

The Modern CEO's Guide to **Marketing-led** Growth

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CEOs are Champions of Marketing

“It is so critically important, as a marketing exec, to have the support of the chairman and/or CEO. CEO support will dramatically change the output of marketing and will dramatically change the quality of the marketing people you will attract into the org.”

~ Tech CMO, Mckinsey Study

Having gained tremendous ground in the last 5-years, the perception of marketing has evolved from window-dressing to fundamental business operations. Despite this, “only 26% of CMOs are invited to attend board meetings regularly,” according to [Deloitte](#).

Modern CEO’s seize the opportunity to change how the C-suite interacts with marketing. The result is a razor-thin line between company strategy and marketing strategy.

In this guide, you will learn how to relate to a marketing worldview, own your company’s marketing direction, and truly capture marketing-led revenue, by:

- + Assessing growth strategies
- + Understanding the criteria for marketing-led growth
- + Planning for marketing independence
- + Enabling the “Marketing Stack”

Assessing Growth Strategies

Business growth can be achieved in many different and viable ways. To understand the power of marketing-led growth, you must first understand what how it differs from the alternatives:

- 1. Product-led Growth**
- 2. Sales-led Growth**
- 3. Marketing-led Growth**

The next section compares and contrasts these three models.

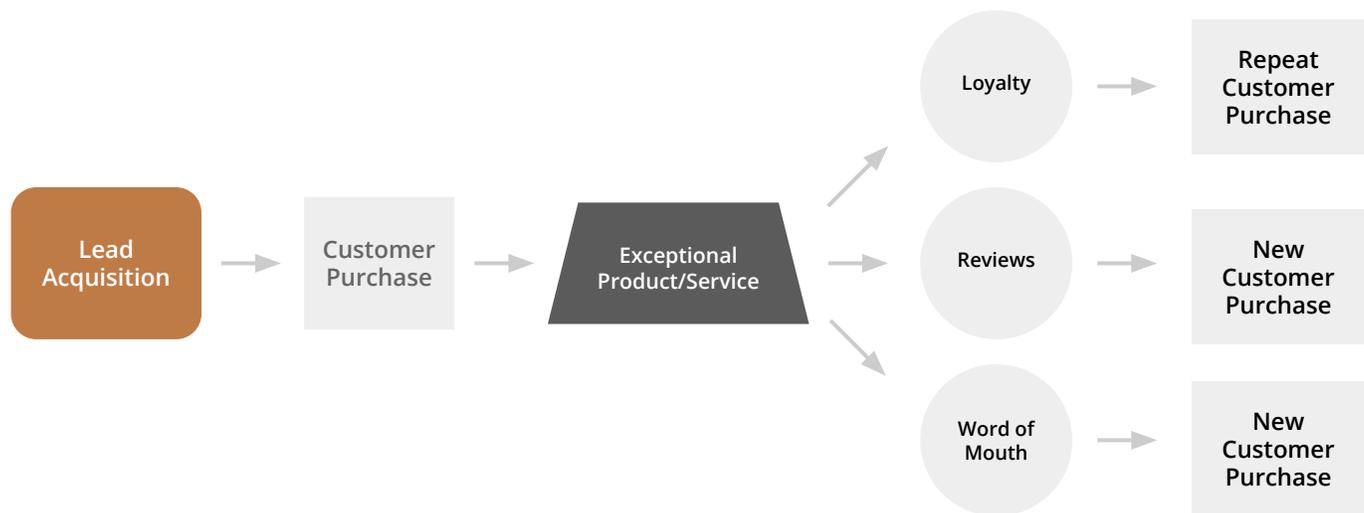
1. What is Product-led Growth?

Product-led growth is simply where product usage is the primary driver for things like acquisition, retention, and expansion.

The product-led growth strategy is highly recommended, and represents a table-stakes effort. If your product or service is exceptional, clearly this is naturally good for business. In the case that there is nothing exceptional about your product or service, any additional sales and marketing efforts will be marginalized until the product is elevated to a more competitive standard.

The main drawback to this product growth approach is that it doesn't fill the sales pipeline with anything beyond word-of-mouth referrals, favourable reviews, and repeat business. Although these are extremely powerful channels in their own right, the product-led growth strategy mostly omits first-touch lead acquisition.

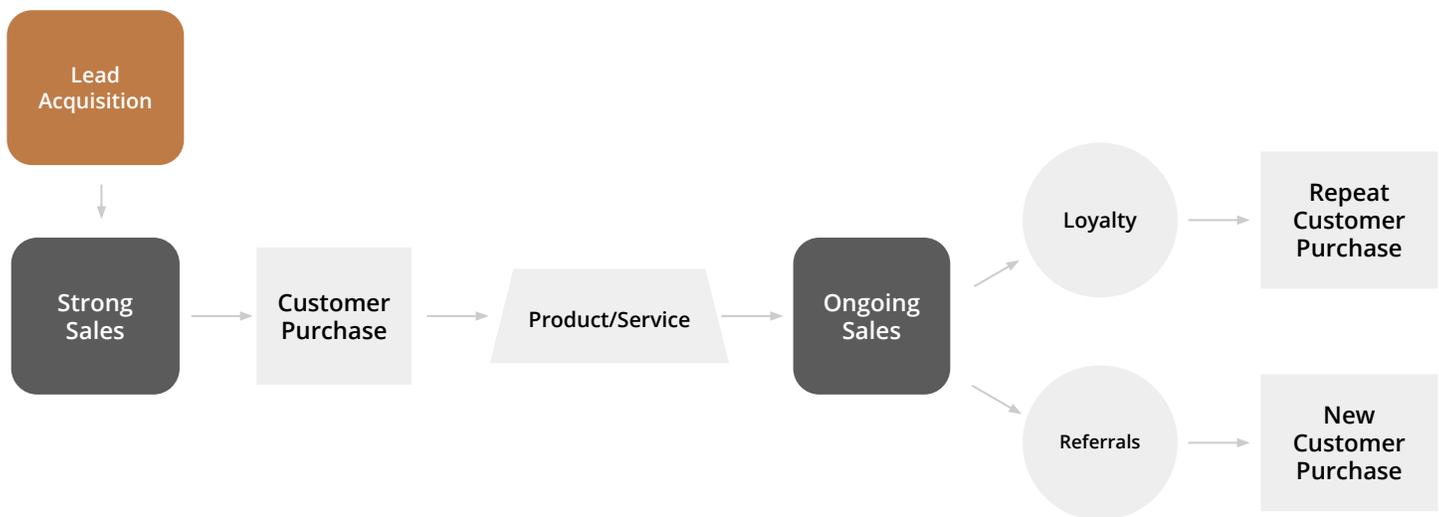
As a result, this approach also has a tendency to plateau.



2. What is Sales-led Growth?

Sales-led growth is person-to-person hustle—hunting down your prospects and telling them what they're missing. This takes people power and is an especially great way to maintain personal loyalty in your customers.

The main drawback, once again, is that sales-led growth doesn't account for any initial lead acquisition sources. For that reason, sales processes are best paired with a marketing system.

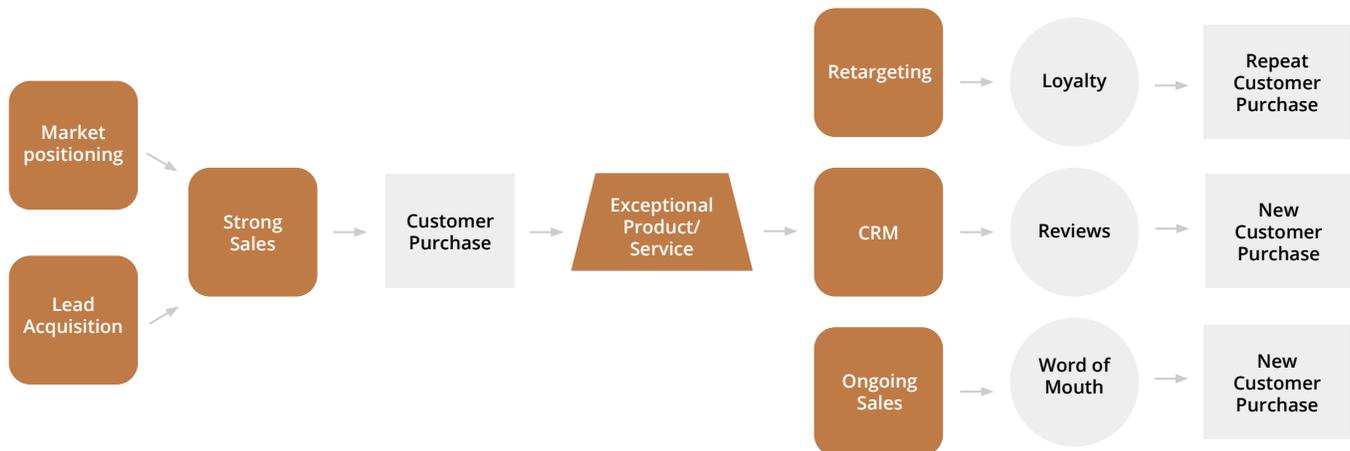


“Sales is an outcome, not a goal. It’s a function of doing numerous things right, starting from the moment you target a potential prospect until you finalize the deal.”

~ Jill Konrath

“CMOs can’t deliver marketing-led growth to the company on their own. Cross-functional collaboration is essential.”

~ Jason Heller, Mckinsey



3. What is Marketing-led Growth?

Marketing-led growth represents business captured by deliberately-constructed consumer awareness and consumer engagement.

Marketing-led growth is first achieved by the acknowledgment that in the end, it's *all* marketing.

- + You need market-relevant products and services to be competitive;
- + You need product, sales and marketing to be integrated;
- + You need strategic positioning so consumers can understand your relevance;
- + You need marketing acquisition channels to tell your story, and accelerate growth beyond any product-led or sales-led plateau.

A marketing-led organization pulls it all together and proactively dominates a deliberate market niche.

Criteria for Marketing-led Growth

True marketing-led growth is not easy to achieve. It requires far more than just a “marketing push.” Instead, it requires a sustained rhythm that is substantial enough for consumers to take note and participate in.

Common factors that confound this process include:

- + A lack of marketing understanding among key decision makers;
- + Inaction for fear of failure or personal accountability;
- + Competing visions amongst team members;
- + Rapid changes to “the plan”.

To reduce these frictions, two basic standards must be met within the organization.

1. Establish Marketing Commitment

Both a sustained appetite and a belief in marketing must exist among the board of directors and C-suite employees. Organizations simply do not become marketing led without a commitment that goes well beyond cautious budgets, safe campaigns, and a status quo mindset.

“Marketing as a support function is antiquated.”
~ Retail CEO, Mckinsey Study

2. Achieve Marketing Independence

Marketing independence is owning and controlling critical aspects of your marketing in-house. Scaling companies must strive toward marketing independence, gradually developing internal functions like leadership, strategy, and upskilling. This allows for sufficient strategic and operational consistency for true momentum to take place.

Planning for Marketing Independence

A modern approach to marketing is built upon maintaining consumer relevance in an ever-changing world. Therefore, constructing a successful marketing system requires a foundation that is both exceptional today and agile for tomorrow.

This 4-step planning process encompasses the requirements to design a marketing structure that is effective, and *completely within your control*.

“Marketing owns the full end-to-end customer journey, from brand sentiment and awareness . . . to post-purchase.”

~ Specialty-retail CEO, Mckinsey Study

1. Look Outward & Inward

The best and most effective marketing systems are so married to the core business plan that they become indistinguishable. In truth, the foundational elements of marketing are mostly *the same* as the foundational elements of business. After all, “marketing” in its truest sense is simply bringing something to market successfully.

To achieve a consumer-relevant solution, we must look out to the market place and let that drive both our product solution and its eventual market positioning. The following sequence is recommended to achieve this.

i. Identify Your Core Purpose

Relevance requires agility—and agility requires change. Although change is essential, it must also be guided, as to not become aimless and scattered. Your core purpose is that guide. It is the bedrock of *why* your company exists, and should guide decisions around what products/services you offer and to whom.

ii. Survey Market Demand Related to Your Core Purpose

Armed with a core purpose, the goal of marketing (and business in general) is to find ways to realize that purpose in a way that benefits consumers. In this light, your business should be monitoring, surveying, researching, and probing all consumer opportunities that align with your purpose. This will guide any major or minor pivots as you evolve within a dynamic system.

iii. Build & Adjust Your Core Business Offering Around Your Core Purpose

Knowing both your purpose and relevant market demand will enable you to reassess your product (or service). At this junction, your product must both fulfill your purpose and realize existing or latent market demand. Shifts in your core product should occur when you identify the absence of a competitive advantage.

**“You could make a key and then run around hoping to find a lock.
Or you could start by finding the problem – a lock that needs
opening – and make the key.”**

**~ Seth Godin
This Is Marketing**



iv. Establish Your Market Positioning

This is where the aforementioned prerequisites of business pay dividends on the marketing side. Having ensured that your product aligns with your core purpose, realizes consumer demand, and is able to scale competitively, your market position can be built on a realistic foundation of market readiness. The next step is to sculpt and communicate competitive differentiation. How are you different from the rest? Why should consumers care?

v. Craft Your Brand Story

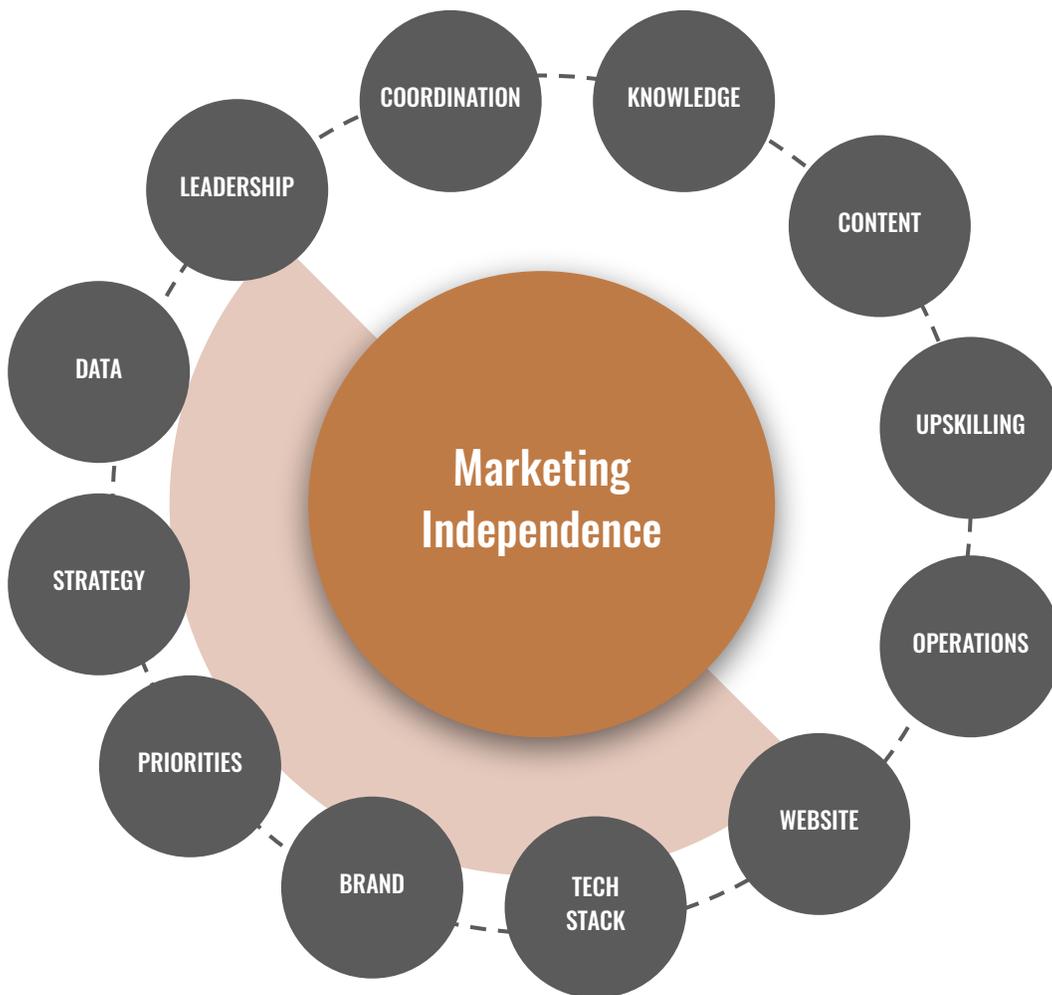
Your brand story is your positioning in action. It's moving beyond knowing how you're unique and relevant to an important subset of consumers, and shaping the message into complementing narratives.

Marketing-led organizations spend a disproportionate amount of time and effort on this phase (*looking outward and inward*). They live the direction day-to-day and continuously re-evaluate in a recurring manner.

2. Identify Your Critical Marketing Functions

Just as your business is unique, so are your optimal marketing operations. In fact, the scope of healthy marketing operations is far wider than most CEOs realize (or at least *want* to realize).

The truth is, marketing functions (i.e. marketing activities to be carried out) exist whether we ignore them or not. Some just get neglected. And that's fine. The trick is to identify *which* functions matter most to your organization.



Above are some common marketing functions that are deemed “critical” to many organizations becoming marketing-led. Of course, there are more to consider. The important part is to *consider them*. Many functions can be facilitated by one or more in-house team members, and some may even be potentially outsourced. Knowing which functions are critical will help guide how you construct and evolve your system in stages.

3. Circumvent the Budgeting Barrier

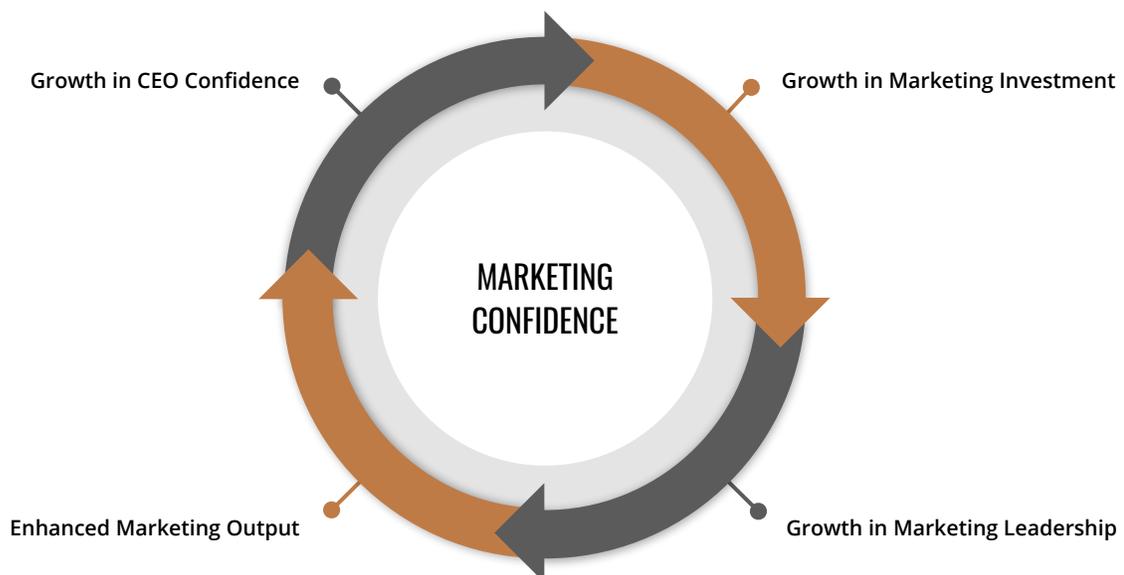
Marketing-led growth requires confidence, especially from the CEO. So, what would give you confidence in your marketing? Typically, the answer is somehow related to predictable ROI—revenue directly attributable to marketing efforts. And this is achievable to a degree, more so now than ever. But on its own, proof of ROI doesn't generally lead companies to break through the budgeting barrier:

The investment difference between “marketing-assisted growth” and “marketing-led growth”

Indeed, marketing-led organizations prioritize substantial marketing budgets (+10% of gross revenue). They do so with confidence, empowered by the following realities:

- + Marketing investments are at their lowest risk when all the previously discussed topics are *in alignment*.
- + The *actual effectiveness* of a marketing tactic is unrelated to your ability to track its ROI.
- + Placing value, trust, and accountability in marketing leadership builds marketing equity in the organization.

All this to say that breaking through the budgeting barrier takes a level of confidence and maturity that is difficult to obtain. This makes it a competitive advantage (i.e. most companies never truly breach the threshold). The key is *internal growth* to manage the critical aspects of marketing. This takes leadership, strategic clarity, and execution resources as much as it does budget. Scaling these operations over time will naturally call for more investment that is in turn easier to justify.



4. Align Your Strategy

In order for businesses to achieve their goals there must be a functional business and marketing strategy in place. A sufficiently-developed strategy provides imperative communication across your organization, gains buy-in from key internal stakeholders, and is essential for business success and growth.

i. Create Your Strategy

A marketing strategy is a roadmap to guiding business decisions, helping to deliver products/services with the best opportunity to make a profit. An effective marketing strategy covers all areas of your plan, aligns what is going on, and what areas need support next. Within a business, it is essential that all departments within the sales and marketing teams are aware of what each department is working on, and that your marketing strategy provides coordination among team members at all levels.

An effective marketing strategy needs to set goals, identify tactics, and optimize execution.

ii. Stick To Your Strategy

Marketing is a science. Starting with a controlled experiment, each sample (tactic) gets small adjustments in order to effectively draw conclusions (optimize) to determine which factors drove the desired results.

Like any experiment, it takes time to see real results. An effective marketing strategy allows time for each tactic to show measurable results. While many companies sell quick-fix solutions, these tactics are not sustainable, and represent more of a promotional campaign than an ongoing marketing strategy. Most consumers won't hear about your brand just once and make a purchase. Marketers must stick to the outlined plan/strategy in order to effectively engage these consumers.

Tracking metrics is an essential part of maintaining an effective marketing strategy. You can't abandon ship each time you make a small adjustment and don't receive an instant influx of results. Marketing campaigns must be continually monitored and tweaked to have the opportunity to be optimized for success. Sticking to a long-term strategy is the best way to find which tactics provide the best results for your business.

“Generally, marketing [used to be] considered an expense, and not an investment in growth. But now, when we foresee headwinds, it is the CFO who says, ‘We are not going to touch marketing.’”

~ Retail apparel CMO, Mckinsey Study

5. Invest Across the Entire Funnel

Quite simply, you can't focus on just one segment of the marketing funnel and expect growth. Customers must flow through each stage in the funnel in order to reach the point of customer loyalty.

Customer loyalty is important when it comes to running a business, but you first need to acquire customers in order to generate that customer loyalty. This is why the awareness and consideration stages are essential to marketing-led growth. The awareness and consideration stages of the marketing funnel are essential to projecting your brand message and sowing the seeds of what will eventually become a more bankable relationship with your target consumer.

A major pitfall of measurement-based marketing is the temptation to restrict marketing investment only to channels that yield directly attributed ROI. This is the reason bottom-of-the-funnel marketing tactics are overrun with competition. The more CEO's understand the value of top-of-the-funnel marketing efforts, the more they can enable and empower modern CMO's and marketing directors with budgets across the entire marketing funnel.

6. Work the Marketing Stack

CEOs must understand that marketing is the overall output of an internal system. Operations must be internally healthy and supported in order for consumers to reap the benefits of your collective output.

[The Modern Marketing Stack](#) comprises all the elements of your marketing, from brand messaging to sales integration. Each component of your marketing stack must work together to achieve marketing-led growth.

Great marketing strategies are useless without both the systems and people to support them. Having already covered marketing-stack aspects like product, brand messaging, and consumer nurturing, here are some additional aspects of the marketing stack that are critical elements to growth in marketing.

Talent

Marketing comes down to talent. Your team is made up of both [internal](#) and [external talent](#). In order to fully work your marketing stack, you must attract, retain, and motivate your in-house team, while connecting externally with the industry's finest agencies and vendors.

Assets & Technologies

Be it a webpage, video, or social influencer, these consumer-facing assets tell your story. You must know which assets to create, optimize and retire.

Execution

Execution is where your marketing efforts go live, but it is not where the marketing stops. Your content will be delivered through one or more channels, be it traditional or digital. All the elements of your marketing stack and strategy must cohesively contribute in order to produce measurable results.

Investment Tracking

Informed marketing is the key to business growth. Your investments should be secured by powerful [analytics and measurement systems](#)—for both digital and traditional media.

Sales Processes

Sales and marketing often go hand in hand, and quite frankly marketing is useless without the means to close the deal. Your sales process should seamlessly integrate with your marketing efforts in order to increase revenue, ROI and customer retention.

Knowledge Management

It is important to ensure that systems are in place to store data and info. Humans must be willing and able to add and draw upon this growing set of information. Knowledge Management is the only tool that can prevent the same mistake from repeating itself within your organization. You must become a knowledge-based organization in order to begin benefiting from your failures.

Learn how Able & Howe can help your company
experience marketing-led growth.

