Finding the CIMO PERSPECTIVE

Looking at IT and marketing through a shared lens

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The CIMO Perspective

With the rise of technology as a strategic focus and with businesses becoming more digital, successful organizations are redesigning the way they work and collaborate. Now the CIO-CMO relationship is more important than ever. Avanade's recent IT Without Boundaries study makes it clear that technology budgets and control are moving outside of the traditional IT department. Thirty-seven percent of technology spending is now controlled by departments other than IT, according to the companies we surveyed. One of those departments is marketing.

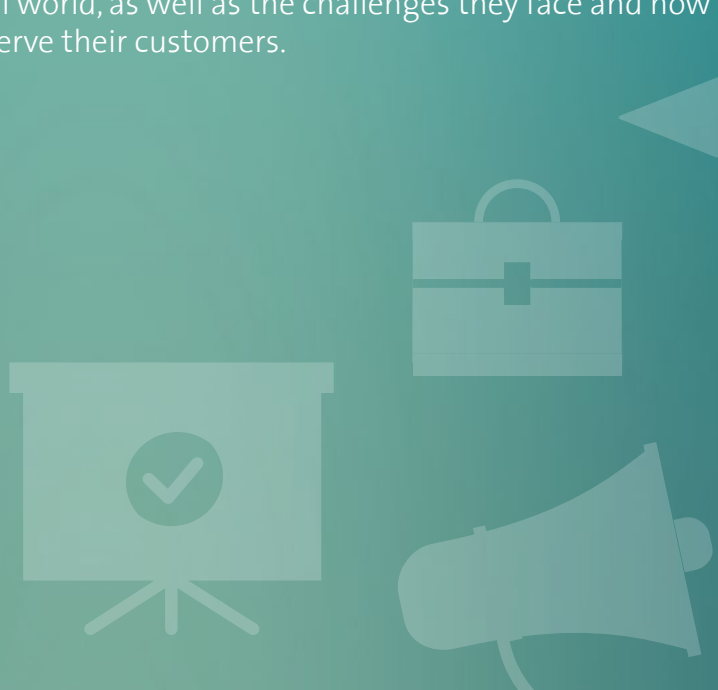
Trends like these are bringing the worlds of technology and marketing closer together, and changing the role of IT and marketing leaders. As CMOs manage their brand, they also have to coordinate multiple interactions with today's "always on" customer. These customers expect more, and the way that businesses respond could be the new competitive differentiator. At the same time, CIOs must manage technology that is capable of significant innovation. But whose role is it to drive customer-centric innovation?

The answer is that it's both the CMO's and the CIO's responsibility. To succeed in the new digital landscape, marketing and IT must partner and find a common point of view: something Avanade calls the Chief Information Marketing Officer (CIMO) Perspective. CMOs and CIOs have individual expertise and experience. But to adopt the CIMO Perspective, they must share a unified digital vision. This allows their organization to harness the combined power of marketing and IT to deliver better digitally enabled experiences for their customers and other key audiences.

In this report, we share interviews we conducted with a wide range of forward-looking IT and marketing leaders. We invite you to learn about their shifting priorities and responsibilities in our evolving digital world, as well as the challenges they face and how they are coming together to better serve their customers.

Stella Goulet
Chief Marketing Officer
Avanade

Chris Miller
Chief Information Officer
Avanade



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Executive summary - Key report findings

The marketing and IT leaders we interviewed for this report made numerous observations about the state of digital marketing and technology, and the customer trends that are impacting the way they work. They also identified the pain points each department routinely encounters as they strive to work together more closely. A number of common findings emerged from the interviews.

Data has become the competitive advantage

The marketing and IT leaders we spoke to recognize the increasing dominance of data and the value that comes from improving platform integration and tracking capabilities. Mining rich analytics and employing the right technology to ensure a comprehensive customer view is critical, as companies seek to optimize their marketing campaigns.

The customer journey has fragmented

The proliferation of digital touch points has made it difficult for businesses to control and track the customer path to purchase. Avanade's CMO Stella Goulet highlights that business customers spend more time than ever doing online research before interacting with vendors. It is therefore now vital that both IT and marketing use appropriate digital tools to engage with target audiences.

Major pain points include budgets, speed to market, security and resourcing

The biggest pressure points raised by the marketing and IT leaders featured in this report center around technology budgets and the rise of Shadow IT, associated security and compliance implications, speed to market and IT resourcing. Prioritizing communication and building trust, as well as adopting a collaborative approach, are key to tackling these issues, according to Industry Analyst Michael Krigsman.

Priorities differ when it comes to technology

While CMOs want technology that helps them to achieve their business goals and create innovative interactions to delight customers, our interviews showed the priorities of the CIO center more around the security and cost-effectiveness of technology. This creates a disconnect and means that marketing and IT can end up pulling in different directions, as IT Leader Anthony Wang at Axalta points out.

People with both marketing and IT skillsets aid cohesion

Hiring employees with a mix of both skillsets and a broader perspective, like Avanade and Expedia have done, means that teams are empowered with "translators" who engender a far more cohesive approach to projects.

Understanding the importance of analytics

Aman Bhutani
Senior Vice President
Expedia Worldwide Engineering, Expedia

Expedia is the parent company of online travel brands such as Expedia.com and Hotels.com

How is the relationship between marketing and IT structured at Expedia?

A few years ago, the marketing function at Expedia was completely separate from IT. At the time, all of the technology that marketing depended on was owned and operated by the marketing team and separate from the broader technology. I've been here four years and we've been steadily winning the trust and respect of marketing. They've realized that we are able to bring talent and capability to the table that would otherwise be unavailable.

We have two marketing organizations at Expedia: the Global Marketing team that handles all variable channels and the Global Retail team that handles brand, PR and merchandising. I have someone reporting into me who is part of the Global Marketing Leader's leadership team and tightly aligned with the Global Marketing organization. Similarly, I have a senior director on the team who works closely with the Retail Leaders.

Our formula is based on finding strong technology leaders and embedding them deep into the organization, whether that's in retail, marketing or product development. There are marketing leaders, product leaders, retail and commercial leaders, but the business is all of us together. We, as IT, shouldn't be thinking of "somebody else" as the business.

When a marketing leader is managing a piece of technology, they're probably running it because the technology leaders can't do it better. The reason they take it on is not necessarily because they want to, but because control has been the way to drive results.

Technology leaders need to be the best at running the technology and hire people who have both marketing and technology understanding. If they do that then, in all likelihood, the marketing leader will want no part in running the technology because he or she can get a better result by not doing it.

What advice would you give a CMO to help them to think more like you?

Marketing is becoming more and more technical and data-oriented, therefore marketers should adopt the scientific method: You have an observation, you test the hypothesis and then you do what the data tells you to do. That has led to a huge acceleration in human progress in the last 200 years. As things become increasingly measurable, it is easier to apply this scientific method to a growing number of activities.

Marketing is ripe for this because so much of it has now moved to what we call variable channels. Ten years ago, for example, few believed that ad spend on the internet would make up such a huge portion of marketing spend for so many companies. That is measurable at a level that we never thought possible before. Marketing leaders have to realize that creativity and content is always going to be important, but they really need to understand analytics and make decisions based on data. If it doesn't make sense, then continue to dig until it does.

How do you ensure that marketing and IT are aligned when it comes to business goals?

Many organizations see IT as a cost center and marketing as a profit center. Senior IT leaders are pushed to create efficiencies, while senior marketing leaders are constantly pushed to create growth. The side that's driving growth concentrates on speed, rather than cost. They might try ten things and eight of them could fail. However, if two of them are successful they're happy because it meets the objectives of the organization and they don't mind losing money on the other eight.

Companies have to change this perspective and realize that technology is one of the core competitive advantages left. Efficiency and growth go hand in hand. A company needs to be careful if technology is focused on efficiency while marketing is focused on growth. I report to the CEO directly and can easily approach him to say "technology needs to be a central part of the efficiency and growth model." ■

“Marketing leaders have to realize that creativity is always going to be important, but they also need to understand analytics.”

Focus on the long-term customer experience

Rich Reynolds
Enterprise Partner Group, Chief Strategy and Marketing Officer
Microsoft

Microsoft is a productivity and platform company for the mobile-first and cloud-first world.

How would you describe the relationship between marketing and IT at Microsoft?

We are perhaps unique because our IT organization plays a dual role. One is that of traditional IT – systems, tools, infrastructure implementation – but it also plays a role for us as a marketing organization in that IT are the first to deploy our technology. They are incredible spokespeople for us when it comes to our enterprise customers (my role is focused on our enterprise business). That obviously gives them great input into how we want to engage our customers.

My interaction is on two levels. One is working with the CIO and our IT organization outbound – through events and the marketing activities we drive like our digital activities – where they are spokespeople and thought leaders. The other is inbound, in terms of the marketing activities that we execute. We also have a parallel marketing operations team, which is the interface between IT and marketing for the systems we implement.

We sell IT solutions, so I think we have more empathy for our IT organization than other marketing departments might. We also use our own technology first and foremost so that we can continually make it better for our customers.

How can IT and marketing evolve their process when it comes to digital marketing, in order to better serve customers?

From a marketing perspective, there are three courses of action you can take. You can avoid IT, go outside the organization and do it yourself. That's certainly possible today in the cloud, but that doesn't serve the company well – you'll create islands of data. You can engage IT at their historical pace, but that won't be that effective either because it will typically be too slow. The third option I see in some of the more innovative organizations is that they no longer have a separate marketing and IT process.

Traditionally, you would have a marketing team defining a campaign, an approach or a customer experience and then you would throw it over the wall to IT and they would catch it, try to interpret it and put something in place. More innovative companies now have joint meetings to define the customer experience and then put the right IT processes, tools and technologies in place to deliver on that. Obviously, if companies are becoming digital, the most effective customer experience you're going to get will require accessing back-office systems and customer data. Therefore the best outcome is that marketing and IT work together in a single approach to define the customer experience and then implement that from a technology perspective.

How do you go about achieving that shift in process?

It's a mindset and a cultural change. From a marketing perspective, we would want IT to think in our language, in terms of the end-to-end customer experience and improving that experience on an ongoing basis. Historically, marketing has been brought up to fail-forward, fail-fast and try new things. However, the IT impact of that can be a bunch of disparate systems that are set up outside and inside the organization with data everywhere. For IT, the last thing you ever want to do is fail because the security, platform and privacy implications can be immense. We need to bring IT along with us and make sure that we're putting the right long-term tools and processes in place for the long-term customer experience.

How are you using data and insights to inform your product offering?

We're transitioning from a software company to a productivity and platform company for the mobile-first and cloud-first world, which means that the way we need to interact with our customers and the data that we'll have is changing.

If you take a digital experience, we in marketing would want to map a compelling and engaging customer experience across Microsoft. From IT we would want the maturity of understanding of the customer and to obtain much richer contextual customer information. With the cloud I think that gets a lot easier because we will have usage information. When a customer engages in an isolated activity on a digital site, around business intelligence for instance, if we know what their usage is from a product and technology perspective, and we can bring that to bear in the experience, that's going to be a more powerful experience. ■

"We sell IT solutions, so I think we have more empathy for our IT organization than other marketing departments might."

Use all the appropriate tools

Stella Goulet
Chief Marketing Officer
Avanade

Avanade is a business technology solutions, cloud and managed services provider focused on Microsoft technologies.

How do your marketing and IT teams collaborate?

The increasing focus on becoming a digital business is changing marketing and the way our company goes to market. For this reason, when I joined Avanade almost two years ago, one of my top priorities was to strengthen our digital marketing capability in order to improve the customer experience and integrate the multiple touch points.

We are developing our website presence to make it much more interactive and customizable and we implemented a marketing automation system to make marketing more effective. In light of this, the relationship with IT was extremely important and I work incredibly closely with Avanade CIO Chris Miller (interviewed on page 19) and his team.

To be effective, marketing and IT need to be able to understand one another and the business goals and objectives. To that end, the first person I brought on board was a digital marketing expert with expertise in technology. On the IT side, Chris has a business analyst working with marketing who is strong in technology, but has a clear understanding of and experience with marketing. There was a lot of work to do carrying out our due diligence for the marketing automation tool, so we partnered with IT. The business analyst was able to translate what marketing was looking for and vice versa.

How does the marketing function achieve an integrated view of its customers?

Improving the customer experience across our digital channels is key to supporting Avanade's broader business objectives and is an area where marketing and IT are equally vested. After putting our marketing automation tool in place, the second step was integrating that with our CRM system. Implementing effective CRM solutions using Microsoft Dynamics is one of Avanade's largest service areas, so by employing these solutions internally as well, we are able to maximize functionality and business impact.

Many companies don't use CRM systems to their full extent. They use them primarily for reporting and therefore much of the data that would really help improve their view of customers is missing. With an integrated marketing tool, marketing can input a lot of data around customer interactions, which, hopefully, will spur better use of the overall CRM tools by sales and other parts of the business and ultimately improve the customer experience.

It's relatively easy to put tools in place, but it's hard to get people to use them in the right way. When sellers see customer information that they can draw on to improve their results, then they're going to start using that tool better. If a seller can enter the CRM system and see, for example, that their customer recently came to the website and looked at a thought leadership piece and attended an event a few months ago, that's extremely useful to them.

With the customer journey fragmenting, how easy is it to achieve a consistent user experience?

Avanade's research shows that the customer journey is no longer linear. Our business customers spend more time doing their own research online through communities and websites, for example, before coming to our sellers. It's important that both IT and marketing recognize that and use all the appropriate digital tools. We must go where our buyers are and start the discussion, providing content and education. Even for B2B companies these days, it's important to provide a strong and consistent user experience across all channels, whether a customer is at an event or using social media.

We have a design team called Avanade Experience Design (XD) who are all about the digital marketing user experience. We have the technical expertise at the back end as well, so we're able to bring to customers that specialized user experience in terms of design, as well as the technology to make it real.

Another thing that every company now needs to take into account is the increase in people experiencing a brand or interacting with it from

mobile devices. Customers want the same ease of access and ability to search or buy, whether at home or on the move.

We helped Delta Air Lines put in place a mobile platform to improve the in-flight customer experience. The solution enables near real-time credit card processing for on-board purchases, convenient eReceipts that can be emailed to customers, as well as the ability to read coupons displayed on a customer's mobile device. Now, as we are looking at upgrading our own web presence, we have the same design team working with our marketing and IT team to provide that great user experience to our own customers. ■

"The customer journey is no longer linear. It's important that both IT and marketing recognize that and use all the appropriate digital tools."

The digital marketing landscape

Michael Krigsman
Industry Analyst
Co-Founder, CxOTalk

CxOTalk brings together executives, authors, investors and analysts to discuss innovation in enterprise business and technology.

How has digital marketing evolved?

In the past, marketing was primarily a branding and broadcasting exercise. Companies would develop their brand and then decide on the messages they wanted to convey, which they would then do by advertising on television and in magazines. With the internet came the rise of communities that were independent of companies. These satellite communities – forums, discussion groups, Twitter – could communicate quickly and transparently.

As a result, consumers started to amass more power and share of voice. With the rise of data, companies now have the ability to reach out to these communities, and these groups have the ability to talk among themselves and connect back to the company in whatever way they want.

How has this evolution affected the roles of CIO and CMO?

The role of the marketer has shifted. Not only are they the steward and communicator of the brand, but they are now also the steward of interaction and measurement. If today the marketer is using analytics and data in order to better understand customer behavior, then they have also had to become much more sophisticated in their use of technology.

This has put pressure on IT, who historically tended to look after back-end systems. The role of IT has changed from being a steward of the machines to providing a useful and beneficial service to the front office. This is a significant change, and one it is still struggling with.

Today, the CMO needs to be very sophisticated in their use of technology in order to understand and measure consumer behavior. This forces the CIO to become much more responsive to the needs of the CMO because the expectation is now much higher than in the past. Central to this is the growing budget that marketing has to spend on technology outside of what IT is doing, which is giving the CMO much more control.

What challenges do you see CMOs and CIOs facing when it comes to collaboration?

The CMO is trying to execute various marketing campaigns and his or her goal is to use technology to help do it as well, and as fast, as possible. The CIO's mandate is different. It's to supply technology and do it in a way that's efficient, safe and cost-effective to the organization.

This results in a built-in, structural tension between the objective of the CMO and that of the CIO. From the CMO's point of view, IT is slow, inefficient and unresponsive. From the CIO's point of view, marketing is difficult, unreasonable and potentially exposes the company to excessive risk. That's why we are seeing the rise of Shadow IT (when departments such as marketing use their own budget to hire technologists or purchase software and systems without input from IT).

How can a change in perspective and a greater awareness help CMOs and CIOs to work better together?

The main thing is to develop greater communication. You have to begin with the understanding that both departments are on the same team and life will be better if they work together more effectively. From the CIO perspective, when marketing is saying "we're going to go around you because we need something different," that should be a signal to IT that there's a gap that needs to be filled.

The most forward-thinking CIOs I know say that Shadow IT is fine within certain parameters. However, there does need to be proper security and if CMOs want integration with the corporate systems they need to talk to CIOs about it. On the other hand, some CIOs take the extreme view that Shadow IT is really bad. I think that's a combative perspective, not a collaborative one. The focus should be on working together.

How do you see the roles of CMO and CIO developing over the next few years?

The amount spent on technology outside of the IT function is going

to rise and the role of the CMO is going to become increasingly digital. Many companies equate digital transformation with digital marketing and many CIOs look at it this way as well. But digital transformation is not just about marketing; it's about operations. The challenge the CMO will face is whether he or she is qualified and capable of looking outside marketing, at both operations and the company's business model, with regards to that transformation. Does he or she have the ability to go outside their domain? The CMO risks becoming marginalized in the future if he or she doesn't.

The CIO, in a sense, has precisely the same challenge – to understand what's going on across the business, outside of their domain. There are going to be places where they can become more effective and serve the business in a higher value.

"You have to begin with the understanding that both departments are on the same team."

Alignment and communication are key

Anthony Wang
IT Leader, Asia Pacific
Axalta

Axalta develops, manufactures and sells liquid and powder coatings.

What is the relationship between IT and marketing like at Axalta?

When Axalta separated from DuPont in 2013, the management team decided to focus more on regional markets. We re-designed the IT organization to reduce the headcount in the global team and made regional IT teams independent. The global/regional headcount ratio went from 70/30 to 30/70.

IT used to be a service that was shared across all the business units (BU) and, because of that, support for each specific BU was not very strong. As a result, the marketing teams built up their own resources and channels to connect with IT vendors. Now the structure has changed, the IT organization in our region has strengthened and has more influence when working with marketing.

However, it's still finding its feet and there is more of a focus on the technical than on the business. IT cannot always build what the marketing team wants and in most cases that is because IT team members do not fully understand the business, its goals and the value behind it. By the same token, the marketing team is not always fully aware of the value of new IT tools, so there is a gap there.

Which projects do you collaborate on with marketing?

At Axalta AP we have a marketing director and there are marketing representatives stationed across the other regions Axalta operates in. Within our IT organization in the AP region, we also have a marketing and sales IT leader who connects with the marketing team on joint initiatives, such as the launch of our CRM system. Marketing is the business owner, but IT provides product management and consultancy.

In the future, I think that mobile functionality will be very important for our sales and marketing teams; however, we as a company are still at the very beginning of that journey. We have been asked to provide a mobile working environment for all of our customer-facing teams, including sales and technical services.

On a personal level, I have a meeting every two weeks with our marketing director to discuss the needs of the marketing team and any projects we are collaborating on. I also encourage my team to communicate regularly with the marketing team, to learn more about what they need from a technology perspective. Both the marketing leader and the IT leader report to the same regional boss, so in the majority of cases our goals are aligned.

What advice would you give a senior marketer to help them to think more like you?

I try to support our marketing leader with advice on, for example, how to leverage some of the more innovative IT tools or how to select a vendor, even though he is the one who will take the final decision. Our marketing team

> "IT needs to work with marketing to provide more analytics that are in line with marketing KPIs and competencies."

sometimes has problems with legacy vendors. If they ask for our help, the IT team will work with marketing to negotiate with the legacy vendor and make decisions around switching to another vendor.

How do IT and marketing work together to maximize the customer experience?

Customer experience is very important at Axalta, as we need to build long-term relationships in our business – it's not about one-off sales. In terms of user experience, our marketing and IT teams have developed a color database for use by our customers, including distributors and body shops. They can log in to the website and look for a car – BMW for example – search the model and color according to the customer specification and then get a color formula direct from the site. It makes it much easier to find the right color to suit their customer's needs. We've also developed a management system for select body shops.

What would you recommend to facilitate better alignment across marketing and IT?

IT needs to work with marketing to provide more analytics that are in line with marketing KPIs and competencies. ■

All functions must be united

Karrie Forbes, Executive Vice President of Marketing
Steve Johnson, Senior Vice President and Chief Information Officer
Jason Goodman, Vice President of Business Development
Mattress Firm

Mattress Firm is a US retailer providing sleep solutions.

How is Mattress Firm structured with respect to marketing and IT?

It is vitally important that our marketing, Information Technology Services (ITS) and e-commerce teams are aligned from strategy to execution. In addition to a rapidly changing technology environment across all industries, Mattress Firm is in the midst of high growth, which requires all functions to be united. To ensure connectivity, all of our key operating areas report to the COO and have weekly staff sessions to coordinate efforts on multiple fronts. In addition to regular communication, more formal processes are in place. A cross-functional steering committee determines approval and prioritization of large-scale programs that will affect the larger enterprise. On efforts that don't need that level of management rigor, departments work together to find the most cost-effective and easy-to-implement solutions.

In what areas do these two departments collaborate most?

All departments are in regular communication and specific teams come together for more collaboration based on the business need. In regards to our online presence, marketing, e-commerce and ITS work closely to round out different areas. The marketing team seeks to drive the overall direction for the company with regards to our brand image, generating awareness of the products and services we offer and, ultimately, bringing traffic to our stores. The e-commerce team owns the "virtual" or internet presence of the company, which includes driving traffic to the website, but also managing the product portfolio that is available to web-based consumers. The ITS team works to keep all of the underlying technology operational and helps determine the most cost-effective technology to meet the business need.

How does Mattress Firm go about extracting valuable insights from the customer data you collect?

Almost every interaction with a consumer provides an opportunity for data mining and deriving valuable insights. This is done with the help of multiple technologies, including but not limited to business intelligence, in-store tracking devices and virtual identification, to help validate the effectiveness of marketing campaigns. Whether it's an online campaign or data mining of our customers who buy in-store, it's a cross-functional effort. ITS is a partner in the support of these tools and works closely with the team to identify the most cost-effective solution, which includes outsourcing to internal development and maintenance.

How has the proliferation of digital touch points affected your ability to track the path to purchase?

Digital touch points have enhanced the ability to target consumers based on their behavior. This allows the marketing and e-commerce teams to become more focused on consumers who are ready to engage with our company and nurture those who need more time. As we continue to build on our technology solutions, we will be able to be much more targeted in our efforts and understand which messages and mediums are not only most effective, but which also drive a better experience and purchase.

How do you reconcile the most suitable technology with the best user experience?

Customer experience is one of the most important pieces of our business. We were founded with the goal of acquiring and maintaining customers, which can only be achieved by a positive experience across all touch points. Finding the most suitable technology for the best user experience can be challenging. There are hundreds of tools on the market that focus on different pieces of the experience.

We approach our technology solutions with a customer focus first. This could be the guest that comes into a store or the internal team. On our recent e-commerce effort, the teams worked together to determine the best tool to simplify the management of the product portfolio that would also be suitable for the overall technology stack. We chose a solution that met ITS requirements and didn't require us to compromise on functionality or the overall experience.

Karrie Forbes

Jason Goodman

"Customer experience is one of the most important pieces of our business."

What advice would you give companies on how to better align their marketing and IT functions?

Future success for any company is largely dependent upon marketing and ITS alignment, to move the company ahead with real-time information, integrated consumer insights and forward-looking technology support. To enable this success, we suggest:

1) Committing to regular communication and meetings between marketing and ITS executives.
2) Ensuring all parties understand the true business need and what equals success.
3) Identifying standard protocol for when a request should undergo more extensive vetting and when the teams can work together to act and execute quickly. ■

Steve Johnson

Define your priorities together

Gianni Perniceni
Vice President, E-Business, Direct Sales and Distribution
Meridiana

Meridiana is a privately owned Italian airline.

Can you describe your relationship with your CIO?

We work closely on platform development in terms of usability, new products and also on the e-commerce side, as well as on tracking activities with external suppliers like Google.

I am in continuous talks with our CIO about all of our marketing and technology development from a commercial point of view. Sometimes colleagues joke that we are a couple because we spend so much time together!

At Meridiana, the majority of our IT platforms are developed internally, so it's crucial for us to be able to talk to one another and define our priorities. Commercial activity sometimes comes secondary to operational activity, which can be prioritized by the company's management, but on the whole I feel that we, and our teams, work very well together.

My CIO doesn't worry about me forcing work onto his team. We trust each other completely. I can also say we produce results, developing direct and digital sales, and tracking these sales throughout the entire year.

When I originally came here eight years ago, direct sales were at ten percent of total sales, in terms of volume. Now, they represent more than 65 percent.

Where do your priorities differ from those of your CIO?

I push really hard on time-to-market when I need to launch a certain product by a certain time. However, it may be that it's not 100 percent finished from a technology development perspective. Sometimes IT wants the technology to be perfect and that can mean extending the deadline. It's very important for us to have products that hit the market at the right time because we are extremely focused on seasonal flight products – about 60 percent of our inventory is for use over the summer, while in winter this decreases.

I try to make my CIO understand that we can fine-tune in the weeks that follow, but that now is the right time to talk about and sell a particular product. However, I also need to be aware of the limits of the technology and complexities that I do not always appreciate in the first instance. By discussing the issues together, I'm able to understand why we cannot always get the product out at the exact time we want to and why we may need to wait a bit longer or do something different.

How important is it to have an integrated view of your customers?

Data is the most important thing for us at this stage. It's vital to be able to understand our customers and their engagement with Meridiana. It's something we're working on both on the IT side when it comes to tracking, and from the marketing side with better platform integration. We are using tools that allow us to join both sales and customer engagement data, in order to better understand what we should be offering our customers at different stages on the path to purchase. That could be at point of sale, or when they are experiencing a product, at the airport, for example, during a flight or on arrival.

This summer we introduced a CRM system and we will also introduce a CMS soon to deploy new digital platforms, in order to create a better solution that integrates all of our customer data across the different touch points. I can then use this to better understand the product push. IT has also created a business intelligence platform that has made it much easier for me to understand our data and decide on where to focus marketing-wise.

What challenges do you face when it comes to working with your IT team?

There is often a problem with resources and ensuring there are people available to work with the data to help us find meaningful insights. We have someone within the IT team who is dedicated specifically to our commercial team, but sometimes they are moved to other projects on the operational side. That's why it can be tempting to outsource, not because we don't have the capability in house, but because to do the work internally means waiting for the resources. ■

"Data is the most important thing for us at this stage. It's vital to be able to understand our customers and their engagement with Meridiana."

View IT as a business partner

Chris Miller
Chief Information Officer
Avanade

Avanade is a business technology solutions, cloud and managed services provider focused on Microsoft technologies.

How is the role of marketing and IT changing?

When I came to Avanade four and a half years ago, it was the beginning of a new wave of digital marketing. If you think about generation one as the launch of the public internet and the first version of the company web presence, this next generation has really taken off with analytics-based digital marketing. Organizations are embracing new ways to engage with their customers, creating new revenue streams and representing their brand in new ways.

At the same time, there are a lot of forces coming together to change the role of IT organizations. The role of IT and the CIO is changing from being one of control, to being more of a technology steward. More and more technology decisions are being made outside of IT. To some, the fact that marketing is going to be making more technology decisions is a scary concept. In the future, technologists are going to have to recognize that they might not have the control they have had historically, but that's OK.

How have you collaborated with the marketing function recently?

My team and I work very closely with Avanade CMO Stella Goulet (interviewed on page 9) and our marketing department. For example, we are currently re-platforming our website, moving from an on-premise solution to a cloud-hosted solution where we will be able to get more "out-of-the-box" capability. This is going to be a joint, long-term program to get the technology in place, the site redesigned and the content migrated.

We appreciate the importance of understanding ROI on our marketing investments and the impact of spend. With our new website, we'll get better analytics and with the deployment of our new marketing automation platform, we'll be able to better track the impact of our campaigns and marketing programs. We are evolving, taking advantage of analytics to make marketing investment decisions and refining our thinking.

How do you use technology to track customers across all the different digital touch points?

There are so many digital touch points now, not just devices but channels. Are people getting their impressions from advertising? From media? From analysts? From our website? From social media channels? We are still trying to figure out how to understand the impact of these various digital channels and to measure the returns. It's a challenge, because there continue to be more and more touch points, and buyer preferences continue to evolve.

We have focused on targeting the most relevant content through each of our channels, and have expanded our views on customer interaction opportunities. One example of a new digital channel is Twitter. I'm not sure Twitter was a legitimate B2B channel several years ago, but it is now. You see more and more business executives, and our buyers, as active participants on social digital channels.

Consequently, our thinking around how we do digital marketing and how we apply technology to reach these customers is changing. We did a TweetChat recently, for example, where we hosted a number of CIOs and industry analysts. Stella Goulet was there, I was there, our CEO was there – because we realize that it's now a legitimate B2B channel.

What advice would you give a senior marketer to help them to think more like you?

Hopefully, IT organizations are evolving with their marketing department, but my advice would be don't try to do this stuff without the involvement of your IT organization. You should view your IT function as a business partner helping you achieve your goals.

I know there is often this angst around the fact that "it's slower if I engage IT" or "they're going to make me do things I don't want to do," but generally that's around protecting the business and making sure there are appropriate controls and contracts in place. There's a fine line between a CIO being able to enable digital marketing and transformation at a rapid pace, while at the same time still being viewed as the person who is protecting the organization.

There is a new normal around the rate of change of technology, and the industry

is going to continue to move faster. It's important for IT organizations to stay in front of, or at least alongside, the marketing organization, understanding the trends around digital marketing, the capabilities available and expectations around speed, contribution and partnership. ■

"You should view your IT function as a business partner helping you achieve your goals."

How to adopt the CIMO Perspective

The marketing and IT leaders we interviewed for this report have shared valuable advice on how and where to shift their focus and priorities in order to foster a more unified perspective. The following are recommendations to help you adopt the CIMO Perspective.

Align CMO/CIO business outcomes

Both departments need to align on achieving key business outcomes for the organization as a whole. This is particularly true since for most businesses driving growth through digital initiatives is a key priority. According to companies such as Microsoft and Mattress Firm, this includes hiring staff with knowledge of both IT and marketing and holding regular, joint meetings to define the customer experience and how to deliver on that from a digital perspective.

Put data and technology front and center for marketers

Marketing is becoming more technical and data-oriented. The CMOs featured here, who have successfully met this challenge, realize that while creativity is always going to be important, they must also now master analytics and make decisions based on data insights. IT leaders must, in turn, support marketing in this step change for the overall success of the organization.

Recognize the importance of two-speed IT

While historically IT was tasked with managing core infrastructure and platforms, its role is now increasingly to support innovation through systems that engage in new ways with customers. To avoid the proliferation of Shadow IT, CIOs including Avanade's Chris Miller and Expedia's Aman Bhutani speak of the need to reaffirm IT's leadership of technology and become more flexible, while managing risk when it comes to security and compliance.

Prioritize communication and build trust

For the IT and marketing leaders interviewed, prioritizing communication and trust has proved to be highly effective in creating a successful partnership. Greater discussion and collaboration around stress points like product time-to-market and resourcing were found to be crucial in improving efficiency and performance, and reducing conflict.

Evolve traditional mindsets and embrace IT without boundaries

As technology budgets and control move outside of the IT departments, the CIOs and CMOs who appear in this report underline the importance of breaking free from traditional mindsets and preconceptions that can keep them at odds with one another. For CMOs, this may require rethinking their fail-fast approach and their view of IT as slow and inefficient. For CIOs, this could mean thinking more commercially and challenging their view of marketing as inconsistent and prone to taking excessive risk. Both parties must understand the need to align themselves around common business goals.

Recommendations moving forward

Next 30 days:
Talk to your counterpart in marketing (CMO) or technology (CIO) and share this CIMO Perspective with them. Discuss how you can collaborate on a unified vision to take your marketing technology strategy to the next level.

Next 6 months:

1. Working with your counterpart in marketing (CMO) or technology (CIO), form a CIMO team to define the CIMO Perspective for your organization.

2. Identify the right partner. Learn more at www.avanade.com/digitalcustomer

3. Attend an Avanade-led Digital Marketing Workshop, customized for your organization, where we can explore ideas to transform your digital customer experiences. Contact workshops@avanade.com

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