



The Importance of an Agile, Talent-centered Operating Model:

A CMO'S Guide to Transformation

ZEE JAY DIGITAL
MODERNIZING MARKETING FOR A DIGITAL WORLD

About this eBook

Everyone's talking about digital transformation. While it's the imperative of the day, many CMOs who've taken the plunge haven't fared so well: 70% of transformation initiatives have failed to reach their goals.

CMOs have not always been in the driver's seat for digital transformation, but their reach across the organization and impact on the customer experience creates an opening to lead the charge. To stay competitive and unify customer engagement touchpoints, the ability to attract, and plug-in, top talent to a scalable and aligned operating model is key.

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*This eBook follows **Freedom Within a Framework: A CMO's guide to the marketing operating model in the new digital normal**, published by Zee Jay Digital in 2017. While the previous piece details the new normal and marketing's struggle to adapt, this resource takes the discussion further, acknowledging both continued change—and progress—in the efforts to create the agile marketing environments needed to rapidly adapt to current customer behavior (McKinsey).*




Marketing's attention is redirected nearly year to year, starting from the time early adopters dipped their toes in technology in the early 2000s, embracing database marketing and CRM. From there, marketers shifted their focus to embrace email, web, content marketing, mobile, and now IoT and AI. It's been a long road.

Now that Adtech and Martech categories have shed their mystery, stabilized and normalized, what's to come?

The latest center of marketing's attention has morphed from tech to people, and how they work together. A re-evaluation of teamwork is fundamental to marketing transformation, balancing the need for the next new tool with the need to apply scarce and expensive talent to make digital marketing work.

How do internal marketers collaborate with external teams? How do strategists enable those who activate? How do adjacent professionals, like the folks in sales, customer service and IT, interact? And how do we make sure the business goals determined by the people in the c-suite get met by those on the front lines?

Figuring out how to optimize people is central to transformation. To do it takes leadership's capacity to form a scalable operating model framework, cross-functional openness, and self-organizing teams. Applying agility—in the most fundamental way—to the marketing operating model is today's marketing priority.




*A re-evaluation of teamwork
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Why many
transformations
fail to meet
expectations

Why many transformations fail to meet expectations



... calibrating the pace-of-change and mobilizing the drive for a cohesive transformative scope are root challenges for marketing leaders.

In our experience, when it comes to transformation, marketing has challenges distinct from those faced by other c-suite executives and business functions. Due to the nature of how marketing interacts with other business areas and impacts customer experience, calibrating the pace-of-change and mobilizing the drive for a cohesive transformative scope are root tests for marketing leaders.

We have identified specific challenges that contribute to transformation failure. One, all, or some combination of the following, are responsible:

1. Insufficient organizational context across marketing, beyond the org design
2. Poorly defined scope of change required to meet goals
3. Lack of alignment among senior stakeholders
4. Underestimation of the extent of business analysis needed to modernize process, workflow and team design
5. Underestimation of the level of change management needed to change behaviors
6. Improper application of Agile and Waterfall concepts
7. Unrealistic expectation that software can be the driving force to change

In response, we believe that just as the marketing environment has altered dramatically—so too should the methods used to thoughtfully adapt to change. The proper approach to driving change could and should help overcome all of these challenges in a cohesive way of thinking.

What has changed?

In recent years, strategy development and campaign planning have become oriented to customer journeys and experiences. Activation has become an exercise in coordinating the mix of internal creative teams, external agencies and vendors, consulting firms, IT, MarTech/AdTech, and other resources for successful marketing. In addition, staff augmentation has emerged to fill critical gaps in digital talent.

The role of marketing within the larger business has also changed. Many marketing organizations have moved to become profit centers charged with unifying the customer experience, requiring them to become more thoughtful and nuanced in how they plug in external service providers. Fluid planning across teams and functions is also new area of emphasis, and Agile is becoming mainstream.

More and more, marketing leaders are realizing that the classic org design view is not sophisticated and dimensional enough to describe how the marketing organization operates, and are undertaking operating model visualization initiatives.

In the face of these shifts, Zee Jay Digital encourages client in-house agencies and corporate marketing groups to start the transformation journey by embracing three marketing operating model design principles:

1. Think of internal and external teams as a single ecosystem. Centralize resource management, prioritization, and standards across teams.
2. Treat different types of work differently to achieve efficiency and scale.
 - Separate new/custom creation from fixed/repeatable modifications.
 - Separate “core” creation from “edge” creation (innovation), by forming digital labs.
3. With digital, allow processes to blur the lines between planning and execution.

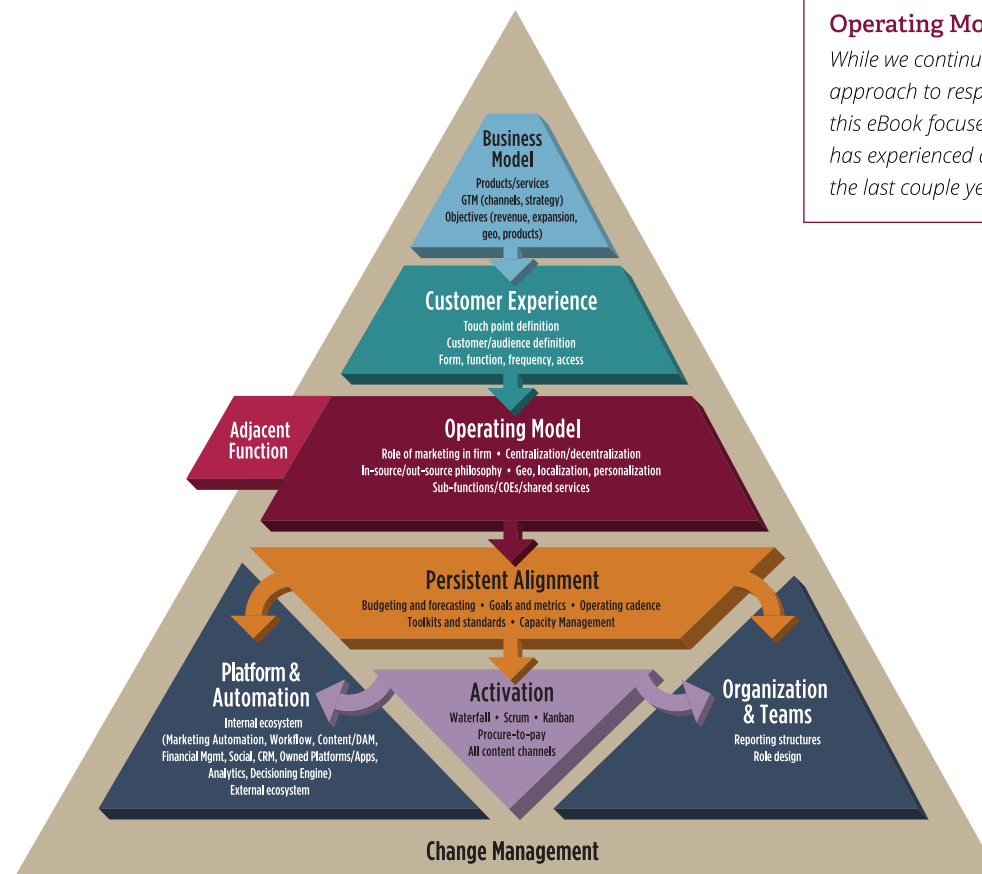
*... the classic org design view
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Big picture view of the seven components of the Zee Jay Digital marketing operating model:

1. **Business Model.** *The highest level of the pyramid, the business model informs the marketing operating model, and is defined by the board of directors and the CEO. In reality, marketing holds just one seat at the digital transformation table, and is therefore somewhat limited in what it can do.*
2. **Customer Experience.** *Some of the touchpoints at this level are owned by marketing; but many are owned by adjacent functions, i.e., operations, customer service, and merchandising. All are inhibited by artificial organizational constraints and politics.*
3. **Operating Model.** *This is the highest-order visualization of how marketing works, defining the role of marketing in the business, the degree of centralization, and the insource/outsource philosophy.*
4. **Persistent Alignment.** *Here is where agile tools and forums that set targets and track activation to their achievement are defined.*
5. **Activation.** *Continual deployment of teams and technology to engage customers are detailed here.*
6. **Organization & Teams.** *Groupings of individuals by the nature of the work are described here.*
7. **Platform & Automation.** *The tools and technology to enable teams and engage customers are included at this level.*

How we think

With our clients, our goal is to establish and deploy an operating model that allows marketing to thrive in a—new—digital world. This approach ensures top-down alignment of process, teams and technology to the marketing operating model, and emphasizes that technology in-and-of-itself does not solve problems, but is an enabler of the larger effort.



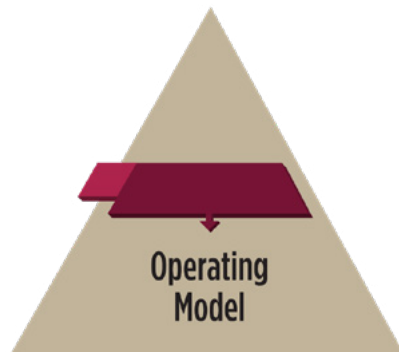
Operating Model:

While we continually enhance our approach to respond to the times, this eBook focuses on the area which has experienced dramatic change in the last couple years

Incorporating
Agile into your
new marketing
operating model



Incorporating Agile into your new marketing operating model



Agile has become relatively mainstream in marketing in the last couple years. Marketers increasingly recognize that Agile is not just a way for a few teams deep in the organization to work in two-week sprints. Rather, its principles can and should be applied most fundamentally to become part of a marketing organization's DNA.

What is Agile Marketing?

Agile Marketing is an approach to marketing that takes its inspiration from Agile Software Development and that values:

- Responding to change over following a plan
- Rapid iterations over Big Bang campaigns
- Testing and data over opinions and conventions
- Many small experiments over a few large bets
- Individuals and interaction over one-size-fits-all
- Collaboration over silos and hierarchy

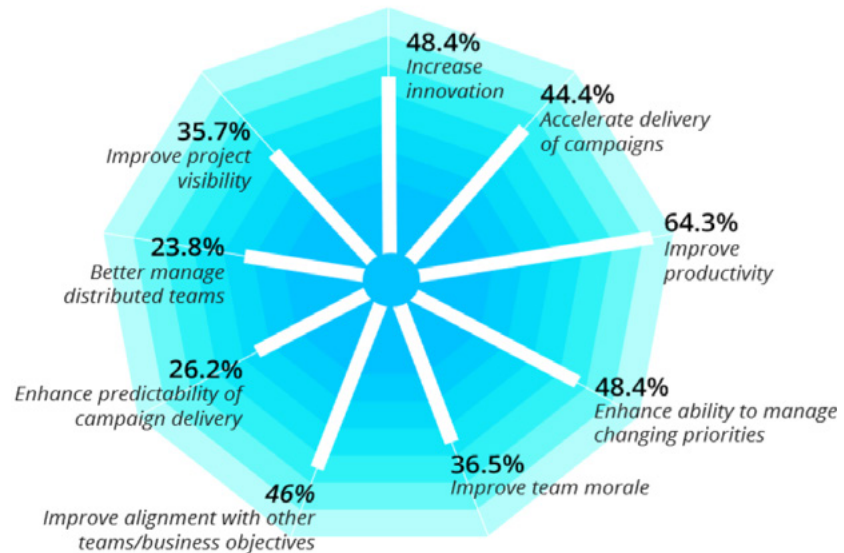
The goals of Agile Marketing are to improve the speed, predictability, transparency, and adaptability to change of the marketing function.

- Jim Ewel, AgileMarketing.net

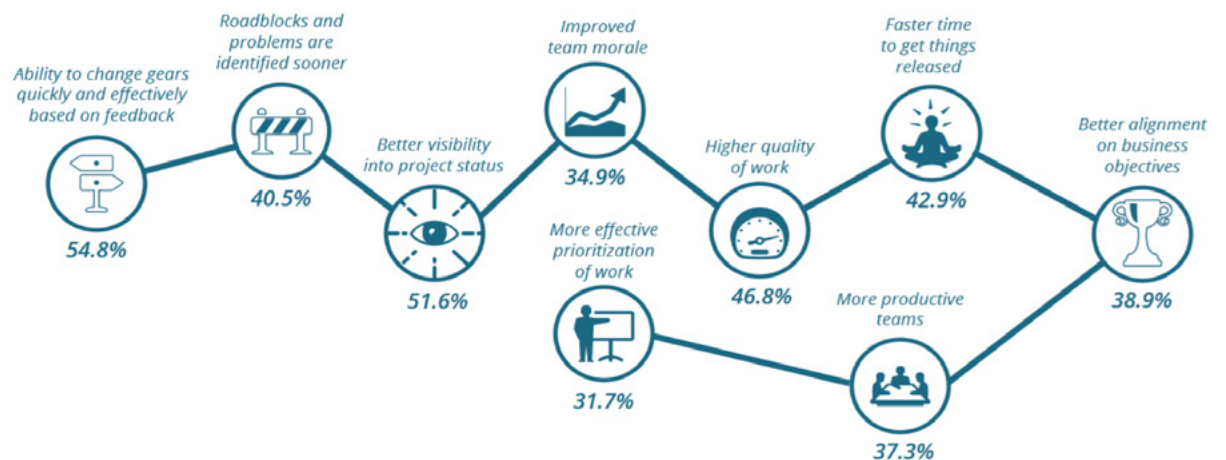
Source: 1st Annual State of Agile Marketing Report

Created by AgileSherpas and sponsored by Kapost, this study took the pulse of hundreds of marketers to uncover Agile rate of adoption.

What were the most important reasons for adopting Agile within your marketing department?
Check all that apply.



What benefits does your marketing department get from using an Agile process?
Check all that apply.




Agile is your framework for aligning teams

At Zee Jay, we refer to that DNA as the marketing operating model, from which the full marketing capability can be designed (people, process and tech). It's your framework for aligning teams in a way that enables your group to efficiently deliver the company's desired customer experience.

Just as DNA defines the fundamental and distinctive characteristics of a living organism, the marketing operating model defines the foundational structure within which your people are able to adapt quickly to changes in customer behavior and technology, and rapidly adjust your organization, talent, processes and tools without major disruption.

Agile principles assure that strategy development and campaign planning are oriented to customer experiences. And these same nimble processes enable activation teams—internal creatives, external agencies and vendors/consulting firms, IT, MarTech/AdTech and other resources—to be successful in a digital world.




The marketing operating model is the foundational structure that enables your group to efficiently deliver the company's desired customer experience.

Why people
[not tech] need
your focus now



Why people [not tech] need your focus now



Despite an evolving marketing scenario, leaders remain tradition-bound with how they source people to do marketing's work.

Despite huge changes stemming largely from movement to a digital world, how marketing works hasn't budged that much. Marketing organizations are still structured in much the same way as they were 20 or 30 years ago, with little integration between functions, teams, product lines and geographies. Study after study indicates CMOs are keenly aware of the downsides of current structures, resulting in an inability to make substantive change.

Correspondingly, despite an evolving marketing scenario, leaders remain tradition-bound with how they source people to do marketing's work. "I need three more people next year," is the MO many still take during an annual planning process centered on head-count adjustments. This simplistic approach to staffing doesn't work anymore. With evermore evident need for specialized skills like SEO, social, personalization, UX, analytics, etc., addressing issues surrounding "who" is best to make marketing activation within a modernized marketing organization design happen is more complex and intertwined than ever before.

Today, before the make-up of the team can be formulated, fundamental questions have to be answered:

- What types of skills are needed?
- Which should be employed and which should be augmented?
- Which should be freelance and which should be agency-based?
- Which outsourced resources should be project-based and which should be retainer-based?
- Where do we source the range of talent needed?
- How do we ensure interconnection needed to activate marketing activities is in place?

With new marketing operating models comes the need for new team structures

As marketing leaders redefine their operating models to handle the challenges of a digital age, they often tackle technology first, which is now a less mysterious and a more transactional proposition than the people/process piece. While technology is often emphasized, more far-reaching in the overhaul process is the structure of the team.

Scott Brinker, of ChiefMarTech.com blog, concurs. "... while understanding how to build and manage a solid marketing technology stack is an important part of marketing in the modern age, it's only one piece of the puzzle," he said, adding that "new organizational structures and processes, new skills and talents on the marketing team, new management approaches to operating in a fast-paced digital environment" are the more important components.

These new team structures/marketing organizational designs are more complicated than in the past: There's more need for multiple teams (internal and external) with specific expertise. Marketers need to be organized by where they participate in the process (i.e. planning vs. activating); and they need to be further sub-divided based on the type of work they perform (i.e. fixed/repeatable vs. new/custom)—all to boost quality and maximize productivity.

It no longer makes sense to organize the increasing number of marketing entities in a linear fashion, with a straight-line reporting structure. Instead, these groups need to overlap, possibly blur, requiring an abundance of carefully conceived and transparent processes and team design.

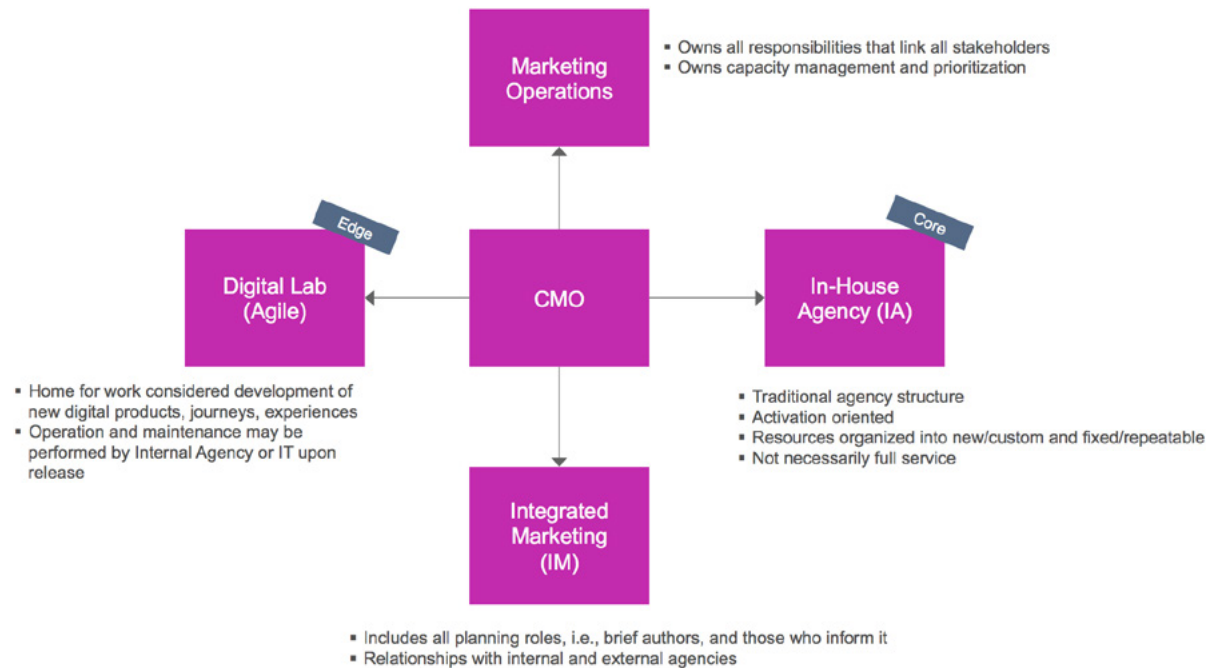
Marketers need to be organized by where they participate in the process, and further, based on what type of work they perform.

It no longer makes sense to organize marketing entities in a linear fashion, with a straightline reporting structure.

New product development, mobile, media, agency-of-record, search, analytics, big data and analytics—the decision on how to source these and other marketing functions depends on your location, industry and where you are on the digital transformation spectrum. Consulting organizations with expertise in marketing organizational design can help you avoid missteps—and structure and source your teams to achieve maximum benefit.

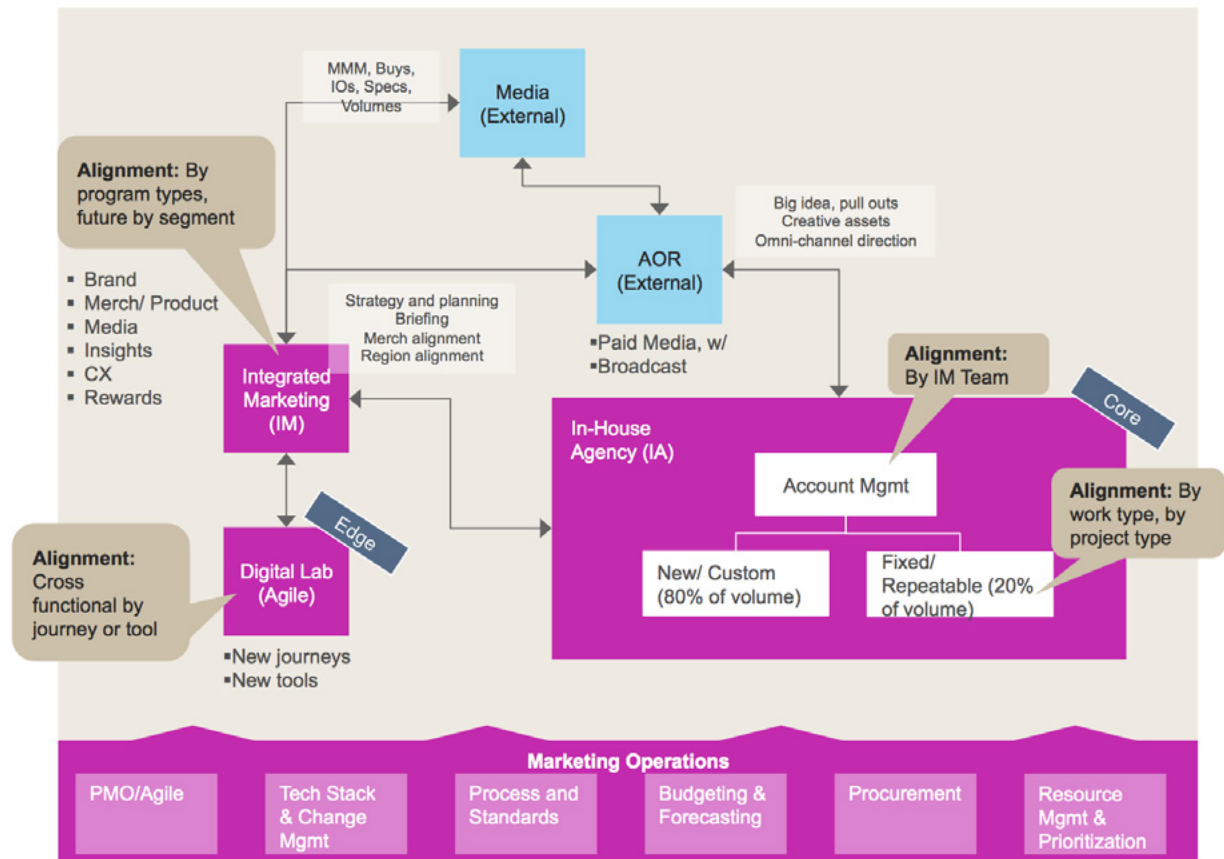
Example of an organizational model (“org stack”) in the digital age

High level view



... groups need to overlap, possibly blue, requiring an abundance of carefully conceived and transparent processes and team design.

Ecosystem view



Making sure you can attract the talent you need to take you through marketing transformation and beyond takes bringing on board yet another marketing specialist ... one that combines marketing and human resources skills.

Make sure you have the right teams for the right job

Most everyone reading this remembers what a marketing organization looked like in the not so distant past. There were: Managers who planned programs and campaigns. Those who managed the AOR. Creatives such as designers, writers and PPT experts. Event planners. A PR department. And a stable of independent contractors for special projects like research, photo and video shoots and fulfillment.

As you also know, it looks a lot different today. The expertise needed now is huge and highly specialized. The digital age has created the need for experts ranging from web design & user experience to SEO; from web analytics to development & integration; from paid media to social media marketing; from conversion rate optimization to email. Additional sub-specialties would make the list too long for this eBook.

These capabilities come in a variety of forms—from which marketing leaders must choose. They're for hire as employees or available as freelancers. They'll augment your team for a time or work on a virtual basis for as long as you need. They're available as part of large agencies or boutique firms, or via marketing placement providers.

The trick is finding the right people for your organization as a whole, and your market, developing them and keeping them. Making sure you can attract the talent you need to take you through marketing transformation and beyond takes bringing on board yet another marketing specialist. Just as visionaries like Brinker defined the need for the coming together of marketing and technology into a single specialty (MarTech), ZeeJay Digital recognizes the need for a specialty combining marketing and human resources skills (MarHR).

Having a marketing executive with people officer skills at the ready, to help make the critical decisions regarding sourcing the internal and external team members you need, is crucial to making your new marketing operating model work like it must to be successful.

Outsourcing pros and cons

Talent	Pros	Cons
Freelancers Independent Contractors	<ul style="list-style-type: none"> ▪ Quality (senior) talent ▪ On-Shore Resources ▪ Insource potential ▪ No overhead ▪ Cost-effective ▪ Work within organization's methodologies 	<ul style="list-style-type: none"> ▪ Variable availability ▪ Sourcing often difficult ▪ Management services not included ▪ Relatively cost-effective
Creative Agencies	<ul style="list-style-type: none"> ▪ Quality talent ▪ Entire teams available ▪ Management services included 	<ul style="list-style-type: none"> ▪ Overhead ▪ Expensive ▪ May use off-shore resources ▪ No insource potential ▪ Methodologies already in place
Staffing Firms Talent Brokers	<ul style="list-style-type: none"> ▪ Quality talent ▪ Easy to source ▪ Access to broad resource base ▪ Insource potential ▪ No overhead ▪ Work within organization's methodologies 	<ul style="list-style-type: none"> ▪ Relatively expensive ▪ Management services not included
System Integrators	<ul style="list-style-type: none"> ▪ One source solution ▪ Management services included 	<ul style="list-style-type: none"> ▪ Often off-shore resources ▪ Less experienced ▪ Relatively expensive ▪ No insource potential ▪ Overhead ▪ Methodologies already in place

The marketing expertise needed now is huge and high specialized ... and the capabilities come in a variety of forms, from which marketing leaders must choose based on their unique marketing operating model.

... Agile incorporates forums for sharing progress, so that other teams across the organization can benefit from the learnings of all teams ...

Productivity and speed trump perfection

More and more marketers will adopt agile development principles to activate plans—with an emphasis on continuous learning through iterative processes.

By creating small, self-organizing cross-functional teams with well-defined goals and a tight purpose, modern marketing leaders significantly reduce the time spent developing marketing programs—and delivering results.

Iterative processes allow teams to sprint toward achievement of goals, with frequent testing, calibration, review—and improvements. To maximize impact, Agile incorporates forums for sharing progress, so that other teams across the organization can benefit from the learnings of all teams, and continuously scale their ability to make impact.

In an agile model, strong inter-relationships are essential to staffing structures that work in today's digital environment. The ability to orchestrate all the teams—planning and activation, internal and external—and make them accountable—is critical to the success of new organizational design.

From brand managers to agency creatives, from marketing ops personnel to new venture developers, from digital specialists to the CMO, all marketing entities need to understand the importance of sharing information and insights that can help other teams do their jobs better.

In the new marketing ecosystem, teams must be tightly intertwined around aligned understanding of what they're delivering and why. Ultimately, rewarding marketing members who excel at working together will create the culture of cooperation needed to succeed in the digital era.

To transform
is to win



To transform is to win

Tearing down silos and allowing for perpetual change.

Transformation is intimidating, and knowing where to start is not always obvious. Often, the need reveals itself when a CMO attempts to replace a single system or process, and the undertaking reveals a complex mix of interdependent problems—that all need to be addressed. In other cases, leaders just know it's time. When the needle isn't moving, when competitors get ahead, and when innovation just gets too hard.

Whatever the reason, now's the time to take a step back to reconceive how marketing operates, how it engages customers—and who is needed to make the change. This big-picture thinking is necessary to establish a marketing function that will accommodate change without disruption as new needs, opportunities and capabilities emerge.

Putting your marketing operating model at the center of change will help you win in today's digital age.

About the Author



Eric Rotkow is co-founder and managing director of Zee Jay Digital, a boutique alternative to large consulting firms. Eric works with marketing leaders to bring forward new operational and management approaches that elevate tech-led change to harness the convergence of process and communication to improve engagement—and win relationships.

Prior to Zee Jay Digital, Eric led marketing operations practices at prominent global consulting and software development firms. He has extensive agency-side experience in many marketing disciplines including agency management, customer research, omni-channel communication programs, social media, and brand development.

Our job is to help corporate marketing organizations and in-house agencies structure, operate and compete in a digital world—not just “do” digital marketing. We transform marketing’s organizational design—and the orchestration of work across internal and external teams—to achieve personalized customer experiences at scale.