TODAY'S ORGANIZATIONAL CULTURE IMPERATIVE:

Seven keys to your survival and growth

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WILL YOUR ORGANIZATIONAL CULTURE LET YOU SINK OR SWIM?

Many companies are ignoring a major source of growth potential: **organizational culture**. This new research from the ANA and GfK demonstrates that growth cultures support real business benefits. Culture is an asset some innovative companies are already using to gain competitive advantage, but many organizations remain unsure or skeptical about how to leverage something as abstract-sounding as "culture" for concrete results.

It's time for forward-thinking businesses to get past this hesitation and turn their organizational cultures into drivers of sustained growth and competitive advantage. This report gives you clear direction on how to move to a growth culture.

The Association of National Advertisers (ANA) and GfK, a global research and consulting firm, together explored the impact of cultural factors on company performance. This report delivers new information from the ANA Marketer's Edge Program, integrating quantitative survey research, in-depth interviews with marketers who shared their stories of culture change, and roundtable feedback and validation from ANA advisory council members.

About 220 participants contributed to these results, which provide a real-world guide for your organization to develop a flexible culture ideal for long-term growth.

According to John Costello, former president of global marketing and innovation at Dunkin' Brands, "Marketing tactics are evolving faster than ever before, but the fundamental principles of marketing and branding have not changed." He believes that marketers have three challenges:

- Not to let the chase for new tactics overwhelm the need to focus on the brand
- To look out the windshield and not the rear-view mirror
- To test fast and fail fast to be more agile

The Marketer's Edge Program conducts research in partnership with GfK to turn relevant insights into the tools, templates, training, curated content, and advocacy forums needed to solve the problems facing today's marketers. Using the Marketer's Edge framework, this report is structured into three sections: **Ideas**, **Insights**, and **Solutions**.

IDEAS: PEER-TO-PEER CONVERSATIONS ON MARKETING CHALLENGES

Organizational culture is the mix of habits, attitudes, and values that, over time, becomes the norm for an organization. This set of shared assumptions can be a source of positive energy or a drag on progress. **A growth culture** is one that is conducive to achieving strong business performance. It energizes employees and unlocks a positive motivational force that drives innovative thinking, teamwork, and unflinching focus on goals. At companies where a **non-growth culture exists**, commitment is absent and even the "best laid plans" fall short. As Peter Drucker observed 40 years ago, "Culture eats strategy for breakfast."

INSIGHTS: MARKETERS' IDEAS AND CHALLENGES QUANTIFIED

Many case examples exist that support the theory of organizational culture having a profound impact on business success. Until now, there has been a lack of quantitative evidence that companies with key cultural characteristics enjoy greater growth than companies lacking those characteristics. This new research from ANA-GfK shows that growth cultures not only support business benefits today but also create an environment that employees believe will enable sustained growth tomorrow. *One-quarter of growth culture organizations participating in the study achieved revenue increases of more than 10 percent in the past year, versus fewer than one in 10 non-growth cultures.*

SOLUTIONS: CURATED KNOWLEDGE AND TOOLS FROM THE ANA

Our research identified **seven drivers of growth cultures**, from building trust across departments to empowering people so they can affect growth. These culture solutions must be shaped around compelling business reasons, with focus not just on process and technology but on human behaviors and values. They require moving away from traditional "command and control" environments to enable teamwork across the organization for fast market actions.

Transforming your company's culture using these solutions is a long-term process. The result is that the culture cannot be quickly imitated, so it delivers **sustained competitive advantage**. In essence, culture must become strategy.

To provide marketers with the knowledge and solutions needed to make a cultural transformation, the ANA developed the Solutions Finder app. The app helps you benchmark your organization's culture, assess your capabilities, and guide you to curated content, tools, and training.

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IDEAS: IS CULTURE JUST A "NICE TO HAVE"?

There is much debate about whether culture is a cause or effect of smart business management. Is it just the "personality" an organization takes on over time from the influence of strong CEOs? In peer-to-peer exploratory discussion, participants in ANA's Marketer's Edge Program posed these questions and challenges:

- Can we *quantitatively* demonstrate the impact, if any, of organizational culture? Is it just a "nice to have," or can it be an important contributor to business success?
- If culture does make an important impact, what are the *solutions that create a growth culture?* How have others implemented those solutions in real business contexts?
- Can a meaningful change in culture happen without *endorsement from the company's leadership?* Assuming leadership is on board, should the focus be on the vision of achieving a growth culture or on changing people's behavior — or both?

Business Performance and Growth Culture

As we uncover the drivers of growth cultures, we will compare companies with higher growth relative to competitors, versus those with flat or lower growth. This will make clear which cultural factors are not just "nice to haves" but truly support business success. And, viewing it from the other direction, we will not simply point to high-growth organizations and characterize their cultures as the best models, since business performance can result from other, sometimes temporary factors such as unique technology and favored distribution.

> The focus of the Marketer's Edge is to provide direction on how businesses can build growth cultures using drivers that have supported recent growth *and* are embraced by employees as a foundation for future success.

INSIGHTS: HOW YOUR ORGANIZATION'S CULTURE AFFECTS GROWTH

Business Growth and Organizational Culture Are Closely Tied
Companies are struggling to build cultures that are conducive to achieving growth — what we refer to as growth cultures. *Growth cultures have developed characteristics of passion, purpose, and empowerment that give a sustained competitive advantage*. A growth culture translates into business performance: over half of firms with higher revenue growth versus competitors are described as having the right organizational culture to achieve growth.

Almost half of marketers believe their organizations have at least some cultural characteristics that support growth, but a mere 7 percent strongly agree that their companies have fully achieved the right culture for growth. Further, four in 10 marketers believe their companies' cultures hinder growth.

Marketers who describe their organizations as having growth cultures report better revenue performance versus competitors compared to those in non-growth cultures. In fact, one in four growth culture companies achieved 10 percent or higher revenue increases in the past year, compared to fewer than one in 10 non-growth cultures.

OVER HALF OF FIRMS WITH STRONG REVENUE PERFORMANCE HAVE GROWTH CULTURES, COMPARED TO ONLY 1 IN 3 LOW-PERFORMING FIRMS

Growth Cultures Create Competitive Advantage

Companies that report higher revenue performance relative to their competition are more likely to feel they have distinctive cultures that give a competitive advantage. Those cultures empower them to quickly translate strategic and operational decisions into action and focus efforts where they can win. They are more passionate about the brands they work on, have transparency across teams, and reward people who innovate. These characteristics require time to build and nurture and are not assets an organization can "buy" as it buys other companies or technologies. **The competitive advantage created by a growth culture can be sustained over the long term to drive profitable growth.**

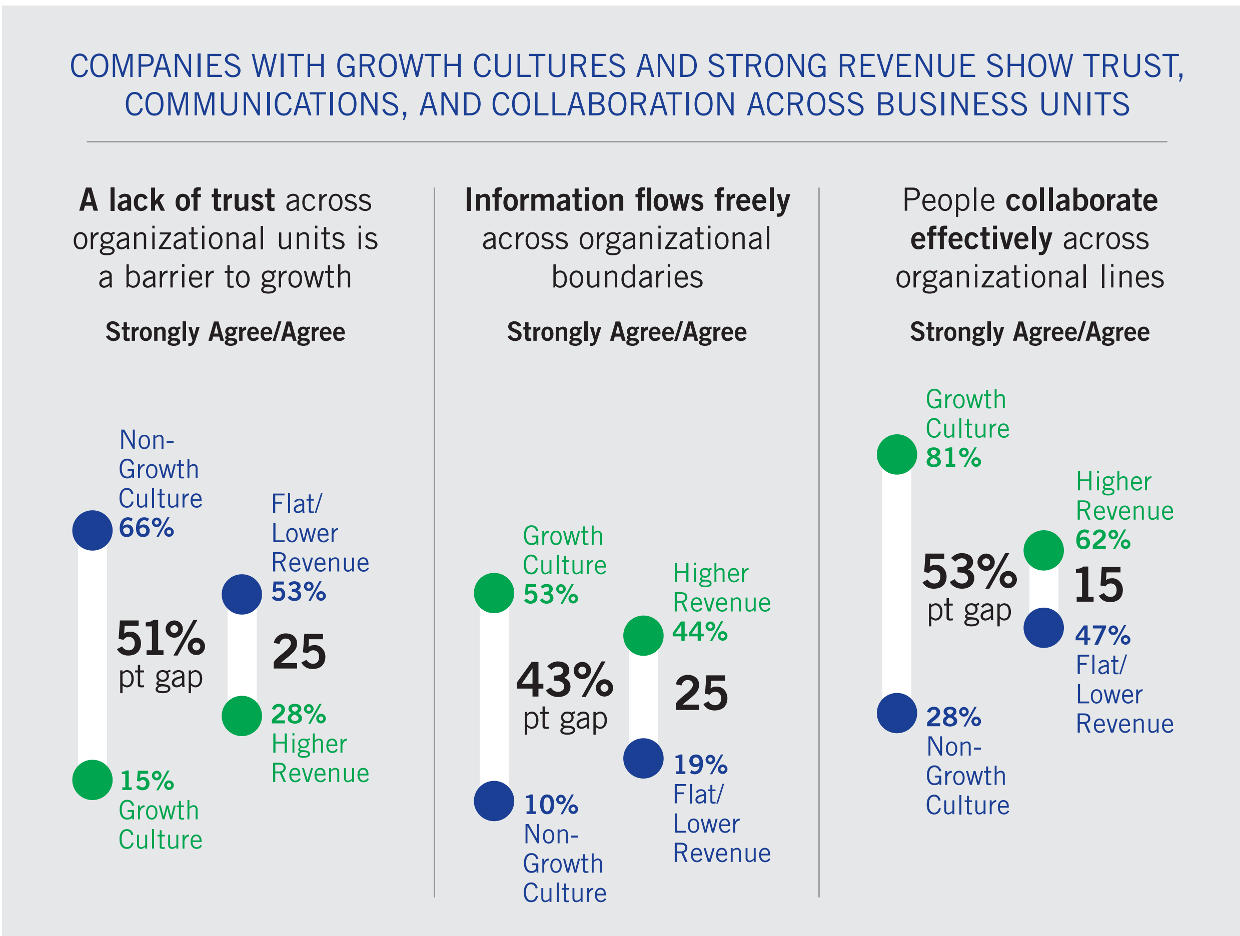
HIGH-REVENUE-PERFORMANCE COMPANIES DISPLAY KEY CULTURAL CHARACTERISTICS OF PASSION, DISCIPLINE, AND FAST ACTION

Strongly Agree/Agree	Past Year Revenue Growth vs. Competition	
	Higher Revenue	Flat/Declining Revenue
People are passionate about their brands	93% ▲	76%
We have distinctive culture that gives competitive advantage	68% ▲	42%
Disciplined in focusing our efforts where we can win	67% ▲	46%
People who innovate get rewarded	65% ▲	49%
Strategic and operational decisions quickly become action	61% ▲	39%
Open communication and transparency across teams	46% ▲	32%

▲ = Significant difference between higher and flat/declining revenue

Trust Across Teams Is Fundamental

Trust across organizational units makes growth cultures stand out. Trust is the foundation of collaboration and information flow — the lifeblood of business success in today's fast-paced markets. Non-growth cultures lack the leadership endorsement and processes that promote collaboration, and so are hindered as they struggle to develop agility and speed.



Strong Leadership Spurs Growth Cultures

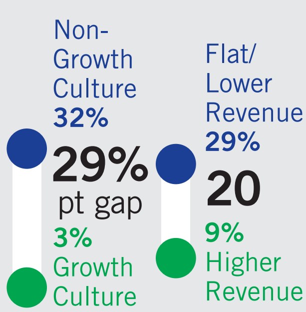
The CEO and leadership team are critical to driving a growth culture. Their goal should be to focus and enable rather than direct. At companies with strong performance, leaders are almost universally viewed as growth enablers, while senior management at low-performing firms is seen as putting up barriers to growth.

Nearly across the board, organizations with growth cultures give their marketing leaders high ratings on key competencies including emotional intelligence, courage, and being a "connector." Growth company leaders are passionate, disciplined brand ambassadors.

LEADERSHIP DRIVES OR SLOWS PROGRESS TO A GROWTH CULTURE

Barrier: Lack of CEO and company leadership endorsement of growth initiatives

Agree this is a barrier



Barrier: Lack of strong marketing leadership endorsement of growth initiatives

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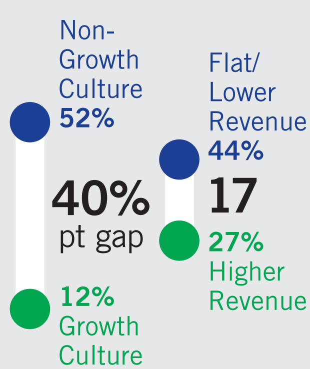

Marketers in growth cultures give their leaders high scores on competencies and positive characteristics

	Growth	Non-Growth
Passionate	74% ▲	38%
Market experience	64% ▲	38%
Brand ambassador	64% ▲	33%
Thinks long-term	56% ▲	23%
Disciplined	52% ▲	29%
Analytical ability	52% ▲	25%
Humble	45% ▲	19%
Global mindset	44% ▲	20%
Emotional IQ	44% ▲	17%
Connector	44% ▲	17%
Communicator	44% ▲	17%
Courageous	44% ▲	13%

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Empowering Employees with Opportunities to Affect the Business

Organizational culture strongly affects marketers' engagement and motivation. In non-growth cultures, the biggest miss on important incentives is not providing employees the opportunity to have a clear impact on the business. Other important, often overlooked incentives include working on entrepreneurial projects, formal career path planning, and promotion.

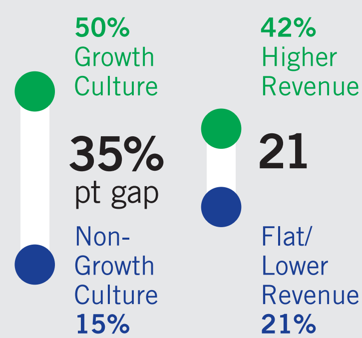
Companies that rely on productivity-related metrics (on-time delivery of projects, productivity/ efficiency, and quality of work) to gauge marketing's success tend to be non-growth organizations, with flat or declining revenue performance relative to their competition.

The CEO should partner with Human Resources to build effective approaches to employee engagement, with special attention to providing people with opportunities to make a real difference for the business. However, while partnering with HR, **it is important that the leadership team maintains ultimate ownership of this area as a critical component of growth culture.**

GIVING EMPLOYEES OPPORTUNITY TO AFFECT THE BUSINESS IS A TOP INCENTIVE IN GROWTH CULTURES

"Our marketers feel they have a clear impact on business growth."

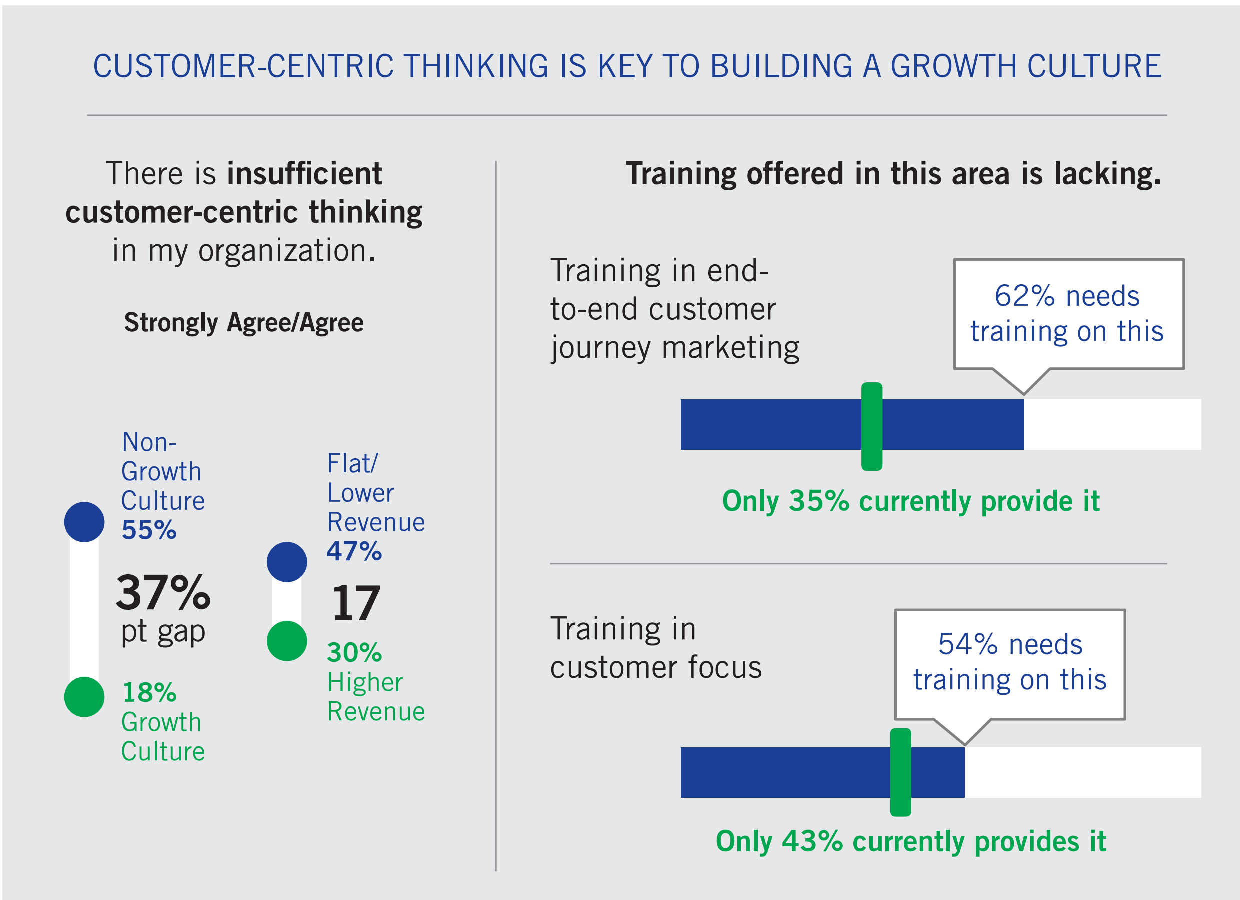
Strongly Agree/Agree



New skill sets needed: A related issue for employee engagement and ability to affect the business is the need to integrate new skill sets into the organization, as digital technology becomes critical for today's marketing and business growth. More than one in three companies struggling with low or no revenue growth reports poor integration of new skill sets. Similarly, only one-quarter of low-growth companies provide training in new skills, compared to almost twice as many higher-revenue organizations.

Customer Focus: A Missing Piece?

As expectations of consumers and business customers change at an increasing pace, agile customer focus is increasingly critical to success. One of the notable weaknesses of marketing leaders in non-growth organizations is lack of intimacy with the customer. Marketers at more than half of non-growth companies view lack of customer-centric thinking as a major barrier to their companies' growth initiatives.



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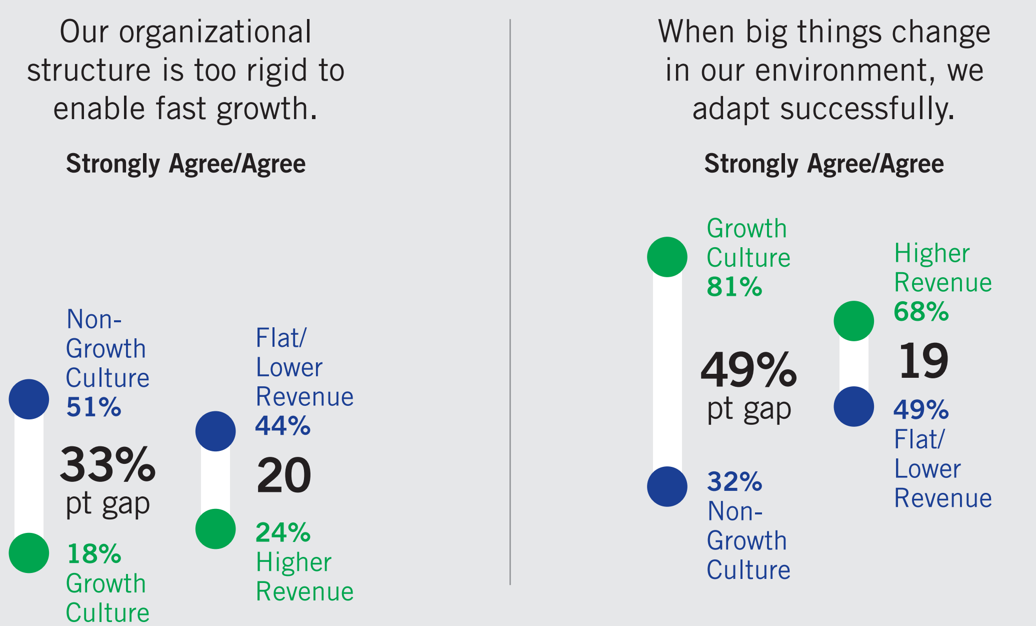
Rigid Organizational Structure Is an Impediment

Factors that create barriers to a company's growth initiatives most often relate to agility. About seven in 10 marketers believe there are too many layers in their organizations, and report that workarounds to get things done faster are common.

One in three non-growth cultures has a command-and-control organization: directives are top-down and functions operate in silos. Some collaboration exists, but is mostly ineffective. In contrast, one in four growth cultures has a networked organizational approach, where cross-functional teams come together for specific projects under a common vision, with clear timelines and KPIs. Networked organizations are almost nonexistent in non-growth cultures.

Matrix organizations are still the most common across businesses. The matrix structure does not create the barriers to agility that command-and-control does, but still builds silos and then gives individuals "dotted line" responsibilities across silos to enable collaboration.

RIGID ORGANIZATIONAL STRUCTURE AND SLOW RESPONSE TO CHANGES IN THE ENVIRONMENT ARE KEY BARRIERS FOR NON-GROWTH CULTURES



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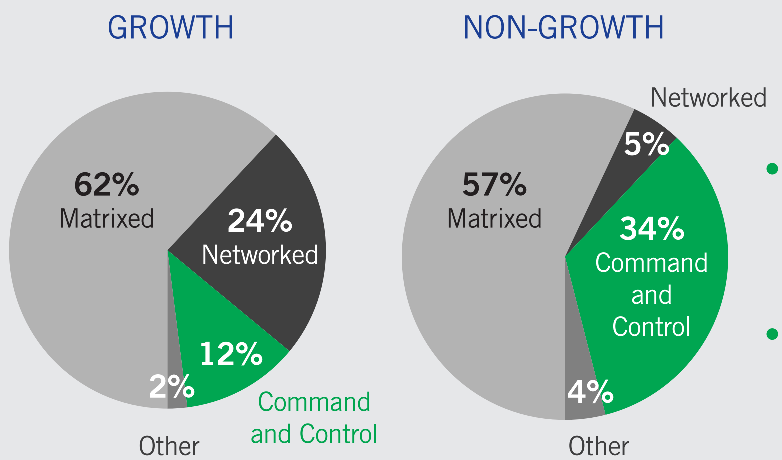
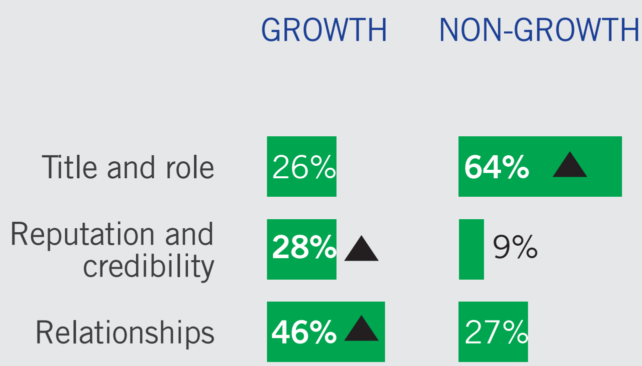
ONE IN FOUR GROWTH CULTURES HAVE A NETWORKED ORGANIZATION.



- Growth cultures are more likely to have a **networked** organization.
- Non-growth cultures have more **command-and-control** structures



- Influence in a growth culture comes from relationships and reputation. Title and role has relatively less influence.
- In non-growth cultures it depends mostly on title and role.

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SOLUTIONS: SEVEN WAYS TO CREATE A GROWTH CULTURE

Culture can drive or impede growth. While some marketers flourish at companies that encourage and facilitate collaboration, others are stymied by firms with siloed business units and little or no cross-communication. So how can marketers adapt their cultures to succeed?

The solutions described here are based on *characteristics that are strongly present in growth cultures but weak or completely missing in non-growth cultures.* A combination of two growth indicators is required for a cultural factor to be considered a driver of company growth. These indicators are *revenue performance*, to demonstrate contribution to recent growth, and *perception among employees as supporting growth*, to demonstrate ability to sustain future growth.

The ANA-GfK research has produced clear evidence that culture affects growth, and has identified seven key drivers of achieving a growth culture.

Seven Keys to a Growth Culture

1. Build trust across organizational units
2. Endorse change at the leadership level
3. Empower people to affect growth
4. Integrate new skill sets
5. Think like your customers
6. Break down rigid organizational structures
7. Adapt quickly to changes in the environment

Following are examples of companies that are using those solutions. In each case, slogans, mission statements, and complicated metrics are not what make the difference. Growth cultures encourage and model **changes in behavior that affect real business priorities,** show people new ways they can affect their businesses, and tap into their emotional commitment to do so.

1. BUILD TRUST ACROSS ORGANIZATIONAL UNITS

The fast pace and greater complexity of marketing today make trust across business functions critical to survival and growth. It is not easy to trust colleagues to work with your client and protect the strong relationship you have developed, or to take proactive steps to stay on schedule for your new product launch, or to manage social media in support of your brand.

> Trust across departments is critical for the agile collaboration and information flow that make possible faster market action: "As trust increases, time decreases."
>
> **— ANA CMO Roundtable Member**

The importance of trust seems intuitive — and is borne out by our research. *Two in three marketers in non-growth companies say a lack of trust across organizational units is a strong barrier to their growth.* This is a clear signal to company leadership to address this need to regenerate growth momentum and retain talented employees.

> Trust is the basis for our collaborative teamwork across business functions. In a world full of startup "unicorns," our 100-year-old company needed to adapt to keep up. Leaders from 13 departments came together and created a new integrated team. The Mondelez Growth Team has been meeting every two weeks to talk about how departments can help each other as the company reorganizes to innovate and execute on new ideas. The team's commitment to collaboration, transparency, relentlessness, and generosity has changed the corporate culture at Mondelez.
>
> **— Dana Anderson, senior vice president and CMO at Mondelez International**

Generosity

What is meant by generosity? It is a step beyond trust. While trust requires letting go and empowering others, generosity means actively supporting a colleague's opportunity to make an impact while placing personal recognition in the back seat. In today's networked, interdependent environment, the whole team ultimately benefits from each member practicing generosity. For a concrete example of how generosity works in other competitive arenas, businesspeople have turned to relay racing for inspiration, perhaps due to the U.S. Olympic team's struggles and wins in recent years.

Success as a runner is most often tied to individual performance, but relay racing requires collaboration. A relay runner needs to *slow down and sacrifice his or her own personal best performance* in order to effectively pass the baton to a team member and put the team in a better position to win the race. That mentality of deep cooperation and holding each other accountable for the team's collective performance, well beyond simple coordination, is making a concrete difference at some businesses. A great example is the Oreo unit of **Mondelez**, where vice president of marketing, Jason Levine calls generosity a "competitive advantage and key source of unprecedented growth rates for Oreo internationally."

2. ENDORSE CHANGE AT THE LEADERSHIP LEVEL

Future-focused leadership is needed to inspire, endorse, and implement growth culture changes in an organization. These changes include behaviors that drive trust across business functions, communicate consistent long-term vision, organize around the customer, and empower people to make an impact on the business. *Without the support of leadership, these organizational changes cannot fully take hold.*

Growth culture leaders regularly interact with employees to share a consistent vision and recognize performance that demonstrates flexibility, agility, and collaboration. They are passionate brand ambassadors with market expertise and a clear focus on analytics and discipline, and avoid overemphasis on process. Great leaders help create and sustain a strong culture, and then harness the power of that culture to further accelerate growth.

Bloomberg is an example of a company with strong growth culture leadership. In a recent interview, **Deirdre Bigley**, global CMO at Bloomberg, described what the company has worked toward over the past few years. "We've organized for agility," she said. "The department has evolved, and now all of the functional disciplines connected to marketing are organized into a 'pod' that allows us to quickly mobilize skill sets within the company and take advantage of opportunities." Bigley describes Bloomberg as having a "flat organization — Mike [Bloomberg] sits at the same desk as everyone else. We're a large company, but we strive to exhibit an entrepreneurial spirit, and as such we operate in an environment of scarcity. Technology is crucial to marketing, chiefly because it can provide scale and efficiency that adding more bodies simply can't do."

Leadership to drive new marketing analytics

As many companies struggle to use advanced analytics to keep up with increased competition, Charles Schwab is showing strong leadership. **Jonathan Craig**, CMO at Schwab, says, "You've got to live and breathe and celebrate analytics every single day. I can't think of one key decision we make in marketing that isn't born at some level out of data, insights, and analytics." Before the current marketing analytics program was established, Schwab measured based on "last touch" attribution, even though marketers knew from research that this view was myopic. Now, with cross-channel attribution modeling, Schwab is able to capture all the interactions for an individual's journey and then quantify the contribution of each interaction toward the business outcome.

> "You need to hire people who are data-savvy, analytically driven, results-focused, and intensely curious. And if you do that across the organization, that commitment to analytics will be infused. The holy grail is to be able to simulate, optimize, and course-correct decision-making in the moment. Marketing is art and science, and we need to be firmly committed to the science of marketing. That sets us apart."

Informal leaders

While formal leaders must enthusiastically support growth culture initiatives in actions as well as words, recruiting informal leaders who are influencers and role models is a key step in "spreading the word" and giving their trusted endorsement to new programs. Gaining the support of informal leaders will give needed momentum to accepting new ways of doing things.

3. EMPOWER PEOPLE TO AFFECT GROWTH

Empowering people to work on growth initiatives is one of the most important steps a company's leadership can take to build a growth culture. Our research shows that three times as many marketers in growth companies versus non-growth companies feel they have a clear impact on business success.

This growth-culture driver is related to a fact that economists and psychologists have understood for years: For jobs that require conceptual or creative thinking — typical for today's white-collar professions — intrinsic motivators that give people autonomy and purpose work better than extrinsic motivators, such as monetary incentives. That does not mean salaries and bonuses are not important, but they are insufficient as motivators of high performance and productivity. (For simple tasks with a clear set of rules, extrinsic rewards do work well.) Confirming this, the ANA-GfK research shows that having "a clear impact on the business" and "opportunity to work on entrepreneurial projects" are among the top incentives to inspire and retain employees.

Google offers a strong example of this motivation dynamic at work. The online giant allowed engineers to spend 20 percent of their time on initiatives they thought would benefit the company — a practice that led to the development of many new Google products.

In another sector, Citibank needed to develop a mobile app quickly for a new consumer program. Under a very tight schedule, a small grassroots group of Citibank employees came together, each bringing different skills, and developed the app in time for Citi's launch. It was a high-pressure project for the team, but in the end, it was a great success and a source of pride.

Another excellent example of employee empowerment for corporate growth is HCL Technologies, a multinational IT services company headquartered in Noida, Uttar Pradesh, India. **CEO Vineet Nayar** implemented a groundbreaking management philosophy called "Employees First, Customers Second" (EFCS) that has generated growth programs and initiatives created by employees. It was followed by "ideapreneurship," a grassroots, customer-focused program that encourages employees to develop innovative solutions for clients' individual needs. The employee empowerment culture at HCL, grounded in the belief that huge value creation happens through employees who are in daily contact with clients, has been a key driver of the company's exceptional performance in the industry: a 514 percent increase in annual revenue from 2005 to 2013, 440 percent growth in net income, and a 244 percent increase in market capitalization in the same period.

Results like these should encourage corporate leaders to take simple steps to empower employees — for example, by reducing the number of approvals needed to move ahead on new initiatives and putting in place a streamlined process to create joint projects. And, as the above examples show, a growth organization *uses strong role models from the ranks of informal leaders and influencers*, as well as formal leaders, to create an environment of open communication and trust. The result: People use their innovative ideas and entrepreneurial drive to affect the business.

Verbatim comments from marketers who participated in our research describe in compelling ways what empowerment means to them:

- You get rewarded when you do something new and innovative.
- Empowerment allows people to experiment and fail fast without negative repercussions.
- Where you have cooperation, not backstabbing.
- If the company has a culture of near-term ROI, like mine, marketing gets defensive and empowerment is lost.
- Empowerment is critical. Marketing needs to empower and train people who touch the customer to support the brand promise. Accountability of business results needs to be pushed down to the people who deal with the customer, but empowerment is needed for this to truly work.

4. INTEGRATE NEW SKILL SETS

Companies need to use training programs and hire people with new skill sets to sustain a growth culture. Six in 10 non-growth companies lack capabilities/skills needed for greater agility. In today's disruptive environment, having a growth culture means companies must disrupt their own businesses to survive. This requires a continuing focus on bringing the right skill sets on board.

Beyond the familiar need for technical skill sets, another type of learning that is gaining central importance for many businesses is discussed by Howard Pyle, IBM's vice president of worldwide developer marketing. According to Pyle, IBM defines brand experience as when "every interaction with the customer is designed." The company has invested in shifting to a marketing-centric organization, and this shift is changing the role of marketing and the organization's culture.

Specifically, with digital technology, the number of departments interacting with customers increases, and those departments now need customer training. Every customer interaction from all business units must align with the brand's overarching message. At IBM, marketing has taken on the role of educating hundreds of teams on how to present the brand and describe products to create a consistent brand experience for prospects and customers.

In the digital world, 90 percent of the B-to-B purchase process occurs before sales gets involved, largely as a result of online research; this has been another source of major change for **IBM** marketing teams. One outcome is that the marketing organization has needed to transform from a function which primarily supported sales and branding to a demand generation function. This called for a massive program of marketing analytics to build a series of models around a "Seven Truths" marketing framework.

The marketing analytics team then needed to drive adoption of the system across **IBM's** global marketing organization in order to truly effect change. They conducted extensive workshops and webinars across the globe to educate and rally the company's marketers around the new framework and teach them how to use it. IBM's marketers are gaining an important new skill set and comfort level with data analysis. This type of change takes time, and has demonstrated the need for analytics to be part of a larger system with a deep focus on organizational change. The project has transformed the way in which many teams in the marketing organization use data and analytics to approach their jobs. There is now a "data-first" approach, which simply did not exist before, to guide every key decision.

Integrating employees with new skill sets into existing teams

It is natural for current employees to feel nervous when people with new skill sets — for example, digital advertising — are hired onto their teams. Before the new hires are aboard, company leadership must communicate the benefits for everyone of adding new team members, and take specific actions to demonstrate to valuable employees that their jobs are secure.

> At a particular long-established media company, leadership balances existing talent, who know the business, with experts in new areas (such as data) who are hired. The company has been very explicit with everyone that they are expected to work together. This has not worked in all cases, as some agency people who were hired have subsequently left, but overall the effort has been effective. Company leadership recognizes existing employees can be fearful for their security when people with new skill sets are hired. For top talent, the company has put in place development plans to give them the opportunity to take on new assignments and move to new areas of the business.

If new, agile players are hired and left to fend for themselves, their efforts can be quietly sabotaged by resistant colleagues who are feeling threatened. This was the situation at a large traditional company in the financial services sector. The company created a new division and hired several creative people who were interested in helping update the brand image. However, those people became frustrated as their proposed projects were not implemented, and after a year, most of them had left the company. A lesson here is that organizations can invest in change initiatives, but talented employees will leave if leadership does not provide an environment where they can follow their passions.

5. THINK LIKE YOUR CUSTOMERS

Being customer-centric is an important value for companies, and the ANA-GfK research provides data to quantitatively confirm this. More than half of growth culture companies surveyed have a governance body representing specific customer segments. That is the case for only one-quarter of non-growth cultures. Marketers at more than half of the non-growth companies say there is insufficient customer-centric thinking in their organizations.

regardless of how big (or small) the marketing budget may be. **Telisa Yancy**, CMO, practices a "customer-first" ethos. Yancy believes that connecting with customers is more important than having a big marketing budget. When she started working at American Family, she saw an opportunity to transform the brand's mission based on that connection.

American Family — a 90-year-old Fortune 500 company in the hyper-competitive insurance market — was being outspent in advertising 10 to one by competitors. These brands had created well-known characters, such as the GEICO Gecko and the Aflac Duck, and were telling consumers that they could make the insurance-buying process quick and painless.

Yancy believed that American Family did not need to match the advertising spend of these competitors. She worked with the company's agency, BBDO, to create a new brand mission based on AFI's authentic truth: that it enables customers to live the lives of their dreams by protecting those dreams. The brand took this idea a step further and promised to inspire people to pursue their dreams. This is how the brand found its truth and its new tagline: "Insure Carefully, Dream Fearlessly."

American Family opened an interactive exhibit in Madison, Wis., called "Dream Bank," that helped people gain perspective on their aspirations by taking inventory of where they were and how they got there. The company inspired people again during its 2015 Super Bowl campaign using social media. It asked customers to tweet their dreams to its Twitter account during the game. Marketers stationed at the Dream Bank drew pictures of the dreams and tweeted them back to customers as mementos. Copies of the drawings were also exhibited in the atrium of the Dream Bank. This activation demonstrated that the brand was dedicated to protecting and supporting people's dreams, even when it was not selling a product.

The American Family campaign was the most successful the company had created in 10 years. Proprietary and curated content received 120 million views across all platforms, and 500,000 people visited the Dream Fearlessly website, which provides tools to help people figure out what inspires them and encourages them to pursue their dreams.

6. BREAK DOWN RIGID ORGANIZATIONAL STRUCTURES

It is critical to streamline the layers in your organizational structure so employees can respond to market events quickly and drive sales. Half the marketers at non-growth companies say their organizational structures are too rigid to enable fast growth; this compares to only 18 percent for growth companies. Said one participant: "The marketing organization must collaborate and deliver results quickly. It must adapt and always be constructively uncomfortable. We can't rest on laurels but must push for change that will drive further growth."

At a large **technology company**, the leadership team realized it needed to innovate faster and get closer to the customer. The goal was to regain growth momentum, and beyond that, to prepare the business for the expected market transformation being driven by digital technology. In the leadership team's view, the accelerating impact of digital technology called for a disruptive change to their organizational structure. The company needed to reinvent itself, establishing a culture more responsive to customer needs and able to introduce innovation quickly.

The company completely redesigned its product development organization by removing silos to enable horizontal collaboration. Product development work moved from isolated business units to a network of teams. In the process, the workforce was streamlined by hundreds of people, including many in the ranks of senior management who were not prepared to support the new organization. Financial performance for the reorganized company has been strong, making it a leader in its sector.

7. ADAPT QUICKLY TO CHANGES IN THE ENVIRONMENT

In recent years, marketers have seen enormous technological innovation disrupt the traditional business model. New customer behaviors and expectations are challenging marketers to innovate quickly or risk losing relevance and slowing growth. Marketers in growth cultures are turning the tables on technology, using it to their advantage to deliver differentiating customer experiences.

In this ANA-GfK research, the majority of marketers at growth culture organizations reported that, when big changes occur in the environment, they respond successfully. **ADT** is a great example of a company adapting quickly to survive and flourish. In 2013, ADT was still a leader in the security category by a huge margin, serving millions of customers with residential, small business, and health solutions. But competition became fierce. AT&T and Comcast were offering similar products, Google had just acquired innovator Nest Labs, Apple announced plans for HomeKit, and Samsung acquired home automation startup Smart Things. The media started questioning ADT's ability to compete with newer technology companies in home security and automation.

Prior to 2013, ADT viewed its competitive set through the lens of security. It was time to change the strategy, because the playing field had changed and ADT was now part of the Internet of Things. ADT decided to reframe potential competitor threats into opportunities by changing its mindset.

Reorganizing and reshaping culture

ADT had to be willing to reshape its organizational approach and culture to drive change in its actions. The marketing team became the engine of ADT growth. The company sharpened its focus on the job that had to be done and decided on priorities as the organization moved toward change.

Aligning with a new mindset meant that marketing needed to reorganize. Management worked to set people up for success by putting them in roles that allowed them to work to their fullest potential. Employees submitted their résumés, which gave management an opportunity to see all of the different skills that were being underutilized. Town hall meetings were set up every quarter with the entire marketing organization. The team invited inspiring leaders not only from within but from other sectors and other companies. Other small steps, such as creating a marketing yearbook and learning about people's hobbies, had a disproportionately large impact on team cohesion.

RECOMMENDATIONS

These seven tactics for creating a growth culture do not all need to be used together; in fact, trying to implement them simultaneously could risk confusion and loss of business momentum.

- **To get started:** In implementing these solutions, it is helpful to use the examples as reminders that *actions more than words* are the most effective way to move toward a growth culture. This means demonstrating the new ways things will get done and giving people a chance to begin using them. Select one or two simple initiatives to start and focus on how to change the behavior of company leaders and employees one step at a time. Early initiatives should be ones that show quick wins — small/departmental ones are fine — to gain buy-in and generate energy. Maintain momentum with continued reinforcement of the new approaches and monitor closely to correct course and report new wins. Expect that there will be bumps in the process, including skeptical response by some.
- **If you have started on a growth culture path:** Many companies have already partially implemented one or more of these growth culture solutions. In that case, you have an opportunity for important benefits in the near term. Assess the effectiveness of your initiatives to date, identify any course corrections needed, and unless there are serious issues, leverage the progress you've made by completing implementation. Then assess with your team which growth-culture driver to focus on next.
- **To help make findings from this research easily actionable,** we have developed a growth culture segmentation to help you identify the *type of culture your company has and what solutions are most relevant to where you are now*. In the Supplemental Material section that follows we provide a chart of personas to help you identify your current culture. In addition, ANA members can access a scoring tool and solutions kit to help you get started right away.
- **Partner with Human Resources** on culture initiatives that focus on people empowerment, trust, collaboration across business units, and training for new skill sets. However, keep in mind that the CEO and leadership team must maintain ultimate ownership of culture transformation for business growth.

> An organization's culture changes slowly. For that reason, your growth culture cannot be quickly imitated and can become a major source of competitive advantage.

SEGMENTATION OF ORGANIZATIONAL CULTURES

	Structure	Culture	Revenue Trends	First Solutions
Autocratic Culture: Inhibits Growth	Few cross-functional teams and marketing's role is limited. Marketers recognize that they don't have the right culture for growth. Use workarounds to get past many barriers to growth. Organizational responsibilities not clearly defined and have too many layers and overlapping roles.	Culture driven from the top down where title and role have the most influence in the organization. Marketing leadership does not possess all the competencies and characteristics necessary to support a growth culture. Focus on process and internal issues takes attention away from the customer. These marketers could be inspired by training and career planning but organization doesn't offer them.	Decline in revenue and poor growth relative to competition.	• Break down rigid organizational structures • Adopt customer-centric thinking
Old Guard Culture: Focus On Product	Command-and-control environment. Marketing's role is to manage the product, focusing on innovation, positioning, channel strategy, pricing, and communications while monitoring marketing ROI. Cross-functional teams organized around the category or product, not the consumer.	Influence is driven by title and role. The organization has built up many layers and complexity, and the focus on process takes attention away from customers. Marketing teams' success is measured on pricing improvements, quality of the work, and customer satisfaction. But when things go wrong, there is a lot of finger-pointing. Marketers recognize they have cultural barriers, especially in collaboration, speed, and agility.	Fairly strong revenue growth and best the competition.	• Build trust across organizational functions • Break down rigid organizational structures
Unrewarded Culture: Inhibits Innovation	Matrix environment, strong collaboration across the organization and sharing of information. Ad-hoc cross-functional teams are assembled. Governance bodies for customer segments. Strong marketing training program.	Focused marketing strategy. Marketing has CEO's endorsement. Influence depends on reputation and credibility, not title. Even though people feel they have the right culture to achieve growth, brand thinking is not infused through the organization and people are not rewarded for innovation. Decisions often second-guessed.	Flat to moderate revenue growth but high performance compared to competition. Tend to be B-to-B organizations rather than B-to-C.	• Empower people to affect growth

SEGMENTATION OF ORGANIZATIONAL CULTURES

	Structure	Culture	Revenue Trends	First Solutions
Relationship-Based Culture	"Networked" organization	Influence depends on relationships. Strong cross-functional teams and governance bodies drive the brand. Marketing works closely with the CEO to establish growth agenda. Marketing leaders exhibit good competencies and capabilities, deliver consistent messages. People often fear losing their job as new skill set becomes needed.	Moderate revenue growth and performance relative to competition. Many are B-to-B companies.	• Adapt quickly to changes in the environment • Integrate new skill sets
High-Octane Culture	"Networked" organization. Strong customer-based cross-functional teams and governance lead to collaboration across the organization. Use agency partners for marketing support and to provide missing skills.	Influence depends on reputation and credibility. Marketers feel they have the right organization and culture to achieve growth. However, people wonder how to get all their work done in a 40-hour week, struggle to get stakeholder approvals, and have a strong fear of reporting failure.	Strong revenue growth and performance relative to competition. Majority are B-to-C companies.	• Endorse further culture improvement at the leadership level

SUPPLEMENTAL MATERIAL

Methodology

- This report covers the findings from an online survey conducted by GfK for the ANA Marketer's Edge Program between December 2015 and January 2016.
- In total, 221 client-side marketers are represented in this survey. Participants include ANA members.
- Of those who responded, 23 percent primarily work in B-to-B marketing, 42 percent in B-to-C, and 34 percent work in both.
- Director level and above make up 43 percent, and marketers below the Director level make up 44 percent.
- Vice Presidents and Directors make up 39 percent, and Chief Marketing Officers account for 4 percent. At 44 percent, the largest number of marketers in this survey is below the level of Director.
- Two-thirds of respondents to this survey have at least 10 years' experience in marketing.
- Please note: Not all respondents provided answers to all questions in the survey; the base sizes vary from question to question. Bases are indicated in each chart.

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- "Fueling Disruption Through Design and Collaboration." Howard Pyle, VP of WW Developer Marketing at IBM; Justin Tobin, Founder and President of DDG. ANA Innovation Day Members-Only Conference, 11/5/15.
- "American Family Insurance Inspires Customers to 'Dream Fearlessly.'" Telisa Yancy, CMO at American Family Insurance. ANA Brand Masters National Conference, 2/5/16.
- John Costello, President of Global Marketing and Innovation from Dunkin Brands. Marketer's Edge Organizational Culture Research Study Interview, 11/18/15.
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For more information on the research or the Solutions Finder, visit the ANA's Organizational Culture page. Members can also access exclusive Marketer's Edge content that explores the topic in more depth, including key findings from the research, an infographic, and an Organizational Culture Toolkit.

ABOUT THE ANA

The ANA (Association of National Advertisers) makes a difference for individuals, brands, and the industry by advancing the interests of marketers and promoting and protecting the well-being of the marketing community. Founded in 1910, the ANA provides leadership that advances marketing excellence and shapes the future of the industry. The ANA's membership includes nearly 1,000 companies with 15,000 brands that collectively spend or support more than $300 billion in marketing and advertising annually. The membership is comprised of more than 700 client-side marketers and nearly 250 Associate Members, which include leading agencies, law firms, suppliers, consultants, and vendors. Further enriching the ecosystem is the work of the nonprofit Advertising Educational Foundation (AEF), an ANA subsidiary. The AEF's mission is to enhance the understanding of advertising and marketing within the academic and marketing communities.
For more information, visit www.ana.net, follow us on Twitter, or join us on Facebook.

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GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. More than 13,000 market research experts combine their passion with GfK's long-standing data science experience. This allows GfK to deliver vital global insights matched with local market intelligence from more than 100 countries. By using innovative technologies and data sciences, GfK turns big data into smart data, enabling its clients to improve their competitive edge and enrich consumers' experiences and choices.
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