remains: Let us know what's going on in your neck of the woods. Marketplace dynamics, social media, organization, and leadership are all covered, as are a multitude of other topics.

The topic of momentum, and how it applies to the workplace environment, has never been more relevant to marketers. As companies continue to climb—or attempt to climb—out of the Great Recession hole, they're relying more heavily on their marketing teams to beat the bushes and truly know their customers.

These circumstances bore themselves out in the most recent CMO Survey. Respondents are more bullish about the U.S. economy than in recent quarters, up nearly 20 percent since February 2009. At the same time, marketing hires have dropped: 4.7 percent of respondents planned to hire in the next 12 months, down from 6.2 percent in 2011. (B2B companies, though, expect a hiring bump.) Companies are also still experiencing difficulty implementing social media and analytics into their marketing strategies.

Here are some tips from CMO Survey Director Christine Moorman on how to keep your marketing department challenged, and to keep the momentum you've earned.

## GET THE RIGHT PEOPLE, AND THEN INTRODUCE THEM

This is especially important in the analytics world, the survey finds. Respondents were asked how challenging it was to find the right marketing analytics talent on a scale of one to seven, with one being “not at all challenging” and seven being “extremely challenging.” More than 83 percent selected higher than a four. “This is why IBM is going to India: We're not producing enough people,” Moorman said. She suggested the General Mills model of constant recruiting.

Marketing budgets are rebounding, yes, but companies would also be wise to utilize their own employees more efficiently.

Respondents to the survey expect social media spending is going to climb to

# 18.1%

of marketing budgets in the next five years.

Nearly

# 50%

of respondents said they “have not been able to show the impact” of social media.

Less than

# 7%

of respondents said social media had been integrated “very effectively,” the highest option on the survey.

Once the talent has arrived, it's necessary to incorporate the team completely. Instead of having a separate area for the analytics team, Proctor and Gamble seats business analysts with brand managers, forcing them to interact. It's reminiscent of Pixar, whose Steve Jobs-designed headquarters only has one set of bathrooms, in the building's main atrium.

### **DON'T BE AFRAID TO LEARN FROM OTHER INDUSTRIES**

Take Mexican cement company Cemex for example. They were having trouble delivering a ready-mix cement to job sites in a timely fashion, so they looked outside their industry for help. The natural fit, strangely? FedEx. FedEx ships millions of packages worldwide annually, and has the infrastructure to ensure the deliveries are done efficiently. Since there was no overlap in industries, Cemex and FedEx officials were able to meet and share best practices without risk of competition. "Part of this is, who has the momentum?" Moorman said. "Don't be narrow-minded in the way you search for the right kinds of insights."

### **USE SOCIAL MEDIA AS A TOOL, NOT A REPLACEMENT**

Social media is not going away (Proof: social media spending is 7.4 percent of marketing budgets today, and respondents expect that to climb to 18.1 percent within the next five years), but companies are still having a hard time determining how to integrate it into their marketing strategies. Less than 7 percent of respondents said it had been integrated "very effectively," the highest option on the survey. That level of integration has stayed nearly constant since 2011, indicating that, despite social media's continued growth, companies still don't entirely know how to use it. The most damning stat: Nearly 50 percent of respondents said they "have not been able to show the impact" of social media.

Part of the confusion, Moorman said, is

Cement company Cemex worked with FedEx to create a solution for their delivery problems.



that marketers need to realize social media is the new tool, and not to confuse that with marketing fundamentals. Who is the customer, and what do they want? Who is most valuable? Those questions sometimes get lost in the sea of likes and retweets. "A lot of CMOs have caught on, but the question is how to really develop a capability in this area—pulling it off for the long run—that's a repeatable process," Moorman said. Marketing departments need to be able to replicate social media success, not just hope to catch lightning in a viral bottle.

### **MAKE ALL OF YOUR EMPLOYEES "LISTENING POSTS"**

Marketing budgets are rebounding, yes, but companies would also be wise to utilize their own employees more efficiently. Marketing department employees are paid to keep their ears to the floor, follow the most recent trends, and react. But what about the salesforce? The sales department is an often under-tapped resource in companies, Moorman said, and should be turned to for insight more often. This is especially true at B2B companies, where the salesforce is often gathering competitive intelligence anyway, and could easily share with marketing.

→ For more information about the Duke CMO Survey, please visit [cmosurvey.org](http://cmosurvey.org).

Bradford Pearson lives in Dallas, and has previously written for *Time*, *Esquire*, and *D* magazines. A native New Yorker, he still prefers Dr. Brown's over Dr Pepper.

# CHIEF MARKETING TECHNOLOGIST: CATCHING UP AND KEEPING UP

BY ROBERT MCENANY





hat loud whooshing sound you hear? That's marketing technology passing you by. That is, of course, unless you flip on the turbocharger, and hire yourself a Chief Marketing Technologist.

Five years ago, calls for this new executive position to bridge the gap and relieve the tension between marketing and IT began to gather momentum. If a recent study conducted by research and consulting firm Gartner is accurate, by the end of 2014, eight out of 10 large companies will have one.

If you're not working for one of those favored few companies—or worse, if you are competing with one of them—this latest study seems to tell us you are already falling behind. An article prepared by Gartner for *Harvard Business Review* reports, “As digital marketing and e-commerce increasingly augment or replace traditional touchpoints, the importance of mastering (digital marketing) capabilities grows.”

Gartner characterizes the new CMTs as part strategist, part creative director, part technology leader, and part teacher. That's really swashbuckling and cool sounding, but the job description for a typical CMT is more practical and more central to what business today is about:

- **CMTs align marketing technology with business goals.** They also guard against investing in “gee whiz” marketing technology that later disappoints because nobody really needs much of what it can do.
- **CMTs act as the interlocutor between marketing and IT.** They bridge the oil-and-water cultures of the two departments and their leaders to encourage collaboration rather than competition, and they help explain marketing technology activities and investments to other C-level executives.
- **CMTs connect the dots among marketing, technology, and data** to make sure the technologies can talk to each other and that the increasing quantity of “big data” can be used efficiently and for the greatest result.
- **CMTs champion experimentation and innovation.**
- **CMTs recruit marketing candidates with technical backgrounds** to slowly but surely infiltrate technology into the marketing culture (and, ironically, diminish the need for a separate CMT function).

It seems impossible to overstate the importance of collaboration as marketing and IT compete, either separately or together, for corporate resources. A Gartner survey found that steadily increasing digital budgets reflect more than migration from traditional to digital media. Between six and seven out of 10 companies are planning to increase marketing spend for technology and related services.

Author Sergio Zyman made waves about 15 years ago when he released his book, *The End of Marketing as We Know It*, arguing that “marketing is science” and makes business decisions based on data. It's doubtful that Zyman had any notion of how “big” marketing data would become, nor how complex the marketing technology necessary to manage and analyze it would be. But you have to give him credit for pretty much getting it right in 1999.

The debate may continue over whether the world really needs another contrived-title C-Suite occupant, but the more important issue is whether the CMT function (whatever you call it) makes sense. More and more, it looks like that question has been answered.

CMTs act as the interlocutor between marketing and IT. They bridge the oil-and-water cultures of the two departments and their leaders to encourage collaboration rather than competition, and they help explain marketing technology activities and investments to other C-level executives.

Executive editor Robert McEnany is a founder and Managing Partner at Levenson Group. Before coming to Dallas, and rejoining the dark (agency) side, he was a Brand Manager for Quaker Oats Company.



# MIT

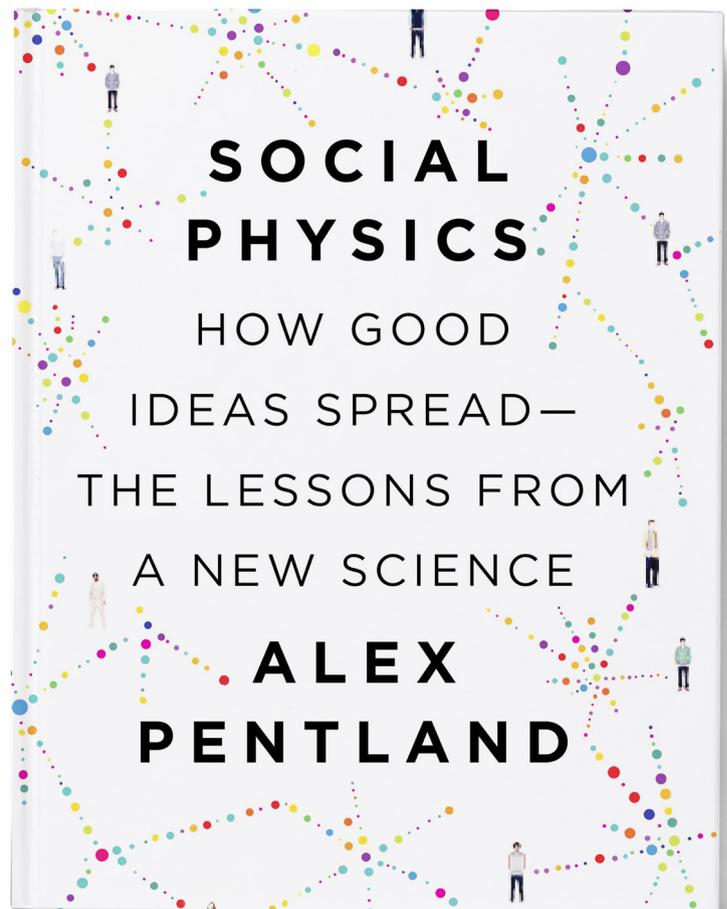
Professor Alex Pentland promises nothing less than a “new science” in his book *Social Physics*, one that will “help us understand how ideas flow from person to person through the mechanism of social learning and how this flow of ideas ends up shaping the norms, productivity and creative output of our companies, cities and societies.”

*Social Physics* may feel like glorified social psychology to some marketing readers, but by applying the tools of a data scientist to observations of social networks, Pentland delivers insights about human behavior which are relevant not only to marketers, but also across a wide range of societal, economic, and political decision-making. What follows is an excerpt from the first chapter of *Social Physics*, setting up Pentland’s premise for the book.

## USING BIG DATA TO UNDERSTAND HOW HUMAN SOCIETIES EVOLVE

Where do new ideas come from? How do they get put into action? How can we create social structures that are cooperative, productive, and creative? These are perhaps the most critical questions for any society, and they are especially important right now because of global competition, environmental challenges, and the failure of governments to act.

In the past few centuries we have seen Western culture thrive, in large part because of the paradigms inherited from Enlightenment thinkers such as Adam Smith and John Locke. Their intellectual frameworks offered answers to these critical questions. From that base we created a pluralistic society in which both the distribution of goods and the policies of government are determined by competition and bargaining. Our open civil society outcompeted more top-down, centralized societies, and now free markets and political elections are being experimented with in almost every country around the world.



In the last few years, however, our lives have been transformed by networks that combine people and computers, allowing much greater participation and much faster change. As the Internet makes our lives increasingly connected, events seem to move faster and faster. We are drowning in information, so much so that we don't know what items to pay attention to and which to ignore.

As a result, our world sometimes seems to be on the edge of spinning out of control, with posts on social media such as Twitter causing stock market crashes and overthrowing governments. So even though the use of digital networks has already converted the workings of our economy, business, government, and politics, we still don't fully understand the fundamental essence of these new human-machine networks. Suddenly our society has become a combination of humans and technology that has powers and weaknesses different from any we have ever lived in before.

Unfortunately, we don't really know what to do about it. Our ways of understanding and managing the world were forged in a statelier, less connected time. Our current conception of society was born in the late 1700s during the Enlightenment and crystallized into its current form during the first half of the twentieth century. Things moved more slowly back then, and usually it was only a small group of traders, politicians, or wealthy families who really moved things along. Therefore, when we think about how to manage our society, we speak of "markets" and "political classes," abstractions that events move slowly, so everyone has pretty much the same information and so people have time to act rationally.

In today's light-speed, hyperconnected

world, these assumptions are being stretched past the breaking point. Today virtual crowds can form in minutes and often consist of millions of people from all over the world—and with each new day it may be a different set of millions of people contributing and commenting. We are no longer in the era of financial exchanges with

physical trading floors and political conventions with smoke-filled back rooms, where small groups of people haggle until they come to mutually acceptable deals.

To understand our new world we must extend familiar economic and political ideas to include the effects of these millions of people learning from each other and influencing each other's opinions. We can no longer think of ourselves as only individuals reaching carefully considered decisions; we must include the dynamic social effects that influence our individual

decisions and drive economic bubbles, political revolutions, and the Internet economy.

Adam Smith himself understood that it is our social fabric that guides the "invisible hand" of the market and not just competition alone. In his book *Theory of Moral Sentiments* he argued that it was human nature to exchange not only goods but also ideas, assistance, and favors out of sympathy. Furthermore, he thought that these social exchanges guided capitalism to create solutions for the good of the community. Smith, though, lived in an era where almost all the bourgeois residents in a city knew each other and were constrained by social pressure to be good citizens. Without the obligations provided by strong social ties, capitalism often turns rapacious and politics turn poisonous. In our new hyperconnected world, most ties are weak, and all too often the invisible hand no longer functions.

The goal of this book is to develop a social physics that extends economic and political thinking by including not only competitive forces but also exchanges of ideas, information, social pressure, and social status in order to more fully explain human behavior. To accomplish this we will have to explain not only how social interactions affect individual goals and decisions but, more important, how these social effects produce Adam Smith's otherwise mysterious invisible hand. Only once we understand how social interactions work together with competitive forces can we hope to ensure stability and fairness in our hyperconnected, networked society.

WE CAN NO LONGER THINK OF OURSELVES  
AS ONLY INDIVIDUALS REACHING CAREFULLY  
CONSIDERED DECISIONS; WE MUST INCLUDE  
THE DYNAMIC SOCIAL EFFECTS THAT  
INFLUENCE OUR INDIVIDUAL DECISIONS  
AND DRIVE ECONOMIC BUBBLES, POLITICAL  
REVOLUTIONS, AND THE INTERNET ECONOMY.

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## Introducing notes that speak volumes.

Manuscript Central Coast Pinot Noir is a tale you won't soon forget. Born in the Sonoma Coast, this pinot opens with gentle scents of strawberry, hinting at cedar and crème fraiche. Focused tannins then unleash rich flavors of black cherry and pomegranate with vanilla and toast overtones. Its alluring aroma and powerful finish provide a journey of twists and turns that culminates in a truly magnificent finale.

*To find a retailer near you visit [ManuscriptCellars.com](http://ManuscriptCellars.com).*

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# WHEN NEGATIVE ACTION THREATENS YOUR REPUTATION

BY STAN LEVENSON, APR

The image of General Motors, the nation's largest automaker, has become tarnished this year because of the company's inaction in recalling its vehicles for problems with defective ignition switches.

With congressional hearings, government investigations, and legal battles exposing a dysfunctional corporate culture and irresponsible management on safety issues, a sharper focus has emerged on whether or not GM is employing a massive recall to sell more cars and trucks.

According to an article by Holman W. Jenkins Jr. in the *Wall Street Journal*, "The company has now recalled 29 million cars since February, more than it sold in the past three years." Mr. Jenkins asks, "How can GM have made so many defective cars and only discovered them now?"

To its credit, General Motors has proactively and transparently informed and educated the public. The company has translated its empathy and caring concerns into financial offerings by retaining the services of compensation expert Kenneth R. Feinberg, who has promised to make swift payments to people who were critically injured and at least \$1 million to families of those who had died. Additionally, GM is aggressively evaluating safety procedures, encouraging employees to disclose perceived problems, and has

abruptly terminated 15 staffers who acted inappropriately during the faulty switch fiasco.

## BUILDING YOUR REPUTATION WITH POSITIVE ACTION

How often do you observe a company trying to sugarcoat a situation that is insulting or offensive? Uninformed and insensitive, some companies believe that "tell them what they want to hear" is the name of the game. In this day and age, how wrong they are. Positive action begins with a reassessment of your own values and convictions. Are you caring, thoughtful, and considerate, or are you biased, self-centered, and emotionally driven?

Performance is motivated and inspired by attitudes and opinions. Execution of such thinking is sure to influence how an organization, company, or individual is liked or disliked. "Earn it or lose it" is a popular saying, and no amount of gloss can take the place of commanding credibility and respect through positive and responsible performance.

Interestingly, both action and inaction can influence how an entity is perceived and the reputation it builds for itself, its products, and services. From being thought of as a "do nothing" to being recognized as responsible and caring, what a person or organization does and how it operates becomes the fabric of its reputation. A damaging incident that threatens one's reputation can, indeed, be blunted with remedial action and expressions of regret. With corrective action, apologies, and expressions of regret, the damage to a good reputation can be minimized. Experiencing "bumps in the road" will only make you stronger and wiser.

Positive action begins with a reassessment of your own values and convictions.

# Win the Game of Marketing Momentum



## DO NOT PASS GO, DO NOT COLLECT YOUR SALES.

There are lots of pitfalls along the way when you're working to gain—and keep—momentum in your marketing. But if you play the game well, you'll avoid the obstacles and be a winner in the end.



## SLOW DOWN!

You're getting ahead of yourself. Don't sacrifice momentum for speed.



## IT'S ALL ABOUT TEAMWORK.

Make sure that you've got the right people in place to support growth.



## FOCUS!

Don't lose sight of your priorities or the ultimate goal for your business.



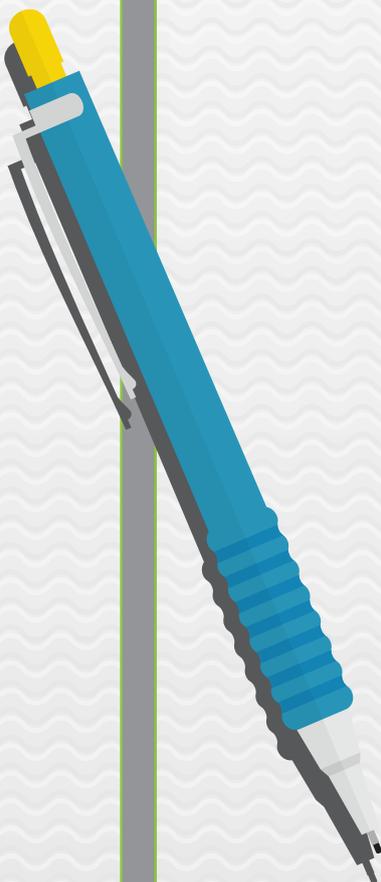
## OH NO...YOU'VE BEEN PASSED BY THE COMPETITION.

Know what your market wants so that you're staying relevant and right on pace.



## GET IN LINE

Are your culture and team aligned with your company's goals?





# THE TRUTH ABOUT ADVERTISING.

Over nearly thirty years, we've learned a thing or two about effective advertising.

We've learned to be obsessive about fact-based strategy. If you get the strategy right, making the brand relevant and compelling becomes a whole lot easier.

We've learned that today, "doing advertising" means a lot more than making an ad, application or promotion. It's still about finding the people who matter most to your brand, using every possible means to make your brand easy for them to like, then relentlessly measuring results.

We've learned that staying independent keeps us nimble, and much more efficient. Most of all, we've learned that taking our clients' success personally leads to long, satisfying relationships.

If you'd like to see what we can do for you, please feel free to reach out.

**Andy Harmon**

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