



FORRESTER LEADERSHIP BOARDS

The CMO Group

Report Brief: Managing Marketing Human Capital

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RESEARCH BACKGROUND AND METHODOLOGY

Chief marketing officers are tasked with building strong marketing teams in the face of a workforce that continues to age, a marketing tool kit that is evolving to include new skills and capabilities, and struggles to hire and retain top-performing marketing talent. To ensure that organizations have a marketing team in place that can envision the future state of marketing and execute the necessary actions, CMOs need to devote the time and energy to recruiting, developing, and motivating marketing talent.

In the “Managing Marketing Human Capital” report, we examine best practices for CMOs to strengthen the overall marketing team and better attract and retain marketing talent. The full report includes four case study examples, a self-diagnostic, and recommendations for overcoming common challenges. This overview provides a glimpse into the content of the full report, with a review of human capital practices and examples of a few of the best practices.

During the research process, Forrester spoke with a number of marketing experts as well as 14 senior marketing executives. These interviews included members of the marketing faculty at elite business schools and leaders of various consulting firms. Among the companies that we researched, we spoke with Travelocity, H&R Block, and CIGNA. We structured the interview process to uncover a range of tactics, solutions, and results pertaining to loyalty strategies. Each in-depth interview was roughly an hour in length and was conducted by a Forrester analyst team.

Additionally, the research references other Forrester publications as well as secondary sources related to the topics discussed.

OVERVIEW OF POTENTIAL HUMAN CAPITAL MANAGEMENT TOOLS

Organizations use a wide variety of processes and tools to grow and develop their marketing teams. These tools span the entire people management process from attracting talent to developing the team to driving top performance.

Figure 1 Talent Management Tools And Processes

Core area of talent management	Sample tools
Attracting top talent	<ul style="list-style-type: none">• Internship programs• On-campus recruiting• Competency/success-factor evaluation• Personality testing• Employee brand campaigns• Employee referrals
Developing the team	<ul style="list-style-type: none">• New-hire orientation• Competency models• Leadership development• Job rotations• Mentoring programs• Succession planning• Targeting high potentials• Peer-to-peer training• Stretch assignments• Formal career paths
Aligning, measuring, and driving performance	<ul style="list-style-type: none">• Formal performance management• Forced rankings• Balanced Scorecard• Nine-block matrix• 360-degree feedback




Source: Forrester Research, Inc.

Definitions and examples of many of these tools and processes are included in the resource section of the full report.

BEST PRACTICES

During our research, we uncovered nine key best practices across the spectrum of the people management process. These nine best practices fall under three categories: attract top talent; develop the team; and align, measure, and drive performance. While working with their counterparts in HR, CMOs use these best practices to better retain top talent and grow the overall strength and capabilities of the marketing team in both the present and the future.

Figure 2 Best Practices For Managing Marketing Human Capital

Attract top talent	Develop the team	Align, measure, and drive performance
		
<ol style="list-style-type: none">1. Foster demand in prime recruiting channels2. Select and screen for cultural fit and potential for success3. Create a first-class new-hire program	<ol style="list-style-type: none">1. Create transparent and flexible career paths2. Manage both individual and team capabilities3. Develop multidisciplinary leaders	<ol style="list-style-type: none">1. Create meaningful goals for team members2. Assess talent across leadership potential and performance3. Reward and recognize high potentials and strong performers

Source: Forrester Research, Inc.



BEST PRACTICE: ATTRACT TOP TALENT

When building a marketing organization, attracting a steady stream of talent that will be successful in the organization is key to building the strength of the marketing team. As marketing leaders look to add new skills to their organizations, such as online marketing or strong analytics, and build a pipeline of talent as older workers retire, attracting top talent should be an important priority for marketing organizations. For key actions along each of the best practices for attracting top talent, see Figure 3.

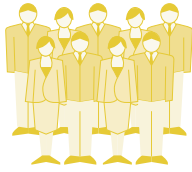
Figure 3 Best Practices And Key Actions For Attracting Top Talent

Best practice	Key actions
Foster demand in prime recruiting channels	<ul style="list-style-type: none"> • Identify core channels that provide strong talent and participate actively in those channels • Reward and encourage strong employee referrals • Make hiring processes a priority with members of your team
Select and screen for cultural fit and potential for success	<ul style="list-style-type: none"> • Create profiles of the typical candidates that succeed in marketing in the organization • Use the interview process to assess candidates' abilities to handle real-life situations • Encourage multiple people across disciplines to meet with potential candidates to ensure cultural fit
Create a first-class new-hire orientation	<ul style="list-style-type: none"> • Give new hires exposure to senior members of the organization • Use rotational programs to give new hires a well-rounded set of experiences • Provide an opportunity for new hires to learn the overall business

Source: Forrester Research, Inc.

In one example of fostering demand in prime recruiting channels, a large B2C company focused much of its recruiting efforts on hiring individuals through on-campus recruiting programs at top business schools. Because of its focused efforts in choosing the right candidates and developing team members once they are hired, the company has high retention rates and does few external hires at more senior levels. To maximize its efforts in on-campus recruiting channels, this organization:

- Assigns business unit presidents along with a team of past alumni to each school to manage the recruiting process for that particular school.
- Creates a brand presence at the school through resumé and interview workshops, social hours, and presentation sessions to get to know the students on campus.
- Evaluates candidates on a checklist of seven core capabilities that characterize past successful hires and long-term careers with the organization.
- Tests critical thinking through real-life, highly interactive questions.



BEST PRACTICE: DEVELOP THE TEAM

To effectively cultivate the marketing team, CMOs have to spend the time and the energy to both manage the development of the individual members of the team and grow the capabilities of the marketing team as a whole. As chief marketers strive to achieve greater appreciation and higher levels of credibility with their peers, they need to demonstrate the strength of their marketing teams as a whole as well as the leadership potential of individual members of the team.

A common challenge for many organizations is how to develop future leaders and ensure that they have a broad perspective to continue to progress upward through the organization. Companies have used a variety of tools for leadership development, including high-potential mentoring programs, special leadership training sessions, and job rotations. The CMOs interviewed for this research also stress the importance of personalizing the career paths and leadership development opportunities for each member of the team.

Figure 4 Recommendations For Creating Opportunities To Grow Future Leaders

Recommended actions
<ul style="list-style-type: none">• Work with HR to create leadership training programs that give future leaders the opportunity to work on special projects with their peers and gain executive exposure• Actively rotate people across disciplines within marketing as well as in and out of marketing to ensure that future leaders have a wide array of experiences• Provide one-on-one coaching to address strengths and weaknesses and further develop individual capabilities• Provide opportunities for job shadowing or special positions that give access to the daily lives of executives• Offer stretch assignments, such as special task force assignments, to high-potential performers to expand their skill sets and give them high levels of exposure to the rest of the organization• Personalize the development opportunities for all members of the team and spend the time to identify the right opportunities to address potential areas of weakness and give team members desired new experiences

Source: Forrester Research, Inc.

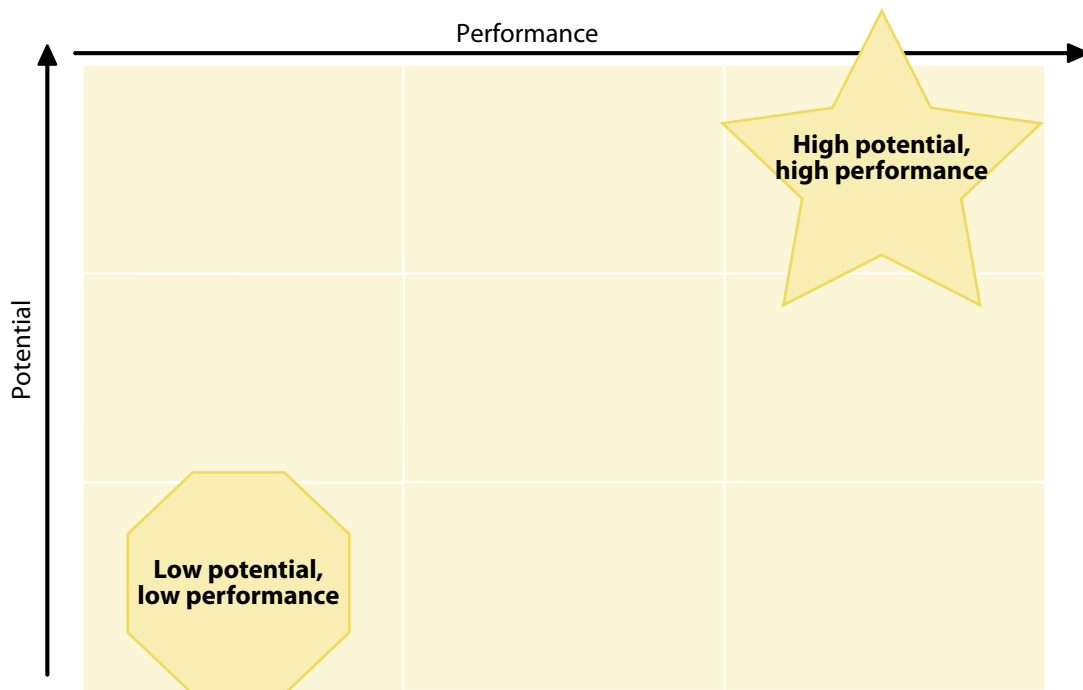


BEST PRACTICE: ALIGN, MEASURE, AND DRIVE PERFORMANCE

To keep the marketing team motivated and drive performance, CMOs need to ensure that individuals feel that they have an impact on the business as a whole, that high performers continue to be challenged, and that individuals have a sense of empowerment over their careers and their projects.

To align and measure performance, an online travel company used a nine-block matrix to identify strong performers and high-potential leaders in the organization. The executive leaders of the company meet on an annual basis to review and discuss the talent within the organization. The leadership team discusses the performance of each member of the organization and places them into one of nine buckets in a 3 x 3 matrix, which measures leadership potential and performance. Individuals placed in the upper right-hand corner are given opportunities for special training, career assignments, rotations, and mentoring programs to accelerate their leadership development. Individuals placed in the lower left-hand corner are transitioned out of the organization to give more opportunities to high-potential performers in more junior-level positions. Members of the leadership team are compelled to take action to address high and low performers as the CEO checks in throughout the year to ensure overall progress is being made.

Figure 5 Sample Nine-Block Matrix



Source: Forrester Research, Inc.

MORE INFORMATION

The full report on “Managing Marketing Human Capital” was prepared for The CMO Group and is available only to the members of the Forrester Leadership Boards Programs. The CMO Group is an executive-level peer knowledge community for marketing leadership. The program strives to help marketers become more effective through a combination of member-driven best practices development and Forrester’s analyses of how the marketing landscape is changing and evolving and what marketers need to do to adapt and succeed today and in the future.

As part of The CMO Group program, Forrester provides exclusive research on best practices covering topics that the members select as most important and relevant. Future 2007 reports include “Transforming Employees Into Brand Advocates” and “Partnering For Success: The CIO-CMO Relationship.” Members of The CMO Group also receive access to a broad array of Forrester reports on various topics, including marketing, strategy, the consumer and business landscapes, and technology, as well as structured, facilitated interactions with their peers and Forrester’s analyst community.

For more information on this report, future research, and The CMO Group, please contact Cindy Commander at +1 617.613.6454 or ccommander@forrester.com.