

# Successful Digital Transformation Starts With A Beautiful CMO-CIO Relationship

**Peter Horst**, CONTRIBUTOR | *write and consult on CMO leadership challenges in modern marketing*  
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**By Peter Horst and Waheed Zaman**

Digital disruption. E-commerce implementation. Cyber threats to brand reputation. Programmatic marketing. Big data. AI.

What do all of these have in common? They are all worries that haunt the sleep of both CIOs and CMOs the world over. They call for unprecedented levels of collaboration between the two functional leaders. They are also some of the challenges we faced during our time together at The Hershey Company, as Global Chief Marketing Officer and Chief Knowledge, Strategy and Technology Officer. Based on our experience, we think the secret to a successful digital transformation lies in going beyond buzz words like “nimble”, “agile” and “fail fast” and focusing on leadership, shared beliefs and culture.

The CIO's and CMO's worlds have steadily converged in recent years. Marketing, with traditional strengths in consumer insights, creative development, brand strategy and storytelling, is undergoing transformation as the means to engage a networked consumer become increasingly dependent on data and technology. Similarly, IT, with strengths in operational reliability and project management, technology architecture and specifications, is undergoing transformation with cloud computing, the consumerization of IT and the escalating brand risks posed by cyber threats.

With the increasing intertwining of marketing and technology, the classic org chart paradigm becomes more hindrance than help to effectively and efficiently driving real change. Transformation efforts often become bogged down in battles over turf, budget and credit. The roles and deliverables needed to drive rapid adoption of marketing technology often end up in a grey zone of competencies that are new to both functions. A data scientist who

supports the brand teams with consumer analytics may work in either function; so may a scrum leader for fast-cycle prototyping of new consumer-facing applications.



*'Hersheys Chocolate World visitor center in Hershey, Pennsylvania. Luke Sharrett/Bloomberg*

We faced these issues while working together to accomplish a far-reaching digital transformation at The Hershey Company. The agenda involved simultaneously moving to a more tech- and analytics-enabled marketing model while rapidly evolving a new technology architecture to support that model—rather than taking a more sequential and time-consuming process.

While it was certainly necessary to have a rigorous strategic plan, defined metrics and clear processes around project execution, it was also not sufficient. There was simply too much ambiguity and too little time to rely on pre-defined roadmaps, RACI charts and top-down rules.

For us, the key was starting with a common set of core principles that we instilled in the group:

**Total focus on the consumer/customer.** While seemingly obvious, it's critical to always true back to a desired marketplace impact: what beliefs and behaviors do we seek to change to drive the business? Without this focus, a team runs the risk of chasing shiny objects and overlooking more foundational concerns.

**Commitment to simplicity.** With thousands of choices in applications, technologies and vendors, there is endless opportunity to complexify and overbuild in the scramble to digitally transform. Maintaining a rigorous focus on a simple solution is critical to making efficient progress and can't be over-emphasized.

**Incremental improvement over postponed perfection.** With miles of ground to cover and grand visions of potential capabilities filling the imagination, it's easy to get stalled while plotting the perfect future design that is always just out of reach. As a former boss used to say, "Be sure to knock off a convenience store on the way to the perfect crime."



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**One team, common goals, shared success.** This principle was particularly critical to overcoming the org chart barriers. The digital transformation team must park their functional identities at the door and become a fully unified group, with distinct accountabilities but totally shared goals in order to drive the seamless collaboration needed. Marketing and IT managers must work hand in glove with no notion of conflicting vertical allegiances or competition.

**Culture of confident humility.** The key is the merging of these two traits. Confidence in one's deep functional expertise, with the courage to act, to trust others, to speak up and to change one's mind in the face of better perspectives. Humility to be open to others' ideas, to embrace continuous learning and to admit mistakes and move forward. While humility and confidence may appear to be in opposition, Winston Churchill said "genius lies in the ability to have two contradictory thoughts at the same time". (See also Roger Martin's excellent book on this brand of genius, *The Opposable Mind*.)

Next is the critical area of leadership. As functional heads, we saw that setting the right tone and creating the right environment for good decision-making was at least as important—if not more so—than our role in any particular decision.

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We focused on three leadership behaviors that we tried to model and insisted that our senior team likewise practice. The first leadership behavior was **collaborative decision-making**, where we asked both IT and Marketing leaders to jointly work through issues and decisions regardless of where the competencies would traditionally place decision rights. Choices around technology implementations, for example, required the full participation of both functions.

The second behavior was **embracing ambiguity** in defining issues and seeking resolution. Here we accepted lack of clarity and potential re-work in the details by focusing instead on the bigger goals. In budget discussions, for instance, we accepted that there would be overlap and uncertainty and didn't let that slow down progress.

And finally, we insisted on **empowered decision-making**, whereby choices were generally made by the people doing the work rather than at an executive level. This behavior relied most on modeling at the top, where we were careful to publicly defer to more junior team members, to show that we meant what we said and lived by our own rules.

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