



Overcoming Chasms, Gorillas and Tornadoes

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Envy not your company's marketing executives.

By David Berkowitz

If any one chart can sum up a day in the life of a marketing professional, the one below from the CMO Council, GlobalFluency and Aberdeen Group is a fitting representation. They asked 350 marketing executives at US high-tech companies to rate a dozen priorities, and every single one ranks above average, with advertising and trade shows scoring highest. If the survey offered a longer list, the researchers may have found marketers are juggling even more than 12 balls at a time.

How Marketing Executives at US High-Tech Companies Rank Their Marketing Communications Priorities, 2002 (as a % of respondents)

	1	2	3	4	5	Mean score
Strategic planning and research	27%	26%	19%	16%	12%	2.6
PR and internal communications	28%	22%	20%	17%	13%	2.7
Web presence and Internet marketing	24%	29%	18%	15%	14%	2.7
Branding and visual identity	22%	25%	25%	18%	10%	2.7
Competitive intelligence	19%	29%	25%	16%	11%	2.7
Sales and marketing collateral	13%	35%	29%	16%	7%	2.7
Analyst and stakeholder relations	23%	24%	21%	17%	15%	2.8
Direct telemarketing and contact management	20%	25%	24%	18%	13%	2.8
Customer relationship management systems	20%	22%	23%	21%	14%	2.9
Channel programs	15%	27%	25%	22%	11%	2.9
Trade shows and hospitality events	11%	24%	28%	26%	11%	3.0
Advertising and imaging	13%	21%	28%	22%	16%	3.1
Other	27%	7%	33%	9%	24%	3.0

Note: n=350; scale from 1=high to 5=low; data ranked by mean score
Source: CMO Council, GlobalFluency, Aberdeen Group, March 2003

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Geoffrey Moore has spent the better part of the last two decades helping marketers at technology companies overcome their challenges. His books include *Crossing the Chasm*, *Inside the Tornado*, *The Gorilla Game* and *Living on the Fault Line*, and this month, he's speaking at the CMO Council's CMO Summit where he'll have a captive audience of professionals from over 200 leading technology companies.

Before boarding the yacht in San Francisco for the Summit, eMarketer caught up with Moore, who currently serves as managing director of [TCG Advisors](#).

eMarketer: What is it you're working on now?

Geoffrey Moore: When I first started working and writing, it was primarily in the marketing area for high-tech, and I would say that what's changed is the scope of the issues have rippled out from marketing to really take in the entire enterprise when it's trying to set a new strategy, and often that will get led in marketing, but the issues of framing a strategy and how to make it operational in all the various functions -- not just marketing, but sales and manufacturing and engineering and whatnot -- it's kind of an expansion, if you will, of the old focus. The latest book that came out was really targeted more toward the entire executive team and what they have to go through when they want to change their strategy.

eMarketer: It is an interesting shift, although even when you may have been talking to marketers earlier on, changes like what you were suggesting can't just be made in a single department anyway. The entire company, or at least the entire top level, should be aware of them.

GM: And in fact, that's kind of how we got this. When we started working with marketing, it became clear that the rest of the company sometimes sense marketing as a departmental function, and in its sales support, tactical role, it probably is, but in its strategic direction role, it's clearly a cross-functional discipline. That's how the relationships actually branched out in the first place.

What you can't do as a head of marketing is say, "My function owns strategy for the whole corporation." What you can say is, "My function will help coordinate strategy for the whole organization."

eMarketer: On the venture side of things, what's exciting you most? What kinds of proposals are grabbing your attention?

GM: It's interesting. Venture has definitely gone through quite a shakeout in its own structure and thinking, and I think it's kind of gotten to a place which is financially not quite as jazzy, but from the point of view of building companies and creating industries, it's actually a lot more exciting because it's more real than the stuff we were doing in the late 90s.

What happened is venture's going back to deep technological advantage or deep domain expertise advantage of the sort that it's going to take five to seven years to really get a company to any point where it can think about a liquidity option. What happened during the dot-com era was all of the long-lead, deep technology players kind of got pushed aside because people were saying, "Why would I want to spend seven years when I can get a company public in two?" So now it's back to, okay, we're not on that regiment of growth, so let's go back and look at those.

People got the impression that tech was kind of done, that there was nothing left to invent. But it's not true. It's just that we overblew and overbuilt the tech we had in the late 90s, but we're now getting back on level footing. There's a bunch of new stuff and there's a bunch of new problems. Whether it's technology for managing thermal problems with smaller chips, if it's technology around how you lay down the next layer of systems over the legacy -- the Web services and all those ideas, there's technology about mobility and how we make the wireless thing part of the world.

It wasn't like what people were saying in the dot-com era was wrong. It's just that the time scale was off by about a decade, so there's a ton of work to do in making all those things come true. I would characterize this decade of venture as the decade of real worth, as opposed to unreal time.

eMarketer: I recently had the pleasure of talking with [Regis McKenna](#), under similar circumstances too, as it was right before he spoke at a couple conferences. You worked with him at his firm?

GM: I owe a big debt to Regis. When I got involved with high-tech marketing for the first time, it was in the mid-80s, and high-tech marketing at that time was still under the illusion that Procter & Gamble's best practices could somehow be made to apply to technology market development. That was just a bad idea. When you went to business school and learned about marketing, you learned about P&G, and that's what you thought you were supposed to do.

Regis was, if not the first, then certainly I think the most eloquent of the people who said, "No, this is a completely different problem. It requires a completely different solution, and it's much more oriented toward public relations than toward advertising, and a lot more things as well." *The Regis Touch* was his

first book, it came out in 1985, and it was like a light bulb going off -- it was great.

When working at Regis' company from about '87 to '91, what was so great about that was it was the premier franchise in high-tech marketing, so it attracted really interesting clients with really interesting problems, and it also attracted very bright people to work at the company. That's about as good as it gets when you're trying to learn what it takes to do this stuff. It was a great formative experience for me.

eMarketer: Are you working on any more writing these days?

GM: What I'm working on now is taking *Living on the Fault Line* to the next step. It's this issue of how do companies manage transformation. What that implies is that you're going to transform your entire company to operate against new objectives with new processes, new everything, and the challenge is that inertia is such a powerful opponent of that outcome that the common outcome is new strategy, no traction. Most of the work I'm doing in consulting, with the exception of the work I do with venture companies, is working with companies that have been very successful already, so they have enormous inertia based on their past success, and they now realize they have to reinvent themselves and transform themselves, and it's not that they don't get it, and it's not that they don't have a strategy for where they want to go, but the piece that seems to be missing is the link between strategy and execution. We call it the operationalizing of strategy that allows you to actually turn the boat.

The practice I'm now associated with is called TCG Advisors. It's a new practice that focuses very specifically on that problem. We're working with companies who are leaders in their field, but if they're going to stay leaders, they've got to adapt.

eMarketer: I guess standing still can be lethal.

GM: What happens right now is in a down market, actually inertia is not a bad thing. You don't change your strategy; you just hang on for dear life. The marginal companies get eliminated and the traditionally successful companies find themselves in a much more consolidated market where they have a strong position. But then as you start coming out of the down market and you see the next generation of growth -- "We're coming out of a cycle here, we can't just do the same old stuff again" -- now they're getting increasingly nervous because they're thinking, "Damn, we're having trouble getting ourselves on to the next thing. And it's not because we don't want to. It's just hard to extract resources from the old processes and repurpose them for new processes."

eMarketer: I do have a very crucial question for you here. In my research, not only did I use Google, but, in a first for eMarketer's interviews, I tried running your name in Googlism.

GM: What happens?

eMarketer: You can put a name or place or thing and ask a "who is" or "where is" or "what is," and so I asked, "Who is Geoffrey Moore." It tries to find relevant results from the Web, and one for you was, "Geoffrey Moore is almost a celebrity in Silicon Valley and venture capital circles." What will it take for you to reach full celebrity status?

GM (laughing): I think actually being almost a celebrity would be my goal. The problem with being a celebrity is it means it's about you, and if you really care about consulting and helping clients, it really can't be about you. People attempt to make you into a celebrity because it's useful to them -- "I hired Geoff Moore and he said..." But that's not any good for anybody. Actually, I aspire to retain my status as almost a celebrity.

One thing that's interesting that you haven't brought up yet is the guys who are putting on the CMO Council sent a question to their membership asking what are they worrying about, what's keeping them up at night -- that sort of stuff. They were trying to figure out what members wanted them to attack at this conference. The thing that was so extraordinary about in aggregate the 15 pages of responses they collected is just how complicated and complex marketing has become. Part of it is that there are so many different business models now, and each new business model implies a slightly different spin on marketing. Part of it is people are really trying to get into accountability and measurement and continuous improvement, and there's a lot of confusion about what could be measured and how. A bunch of it has to do with companies saying, "I want an Intel inside campaign," and they have \$5 million in revenue. All

these different elements are coming together.

What I'm going to talk about is I'm going to try to help the guys on this boat sort through that and figure out a set of models to at least figure out what part of the forest of marketing are we in. Marketing gets beat up routinely in high-tech. It's the favorite whipping boy. If you look at what's happening, it's not that the people challenging marketing are stupid or malicious, but they're inevitably on a different page of the playbook than the marketing people are on. If we knew what the playbook's total table of contents was, at least we could say, "Let's agree to get on the same page about what we're trying to do here." I'm going to talk about trying to put together a table of contents for the marketing playbook.

The overarching theme was really a series of laments of miscommunication about a variety of mission critical issues. Because of the down economy, success has been harder to find, and so you find your people under more pressure to perform and getting more criticism than they're used to. Some criticism is necessary to improve, but if you get swamped with it, you think, "Why don't I just shoot myself?" Part of what I want to be able to do is say, "Until we bucket the areas of focus correctly, criticism isn't going to help you. It's just going to make you feel bad. You're not going to get better because you're not even agreeing on what you're trying to do." It's an interesting problem.

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