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What CMOs Must Decide Prior to Marketing Org Redesign

CMOs often start restructuring their marketing organization with changes to their org chart, but neglect to include critical decision factors. To ensure that your redesign drives strategic value to the organization, first make decisions within the five areas defined in this framework.



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Quick Answer

What types of decisions should I make before redesigning my marketing org?



Enterprise decisions

within the current business environment and context of C-suite priorities.



Expertise decisions

in required competencies and talent, and propensity to learn.



Hybrid model decisions

such as insourcing and outsourcing, and global and local splits.



Sustenance decisions

for marketing operations, marketing technology and external resources.



Structural decisions

to include business segments, internal service operating models and roles.

More detail

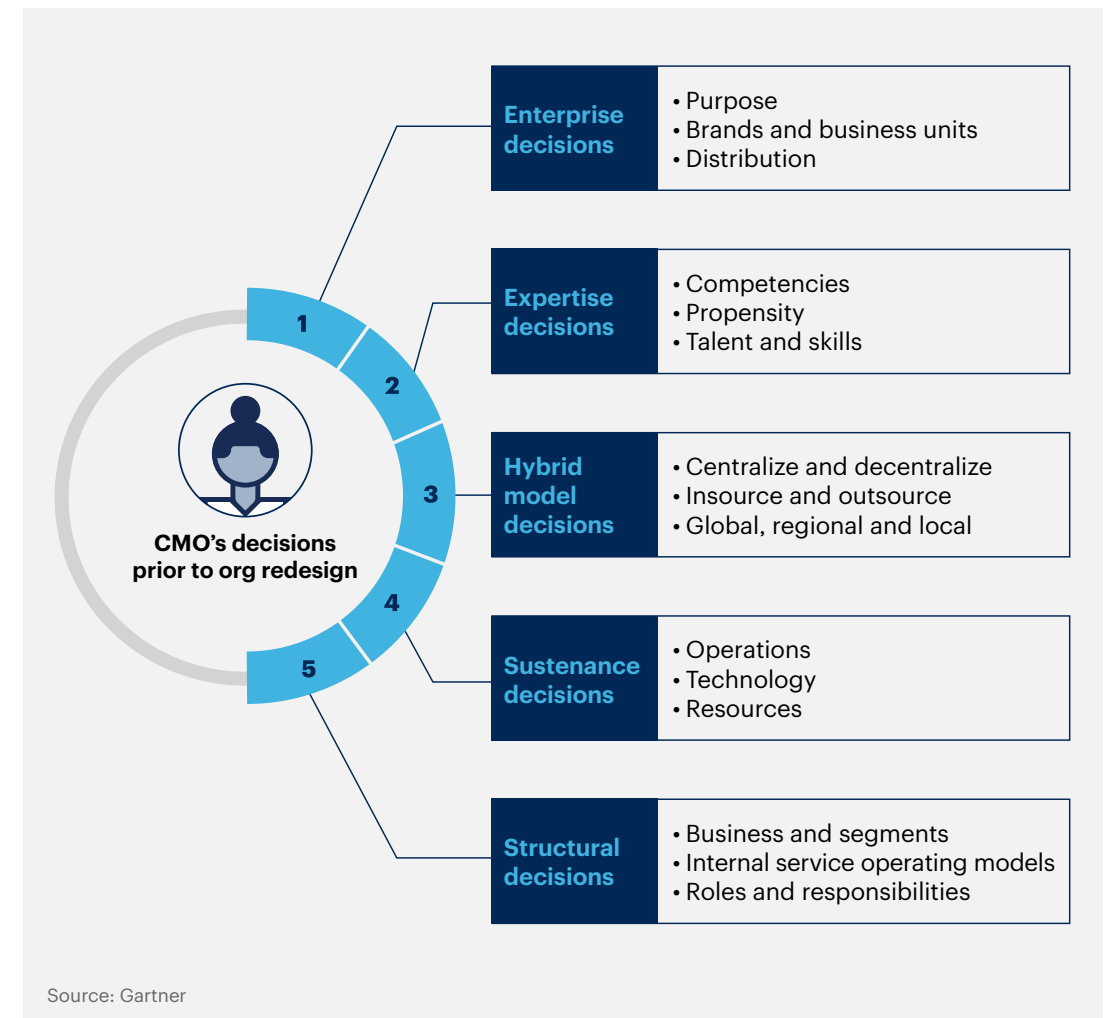
Gartner's 2023 Marketing Future Strategic Priorities Poll¹ reveals that among CMOs' top priorities are modernizing marketing capabilities, which includes realigning or redesigning the function. Forty percent of CMOs say they are challenged by an inability to measure marketing's impact on the business.

Most often, CMOs have not addressed these questions before they attempt an organizational redesign. Without completing this prerequisite work, you can inadvertently make decisions that negatively influence future outcomes and the ability to maximize value. Instead, weigh the benefits of evaluating the broader landscape first, such as:

- You gain perspective on how your marketing org chart is connected to a wider resource ecosystem that includes agencies, technology and service partners.
- Your team and your stakeholders will be happier and more engaged if the changes help them feel more connected to the business and supported by the outcome.
- Proving the value of marketing will become less daunting because it is clearly aligned to shared enterprise goals and key objectives.
- Your decisions will help you form your north star marketing operating model, one that is flexible yet sustainable for years to come.

To gain these benefits and prepare for restructuring the marketing organization, make strategic decisions shown in Figure 1.

Figure 1: CMOs' 5 Decision Areas Before Marketing Org Redesign





Decision Area No. 1: **Enterprise**

The first prerequisite area is to identify the priorities of the C-suite and how they make decisions on behalf of the enterprise. Doing this eliminates future surprises and misalignment post-redesign.

If you don't start here, it is too easy for the other prerequisite areas to be unclear or assumed without confirming. You must align marketing with the enterprise's overall direction. For example, the CEO's corporate growth strategy may include significant merger and acquisition (M&A) activity, so the CMO must consider marketing's involvement for brand mergers or changes in GTM strategies when staffing. In fact, Gartner's Marketing Talent Survey responders cite that 17% are going through M&A activity and 31% are experiencing changes in GTM channels.²

With this understanding, you can make decisions to help lead the company forward. Marketing can affect transformational shifts such as product-centricity to customer-centricity, or can increase GTM speed with digital dexterity and agility. Make the enterprise-shift decisions collaboratively with your peers and key stakeholders by focusing on:

- **Purpose:** Decide to what extent the company's purpose and mission is clear to internal and external audiences, and what transformational shifts are required. Acknowledge a heavy lift if moving from a sales- or product-centric culture to a customer-centric culture.
- **Brands and BUs:** Decide the level of intensity of the work required for aligning yet differentiating corporate or house brands and/or multiple business units and global markets. M&A activity — past or planned — can have a dramatic effect on a legacy business.
- **Distribution:** Decide if there are growth opportunities or changes to how products and services are currently distributed, such as B2B, B2C, B2B2C or direct-to-consumer (D2C).

Deciding marketing's role within the evolving enterprise landscape will help you ensure alignment and will make it easier to prove the value of marketing to the business.



Decision Area No. 2: **Expertise**

Once you're clear on the macro challenges, you can start thinking about what competencies and skills will be required to accomplish the strategic, transformational shifts. These decisions should focus on:

- **Competencies:** Decide what competencies will be required for your marketing organization to deliver your higher-level objectives, such as business acumen, prompt engineering, unified commercial strategy development or agile methodologies.
- **Propensity:** Decide what natural or trained inclinations your team must have, such as the propensity to learn, take calculated risks, make decisions in ambiguous situations, problem-solve or simplify the complex.
- **Talent:** Decide what balance of skills would be required across generalists and specialists, or if you would prefer a core team of “versatilists” (professionals who apply their depth of expertise to a progressively widening scope of situations and experiences). Generative AI and emerging technologies cause talent requirements to quickly change, so consider an adaptive talent strategy.³

Deciding your preferred expertise will help you recruit and train for an adaptive and flexible team. You will also be able to determine the key positions, background and experience you need on your team, which may be vastly different from what you have today.





Decision Area No. 3: **Hybrid models**

Before considering how to design and align your marketing organization, you'll want to develop a perspective on what we refer to as the "Rubik's Cube" of hybrid models. In some organizations, multiple hybrid models are simultaneously in place, and you'll want to have a stance on the best hybrid approach for each since the models are separate yet interrelated. These decisions should focus on:

- **Insource vs. outsource:** Decide what percentage of marketing work (or specific work such as media buying and planning) will be insourced and outsourced. More traditional, complex and/or well-funded marketing organizations typically outsource a higher percentage of work to their marketing service providers, such as agencies. You may want to change this mix and bring a portion of that work in-house, especially if other dynamics are in play such as the launching of a customer data platform, which gives you more control over primary customer data.
- **Centralize vs. decentralize:** Decide whether to make a shift in what work is centralized, such as in a marketing operations center of excellence (COE), and what work is better suited to be decentralized within the brands or business units. Bear in mind the definition of centralization has changed with remote and hybrid work and doesn't have to mean centralized in one location.

- **Global vs. local:** Decide what aspects of marketing will be global or provided globally, such as brand strategy and all brand assets, and what aspects of marketing will be provided by the local or local market teams. An added twist is if your organization currently has a third, regional level. You may decide to eliminate the regional level, or consolidate local market activity to be managed regionally.

Some CMOs have decided to call back decentralized work, such as creative and content production, into one or more globally managed in-house studios to ensure brand and message consistency and better cost optimization. Local markets request the campaign or content and have control over customer journey orchestration within the provided martech, using best practices.

Making decisions about the various hybrid models that may exist in your current marketing organization can help determine the size of your team. It will also help you determine specific competencies required. If you're a new-to-company CMO who inherited an understaffed marketing organization with limited skills, then you have no choice but to initially outsource a good portion of the work.



Decision Area No. 4: **Sustenance**

This prerequisite area is specific to how work gets done and how the marketing organization that you build will be nourished, supported and sustained. These decisions should focus on:

- **Operations:** Decide how you will operate the marketing organization, which is in large part in service to the business. Decide who or what team will fulfill the role of “COO” to the “CMO,” to keep your efforts focused on revenue growth and major transformative shifts. Hint: This is typically a dedicated marketing operations team that excels at consistency, efficiency and prioritization within an operational martech system.
- **Technology:** Decide, at least at a high level, what martech or other technology will be acquired, integrated or sunsetted. Equally important, decide how your team will be trained on an ongoing basis to encourage utilization. Remember that all marketers are technologists in some way, and marketing’s reliance on technology is only going to continue to grow.
- **Resources:** Decide more concretely about how your team will be financed, trained and buoyed with internal resources such as IT and DevOps for martech and web content management. Then determine how to support them with external resources such as brand consultants, advisory services such as Gartner, social or digital experience agencies, or martech integration and implementation partners. The hybrid resourcing models in Decision Area No. 3 affect your resourcing complement.

Knowing upfront how to nourish and energize your marketing organization can ensure you have a lean team that is focused on — and recognized for — creating value for the business. The last thing you want them to feel is overwhelming frustration. Hire the best and trust them, train them and sustain them.





Decision Area No. 5: **Structural**

The fifth and final prerequisite area is about making structural decisions such as these:

- **Business and segments:** Decide what is the best way to connect the business to marketing depending on the enterprise (refer back to Decision Area No. 1). Some CMOs align a marketing strategist to each business unit or cluster. Others choose to align to customer or market segments, or product segments particularly if highly technical or deep knowledge is required.
- **Internal service operating models:** Decide what combination of internal service models would best align resources or specific teams to and for the business and the type of work. For example, you might require a marketing operations COE, an in-house creative agency and a newsroom for adaptive external communications and thought leadership.
- **Roles and responsibilities:** Decide the core roles and responsibilities of your team, but be careful not to overthink this as it can end up causing an unnecessarily bloated marketing organization. Flatter org charts are generally better, as they encourage agile and flexible teams — with the trade-off being too many direct reports, which could take away your focus on strategic matters.⁴ Key roles may be strategy, operations (or systems), brand experience and digital experience. Core responsibilities could be framed in a nontraditional way by what people do and how they contribute. Ideas are interpreters (insights analysts), culturists (brand differentiators), storytellers (editorial writers) and creators (designers).

Deciding how you prefer the marketing organization to be structured in this way assures marketing's connectedness to the drumbeat of the business. It also sets up marketing to serve the business in the most effective and efficient ways, and clarifies for your team how they contribute value that aligns with the most critical business and marketing goals.

Once you've addressed these five decision areas, you will be in a much better position to lead a marketing organization restructure.

Evidence

This research is based on analyst expertise and over 4,000 Gartner inquiries with clients over the past two years.

¹ 2023 Gartner Marketing Future Strategic Priorities Poll. This poll was conducted to explore the top priorities and most pressing challenges that marketing clients expect to face in 2024. The research was conducted online from May through July 2023 among 70 marketing leaders. Respondents included current or prospective Gartner clients from the U.S. (n = 56), Europe (n = 5), the U.K. (n = 3), Canada (n = 1) and Asia/Pacific (n = 1). Respondents represented a wide range of industries, including banking, insurance and financial services (n = 13), consumer products (n = 9), manufacturing and natural resources (n = 7), IT and business services (n = 6), pharmaceuticals, biotechnology and life sciences (n = 6), education providers (n = 3), healthcare (n = 3), IT and high tech (n = 2), and others (n = 17). Note: Question base varies as respondents were not required to answer all questions.

² 2023 Gartner Marketing Talent Survey. This survey asked about marketing employees' experiences with collaboration, agencies and technology, career development and organizational changes. It was administered in August and September 2023 and included data from 627 marketing employees, including 457 individual contributors and 170 managers. These results represented marketers from the U.S. (n = 291), Europe (n = 256) and Canada (n = 80). Respondents were required to be full-time employees working in the marketing function at an organization with at least \$100 million or equivalent in annual revenue. Forty-five percent of the respondents came from organizations with over \$2 billion or equivalent in annual revenue. Respondents came from a wide variety of industries, including travel and hospitality (n = 82), retail (n = 77), IT and business services (n = 62), technology products (n = 59), manufacturing and natural resources (n = 57), media (n = 51), healthcare (n = 45), financial services (n = 44) and consumer products (n = 44).

Disclaimer: The results of these surveys do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

³ Case Study: Adaptive Talent Management Practices That Close Skills Gaps

⁴ The State of Communications, 2022: A Tightly Interdependent Function, or a Poorly Organized One?

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