



Executive
Marketing Recruitment.



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This gun's not for hire: Lessons in gig economics for smart CMOs

A report from tmI Partners from their recent roundtable debate with marketing & BD leaders in the professional services sector.

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Introduction – Our world of work is changing...

tml Partners recently hosted a roundtable discussion bringing together CMOs and BD Directors from across professional services. We were joined by Jamie White, Founder of strategy and brand consultancy Overture London, who kicked off a provocative and engaging debate on how our world of work is changing and why we are embracing the Gig-Economy.

Our guests included:

- Rowan Neslen**, Head of Marketing at Boston Consulting Group
- Nigel Pyke**, Marketing Partner at Cushman & Wakefield
- Claire Wood**, Marketing & Operations Director at Deloitte
- Lucy Murphy**, Chief Marketing & BD Officer at Freshfields
- Leor Franks**, Marketing Director at FTI Consulting
- William Douglas**, EMEA CMO at JLL
- Mark Valentine**, Head of Business Development and Marketing at Mayer Brown
- Terri Lucas**, UK Growth Partner at Mercer
- Paul Amit**, Global Marketing Director at Turner & Townsend

Jamie began by setting the scene: The world of work is changing, jobs are more transient, they are not for life. We are seeing many more independent workers who are contracted when needed. People are also running their businesses differently – take Uber and AirBnB as examples. Correspondingly people are finding jobs

through non-traditional methods.

What is the impact of all this? Productivity is going up but wages have stayed the same. People are prioritising differently and businesses are taking advantage of new efficiencies.

In this world of disruption, of fractional working, of technology, how are our roles affected?

Traditional roles are changing and marketing, which is at the forefront of change, is really feeling the impact. CMOs have the shortest average tenure among their corporate counterparts, an average of just 18 months compared to 9.1 years for a CEO and 5.1 years for a CFO (The Time/Raconteur Special Report, June 2018).

Following Jamie’s introduction, the debate opened around the table as we explored how professional services firms are successfully adapting to this new business landscape.



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How and Why are we Embracing the Gig-Economy?

Using the gig economy “is a way to resource on a completely different model” said Mark Valentine, Head of Business Development and Marketing at Mayer Brown. You slowly bring in on-demand resources and you can expect a far better output. “The quality is better and productivity is higher” commented William Douglas, EMEA CMO of JLL. Additionally, by offering flexible working you can attract a completely different type of individual to a standard employee.

Taking on freelancers is not a cost-saving exercise, it tends to be cost-neutral once processes and training have been considered. It is cheaper per person, but it’s a more complicated structure to operate. However, consultants tend to self-manage, they motivate themselves and they tend to move on when their interest wanes. Employees need managing and motivating by their senior colleagues so there are potential time-saving benefits here for managers within marketing teams.

“Taking on freelancers is not a cost-saving exercise”

Marketing teams need to strike a balance, though. “You need at least one or two traditional employees so that you have knowledge of your business and you retain a certain level of expertise in-house” said Terri Lucas, UK Client Growth Leader of Mercer. Consultants can take their expertise elsewhere more easily and with little notice, potentially leaving a team with gaps in both resource and expertise. William Douglas added “only a small percentage should be outsourced, you need people who know your company”.



Deflecting or discarding some of what we do “can move marketing up the value chain” said Paul Amit, Global Marketing Director of Turner & Townsend, but “marketers do not have that luxury”. Operational marketing is as essential now as it has always been. One solution is outsourcing, but another might be the use of technology. Can rote tasks be automated, giving marketers more time to focus on the higher level, strategic work? The views on this were split, some saw marketing automation as the way to lifting the role of marketing yet others saw embracing technology as too complicated and too risky – preferring outsourcing as a solution.

“You need people who know your company”

Challenges within Professional Services Marketing

The group identified specific challenges in their roles and sector. The partnership structure was seen as a barrier to easy adoption of both the gig economy and marketing automation. There was a general sense that the way to bring on board consultants and make these changes to the operational structure of the marketing team was to get it approved on an individual basis. If a CMO was to go to the partnership with an overarching

strategy for outsourcing it was unlikely to be approved, it’s too different and too much of a change. Introducing freelancers one-by-one was more palatable, and therefore more readily signed-off.

The slow pace of change within professional services organisations has had an impact both when trying to get new initiatives, such as outsourcing, approved, but

Challenges within Professional Services Marketing *(contd.)*

also with the motivation of current employees. CMOs carefully assemble a team of dynamic and forward-thinking marketers who are ready to run at a fast pace, but that pace is too much for the partners and initiatives aren't approved quickly enough. This leads to employees becoming frustrated and most likely moving on. "You end up losing your good people. If they don't see an appetite for change then they go" commented Lucy Murphy, Chief Marketing and BD Officer of Freshfields. "Keeping your best people is the biggest challenge within professional services marketing, along with changing behaviour".

“You end up losing your good people. If they don't see an appetite for change then they go”

Changing behaviour is a pivotal part of the role of the CMO. "Our role is to challenge, change the pace. Bringing in flexible working and people with different skills is one way to do this" said Mark Valentine. We have already seen great change in the role of the CMO within professional services, it has gone from being an events-

based role to something far more strategic, but of course the change must continue and you only need to look to the consumer industry and the role of marketing within these organisations to see that there is a way to go.

It was conceded that some businesses may not be ready for change. Linking back to the introduction and the short average tenure of many CMOs, appetite for change within a business is a huge contributing factor. "CMOs that drive strategy stay. CMOs that are handed a strategy leave" said William Douglas. "Other CMOs get into an organisation, devise their strategy and then realise that the business is not ready for change" continued Simon Bassett, Managing Director of tml Partners.



How to Overcome the Challenges

"I interviewed the company as much as they interviewed me" commented William Douglas. Identify whether a business is truly ready to change, or are they just bringing you on board to fulfil a "fancy project".

"New and indirect competitors are what is going to drive change" said Lucy Murphy. Traditional professional



services firms are seeing challengers enter the market, for example differently structured law firms such as Lawyers on Demand or the accountancy firms who are setting up legal teams. As the traditional firms see these competitors take their market share they will be forced to embrace change. And it is the role of the CMO to identify these potential threats and push forward the strategy to combat them. Hiring from outside of the sector or embracing freelancers to bring in fresh ideas is a key component of this.

The CEO role is important here. "Maybe firms need to go outside their sector to pick their next CEO" suggested Lucy Murphy. Having buy-in from the top is the only way to get change approved and successfully implemented. The partnership structure is sometimes prohibitive in that it's the fee-earners, who are hugely successful in their professional role, who are also running

How to Overcome the Challenges *(contd.)*

the strategic side of the business and this can lead to misaligned priorities. The role of the CEO is far more strategic. Perhaps professional services firms should follow their consumer counterparts and have a CEO to drive the strategy forward, as opposed to the existing Managing Partner role.

“Maybe firms need to go outside their sector to pick their next CEO”

Within traditional partnership structures, having one or two key influential people on board with marketing strategy is essential. “You need to find a partner to champion change, then create a quorum of others who can see initial successes” Leor Franks, Managing Director, EMEA Marketing & Communications at FTI Consulting. Influencers at Partner-level can become your advocates. “Run a pilot, show success and you create demand” said Claire Wood, Marketing Operations Director at Deloitte. Marketing does tend to be ahead of the rest of



the business and you often have to wait to implement initiatives, but getting senior buy-in one-by-one will accelerate this.

Clients want change. Firms that don’t keep up with the more agile, disruptive competitors will lose clients. “Buyer expectations are changing. There is a new generation who want their services instantly, at any time and at their fingertips” said Simon Bassett. Identifying the needs of clients and using these to drive change forward is another powerful way in which to accelerate this in professional services.

Remuneration

With all the structural and operational changes that are happening within marketing, does this mean we need to review the way marketers are remunerated? For partners, for example, does engaging with the CRM, which can be seen as business critical, need to be part of their reward? Do marketing teams and freelancers need to be remunerated on a commission basis, as marketing increasingly feeds into the organisation’s bottom line? “Disrupters tend to work on a commission basis” suggested David Price, Professional Services Manager at

tmI Partners, so for organisations that are utilising the gig economy they may see this form of remuneration coming into their business.

There wasn’t agreement on the direction of remuneration for marketers. It was not seen to be as black and white as traditional sales roles. Business development professionals who worked on a commission basis can create a very political and competitive environment. Ownership of leads is not necessarily clear cut so it is hard to structure remuneration on this basis. “Commission-based structures have more transparency in outward-facing roles” said Charlie Green, Partner at tmI Partners.

What was clear amongst the group is that remuneration is an area that needs to change if the composition and role of marketing teams is going to evolve, for which there is certainly huge appetite and plenty of live examples.



Conclusion

What will the role of the CMO look like in the future, considering the undercurrent of change that is gaining pace and indeed coming to the surface in some professional services organisations? A lot of marketing is strategy, and supporting the outward facing roles, but maybe this will adapt over time.

“The productising of services is the way to grow the business”

“The productising of services is the way to grow the business” said William Douglas, so perhaps this is where the role of the CMO will go, to product marketing. With this there will need to be a shift in the operational objectives, structure and remuneration of marketing teams across professional services.

Embracing the gig-economy and bringing on fractional professionals for their experience and ability to implement change will be a key part of this.





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tml Partners is an international executive recruitment firm specialising in senior marketing appointments across professional services.

With a team of highly experienced consultants, we provide specialist marketing expertise that is unrivalled by generalist headhunters and in-house resourcing teams. We network extensively in this community continually adding value with thought provoking events and publications to help facilitate the agenda for the marketing leaders of tomorrow.

Finding the right marketing talent is far from obvious and ineffective hiring is high risk. tml Partners mitigate this risk with a truly dynamic perspective on hiring the best marketing talent. We're trusted and connected networkers in the senior marketing community and spend a lot of time understanding the motivations and building meaningful relationships with the best, hard to find, passive talent.



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