



Executive
Marketing Recruitment.

September 2017

The biggest challenges facing CMOs in financial services in the next 5 years

A report from tml Partners from their recent roundtable debate with marketing leaders in the financial services sector.



Contents

Page 2	Introduction
Page 3	Consumer behaviour and expectations
Page 3	Evolving competitive environment
Page 4	Adapting traditional organisations to the digital age
Page 5	Talent to feed innovation
Page 6	About our presenter



Introduction

tml Partners recently hosted a roundtable discussion bringing together Chief Marketing Officers (CMOs) and Heads of Marketing from consumer financial services organisations to discuss the challenges that their businesses will face over the next five years.

The conversation was opened by James Elias, CMO of Avado Learning (Google Squared Online) and former Marketing Director of Google, who kicked off the debate with a short presentation on his view of the challenges marketers in this industry face. James centred on the rapidly evolving consumer landscape. Expectations are changing drastically and this is driven by technology. Consumers can access information rapidly, from anywhere and on multiple devices. There is more insight than ever into customers, he referenced the staggering prediction that by 2020, the internet of things will have evolved so that 50 billion 'things' are connected to the web. With this comes great opportunity for insight

into consumer behaviour but at the same time it will drastically change the competitive environment. How are businesses ensuring that their marketing strategies are right for today, let alone tomorrow?

Following this introduction, the debate opened around the table and four themes came out: consumer behaviour and expectations; the evolving competitive environment; adapting traditional organisations to the digital age; and talent to feed innovation.

Simon Bassett

Managing Director
tml Partners

T: 020 3908 4444

E: simon.bassett@tmlpartners.com



Consumer behaviour and expectations

Because of the exponential rate at which the business world is evolving, driven as James said by technology, consumer expectations and behaviour are entirely different to twenty, even ten years ago. Traditionally, for financial services organisations, trust and reliability were central components of a successful brand, this is what consumers looked for and what drove decision-making. Now it seems to be all about efficiency and convenience. Trust is still a factor but immediacy of access, speed of processing and ease of interface are now a focus, and consumers are incredibly sophisticated and sensitive in their requirements. “You now earn trust through positive user experience” said Andy Cridland of Senior VP for Brand & Advertising at Blackrock.



“You earn trust through positive user experience”

The example was given of facial recognition software for accessing bank accounts. This is pure convenience and once demonstrated, thus proving efficiency and usability, it becomes trusted. This is a wholly different way of approaching trust in the financial services sector.

It used to be a process of building an organisation and developing a brand to communicate reliability and security, with messaging often based on being one of the larger and long-established players. Now consumers are willing to put their trust in new, small organisations that demonstrate efficiency and convenience. From this they get the reliability and trust they need to buy. This is a wholly different process and leaves traditional organisations the challenge of adapting their marketing strategy, or perhaps their business, to fit.

Evolving competitive environment



Attendees agreed that one of the biggest challenges for traditional financial services organisations was the new entrants within the market. The financial services industry is one that is incredibly vulnerable to disruption and a wave of fintech businesses have entered the market and already taken market share. These businesses are

small, agile and highly focused. “Fintechs are doing one thing, brilliantly, and it’s eating away at financial services” comments Mark Choueke of RebelTechPR. The challenge of how to adapt a traditional organisation to compete is covered below but the discussion began to centre on how to see this evolving competitive landscape as an opportunity rather than a threat.

“Fintechs are doing one thing, brilliantly, and it’s eating away at financial services”

Many of the larger organisations may start acquiring these fintechs. This has the immediate benefit of investing in a potentially profitable business and leveraging whatever service the business provides for their own

Evolving competitive environment *(continued)*



customers, but also the additional benefit of “buying into a culture and talent pool” said Mark Wright, VP of Marketing at Travelers. Bringing a fintech business into a traditional organisation can really shake up that organisation and promote the change that is needed

to future proof against further disruption from the competition.

Partnering was cited as another way in which traditional organisations could embrace change within the market. “Partnering with strong people means efficiency for the customer” comments Richard Nunn. The challenge here is whether organisations could actually enter into partnership agreements. The potential loss of control and legal and regulatory issues could be prohibitive. Would committees ever approve such structures? However, if this is something that could be overcome, partnering would go a long way to solving the challenges that financial services organisations face in trying to adapt to the digital age – this was the next major thread that came out of the discussion.

Adapting traditional organisations to the digital age

What is it about traditional organisations that is holding them back in the digital age? This was a recurring question during the discussion and the two main responses were change management and the approach of organisations to risk.

Change management is a well-documented challenge. Large organisations have complex and rigid structures and introducing initiatives which challenge the status quo is notoriously difficult. Additionally, financial services organisations are traditionally risk-averse. Before embarking on an initiative and in order to get it approved, the board needs to see evidence that it will work. This is fundamentally different to how digital transformation works. There has to be an element of experimentation, of building something and seeing how it goes. This presumes a level of comfort with failure, which, alongside risk, financial services organisations are averse to accepting.

“How do we get the freedom to experiment within a business?”

“How do we get the freedom to experiment within a business?” asked Sophie Green, Head of Customer

Offer at the Charities Aid Foundation. There needs to be a shift in thinking – if you examine how fintech start-ups approach their business they focus solely on the



customer. Corporates need to do the same. “In start-ups there aren’t any resources so they can’t test, they learn from the customer and then build” highlights Lisa Gervis. Fintechs are very clear to begin with about what problem they’re trying to solve, so it’s highly likely they’ll solve it. They lead with purpose whereas traditional businesses are often seen as focusing on their portfolio, essentially being profitable, and this doesn’t factor in the consumer at all. Of course this does all boil down to the ability to change and adapt attitudes to risk and it’s having the right people and the right team structures that will allow this to happen.

Talent to feed innovation

“The ability to change comes quickly back to having multi-disciplinary and empowered teams” said Deborah Keay, the former CMO of Starling Bank. This might be achieved through business acquisition as discussed earlier, or perhaps it’s through resourcing or change management within organisations.



Resourcing for innovation is difficult as every day is different and you don’t know if the person who is right to lead the marketing or any other team today is the right person for tomorrow. Interim placements are a potential solution here, hire a temporary CMO or equivalent to bring about change then recruit the right person for the permanent role. Alternatively, bring in people from different industries. “When a fintech looks to hire a CMO their ideal candidate isn’t usually someone from within the banking sector” comments Simon Bassett of tml Partners. They may look outside for someone, for example, with specific experience of growing a business very quickly. Traditional corporates

should do the same. Bring someone in with change management or digital transformation experience and try to bring about organisational change this way. Caution was advised here, however, as there needs to be sensitivity to the regulatory and compliance aspects of a financial services business. Individuals who are not prepared to adapt their experience to their new environment can experience relatively short tenure.

“Pro-active risk people can transform a marketing team”

Others around the table saw a possible solution to this challenge through combining disciplines, or at the very least opening up channels of communication between disciplines that don’t necessarily talk that frequently at present. “Pro-active risk people can transform a marketing team” said Sophie Green. There is a wealth of information available at the fingertips of the risk team, they likely know what works and what doesn’t and could potentially have valuable insight into customer needs. If you get risk and marketing talking, there is huge opportunity. Similarly, putting marketing and product together can also be very powerful. It’s about how the teams are structured and who works with who. It could be as simple as who sits where. James Elias of Avado concluded “it doesn’t really matter what team you work for, just get the right people in the room and you can transform a business”.

About our presenter

AVADO, help businesses and individuals with all levels of digital transformation - covering mindset change, digital upskilling, MVPs, prototyping and using business models such as the lean canvas. They have had great success with clients like HSBC ([click for case study](#)), GSK, Vodafone & TalkTalk.

They do this through award-winning learning design, expert-driven content and collaborative learning. They offer a range of professional qualifications, capability building programmes and apprenticeships - all built to work at scale.

TalkTalk, for example, approached AVADO to create a fantastic internal digital transformation programme. The TalkDigital programme was the result - using AVADO's Dot Native platform, which allowed bite-size, digital learning to be tailored to the company's specific needs. Thanks to TalkDigital, employees are now driving the



digital revolution internally by prioritising customer centricity and digital-first thinking in their work.

For more information contact James Elias:
james.elias@avadolearning.com





Executive
Marketing Recruitment.



tml Partners is an international executive recruitment firm specialising in senior marketing appointments

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.

 @tmlPartners

 www.linkedin.com/company/tml-partners

tml Partners Ltd
154-160 Fleet Street
London
EC4A 2DQ

T: 0203 908 4440
E: info@tmlpartners.com

tmlpartners.com