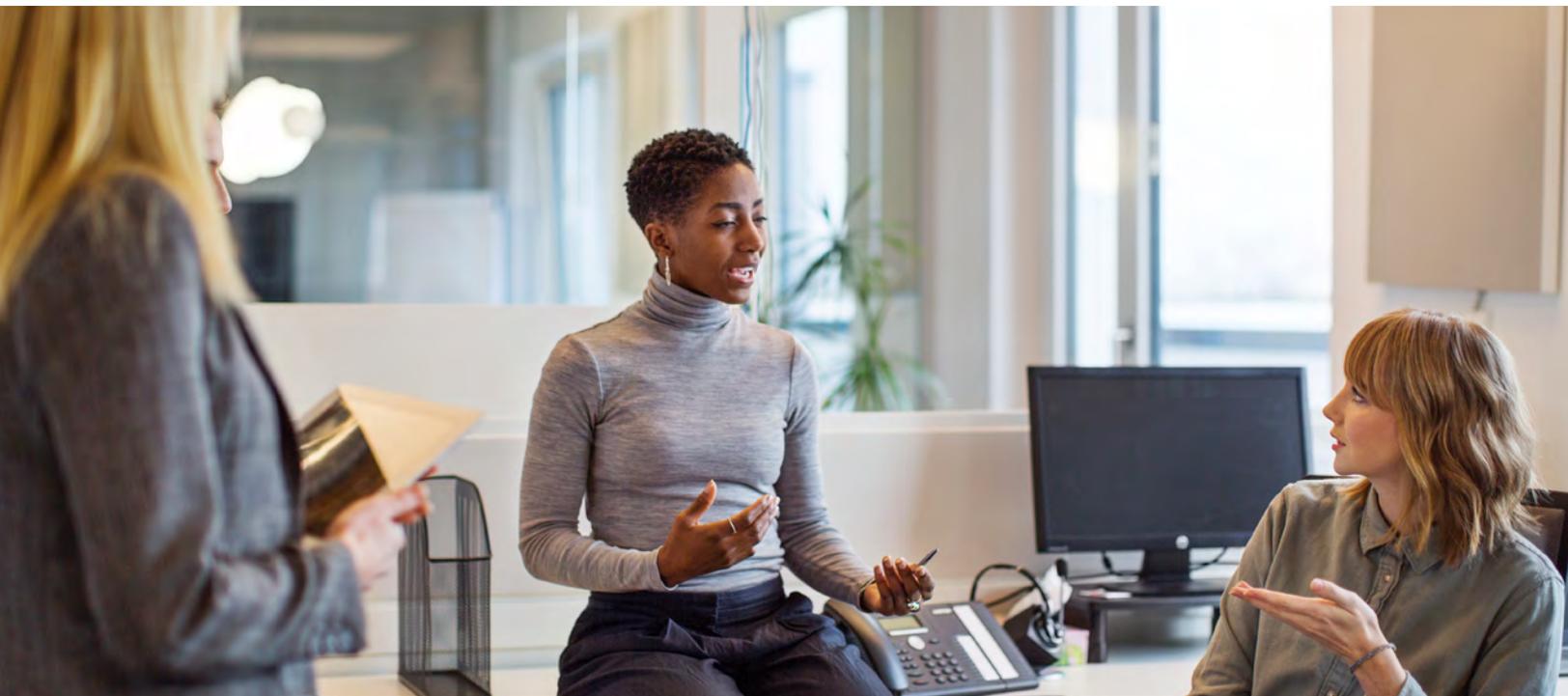


# CMO, CDO and CCO turnover accelerates as companies seek to drive topline growth

How 2021 is seeing a rise in the movement of tech-savvy go-to-market roles globally





It's been over 18 months since the start of the pandemic and companies globally have started to come to terms with the importance of customer-centricity. COVID-19 has acted as a catalyst for organizations to lift historic and stagnant business models and rethink how they are going to reach consumers and customers more efficiently and more empathetically. As some regions regain their footing others are seeing a precipitous climb in case numbers and are returning to lockdown procedures. This seesaw of good and bad reflects the persistent uncertainty of the pandemic and if anything, proves to business leaders the important of agility more than ever. Companies have acknowledged that their previous go-to-market efforts need not reflect the new consumer normal and are being forced to navigate new landscapes, implement new business models, create new organizational structures, and create new roles to better activate for their customers and consumers.

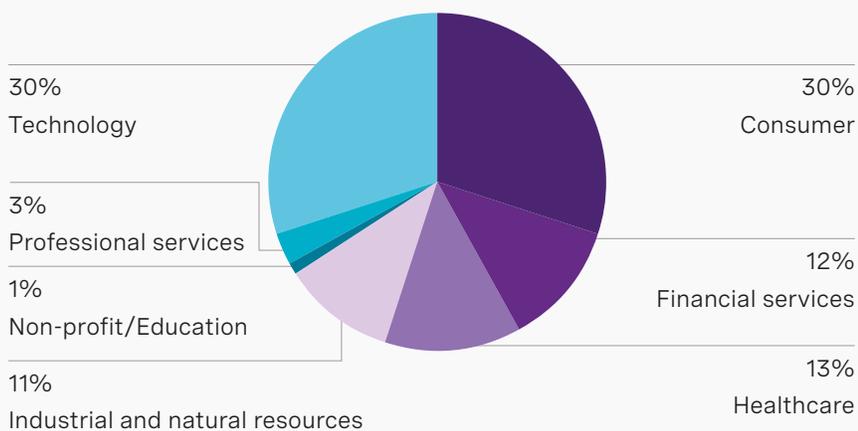
At the beginning of 2020, organizations were in a reactive mode, trying to get their feet underneath them and maintain business performance in a new environment. However, now a more strategic lens is being placed on the ever-changing situation. Given the disparity between regions, realigning business models to better activate for their customers is necessary. Now, organizations are not just trying to survive but trying to grow and different organizations need different types of leaders to complement their current talent pool. Over the past eight years, Russell Reynolds Associates has been tracking publicly disclosed chief marketing officer appointments and departures across North America. Since the second- half of 2020 we expanded our analysis to include all go-to-market roles globally, including chief customer, growth, revenue, experience and digital officers, and others. This has enabled us to better understand current trends and turnover of these executives, not to mention their increasing frequency: the number of publicly announced go-to-market moves grew to 2,062 appointments globally in the first six months of 2021.

# Global Insights

## Consumer & Technology hires drive the market

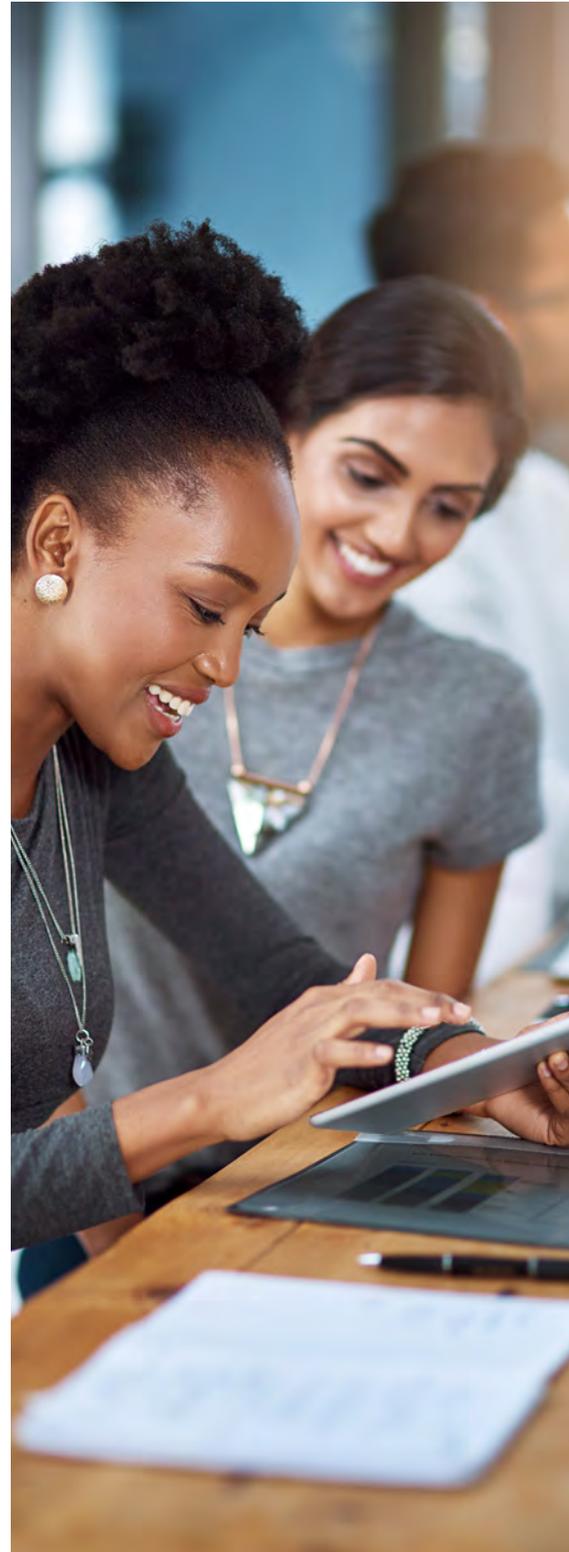
Consumer and technology companies were significantly affected by COVID-19. For consumer companies, COVID-19 challenged their business models, supply chain, and demand. Hospitality companies were forced to shut their doors, retailers had to shift to online models, and consumer packaged goods companies experienced a surge in demand for many products. On the contrary, as the demand for integrated technology permeates the market, technology companies have played an integral and critical role in COVID-19 response. In the first half of 2021, this industry upheaval has been reflected in talent, as collectively the two industries accounted for 60 percent of go-to-market appointments globally.

Role appointment breakdown by industry (H1 2021)



Source: Russell Reynolds Associates analysis of CAG Leaders (n=2050). 2021.

It could be said that all companies must now be considered technology companies as organizations reprioritize digital and their relationship to the customer. Consumer organizations, especially, have had to act quickly as they seek to rebuild their business models with integrated technology and in turn have had the highest number of chief growth and chief digital officers, making up 37 percent and 36 percent of appointments across industries. This industry upheaval has created a pertinent need for new talent. Technology companies on the other hand, have had to manage this major influx of revenue, think about future business development, and make sure their products can be leveraged across industry with maximum compatibility. In turn, tech companies had the largest portion of hiring or appointing chief revenue and chief sales officers, making up 62 percent and 33 percent of appointments.



## Chief growth and chief digital officers are back in vogue

In the second half of 2020 we recorded 63 appointments of chief growth officers and 47 appointments of chief digital officer, fast forward to the first half of 2021 and those numbers have risen to 149 moves for both functions, collective rise of 271 percent. The driver behind this rise in appointments is the recognition that companies do not have the right talent to propel their business forward in a new customer-centric digital world.

	H2 2020	H1 2021	% growth
Chief growth officers	63	149	+236%
Chief digital officers	47	149	+317%

Source: Russell Reynolds Associates analysis of CAG Leaders (n=2050). 2021.

### Target veteran Christina Hennington was appointed to the newly formed position of chief growth officer in February 2021

The responsibility of the chief growth officer is typically to find new revenue streams and use insights to create new innovative go-to-market strategies. As an example, in February 2021, American retailer Target announced that company veteran Christina Hennington was stepping into the newly created role of EVP and chief growth officer. Her remit is to identify and pursue new revenue-generating strategies throughout the company. As CGO she has oversight of merchandising, which includes the company's product design and global sourcing organizations, as well as enterprise strategy, insights, and innovation. One of her first initiatives in role was to launch Ulta Beauty mini shops within Target stores. The tie-up sees Target bring some of the biggest brands in beauty to its stores and reflects changing shopping dynamics in a post COVID world.



### Debbie Ellison is global chief digital officer at VMLY&R COMMERCE



Chief digital officer titles have a broad remit, from traditional back-end technology through to front-end digital activation. In January VMLY&R COMMERCE, the end-to-end creative commerce company based in the UK, announced the promotion of Debbie Ellison, chief digital officer Geometry UK, to global chief digital officer. Ellison's brief, in the newly created role, is to create innovative, effective digital commerce solutions to support clients and their digital transformation across markets. The global position was introduced following a review of the company's commerce strategies in light of the explosive growth of ecommerce as a result of the pandemic.

“Clients want outstanding creative innovation, powered by technology expertise and delivered at a global scale. Debbie’s new role is designed precisely to meet those needs and is another important step forward in accelerating our end-to-end commerce solution to drive client growth. Debbie has an intuitive and proven understanding of what consumers expect, what client’s value, and what brands need. We’re thrilled to expand her talent and leadership across our global network,”

Beth Ann Kaminkow, global CEO, VMLY&R COMMERCE on the appointment of Ellison to the role.

## New commercial skills required

On the front-end of any business is its commercial engine. Disruption caused by COVID-19 has had industry specific implications and has meant that businesses have discovered they do not have the right commercial talent for their new business reality they face. In healthcare and technology, companies have grown exponentially, the size of

their revenue and the rapid growth their commercial teams have created a demand to upgrade their commercial talent with leaders that can operate at scale. In the consumer sector the shift from of sales revenue from physical to digital channels has required a new type of commercial leader, one that can work tech-savvy and digitally enabled.

### Following the recent launch of IFS Cloud, IFS announced the newly created role of chief commercial officer, which was filed by Johan Made

An example of a company using customer led innovation to pivot its go-to-market strategy is Sweden-based enterprise software firm IFS. The company announced the appointment of Johan Made as chief commercial officer in April 2021. In the newly created role, Made is responsible for driving IFS's growth strategy through inorganic investments and development initiatives, including mergers and acquisitions. The announcement followed a shift in business model for IFS with the launch of IFS Cloud, which is designed to keep its customer "evergreen" and place the voice of the customer at the center of its business.



## Gender balance across roles is uneven

Diversity, equity, and inclusion is a critical topic for all organizations and across all roles. Recent events have placed a spotlight on the gender and racial disparities across the globe and in turn have highlighted the business case for closing these gender and racial gaps in the

workforce. Across all go-to-market roles globally, 73 percent of appointments were male. While this is a two percentage point decrease from the previous six months, organizations still have a long way to go in creating more equitable and inclusion workplaces.

### Distribution of external appointments vs. gender by role

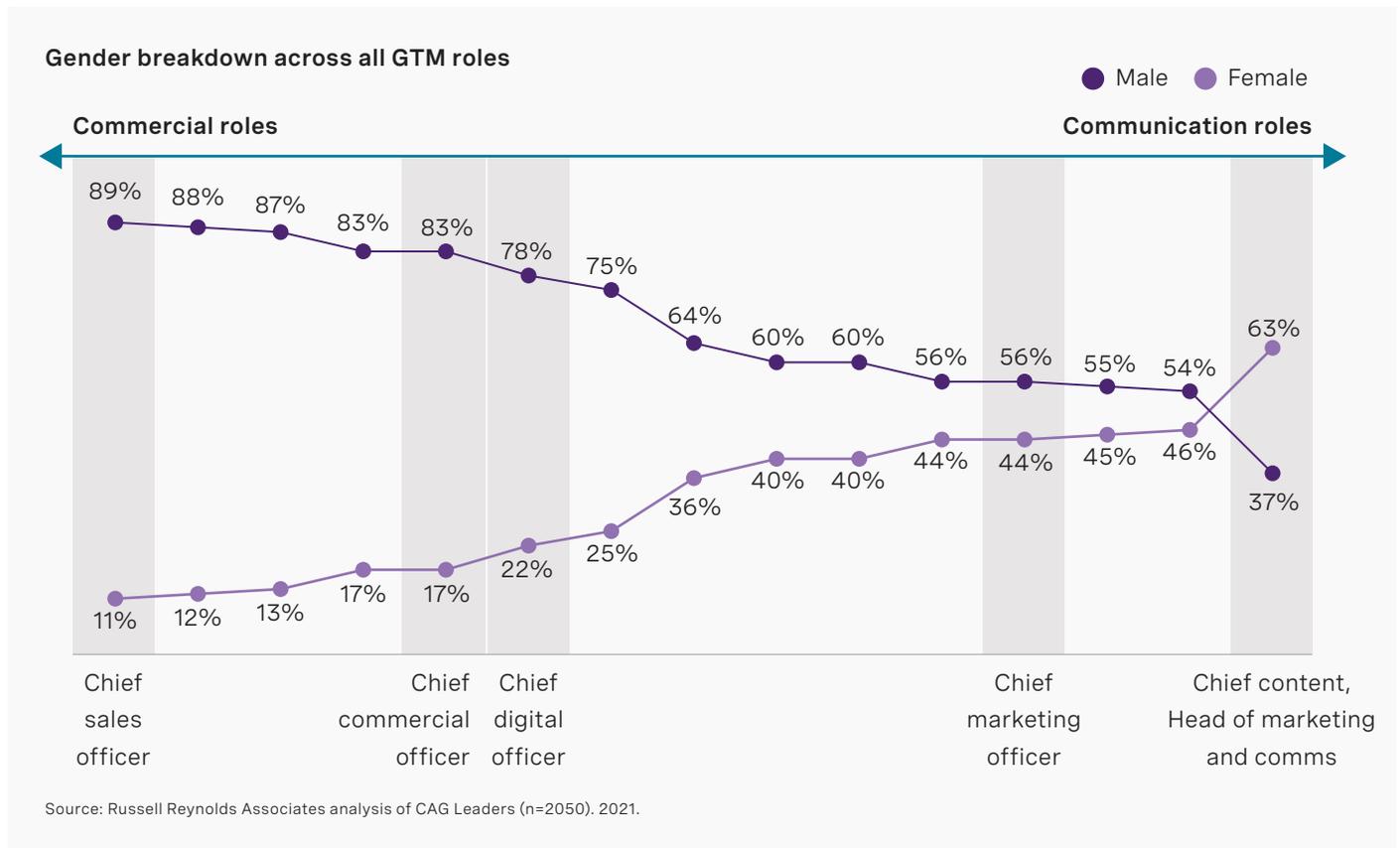


Source: Russell Reynolds Associates analysis of CAG Leaders (n=2050). 2021.



## Communications orientated roles are hiring more women than commercially orientated roles

When we break down the gender balance across the different roles, the balance is disrupted heavily by the commercially orientated roles. This fits a stereotype we see in the market where women are in more communications-orientated positions, and men are in more commercially-orientated ones. This is a stereotype that needs to be broken. For organizations to move the needle on this issue, it is important for leaders to think about talent and hiring in a less linear fashion. Whether this is by looking at wider range of backgrounds or a more unorthodox profile, targeting specific roles can help organizations reach equilibrium.





# Moves to continue, but firms will need to look further afield for the best talent

The second half of 2021 is likely to see continued high levels of go-to-market moves. The shift in business models and the need to drive long-term sustainable growth, has required companies to look outside for talent. In the case of the technology and health sectors, the need for new commercial talent that can achieve ever increasing revenue goals is paramount. Whilst in consumer, industrial and financial services the continued digitalization of their sectors, is demanding new tech-savvy talent. The reality of the increased demand for go-to-market roles is that industries are going to need to look outside their sector for the best talent.

In the first six months of 2021, just 26 percent of appointments were from out of sector, down slightly from the six months prior (30 percent). Within roles, it is more tech orientated roles and new commercial roles that see the highest levels of cross-industry pollination. Forty-seven percent of all chief digital officers and 40 percent of all chief growth officers were hired from out of sector. As companies continue to enhance their digital muscles and refine their commercial engines, we can expect to see much of the same in the rest of the year.

## Methodology:

We tracked and analyzed 2,062 moves across North America (1,268), Europe, Middle East, and Africa (447); Asia Pacific (215); and Latin America (132).<sup>1</sup> The roles consisted of chief commercial officer, chief customer officer, chief digital officer, chief experience officer, chief growth officer, chief marketing officer, chief product officer, chief revenue officer, chief sales officer, head of marketing and communications, and head of sales and marketing – encompassing all the senior go-to-market leaders within their respective functions. The bulk of the roles were made up chief marketing officer appointments (31 percent), followed by chief commercial officers (17 percent), chief revenue officers (14 percent), and chief product officers (9 percent). We used local language search tools to collate our research, combined with functional keyword searches in English language. We attribute the fact that there are more moves in North America to the fact that there are less publicly announced leadership changes outside North America, the United States specifically, and the sheer weight of companies headquartered in the United States contributed to the most senior go to market leadership appointments occurring in the country.



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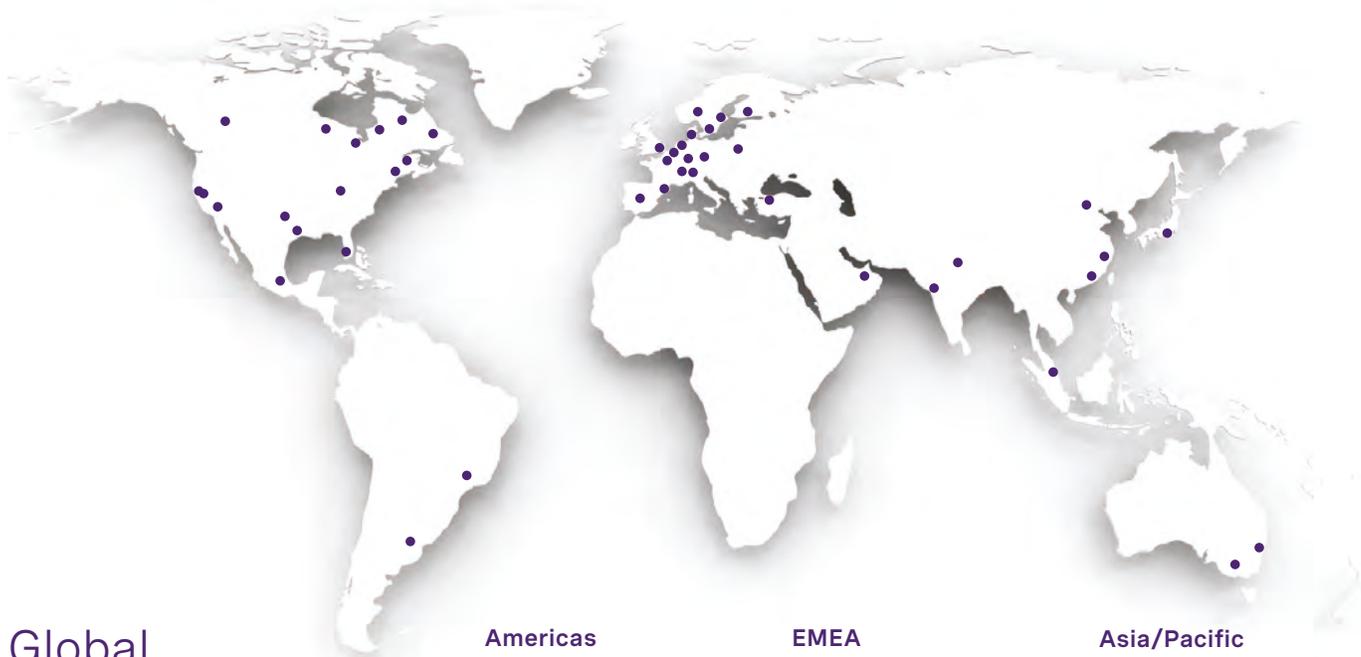
## References

1. Data was compiled via English-language searches in Factiva and may underreport announcements in EMEA, APAC, and Latin America if they were only made in local languages or not captured by Factiva.

# About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory and search firm. Our 470+ consultants in 46 offices work with public, private and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic and political trends that are reshaping the global business environment. From helping boards with their structure, culture and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led.

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