

CMOs: In Good Company

Helen Coster, 08.18.09, 02:15 PM EDT

For \$50,000 a head, CMOs in the uber-exclusive Marketing 50 group can hobnob--and problem-solve--with their peers.

When Randall Beard started his job at UBS in March 2007, one of his first mandates was to upgrade the marketing department to have a greater impact on the bank's business. Beard, who until recently ran global marketing for UBS's wealth management and business banking group, mentioned his task at a gathering held by Marketing 50, an invitation-only club of top chief marketing officers at major companies. Beard's peers told him about a survey that would help him to pinpoint his group's strengths and weaknesses.

Beard invested in the survey and eventually created a "global marketing university" that helped him to address some of his group's weaknesses at UBS. "I could probably pick up the phone and call almost any CMO and get time on their calendar," says Beard. "But my ability to reach out to people is far easier if Marketing 50 is doing it for me."

Marketing 50 is a five-year-old peer-to-peer organization for the world's top marketing honchos. The group's 50-odd members include Beard, NBC Universal CMO Maryam Banikarim, Intel's Deborah Conrad, McDonald's CMO Mary Dillon, and Mattel Senior Vice President Richard Dickson. For a \$50,000 annual fee--paid by employers--members can network one-on-one and participate in day-and-a-half-long weekday "summits" held twice a year. There, members or outside moderators lead discussions, which recently included "Winning in an Economic Downturn," "Leveraging Social Media for Customer Engagement" and "Adaptability," as well as discussions with luminaries such as Martha Stewart, former IBM Chief Executive Louis Gerstner (now senior adviser to the Carlyle Group), Obama campaign strategist David Plouffe and *Good to Great* author Jim Collins.

To help foster transparency among members, Marketing 50 doesn't include direct competitors: Because PepsiCo's David Burwick is a member, Coca-Cola can't belong unless Pepsi drops out. Google Labs head Andy Berndt is a member, which means a Yahoo! executive can't belong. Time-strapped members can't send someone else to events as a surrogate, and the group prohibits third-party solicitations. Twenty percent of Marketing 50's CMOs work outside the U.S. "It's a group of people who have no time for groups," says M50 managing director David Wilkie.

Marketing 50 was created by Richard Smith, a former Spencer Stuart executive recruiter. Smith founded it and parent company World 50 in 2004. Four months later he hired Wilkie, a classmate from the Kellogg School of Management as Marketing 50's managing director. At the time, Smith was researching a forthcoming book he co-wrote, *The 5 Patterns of Extraordinary Careers: The Guide for Achieving Success and Satisfaction*. During his interviews, executives kept telling him that as they ascended the ranks of their companies, their trusted peer networks shrunk. They had big teams beneath them--and chief executives above them--all of whom expected them to know the right answers. The CMOs were leading so much they had increasingly fewer opportunities to open up and learn.

Smith saw an opportunity, and reached out to a handful of advisers, including Greg Welch, who runs Spencer Stuart's consumer goods and services practice, and launched the firm's Marketing Officer Practice in 2002. With the help of Welch and other marketing insiders, Smith created a network of CMOs. Early members included the late Chuck Fruit of Coca Cola, Carl Gustin, who was then CMO of Eastman Kodak, General Electric's Beth Comstock and Rob Malcolm at Diageo. After the success of Marketing 50, Wilkie and Smith launched 11 more groups for senior executives. World 50, based in Atlanta, now has 28 staffers and runs groups for chief financial officers, chief supply chain officers, chief human resources officers and others.

Marketing 50 hasn't changed since its original incarnation. Companies that pony up for membership do so because CMOs have convinced higher-ups they can solve problems more efficiently by networking with peers than by hiring consulting firms. Some member companies pay for Marketing 50 out of their consulting budgets; others bill research. Wilkie tries to be a "curator," staying up to date on members' issues by reaching out to them throughout the year.

He also plays matchmaker, connecting CMOs who might be able to help one another address a particular issue. He recently connected CMOs from tech and CPG companies so they could learn from each other about creating online self-service forums. Because members talk throughout the year, the summits--which are scheduled a year in advance--have the feeling of a reunion. "Having a support group is a really great thing, as opposed to going to your CEO and saying 'I don't know what the role of mobile is,'" says Beard.

Many of the gatherings revolve around access to luminaries and education. Robert Redford spoke with the group about building the Sundance brand, and six months later, the CMOs met him at Sundance headquarters in Utah. At Google headquarters in Mountain View, Calif., last year, teams of Google staffers, as well as Twitter Chief Executive Evan Williams and Facebook COO Sheryl Sandberg, discussed social media and online advertising trends.

"There's an extraordinary dynamic when you have 50 of the smartest marketing thought leaders in a room," says Miles Nadal, chief executive of ad agency network MDC Partners, who is one of a handful of members who are not CMOs. "Even if you could access every single one individually, you couldn't get the same dynamic that occurs when everyone is together."

The get-togethers rarely have the exact same guest list, due to the famously short tenure of CMOs, which now averages less than 29 months. Because a company, not an individual, owns the Marketing 50 membership, if that company's CMO leaves, his or her successor often joins the group. If a member leaves his job, he continues to be part of the group for six months (or until he gets his next job). Wilkie says the economic downturn hasn't hurt business. "There's definitely been a few people who have wanted to join but have had to wait until their budgets loosened up," he says. Even so, in the past year, membership has gone up "by a few people" because CMOs are hungrier than ever to talk to their peers. Membership mostly comes from referrals from other members.

For CMOs from smaller organizations who want to hobnob, veteran marketer Peter Krainik runs the CMO Club, which isn't affiliated with Marketing 50. The CMO Club hosts regional dinners for up to 25 people and other events for 800 members, who pay up to \$500 each. "CMOs realize that no one understands their problems better than their peers," says Krainik.