Forbes Insights

IT TRANSFORMATION: As CIOs and CMOs Collaborate, Competitive Advantage Rises
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INTRODUCTION

The transformation of information technology is not only laying the foundation for digital transformation but is also redefining the roles of those involved in it. Data analytics, artificial intelligence, machine learning, the Internet of Things, the cloud: These are all initiatives associated with technology breakthroughs, and they have the potential to change business models overnight. Typically, it has been the job of the chief information officer (CIO) to oversee technology-focused projects, while the chief marketing officer (CMO) focused on brand development and customer outreach.

Yet as IT transformation takes hold across the business landscape, these roles are drastically shifting. CMOs are increasingly assuming the mantle of technology leadership, taking on many responsibilities similar to that of CIOs, from selecting to deploying technology solutions. Conversely, as organizations evolve into digital enterprises, CIOs have seen their scope of responsibilities expand beyond the data center to focus on the implications of technology on the markets they serve. This shift is ultimately giving rise to “Market-Focused CIOs” who work closely with their CMO counterparts as full partners to help create and lead today's and tomorrow’s digital enterprises. This new breed of CIOs expand their domains beyond IT to play a role in the success of customer experience, vendor and supply chain management, and new and evolving security and regulatory compliance, depending on the market they serve.

With technology and data driving the future of global marketing, CMOs are learning to master the art of collaboration, with both external and internal customers and partners as well as with technology platform companies. “We like to say that our marketing is our product, and our product is our marketing,” says Jonathan Beamer, chief marketing officer for Monster.

Perhaps the most important collaboration is with CIOs, as any and all decisions of significance to the future of their businesses requires both market knowledge and an understanding of what technology resources will take things to the next level. “Digital transformation is an ongoing process that takes time, effort and training,” write Greg Paull and Shufen Goh, authors of Global CMO.1 “CMOs who face the external and internal competition head on have a much greater chance of success than those who don’t play a proactive role in jumpstarting their organization’s transformation journey.”

Active CMOs recognize how digital initiatives make collaboration across their enterprises—particularly with CIOs—a business necessity. “We understand that collaboration with every part of our organization is critical, and not surprisingly, as a technology-driven business, we’re always in dialogue with our CIO,” says John Allert, chief marketing officer for McLaren Group. “We work closely together because she and I understand there is mutual benefit in optimizing technology vendor relationships and ultimately creating new and innovative solutions for McLaren and our partners.”

At the same time CMOs are evolving into technology leaders, CIOs are getting ever closer to customers, and increasingly engaging with them through digital channels or technology platforms.

As a result of this convergence, executives in these two roles—once widely disparate—are increasingly seeing eye-to-eye on many concerns and initiatives and agree that working more closely is in everyone’s best interests. As their worlds collide, it’s critical that CMOs and CIOs work collaboratively on developing systems and processes to reach out and better understand their customers. Their ability to evolve their systems, infrastructure, devices and applications to dynamically meet the requirements of today's fast-evolving digital economy—which we define for the purposes of this report as IT transformation—demands a close, interactive working relationship.

These are some of the insights drawn from a survey of 461 executives conducted by Forbes Insights in partnership with Dell EMC and Intel®. Executives surveyed—including CIOs, CMOs and CEOs—represent a range of large organizations (with more than $500 million in annual revenue) and several industries from manufacturing to financial services and retail.

As demonstrated by the Forbes Insights survey, IT transformation is led by both CMOs and CIOs. In fact, analyst firms such as Gartner have been famously predicting for several years that CMOs would eventually be outspending CIOs in technology,2 and it can be assumed that their technology expertise will grow as well. Ultimately, it is not a race or competition to see who gathers and uses the most technology; rather it is the dawn of an era of collaboration in which both sides understand the business and the technology necessary to help it succeed.

“The C-suite is very involved in digital decisions, and they have to be. The world we live in is digital—it’s how our environment operates,” says Sonali Divlek, chief operating officer for advisory services at Prudential Financial. “What’s driving the trend is who we are as consumers and as individuals, and how we interact with the world. Technology and digital can no longer be relegated to a specific department or initiative; those disciplines need to be part of the fabric of how business operates.”

This report details this shifting but critical relationship and provides recommendations on how CIOs can collaborate more closely with CMOs to ultimately ensure the success of their IT transformation efforts.

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KEY FINDINGS

• TRANSFORMATION IS TOP OF MIND FOR BOTH CMOS AND CIOS. A majority of executives, 53%, see IT transformation as a necessity to meet the challenges of disruptive competitors entering their markets. At the same time, 71% of executives overall believe that the pace of IT transformation is either not adequate or only marginally adequate to keep up with the demands of digital business. Both CIOs and CMOs—regardless of the state of their business or working relationship—agree that more needs to be done to keep their enterprises ahead of the digital curve.

• IT TRANSFORMATION TRANSLATES TO COMPETITIVE DIFFERENTIATION. Ninety-five percent of executives report their IT transformation efforts have helped to improve their organizations’ competitive positions. Close to one in four, 23%, indicate the impact of IT transformation on growth has been “significant.”

• WHEN CIOS AND CMOS CLOSELY COLLABORATE, IT TRANSFORMATION ACCELERATES. The Forbes Insights survey reveals that 19% of CIOs can be identified as Market-Focused CIOs, who report closely collaborating with their CMOs on a range of initiatives, not only as part of their day-to-day work, but also setting and managing technology priorities, setting a strategic vision for IT transformation and setting a vision for the overall digital transformation of their enterprise. Close to three in four of these Market-Focused CIOs report seeing substantive growth for their enterprises over the past year—something none of their less-collaborative counterparts were able to achieve. Market-Focused CIOs are also 1.3 times more likely to see their organizations achieving substantial year-over-year growth.

• LACK OF CIO-CMO COLLABORATION CARRIES SIGNIFICANT RISKS. The risks of not maintaining a close relationship between CIOs and CMOs may lead to reduced innovation (cited by 45%), an inability to implement or manage applications properly, reduced agility and flexibility, and a difficulty in understanding customers (each cited by 44%).

• CIOS NEED TO BE MORE PROACTIVE IN ENGAGING WITH THEIR MARKETING COLLEAGUES. CIOs are less likely than CMOs to see collaboration as critical to IT transformation success. Moreover, CIOs are more likely to view their current relationships with CMOs as lukewarm. They are less inclined to see their collaboration as “excellent,” and are 42 times more likely to brand their relationships as “fair.” Market-Focused CIOs, on the other hand, overwhelmingly perceive their relationships with their CMOs as excellent, and as mentioned above, are seeing significant benefits as a result.

• ARTIFICIAL INTELLIGENCE AND RELATED TECHNOLOGIES ARE PART OF GREATER COLLABORATION. CIOs who work closely with their CMO colleagues are moving forward more rapidly than their less-collaborative counterparts on important corporate initiatives such as artificial intelligence. Market-Focused CIOs are 1.4 times more likely to be working with AI and related technologies. In addition, AI is seen as a way to help boost collaboration between CIOs and CMOs. Nearly half of CMOs, 41%, recommend artificial intelligence and machine learning to automate more processes to then free up managers and professionals to spend more time on high-level enterprise engagements.
THE STATE OF IT TRANSFORMATION

While digital transformation is considered an urgent concern—seen as the entrée to succeeding now and in the years ahead—the term itself is murky and often ill-defined, covering a range of initiatives. A more precise way to examine the changes sweeping through enterprises is information technology (IT) transformation, which describes the ongoing evolution of systems, infrastructure, devices and applications to meet the needs of today’s hyper-competitive economy. It’s also notable that IT and digital transformation efforts are highly integrated. Two-thirds of executives, 66%, report their transformation efforts are managed by the same teams and leaders as their digital transformation efforts.

The Forbes Insights survey also finds that while many of the commitments and tasks of CMOs and CIOs align, only 19% of CIOs report they work in close collaboration with their CMOs. For the vast majority, the level of collaboration is at an adequate level, and the other 22% report their interaction with CMOs is barely adequate or even subpar.

Throughout this report, we’ll provide comparative data looking at the progress made within settings in which CIOs have highly collaborative relationships with their CMOs—the “Market-Focused CIOs”—versus “Occasional Collaborators.” Among the CIOs in the sample, the survey reveals three levels of collaboration with CMOs:

- **Market-Focused CIOs (19%)**: CIOs reporting high frequency of day-to-day contact with their CMOs across a range of activities, including IT and strategic planning.
- **Moderate collaborators (59%)**: CIOs working closely with CMOs, but not necessarily on a day-to-day basis.
- **Occasional collaborators (22%)**: CIOs reporting moderate to infrequent contact with CMOs.
We also examined the forces that are compelling organizations to pursue IT transformation, as well as the goals of the efforts they have initiated. Overall, the need to stay ahead or stay in line with competitors is the most pronounced force behind IT transformation initiatives, as indicated by 53% of executives. Concern about mitigating operational costs—both with IT and across the organization—weighed in as the second-most-cited catalyst, selected by 42%. Another 41% indicated their IT transformations were necessitated by rapidly aging legacy IT infrastructures (Figure 1).

As the survey further indicates, we’re still in the early stages of IT transformation. Overall, less than one-third, 30%, of executives report their organizations currently have robust IT transformation efforts underway—their IT transformation is either “well-established and supports their overall business strategies,” or “is established and starting to be viewed as a key strategic priority for these organizations” (Figure 2). Tellingly, the survey shows there is much work still to be done to align IT transformation results with overall corporate digital strategies: 71% of executives admit that their IT transformation efforts to date are only “marginally adequate” at best (Figure 3).

Ultimately, as IT transformation takes hold across organizations, the main goals of these initiatives are directed right to the business challenges at hand: increasing revenue as well as meeting the needs of markets and increasing customer satisfaction. Notably, these are all high-level goals that directly involve leaders across the enterprise, bringing in the CMO in a more direct and hands-on way. The elements that would more specifically meet the needs of IT departments—cost control, IT service management and technology considerations—are seen as secondary goals to IT transformation (Figure 4).
What kinds of technologies or methodologies are part of IT transformation efforts? Executives are keenest on data analytics, as this dominates IT transformation plans over the coming year. Close to half, 47%, indicate their IT transformation efforts include investments in business intelligence systems. Related to this are planned investments in statistical languages and platforms, cited by 46%. The Internet of Things—another data-intensive implementation—is also high on IT transformation agendas, cited by 45%. Close to two in five, 39% indicate they are also looking at employing artificial intelligence as a key component of IT transformation (Figure 5).

For Monster, AI and analytics are what drive the company’s initiatives going forward, Beamer explains. The challenge was to bring in technology that had already been serving other types of e-commerce engines. “Within the work stream, there is intelligence behind the job matching—we have a job search algorithm. Now we are increasingly putting very clear calls for action in the market, for what we expect people to do, and showing a little bit more behind the job search algorithm.”

When it comes to specific “wish-list” items, CIOs in close collaboration with their CMOs are seeing greater levels of investment in up-and-coming technologies. Among the Market-Focused CIOs in the survey—those who work most frequently with their CMOs—there is a much higher level of investment in transformative technologies than with their less-collaborative counterparts (Figure 6).

• **More than twice** as many Market-Focused CIOs are moving forward with Internet of Things (IoT) initiatives as their less-collaborative counterparts.

• **They’re also 1.7 times more** likely to be investing in business intelligence systems.
DevOps is also a more common practice in enterprises where CIOs and CMOs work closely on many fronts—it is seen 1.6 times more often in these settings.

Artificial intelligence looms much higher on Market-Focused CIOs’ agendas, with 1.4 times more activity in this space.

Also notably, Market-Focused CIOs are more than three times more likely to be working with blockchain-based solutions, representing new ways to manage data moving across supply chains and transactions.

The evolution to IT transformation is not without potential obstacles that may slow down enterprise efforts. The obstacles are related not only to technology but also to the ability to overcome organizational and staffing issues. Among the challenges to managing an IT transformation, skills and training requirements lead the list—45% of executives indicate they see developing skills and providing adequate training as their leading
challenge. Similarly, 40% of executives say they don’t have enough access to the people and resources of other departments in their enterprise to oversee their efforts. A similar percentage also say they have come up against a resistant corporate culture (Figure 7).

Gaining budget dollars—especially when facing the headwinds of a recalcitrant corporate culture—is a challenge for any technology initiative that is likely to transform long-established ways of doing business. Overall, only 15% of respondents are earmarking significant portions of their IT budgets at this time for IT transformation, but this will surge dramatically in the year ahead for both Market-Focused CIOs’ organizations as well as for less-collaborative companies. By next year, more than twice as many Market-Focused CIOs expect to be dedicating 25% or more of their IT budgets to IT transformation (Figure 8).
CIO AND CMO RESPONSIBILITIES CONVERGE

While there will continue to be clear roles for both CMOs and CIOs, today’s digital economy is blurring the lines between the two. The survey finds CMOs and CIOs have overlapping roles within each other’s domains—such as technology selection and customer management. The rise of the digital enterprise has resulted in CMOs managing ever-larger technology organizations and playing a strategic role in their businesses’ growth, while CIOs are being brought closer to the customer. “The large-scale systems that marketing and IT deploy together allow us to engage with our customers across all channels and customize communication for each touchpoint,” says Jim Szafranski, chief operating officer at Prezi, who oversees both marketing and IT. “This increases both our presence and personalization.”

CMOs “are our key partners in igniting our ‘customer funnel’ (how we connect customer needs to solutions),” says Prudential Financial’s Divilek. “We partner closely with them as we look to innovate around how we serve our existing customers and earn new business. We operate as one team, and they help us engage the right customers at the right time and serve up the most relevant solutions to them. ‘Meeting our customers where they are’ is a phrase we live by.”

Similarly, Callaway, an American global sporting goods company, now takes a unified team approach to designing and implementing marketing-oriented technology capabilities that focus on the customer. “We’re communicating with our customers and potential customers every single day,” says Harry Arnett, senior vice president of marketing and brand management. “We’re really creating marketing on what consumers will see today—not just a tweet but creating marketing content designed to affect some higher understanding or appreciation of our products or services.” The key is to have a flexible framework in place to support these real-time marketing engagements and daily storylines, he continues. “We want to have the infrastructure in place where we can be relevant every day. Technology has changed that, with so much information available to consumers about our particular category or others. We have to make sure that we’re relevant for the changing mindsets of the consumer every single day.”

My personal experience is that the CMO has a greater seat at the table than ever before, in terms of decision making around technology partners and where those technology-based budgets are spent....In a business like ours, this is an opportunity to put one and one together and get three, generate new IP and new innovation with some of those partners, and then to commercialize the incredible stories that come from working together on exciting and ambitious projects. It has become a far more collaborative process than ever before.”

JOHN ALLERT
CHIEF MARKETING OFFICER,
MCLAREN TECHNOLOGY GROUP
“My personal experience is that the CMO has a greater seat at the table than ever before, in terms of decision making around technology partners and where those technology-based budgets are spent,” says Allert. “In a business like ours, this is an opportunity to put one and one together and get three, generate new IP and new innovation with some of those partners, and then to commercialize the incredible stories that come from working together on exciting and ambitious projects. It has become a far more collaborative process than ever before.”

For CIOs, the benefits of collaborating more closely with their CMOs are compelling. CIOs say such collaboration greatly enhances their companies’ competitive differentiation, as cited by half of respondents. There are benefits from an internal perspective as well—half of CIOs say their collaboration with marketing departments has helped to increase levels of employee satisfaction, and applications themselves are being moved to market at a much quicker pace—46% of CIOs cite shorter development times as a key benefit of working more closely with their CMOs (Figure 9).

From a CMO perspective, close collaboration with CIOs leads to greater agility and flexibility in their organizations, as indicated by half. Close to half, 47%, also see a positive impact on employee satisfaction, in line with the views of CIOs, and another 46% see their collaboration creating greater innovation within their organizations (Figure 10).
CMOs in the survey readily acknowledge their organizations’ viability and growth will be adversely affected if they do not pursue a stronger working relationship with their CIOs. The risks of not maintaining a close relationship with CIOs may lead to reduced innovation (cited by 45%), an inability to implement or manage applications properly, reduced agility and flexibility, and a difficulty in understanding customers (each cited 44%) (Figure 11).

CMOs are more concerned with the levels of collaboration with their CIOs, and such collaboration is seen as critical to digital and IT transformation success. CMOs are 1.7 times more likely than CIOs to indicate collaboration is critical or very important to IT transformation success. However, CIOs are more likely to view their current relationships with CMOs as lukewarm. They are less inclined to see their collaboration as “excellent,” and are 42 times more likely to brand their relationships as “fair” (Figures 12 and 13).

“Creating helpful experiences is where we spend most of our technology money,” says Beamer. “We have a product group that essentially guides technology investments. We are extremely intertwined in terms of marketing and IT. All the money we spend in digital is guided by how we engage the two sides of our marketplace—candidates and employers.”

CMOs and CIOs generally agree on the factors that keep them collaborating on a more frequent basis, but CMOs appear to be more sensitive to organizational and cultural issues. Both sides (about half of each) agree that more information needs to be exchanged between themselves and their departments. However, CMOs are more likely to see
organizational impediments such as a lack of incentives and restrictive reporting structures as barriers to greater collaboration (Figure 14).

To increase the level and quality of interactions with their CMOs, CIOs need to increase both technical communications capabilities and simple face-to-face interactions. To boost collaboration across the enterprise, turn to technology tools, CMOs urge. CIOs agree. Almost half, 41%, recommend artificial intelligence and machine learning.
to automate more processes to then free up managers and professionals to spend more time on high-level enterprise engagements. CMOs are also more inclined than their CIO counterparts to seek non-technical approaches to collaboration, such as greater in-person contact (Figure 15.)

**GREATER CIO-CMO COLLABORATION = GREATER SUCCESS**

The need to stay ahead of, or in line with, competitors is a pronounced force behind IT transformation initiatives and greater collaboration between CIOs and CMOs, which ultimately makes these efforts a success.

As demonstrated by the survey, CMOs are getting directly involved in technology decisions that relate to their core mission of reaching out to, and engaging with, customers. Almost as many CMOs as CIOs report they are involved in technology tools and platform selection, and close to two

![Figure 15. Recommended Approaches to Greater CxO Collaboration](image)

In fact, we jointly built out an entire consumer portal together. It was a collaboration where marketing led the design and we led the technology—and we recently overhauled our internal team portal to drastically uplift self-service and communication. Once you create a place that people go to—in this case, a digital portal—then you can start to utilize it for other things.”

**ED KOPETSKY**

CHIEF INFORMATION OFFICER, STANFORD CHILDREN’S HEALTH
in five CMOs say cloud or platform and tools selection is part of their jobs (Figure 16).

“I'm very close with our chief marketing officer,” says Ed Kopetsky, CIO at Stanford Children’s Health. “In fact, we jointly built out an entire consumer portal together. It was a collaboration where marketing led the design and we led the technology—and we recently overhauled our internal team portal to drastically uplift self-service and communication. Once you create a place that people go to—in this case, a digital portal—then you can start to utilize it for other things.”

Market-Focused CIOs—those who most frequently collaborate or engage with their CMOs—are more likely to be overseeing high-level strategic activities as well, the survey finds. Market-Focused CIOs are twice as likely to be directly involved in designing new products or services (72% versus 36% of less-collaborative counterparts) and are more deeply involved in delivering superior customer experience as well—by a factor of 1.3 times. Market-Focused CIOs are also twice as likely as their less-collaborative counterparts to be involved in new product or service delivery (Figure 17).

There is also a direct correlation between IT transformation efforts and the financial health of organizations. Close to 60% say they have been able to accelerate the pace of new product introductions, thus achieving faster turnaround times and delivery to market, and just over half of executives report their IT transformation engagements have resulted in increased sales and profits. In addition, as shown in this section, Market-Focused CIOs are 1.3 times more likely to see their organizations achieving substantial year-to-year growth, and the majority of Market-Focused CIOs have seen profit margin increases of 5% or greater over the past year (Figure 18). The key takeaway: Successful CIO-CMO relationships result in successful IT transformation outcomes, which drive sales and profits.

A substantial portion, 40%, say their IT transformation has also helped to drive down costs. More than one-third say IT transformation has improved their ability to satisfy and retain customers (Figure 19). As discussed
previously, by next year, more than twice as many Market-Focused CIOs expect to be dedicating 25% or more of their IT budgets to IT transformation. While there is always a need to drive down costs, the data shows close collaboration means more budgets for innovation and IT transformation initiatives.

In sum, IT transformation is bringing about a realignment of corporate priorities that streamline processes, elevate customer engagement and provide greater visibility to all aspects of the business value chain. It’s evident through this research that CIO and CMO collaboration is a driving force behind a successful IT transformation.

Executives are optimistic that their IT transformation efforts will be accelerating over the next five years. At present, only 18% see their IT transformation as ahead or market-leading at this time, but that number will almost quadruple in the next five years, with at least 71% seeing themselves as ahead in most areas, or market-leading (Figure 20). The ability to promote and support innovation is a powerful force for outthinking and outpacing competitors—and an innovation culture requires a close working relationship between CIOs and CMOs. With Market-Focused CIOs being twice as likely to be involved in new product or service delivery, IT brings value to the business.

A majority also report seeing improvement in their competitive position as a result of their IT transformation efforts. Close to one in four, 23%, report a “significant improvement” due to their IT transformation initiatives (Figure 21).

An important part of the CMO’s job is “determining spend for martech tools,” Szafranski says. “And when it comes to martech tools, it is less about state-of-the-art and more about, ‘Does this tool enhance how we create demand, fit our customer’s patterns, and can it give me results quickly?’ We also ask, ‘How does it
Our marketing department constantly reviews the tools we use with our IT team as our organization matures and develops. We are always evaluating new capabilities with these filters in mind.”

Both CIOs and CMOs have important contributions to make to their organizations. “CEOs are looking to their CIOs as their data and agility custodians and CMOs as their customer experience curators throughout their digital transformation journey,” says Rostow Ravanan, CEO of Mindtree. “We are witnessing the roles of CIOs and CMOs evolving, with CIOs slowly becoming more business-focused and CMOs getting more proficient in technology. Together they are removing the barriers separating the disciplines, working in a shared space with marketing and tech side by side. Now, they’re speaking the same language—growth, operational agility and customer delight.”
CIO-CMO COLLABORATION: STILL A WORK IN PROGRESS

In today’s digital enterprises, technology decisions are no longer confined to the server room and may change the course of a business. Typically, CMOs have very little say over their organizations’ final technology decisions, as CIOs clearly take charge here (Figure 22). However, CMOs still play an active role in selecting and managing technology close to their own business or departmental requirements—and this is an area in which CIOs can play an important advisory or consultative role. The Forbes Insights survey sought to determine where CMOs spend their time and resources when it comes to IT transformation and found a considerable level of engagement.

“Of course, there can be challenges at the onset when you have folks from different disciplines trying to find a common language, but that dialogue ultimately produces better results,” says Prudential Financial’s Divilek. “I’ve seen marketing focus their thoughts around what needs to be built while engineering focuses on how we deliver it, but the key is to get everyone focused on why we want to deliver an outcome for the customer and then the ‘what’ and ‘how’ can have a healthy push and pull.”

“What you don’t want is for marketing and business partners to say ‘Here’s what I want. Now go create it,’” Divilek continues. “There needs to be a balance of functional skills at the table with a natural tension around point of view. It’s that diversity of opinion that gets you to a better end result, and we look to have that kind of diversity at the table from the outset. Ultimately it’s about co-creation with an outside-in mentality and vision.”

It’s notable that CIOs share many of the same marketing responsibilities that top CMO task lists as well. E-commerce is now the leading responsibility among CMOs in the survey—as it is for CIOs. In addition, just as many CIOs report they are tasked with developing marketing strategies as their CMO counterparts (Figure 23). Today’s CMOs are not shrinking from technology-intensive decisions—rather, they are embracing them, the survey finds. There is also a substantial portion of CMOs rolling up their sleeves and getting involved in critical corporate technology. At least 45% report they are involved in actively researching and deploying new solutions. Both CMOs and CIOs are also heavily involved in new product or service innovation, as well as leveraging big data analytics to advance their awareness of customer and operational trends (Figure 24). Similarly, CMOs are also highly engaged when it comes to advancing their enterprises’ digital agendas. They play a leading role in managing or populating data platforms such as data lakes, as well as in managing cloud services (Figure 25).

“As CMOs, we have to be empaths,” Monster’s Beamer urges. “We really have to think about the customer and the individual we’re trying to influence. That empathy extends to how we speak with our CIO and CFO, and everybody else in the organization. You really need to understand what their goals are and what they’re trying to achieve.”
### Figure 22: IT Transformation Final Decision Makers
(All executives reporting)

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<thead>
<tr>
<th>Role</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>CIO with other technology leaders (CTO, CDO)</td>
<td>81%</td>
</tr>
<tr>
<td>The CIO's office</td>
<td>24%</td>
</tr>
<tr>
<td>CEO</td>
<td>18%</td>
</tr>
<tr>
<td>Board of directors</td>
<td>7%</td>
</tr>
<tr>
<td>Cross-enterprise management committee with all/most department heads</td>
<td>1%</td>
</tr>
<tr>
<td>Cross-enterprise team with representatives from all/most departments</td>
<td>1%</td>
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(Multiple responses permitted.)

### Figure 23. Corporate Marketing Activities CMOs and CIOs Are Highly Involved In

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<th>Activity</th>
<th>CMO</th>
<th>CIO</th>
</tr>
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<tbody>
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<td>Designing or managing e-commerce apps/sites</td>
<td>46%</td>
<td>44%</td>
</tr>
<tr>
<td>Developing marketing strategy</td>
<td>42%</td>
<td>42%</td>
</tr>
<tr>
<td>Procuring/selecting third-party service firms/outourcing</td>
<td>42%</td>
<td>39%</td>
</tr>
<tr>
<td>Managing/measuring campaign metrics</td>
<td>41%</td>
<td>36%</td>
</tr>
<tr>
<td>Setting marketing budgets</td>
<td>41%</td>
<td>42%</td>
</tr>
<tr>
<td>Managing social media</td>
<td>40%</td>
<td>38%</td>
</tr>
<tr>
<td>Managing customer relationships</td>
<td>38%</td>
<td>41%</td>
</tr>
<tr>
<td>Deploying or managing mobile apps/platforms</td>
<td>38%</td>
<td>38%</td>
</tr>
<tr>
<td>Managing content</td>
<td>38%</td>
<td>32%</td>
</tr>
<tr>
<td>Designing customer experience</td>
<td>37%</td>
<td>39%</td>
</tr>
<tr>
<td>Developing or managing customer/market analytics</td>
<td>36%</td>
<td>38%</td>
</tr>
<tr>
<td>Selecting/acquiring marketing tools</td>
<td>36%</td>
<td>43%</td>
</tr>
<tr>
<td>Market research/analysis</td>
<td>35%</td>
<td>36%</td>
</tr>
<tr>
<td>Securing customer data</td>
<td>32%</td>
<td>40%</td>
</tr>
</tbody>
</table>
### Figure 24. Corporate Technology Activities CMOs and CIOs Are Highly Involved In

<table>
<thead>
<tr>
<th>Activity</th>
<th>CMO</th>
<th>CIO</th>
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</thead>
<tbody>
<tr>
<td>Researching/deploying new solutions</td>
<td>45%</td>
<td>41%</td>
</tr>
<tr>
<td>New product or service innovation/R&amp;D</td>
<td>44%</td>
<td>44%</td>
</tr>
<tr>
<td>Overseeing big data analytics/data science</td>
<td>44%</td>
<td>42%</td>
</tr>
<tr>
<td>Setting technology/digital budgets</td>
<td>43%</td>
<td>48%</td>
</tr>
<tr>
<td>Procuring/selecting third-party service firms/outsourcing</td>
<td>42%</td>
<td>36%</td>
</tr>
<tr>
<td>Selecting/acquiring applications/platforms</td>
<td>40%</td>
<td>41%</td>
</tr>
<tr>
<td>Selecting or managing cloud providers</td>
<td>39%</td>
<td>45%</td>
</tr>
<tr>
<td>Ensuring skills availability</td>
<td>38%</td>
<td>30%</td>
</tr>
<tr>
<td>Securing data</td>
<td>38%</td>
<td>35%</td>
</tr>
<tr>
<td>Tracking and measuring digital metrics</td>
<td>37%</td>
<td>36%</td>
</tr>
<tr>
<td>Designing and managing user experience</td>
<td>31%</td>
<td>37%</td>
</tr>
<tr>
<td>Developing IT/digital strategy</td>
<td>29%</td>
<td>40%</td>
</tr>
<tr>
<td>Designing and managing AI/machine algorithms</td>
<td>26%</td>
<td>38%</td>
</tr>
<tr>
<td>Designing and managing the digital user experience</td>
<td>23%</td>
<td>38%</td>
</tr>
</tbody>
</table>

### Figure 25. Corporate Digital Transformation CMOs and CIOs Are Highly Involved In

<table>
<thead>
<tr>
<th>Technology</th>
<th>CMO</th>
<th>CIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big data platforms/data lakes</td>
<td>49%</td>
<td>44%</td>
</tr>
<tr>
<td>Cloud services</td>
<td>46%</td>
<td>42%</td>
</tr>
<tr>
<td>Predictive analytics</td>
<td>45%</td>
<td>42%</td>
</tr>
<tr>
<td>Statistical analytics languages/platforms</td>
<td>44%</td>
<td>48%</td>
</tr>
<tr>
<td>Artificial intelligence</td>
<td>42%</td>
<td>38%</td>
</tr>
<tr>
<td>DevOps tools and expertise</td>
<td>42%</td>
<td>38%</td>
</tr>
<tr>
<td>Business intelligence systems</td>
<td>41%</td>
<td>42%</td>
</tr>
<tr>
<td>Cognitive computing (i.e., machine learning)</td>
<td>38%</td>
<td>39%</td>
</tr>
<tr>
<td>The Internet of Things</td>
<td>37%</td>
<td>42%</td>
</tr>
<tr>
<td>Storage (Flash, Data Protection)</td>
<td>36%</td>
<td>32%</td>
</tr>
<tr>
<td>Converged infrastructure/hyper-converged infrastructure</td>
<td>22%</td>
<td>38%</td>
</tr>
<tr>
<td>Networking</td>
<td>21%</td>
<td>42%</td>
</tr>
<tr>
<td>Servers</td>
<td>15%</td>
<td>38%</td>
</tr>
<tr>
<td>Blockchain/distributed ledger technology</td>
<td>6%</td>
<td>14%</td>
</tr>
</tbody>
</table>
CONCLUSION

IT transformation does not occur in isolation—it requires every part of the enterprise. New technologies and ways of working are surfacing at a dizzying speed, and traditional IT departments may have difficulty keeping up or servicing new initiatives. Therefore, many CMOs have been taking a leadership role in identifying and putting technology pertinent to their business areas—such as customer relationship management or data analytics—in place, with little or no intervention from their IT departments. At the same time, CMOs and their colleagues acknowledge that their organizations need designated executives to lead the way into the digital world. CIOs and their teams are looked upon to provide needed guidance and sign off on technology concepts and architectures.

To bring the CIO and CMO worlds closer together, executives provide the following advice:

• **TEAR DOWN THE SILOS BETWEEN IT AND MARKETING.** Not too long ago, marketers took their budget dollars, invested in campaigns, and the returns were unknown to other leaders in the organization, Beamer points out. “Now marketers need to ensure that investments are as quantifiable as possible, so the chief financial officer can see that what they’re spending money on has a return. They need to understand how much of the investment has been in systems and technology. You have to speak with your technologist and understand what it means to put requirements into a system and work with long timelines, because marketers can be impatient.”

• **INTERMINGLE STAFF KNOWLEDGEABLE IN BOTH THE MARKETING AND TECHNOLOGY AREAS.** “With the marketing function, we want people that are really grounded in the fundamentals of what makes great product positioning,” says Callaway’s Arnett. “Who understand what types of features and benefits to the consumer we want to elevate. But they also need to have an innovator’s mindset and be able to think through the requirements that consumers have in the way we need to communicate. They need to have the flexibility in a marketing and communications environment that is an ever-changing dynamic. It’s really about the philosophy and temperament—their soft wiring more than their hard wiring. So we end up with an incredibly diverse group of backgrounds and types of folks that are working together on solving the same sorts of problems for consumers.”

• **KEEP LINES OF COMMUNICATION OPEN WITH YOUR CMO.** “Communication is key,” Arnett states. “It’s critical to keep a dialogue open because the nexus is constantly shifting—solutions required to lubricate that friction can really make the difference between sustainable growth and losing market share. Understand that the solution path is very fluid and not set in stone. You need to have a constant dialogue and a constant reexamination of your business plan. The
functions you have right now might not be around the next year, so you have to be flexible enough to know that things are going to change.”

- **GAIN C-LEVEL SUPPORT FOR COLLABORATION.** “It needs to come from the top. You need leaders who embrace, encourage and demand that growth mindset from your organization,” says Divilek. “Otherwise, it’s not business-as-usual, not natural.”

- **STAY FOCUSED ON THE CUSTOMER.** “While marketing and technology departments may come from different schools of thought, the way to common ground is with the customer at your center,” Divilek advises. “Both teams can rally around the idea that the customer is their anchor. The more cooperation and a multi-disciplinary approach are fostered, the better the outcomes. Organizing around the individual, workplace and investment needs of customers—supported by our digital and customer engagement capabilities—makes collaboration more natural and improves speed, agility and clarity. Focus less on department goals and more on customer’s needs. Frankly, just ‘think customer’ and walls start to come down.”

- **HELP KEEP TECHNOLOGY RESOURCE OPTIONS OPEN FOR CMOS.** Technology employed for marketing purposes may come from the corporate IT department, or it may come from a cloud provider. Often, there’s more flexibility in going with outside providers that may have solutions in place. “Make sure you’re open-minded about where the best ideas are coming from,” says Arnett. “In marketing, we are more outwardly looking about thinking of internal solutions because consumer behavior and requirements are changing so quickly, and it’s really hard to build capabilities around that. But we try to get an internal consensus about finding the questions we should be asking and finding external partners to help us with that.”

Ultimately, no two IT transformation efforts are alike, and every company is bringing its own brand to the challenge. “The future of digital transformation in marketing will be largely decided by CMOs themselves,” write Paull and Goh in *Global CMO.*³ “There is no roadmap to outline what each organization should do. It’s up to every company to move forward.”

For many enterprises, this evolution of the CMO-CIO relationship is coming to pass, and CMOs, working with CIOs, are immersing themselves in both the strategic and operational aspects of IT transformation. At the same time, CIOs understand that in order to deliver success in today’s digital age, they need to have open and frank communications with their marketing leaders as IT transformation significantly reshapes the business.

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METHODOLOGY

This report is based on a survey of 461 global executives. All are C-suite executives, representing CEOs (33%), CIOs (33%) and CMOs (34%). Thirty-four percent of respondents are from North American companies, 33% from Europe, 33% from Asia-Pacific. The executives work in several sectors, including automotive and manufacturing, banking and financial services, and retail. All represent organizations with $500 million or more in annual revenue, with 34% coming from organizations with more than $5 billion in annual revenue.

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