

This **Insight** is 574 Words.

Reading time: < 3 minutes.

Value: Priceless

Look Ma, No Plutonium!

“This job is radioactive” warns the *BusinessWeek* headline over statistics showing that CMOs have the shortest tenure among top management. According to *BW*, the untimely demise of those executives with wild ties and funky scarves is due to the untamed wilderness of new media possibilities and disconnected time horizons. Hapless marketers have tried fighting fire with fire, to no avail: “One of the first things Cammie Dunaway did upon taking the CMO job at Yahoo! in 2003 was to hire a consultant to track return on investment for her marketing department.”

Our Take

CMOs could extend their lifespan considerably by implementing two changes in how they approach their jobs and their market. (Take note: other C-suiters will benefit too.)

1. **Choose the right metric for success.** Marketers and other top management have been bamboozled by bean counters who insist ROI is the ultimate management yardstick. It's not. In fact, while a high ROI is a fine goal, it's a lousy way to manage and build a business. (To understand why, read this short article at IndustryWeek.com: [The Profit Pitfall.](#))

Marketers, along with everyone else in the company, should be using a better performance gauge: Net Preference (sometimes called Customer Market Efficiency). Way back when, we called it Brand Equity, but that term has become too confused and generic to be helpful. In short, the CMO's goal should be to efficiently make more customers choose his company's products more often than the competition. Simple, measurable, actionable.

While ROI is a lagging indicator and dodgy to calculate, Net Preference tells you in advance whether you are going to succeed. CMOs who focus on making Net Preference go up instead of chasing elusive ROI targets are going to be rising stars in growing companies.

2. **Segment customers on three dimensions.** The so-called “new media” would be less bewildering if it was used to classify

customers rather than merely to reach them. For years, we have been exhorting our clients to add a third dimension to their segmentation schemes: preferred sales/marketing approach.

Inexperienced companies segment their customers based on Value (how much is a customer worth to me), while sophisticated companies blend in Need (what do different customers prefer). The very best CMOs and Sales leaders add a critical third factor: Approach (how do customers make decisions and buy).

We have found this to be equally applicable in B2B and B2C markets. No matter what your industry, your customers differ in terms of how they make decisions, how they want to be serviced, and where they are in the sales process. Companies which leverage this knowledge have a formidable marketplace advantage.

Whether or not you are a CMO, adopting these two principles can raise your career to a bright new wattage while avoiding a Chernobyl meltdown. To learn how you can shine brighter without clicking the Geiger counter, contact me:

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Applications being accepted. Ascendant will accept six new companies into our Zoom Manufacturing program in 2008. Qualified applicants must be an established manufacturer with at least \$500 million in sales in a B2B marketplace. Executive sponsorship inside the company is required, since Zoom initiatives cross multiple departments.

Our program is designed for companies worried that the days of rapid growth are a thing of the past. We have generated hundreds of millions of dollars in sales increases and cost savings for our clients, and participants in the Zoom Manufacturing program are **guaranteed a 5x return on their investment** into the program. (Yes, this is consulting with a money-back guarantee.)

To find out more about our 2008/2009 Zoom Manufacturing program, call me at 1-88-88-2 Ascend, extension 66. Direct dial is 203-438-7236. To learn more about the overall Zoom approach, [click here to read a 2-page overview](#).

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Some examples of initiatives we are currently engaged in with companies including FMC, General Chemical, Warner Home Video, ITT and Abbott Laboratories:

- Boosting sales by setting a galvanizing strategy for the Sales force and improving the Sales force's capabilities.
- Steering new product ventures toward success by digging into what customers Need, Want and Can afford.
- Creating millions of dollars in incremental profits by improving the Operations/Manufacturing process and aligning it with the customer needs.

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Are you tired of slugging it out for market share? You can supercharge your sales and profit growth by successfully pursuing big "digs" (new distribution channels, industries, geographies, solutions). [Learn more here](#).

<<http://ascendantconsulting.com/resources/NewMktsExecSumm.pdf>>

Listen to David being interviewed by the [Better Process Podcast](#) (Please "Digg" the podcast when you listen to it)

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