

Kristina Podnar, Digital Policy Consultant

The Surprise Challenge of Digitization for CMOs

Kristina talks about how the CMO's role has been redefined by digitization. She covers the privacy issues surrounding unstructured data, the role of employees in social media, and the need to partner across the organization.

- 03:35 The challenge of data for CMOs.
- 05:44 Hiring the right talent. In an interesting spin on the skills shortage, CMOs might be needing data scientists rather than project managers these days.
- 08:59 CMOs need to remember it's not just about enabling consumers but also enabling their last mile employees.
- 14:22 The CMO's role has been redefined by digitization — they need to help the organization, from the board down, understand the new realities of customer experience, data, and insights.
- 15:59 CMOs musn't bypass their security and privacy teams in their haste to exploit digital.
- 21:13 Piggybacking on employees' social media following to promote the brand can come with pitfalls and needs to be carefully thought out.

Ashwin Krishnan: [00:00:36] So we are on another edition of the Cyber360+ UberKnowledge podcast and today's guest is a good friend of mine and a digital policy expert, Kristina Podnar. Kristina, today's topic is something that I know very, very few people talk about the way you do. The title of an article that you'd written was, "The most important skills for tomorrow's CMO: data analysis, privacy and security," that just completely threw me off until I read the article! Why don't you do a quick introduction of yourself to our audience? We don't have to do this introduction every single time, but this would be a good start since it's the first time you are coming on the Cyber360+ podcast, and then talk about what caused you to write the article before we dig deeper into it.

Kristina Podnar: [00:01:27] Absolutely. Well, first of all, thanks for the brief introduction that you gave. I think being called a friend of yours is the true honor and probably the best descriptor that one could give, so thank you. You're laughing, but it's true! It's very generous, so thank you very much. You know my background, but just for your listeners, I have about 20, over 20 years now — I guess I'm trying to make myself younger than I really am — over 20 years' experience in the digital space.

[00:01:53] I started out in a developer, project manager, analyst, tester environment and graduated to become what I consider, you know, the rank of a digital policy consultant these days. My entire goal is to work with companies and help them see policies as opportunities to free the organization from what usually happens, and that is a bunch of uncertainty and risk and almost an eternal chaos. When you don't have policies and you don't have guardrails to understand how far you can push the boundaries of digital, that's where we tend to get ourselves out of whack in terms of balancing those risks and opportunities that digital brings to the organization. And we end up seeing the consequences, which are either data breaches or social media snafus or any kind of a crazy other scenario that makes us do a double take on a daily basis. So, I help folks just understand where those guardrails are and get them emphasized and organized and adopted and implemented throughout the organization.

“My entire goal is to work with companies and help them see policies as opportunities.”

Ashwin Krishnan: [00:02:51] So, going by that, talking about the guardrails, when you think about a CMO, I mean, the first thing that comes to mind is somebody who is the front face of an organization.

Kristina Podnar: [00:03:03] Right!

Ashwin Krishnan: [00:03:04] Somebody who helps build the sales funnel, who's out building the brand, leading up events. I mean, at least for me, until I read your article, I would never think about data privacy, data analysis, security being an important skill set that a CMO needs to think about every single day. So, talk about your consultancy and the CMOs you've talked to, the ones that are actually living and breathing this. What caused them to get that aha moment, and how are they reaping the benefits?

Kristina Podnar: [00:03:35] Absolutely. So, you know, oftentimes what I do is I equate these CMOs and this incredible amount of consumer data that we've been collecting for years and years. It's all been about data lakes and data, big data, as big as we can get it. To me it's almost like, you know, having your child wake up on Christmas morning is how I describe it, they discover the gift of their dreams, that's what they've been waiting for all year long, and then they figure out that they can't play with it. That's really the role of most CMOs and where they are today because we've been really focused on this big data, and it hasn't lived up to the hype for a number of different reasons, including the fact that it's unstructured data. The data that we've collected is sitting in these silos throughout the organization, different departments, and it's really hard to connect them. We don't understand what privacy levels are around all of those pieces of data. So things like using that information for media posts or emails or images or videos or the sales funnel, as you call it, has been a real challenge to CMOs because they don't understand what's there, what can they use, and how can they use it because it's all so discombobulated and disconnected.

[00:04:39] For a lot of the CMOs that I work with and that I have talked to quite a bit about this issue, their question is, "Great. Thanks for pointing out this problem that I find myself in. I identify with that. But what should I really be doing, and where should I be going with this?" For a lot of them, they start using the words marketing governance or digital governance or, we even talk about digital policy. But I was going to say, you know, forget all the buzzwords and take it back down to these fundamental things that you should be doing as a CMO. One of them, obviously, is really starting to put the customer experience at the heart of what you're doing. Yes, you're there to build a sales funnel, I am probably preaching to the choir here Ashwin because you say this all the time, but having sincerity and having integrity and having honesty in the experience with others, it's really what the customer relationship is all about. It's not about trying to sell something to someone. It's about raising awareness of how you can enable them, and how do you help them, and how do you support them rather than trying to actually sell them a product, if you will.

[00:05:44] And so I think that for a lot of CMOs it's about putting that customer experience at the heart of everything that they're doing. It's about really making sure that they're focused on the wealth of insights that we can gain from the data and extracting those in a way that enables them to understand and apply these insights to people in a way that connects, rather than just pushes information or messaging at individuals. So that means a number of things for CMOs. It means hiring the right talent, which is oftentimes overlooked because historically we've needed more project managers and analysts and testers, whereas, you know, you might need a data scientist right now instead to help you out with that data.

[00:06:25] It's about getting into the boardroom and making the case to the folks

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higher up of what this all means to the organization. It's making sure that as a CMO, you're really living and embedding into your everyday life this role of being an evangelist and champion for the customer, for the prospect, but marrying that up with the data both from a privacy and security perspective. So, the CMO definitely needs to be getting ahead of legislation and understanding things like the buzzwords that you and I talk about all the time, like GDPR or CCPA, the California Consumer Privacy Act, which is coming into effect next year. And so, you know, it's really the filling of the CMO's head to think about things like adopting privacy by design, making sure that they're spearheading what really is the intent of the organization from a strategic and a business perspective, but doing it on the terms that prospects and consumers want to be taught it today. They not only have to be very versed in privacy and security and data analytics, they also have to have the ability to sell this internally to their people and get them aligned behind the true purpose, if you will, of integrity and ensuring that digital is spot on.

Ashwin Krishnan: [00:07:36] So let me ask you a question. When it comes to a CMO, I mean a B2C CMO, whether it's McDonald's or Uber or somebody like that, I think that is something you can get your head around because it's really about you know who your customer is, or you ought to know, and then you can market to them.

[00:07:57] The other piece is when it's a B2B kind of environment and the CMO's perspective on understanding that the buyer could be a person in OT in mining or the buyer could be somebody who is kind of deep in the trenches, you mentioned data lakes, maybe I'm a data lake vendor, selling to that. So, the question is, when you think of marketing, you put on the CMO's hat, whether it's McDonald's or Uber, you kind of know who your consumer is and how you test their pulse and be transparent with them, but when it's B2B and realizing, like you mention, being transparent with them is critical, then also everything when it comes to lack of talent and the tsunami of information that people have to deal with, how does a CMO break through that noise and still be transparent without overwhelming the consumer, if you will, in this case it's a B2B buyer?

Kristina Podnar: [00:08:59] Sure, before we kind of get down into the details of that, let's take a step back because I think there's another third category of prospects and consumers that we haven't talked about. There's the B2C concept and layout, there's the B2B, and then there's actually another one, which I call the B2E, it's the business to employees. And what I mean by that is, when you're the CMO inside of an organization, especially one that's a multinational, a B2B environment, it's not just about a business-to-business transaction. It's usually enabling your local market representatives and your local markets themselves who usually have their own arm of marketing to actually help you get to that last mile. And that's where a lot of times CMOs break down because they forget that it's not just about the consumer, whether

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it's in a business environment or a consumer environment, it's really all about ensuring that you're also enabling people who are your arms and your legs.

[00:09:53] I was just dealing with this recently with a client of mine. At headquarters they have a really great CMO, a really smart person. They have a really great digital team. But they've really been thinking about being the brain of the organization and barking out orders to all the local markets, in terms of: you need to do this; you need to do that; here's the data that I want; here's how I want that data; here are the processes and the tools that you have to implement. What they kept forgetting was that it's not about barking out orders. It's not about policing the local markets and telling them what they have to do and how they have to do it, especially when those local markets are profit centers.

Ashwin Krishnan: [00:09:30] Yeah.

Kristina Podnar: [00:09:30] Right? If they're profit centers and they're making the money, they usually get the budget. That means that you are no longer in a position to direct them. You're actually in a position to enable and support them. This is more of a partner relationship than it is a top-down relationship. And so I think it's really key for the CMO to understand that and really get their hands around, what is the talent, not just at the headquarters level and on their immediate team, but what is the marketing talent — and talk about even what that means when we say marketing talent — but what does the marketing talent throughout the enterprise look like?

[00:11:02] In my mind, gone are the days where it's like, "Oh, I'm a marketeer. So I'm just gonna send out emails. I'm going to post something to my Twitter account." Now, we're actually talking about marketeers who have to be very versed in what the analytics tools are out there. How do I gain insights, whether it's in that B2C or B2B environment? Remember, even in the B2B environment, there's a human being at the other end who's going to decide to make a purchase or not. And so, yes, it's slightly different paradigms, but it isn't some magic black box things go into, those are people as well. So it really requires a CMO to understand the end-to-end transaction, if you will, with that individual, and what does that look like, really making sure that they understand what their pain points are, and how to make themselves available at that point in time when they need them.

[00:11:55] For the CMO that I'm working with, you know, it's really transgressing beyond digital, and it's going into the omni-channel experience. A great example is I was talking to the CMO of a company that provides logistic support in ports. So when you actually go to clear customs, for example, they help you get through the customs process and do it faster using blockchain, potentially, and other technologies. Well, that's all great and the buzzwords are wonderful, but things started to really break down for that CMO when we got to the port level because there is more competition than ever. People weren't as aware today, within the millennial generation, of that name that was there maybe 30 years ago. At the end of the day, you can say, "We

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can get things through customs quickly for you with blockchain," but where are you in the entire supply-chain-management process? You can't just have a part of a solution, it has to be holistic for your customer, or you need to be able to identify for them where you are as part of that solution in the ecosystem. And so that requires you having a lot of data, a lot of understanding, and a lot of perspective and awareness about your capabilities inside of the organization and also where you fit in the larger ecosystem globally.

Ashwin Krishnan: [00:13:11] Great. So, talking about two points — again, these are things that I've never thought about myself, but the way you bring it up is really, really interesting — first, you mention the fact that it's not just B2B and B2C but B2E also. Typically, and I view this from the 20-25 years when I was in the vendor space, marketing was this haloed separate group which, like you said, used to go out and have these fancy events and send out these blastograms, etc. And then you had engineering doing its thing and customer support doing its thing and sales would obviously engage with marketing when they wanted to.

Kristina Podnar: [00:13:47] Right.

Ashwin Krishnan: [00:13:47] Now, if the CMO has to take on a much more pervasive role when it comes to engagement with the employees themselves, what sorts of internal transformation does the CMO and his or her team have to go through? Number one. And number two, how does an organization's culture determine whether a CMO's even going to be successful? I'm just thinking of the CMO walking down the corridor and starting to talk to people, and they've never seen her before. I mean, she should be out doing her thing; why she is spending time with internal employees. How does that play out?

Kristina Podnar: [00:14:22] Well first of all, we have to understand — and kind of switching my head the other way and taking my consultant hat off — when I'm inside of these organizations that I work with, a lot of times what's happening is a CMO is really having to redefine their role for the organization. Usually they're part of a C-suite with a CEO, who probably has an operations background or a finance background, which is great, we need those people, but they usually equate marketing with advertising. They're like, "Hey, why aren't you out there buying some radio ads or getting us some space in The Wall Street Journal." But the CMO of today, I think, needs to be this reality checker and soothsayer, and they really have to help from the board down accept the new realities that you and I've been talking about today. It's all of those things. It's the fact that it's about the customer experience. It's about the fact that you need to figure out a way to get insights from all of that data that's sitting out there and decipher the key nuggets of all the other noise that's happening. Then the reality is that your competition is right at your shoulder, and their initiatives are likely succeeding. So, you better either be able to run really fast and keep up with them or leapfrog in front of them.

[00:15:38] And so for that individual and, I think, their organization, there has to be a

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lot of changes. It's going more from that traditional advertising marketing reality to understanding a boatload of things. And one of the things that we always forget about is — and you and I started to talk about this via email a little bit — becoming versed in digital requirements.

Ashwin Krishnan: [00:15:59] Right.

Kristina Podnar: [00:15:59] What I hear the CMO oftentimes saying is, "You know what, our internal partners are wonderful. IT is great, but they're just really slow. So, I'm gonna go out and procure a cloud solution to help us get the data analyzed faster, to get us to our consumers easier, etc." And so here they are. They're running out the door. They're going to procure their cloud solution, but they're not thinking about things like, what about the security? Have I vetted that vendor properly? What are the other third parties that are going to be in the mix here? Do we actually understand who they are? Have they been properly vetted? Do we understand they're not going to just close up shop tomorrow morning and leave us high and dry or maybe even suffer a data breach?

[00:16:39] So have you gone through that paradigm? Have you actually understood what it means to even buy a cloud solution? Yes, it's not on-prem anymore, but there's still a little bit of upkeep there. What does that look like as you start to collect and generate data and have to translate that data into something that's usable as well as analyze it, etc.? I think for most CMOs, it's really critical to understand, are you really going to be the one-man band for your organization, or is it better and easier to partner with others throughout the enterprise to make sure that you're really enabled and enabling?

[00:17:16] At this moment in time, what we're seeing is people kind of go one way or the other. I think for probably the last three-to-five years, I've seen a preference to go their own way in marketing, the CMO saying, we can do this on our own. I'm hoping we start to swing the other way because there's a reason we have the security officer, the privacy officer, IT, human resources, procurement. And it's because we need all of those folks involved in order to have, you know, compliance with laws and regulations and making sure that the organization is well protected, so that marketing, the new "marketing," can go out there and take advantage of that scenario and really exploit digital for all it's worth, because that's kind of what you're trying to do for your business.

[00:17:58] So from the top down, you have to start managing. The staffing is very different. You asked, how does the organization change? It changes because who is in the marketing team today is very different than it was five years ago. It's not just about the content strategists anymore. It's bringing in all of these other kinds of capabilities that we've been talking about. And, as you mentioned, it's also about turning things internally and leveraging change management, so that you really are that enabler and that support mechanism, rather than just someone who's thinking of

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great ideas but isn't able to get the organization to turn the ship in that direction.

Ashwin Krishnan: [00:18:36] Good. So, touching upon one topic and probably this is the last piece we're going to have time to talk about, but it's an important one, which is the social angle, the social media interface. And I have a good CMO friend of mine, and she was telling me something which I haven't thought about before, about saying, OK, the traditional way of doing social media is through PR. You have a good PR agency, and you get interviews, and you get videos, and so on and so forth. What she realized was that there was a group of influencers in her organization, who were all over the map. There was one person in customer support, one person in pre-sales, and they had their own voice and they had their own following. And what she did was have her team actually follow them on Twitter, follow them on LinkedIn and get a better sense of who they were and what they were talking about. And without artificially trying to change their voice, she started kind of piggybacking on those people.

[00:19:33] Going back to your earlier comment about the role of the CMO changing in terms of becoming the true voice of an organization. Is this a model that you would say is the new age of marketing, where it's no longer your organization, your physical organization that's going to be amplifying your company's voice and what you stand for? You have these individuals, human beings in their own right, who have an opinion. And, yes, they work in their organization, but they also have a voice outside of it. How does a CMO deal with that, ignore that, use that for positive amplification of the company image itself or not? I just wanted to get your thoughts on that.

Kristina Podnar: [00:20:17] Well, first of all, I don't think it's really a choice anymore. I think it was a choice maybe three years ago. I think where we are today is the smart CMO has to embrace social media and the fact that there are plenty of voices inside of the organization that can be used on behalf of the organization. I think the smart CMOs are starting to actually put together a paradigm that enables employees to use social media that also ensures that they've appropriately protected the organization. And what I mean by that is, like you said, you can actually follow certain influencers, you can piggyback off of them. When you see posts about privacy or security or a product or service on social media, you can share them, both internally, to teach other employees how to use best practices in social media, and externally, to comment and reiterate your own commitment as an organization to what employees are saying out there, and that builds the brand and awareness.

[00:21:13] But what I oftentimes see is CMOs are rushing out the door trying to give their 95,000 employees access to social media to go out spread the word. Which is great, but what they forget is once those employees build up a following, once those employees get credibility, they have their own voice. And what happens when that voice isn't in alignment with your organization? What happens when that voice

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actually goes off outside of your organization and decides to do something else? What if they want to do some burlesque dancing or something that doesn't necessarily align to your commitment or to your values? This is the time to be thinking about that and I think smart CMOs are.

[00:21:53] If you look at places like Intel or HP or IBM, they've done a really great job at the CMO level of fostering employees to do the right thing. They tend not to over process them and not over police them. They consider the fact that they've hired smart people. They've given them a job because they're smart, they're competent, and what they're looking for is to align those values with where the organization is going and then use that voice to amplify that brand. I think that's really a key recipe for success going forward. But taking a look at what are those guardrails and what are the parameters and being aware of the fact that the parameters are different in different parts of the world. What you can and can't tell employees to do in the US is different than what you can say or do in the European Union and balancing that out and cultivating that is really critical.

Ashwin Krishnan: [00:22:46] Super. I knew I was guaranteed talking to you that we were going to uncover a lot of interesting things, and we definitely did. I think just understanding how a CMO's role is dramatically changing, embracing digital, and, like you said, embracing different voices in the organization, being able to become not only aware of security and privacy and ethics within the role of his or her function, but also becoming the spokesperson for what the right thing to do is from an ethics' standpoint towards customers. I think we've covered a lot of ground here, and I'm really, really glad to have you on the Cyber360+ podcast. Looking forward to our next chat in a month from now.

Kristina Podnar: [00:23:26] Great. Thanks so much, Ashwin, for having me. Take care.

Ashwin Krishnan: [00:23:28] Thanks, Kristina. Bye bye.

Kristina Podnar: [00:23:29] Bye bye.