LEADERSHIP & BUSINESS PODCAST

EPISODE 62: DONNA MCDERMOTT – IT’S ALL ABOUT THE CUSTOMER

Ken White
From the College of William & Mary in Williamsburg, Virginia. This is Leadership & Business. The weekly podcast brings you the latest and best thinking from today’s business leaders from across the world. We share the strategies, tactics, and information that can make you a more effective leader, communicator, and professional. I’m your host Ken White. Thanks for listening. Oscar Mayer, Tropicana, Bacardi, Heinz, AutoZone, and FedEx they are some of the most recognizable brands in the country and the world. And our guest has spent time working for each of them. Donna McDermedott has spent over 30 years as a brand management executive. She has developed scores of new concepts and prototypes over the years while launching 12 new brands and line extensions that have resulted in annual sales of over two billion dollars. McDermedott has spent the past decade with FedEx, where she is a marketing principal. She joins us on the podcast today to discuss the differences between branding and marketing, product management, and why professionals need to always put their customers first. Here’s our conversation with Donna McDermedott, Marketing Principal at FedEx.

Ken White
Donna, thank you. We have a it’s busy day for you. You’ve got a heck of a schedule. You were talking to one student group after another but welcome back to William & Mary. It must be nice to be here.

Donna McDermedott
Oh, it’s awesome to be back. I had dinner at the Greenleaf last night. My old stomping ground.

Ken White
Has it been a while since you’ve been on campus?

Donna McDermedott
I think it was back 15 years ago. It’s a lot.
Ken White
Yeah.

Donna McDermott
So obviously, the business school wasn’t built yet. Chancellors Hall is now.

Ken White
Yeah.

Donna McDermott
I don't know, Tyler. I don't know what they call it now.

Ken White
Yes.

Donna McDermott
So it’s very, very different.

Ken White
You’ve had a wonderful career working for some incredible organizations and brands. Now you're with FedEx as a marketing principle. What's that mean? What do you do?

Donna McDermott
So initially in my career, I was a product manager. Managing a product which includes the brand and the marketing of that brand, and was very interested in new products. That's kind of been my career my whole life. Very intrigued with what's new and the positioning of how you do that and how you satisfy customer needs. Maybe some needs they don’t even know they have. Over time evolved to a greater and greater responsibility. And then, at FedEx, you know, there is no brand manager. FedEx is huge. And so what I've evolved to is more portfolio manager, which is taking initiatives and projects and prioritizing for senior executives analytical data to support and looking at consumer trends and provide recommendations to the senior management for how we should invest in various different opportunities.

Ken White
How has your field changed over the years from when you first started to today? What are the biggest changes?
Donna McDermott
The biggest change I can think of is. I started my career with Oscar Mayer in 1986, and we were doing a spreadsheet on paper, and it was a what-if thing. So you know you would this would go up. So that would go down. Honestly, I would have holes in my paper because I was doing what ifs right, which today we do in spreadsheets in no time. So that’s one of the biggest things is. Just it took so long to get things done. Very archaic tools. Now you spend the time on analyzing and not really that physical manual labor. Doing presentations. We used to handwrite them, then the admin had to come in and type it the next morning, and it wasn’t the way you wanted it, and you had to have it redone and so many more tools for a product manager to be more effective and spend time on the things that really matter for the business.

Ken White
Yeah. Now you’re going to be talking to the students about the difference between branding vs. marketing. How do you define branding? What is it?

Donna McDermott
Yeah. And this question came from a student, which I thought was pretty astute. So branding is all about the identity of a product. It’s personality. I wrote a bio coming here, a biography, and that’s my brand, and in it, I mentioned a couple of different things, and the students understood who I was. I mentioned I have an enthusiastic and loyal Pitbull, along with liking craft beers. So it’s the image in the mind of the customer of what that’s about. It’s an expression of value that the product or service offers and the characteristics and attributes that clarify what it is and what it is not. So really think about it like the branding is the what, and the marketing is the how. What is the brand marketing? How is I could sell it by using promotion advertising? We could do a discount. We could do a line extension, we can do so more the how for the brand. Branding is really the pull from the customer, and marketing is the push to the customer to get them to buy.

Ken White
Right.

Donna McDermott
And the title product manager is interchangeable in many different companies. It’s called the brand manager some places, a marketing manager, but technically there are differences in the job description. A product manager manages the entire product, including the P&L. It’s like your own business.

Ken White
Right.
Donna McDermott
That’s the part of love because you can manage certain things if you’re too high in cost. What can you do? I think a bad example of that today is Toblerone. I don’t know if you know.

Ken White
Yes, very much so.

Donna McDermott
Do you know what they did?

Ken White
Very much so. They changed the product.

Donna McDermott
They should’ve fired the product manager.

Ken White
Yes.

Donna McDermott
Because deal with Toblerone was the peaks and the Alps that’s the coolest part.

Ken White
Right we’re talking about the long chocolate bar. You can break off in pieces right, and they were peaks, and they changed. They made them narrow.

Donna McDermott
Yes.

Ken White
Smaller.

Donna McDermott
It’s a cost reduction that’s so obvious. It’s disgusting. And so that’s the kind of stuff that you know they’re trying to reduce costs but couldn’t you find another way. That couldn’t have been your first choice.
Ken White
So that's the product manager's role. Get on that. Have all of that.

Donna McDermott
Understanding the customer is number one. Depends on who your target is. Understand their needs. Their customer needs, I'll help them solve problems. And then from there, you know, develop products that are able to fulfill that promise.

Ken White
Is there a difference between doing product management and branding and marketing? I know they're all different but doing that for a tangible product versus a service.

Donna McDermott
So this is perfect, and that is I work at FedEx.

Ken White
Right.

Donna McDermott
And the brand manager at FedEx manages the trademark.

Ken White
Got it.

Donna McDermott
As you can imagine, FedEx is global. It's everywhere, right?

Ken White
Right.

Donna McDermott
And there's special characteristics and colors. You know it's FED capital F.

Ken White
Right.

Donna McDermott
FED capital E X.
Ken White
Right.

Donna McDermott
And everybody knows about the arrow, right? That's in between the E, and the X is an arrow.

Ken White
Right.

Donna McDermott
Which is a clever.

Ken White
The white arrow, yeah. You have to look for it.

Donna McDermott
Yeah exactly. So the brand manager manages that because it cannot look different in different places. It's got to be a singular look and feel, and its use has to be a certain way, and that takes a lot to be able to do that.

Ken White
So that's graphic standards and everything else.

Donna McDermott
Yes PMS colors.

Ken White
Yeah.

Donna McDermott
And is it appropriate to put it next to this particular thing, maybe a billboard that's inappropriate? You know those type those types of things.

Ken White
And then the marketing manager.
Donna McDermott
Marketing manager is all about how do I drive sales. So it's about promotion. It's about taking the Toblerone and cutting the Alps out of it. Anything you can do to drive sales or revenue, whatever the objective of the company is. But you do that while trying to optimize it for the customer experience.

Ken White
Right.

Donna McDermott
At the end of the day, a good product manager, marketing manager, brand manager is about the customer. And it seems so simple, but it's hard because we tend to come to things from our own perspective.

Ken White
Yeah, that's interesting. Teaching communication doesn't it sound so simple you're supposed to be other-centric?

Donna McDermott
Yeah.

Ken White
So much easier said than done because we bring our background and our expertise to the table. And so I could see a marketer or someone in branding sort of forgetting about the customer even though that's the heart and soul of everything. How do you stay in touch? How does someone in your profession know what the customers want and know what makes them tick what's available to you now?

Donna McDermott
So there are a lot of different techniques, and I have a pretty interesting story with this, and that is I've worked on various brands. The target for Oscar Mayer was mothers with kids. The target for AutoZone, the auto parts store, were men.

Ken White
Right.

Donna McDermott
Shadetree mechanics, you know, in their 40s something like that. And as I worked at each of these companies, I learned as much as I could about the customer. For AutoZone going in the retail store. We did focus groups all kinds of things and reading trends global
trends, and I became a mother with kids, although I had no children. I became a shadetree mechanic. And you need that right because if there’s a question of what are you going to do with your marketing mix, are you going to do this, or you’re going to take the Toblerone Alps out? You need to know that my customer loves the way those things snap apart or whatever it is, and you need to be able to understand that as if you were that customer and really that’s the way I think you can really be successful and then you holistically know what works or not. You feel it, you just know, and very few people today I’ve seen sometimes don’t really get that it’s more about revenue. It’s more about the business side. It’s got to be about the feeling of that customer you want that customers say, wow, a good example USAA. I haven’t worked there, but I have insurance and banking with them. Every time I get off the phone, I say oh my God, they are so awesome. They call me and ask do you want to go through your policy. Maybe we can save you some money. What.

Ken White
Yeah.

Donna McDermott
Calling me? That’s total service. So that’s the kind of stuff that you really want in terms of getting that target customer understanding their needs even before they think they know it.

Ken White
We’ll continue our discussion with Donna McDermott, Marketing Principal at FedEx, in just a minute. Our podcast is brought to you by the Center for Corporate Education at the College of William & Mary’s Raymond A. Mason School of Business. The Center for Corporate Education helps companies and organizations from all over the world by creating and delivering business and leadership development programs. If your organization is looking to get to the next level, contact the Center for Corporate Education to discuss how we can create and deliver a program that specifically fits your needs and gets results. For more information, visit our website at wmleadership.com. Now back to our conversation with Donna McDermott, Marketing Principal at FedEx.

Ken White
On the podcast several episodes ago, our guest was Kim Lopdrup, who is the CEO of Red Lobster, and he said we need to hire people with the hospitality gene. They’re so into this it makes their heartbeat because they want to make sure each customer has a phenomenal experience while they’re in the restaurant. What gene are you looking for in your field that really gets them going?
Donna McDermott
Let me tell you, I ate at Red Lobster yesterday so, and I never do. It's just I drove in and from the airport, and it was there, and I had someone who was all about me.

Ken White
Yeah.

Donna McDermott
Because I said hey, I'm interested in a craft local beer. He went out of his way to choose one. Oh, they didn't have it in stock. Could you recommend this? Okay fine. I didn't want a huge dinner. I just wanted lobster tail, and he suggested you could do this, and a side asparagus, and I'm kind of picky it's got to be not too stringy. He was awesome, awesome, awesome. So whatever they're doing, it worked. His name was Russ or something like that.

Ken White
Yeah, and what the CEO is saying that's the kind of people we have to hire.

Donna McDermott
He hired a good one.

Ken White
And in your field, who are you looking for? That does get up and thinks constantly about the customer, and they're literally passionate about it like you're saying they become an advocate for the customer.

Donna McDermott
It's empathy, and it's not about the business numbers. It's about the experience. It's about how awesome you feel when you hang up from USAA, and they just save you money, and or the Red Lobster, where he chose specifically what I needed. He knew it, and it felt so good about it. And then you want to go back again because that is a good customer's experience. So people with empathy, you can kind of get other people's point of view, I think is the key.

Ken White
And it's fun.

Donna McDermott
It is fun. Marketing is fun.
Ken White
Yeah. You’re going to talk to the students, and you have talked to them about the traits of a successful product manager. This is a great job. It’s fun, it’s exciting, much to do, many opportunities. What does an individual need to bring to the table to be successful in a product manager role?

Donna McDermott
So I would say number one is communication skills. And I know you mentioned communication and not just verbal it’s written. You know, the PowerPoint. I know people hate it, but that’s the way we communicate, and you need to be able to communicate to your target right. So you communicate to a financial person differently than the board of directors, which is a very high level. And so being able to understand that making things that are complicated simple in articulating that for senior executives to make decisions is very hard to do to get there. But I think that’s key as well as communicating the value of what you’re trying to deliver. But I can’t stress enough, and then we talked about before international folks, it’s real important that the lingo is right and that the emails are as professional as possible.

Ken White
Sure.

Donna McDermott
Because that’s your impression that that’s the brand you lead. You lead with.

Ken White
Being a situational communicator knowing who your audiences is and what they need.

Donna McDermott
Exactly.

Ken White
And it seems so many professionals we talk to say, you know, my team does struggle with boiling it down into 30 seconds or a 60-second sound bite for the CEO or for the board.

Donna McDermott
It’s hard.

Ken White
It is hard.
Donna McDermott
It's hard.

Ken White
So is it practice? Repetition?

Donna McDermott
So I look at it this way, and that is I personally am not that good at details. And so I make it the way I’d want to see it. So I’m the user. It’s easier for me to think in pictures than in words. And so I just think about it that way. What is how would I tell my grandmother what we’re going to do? I mean, not that literally but really, what are we trying to do at the end of the day? Because you could go down in the weeds and nobody cares about that, what is our objective? So I think that’s key is really trying to keep it high level, keep it visual, keep it simple.

Ken White
In addition to being other-centered communicator in terms of being a successful product manager, what other traits or skills should someone possess?

Donna McDermott
Well, the number one for product management is your leading without authority. You’re like a CEO, but nobody reports to you. And so what that means is you have to build a very strong network. You’ll have your support groups who help you in finance and manufacturing, and so forth. And you need to really develop that and hone that for mutual benefit. You know you help them. I get many emails I need something tomorrow, and I’m on it, and vice versa. I'm desperate. I got to have this for my boss, boom. I have it. Really, that is the key. The trust that you have in each other, I think, as a product manager, the vision and passion helps you lead without authority. People want to follow you cause it’s fun what you do. I believe in what you’re doing. So there’s many different techniques. It is difficult, and I think as you go through your career, you get better and better at it. You know, at first, you’re kind of not so confident. And now I feel like I’m actually pretty good at that, and you can get people to follow you, even that who are above you. VPs.

Ken White
Yeah.

Donna McDermott
If you had the right idea and communicated effectively.
Ken White
We did a podcast with Professor Inga Carbone from our business school it's been several
months and Inga talks about strategic networking and that's the kind of network we should
build where you can help me I can help you. And we both benefit.

Donna McDermott
Yes.

Ken White
And it works.

Donna McDermott
It does.

Ken White
If you’re able to do it. What about business acumen? How much do I need to know about
business and the whole organization to be an effective product manager?

Donna McDermott
Just the basics for business. I think one of the key things in this may sound unusual, but
that is sometimes the basic question of why are we doing this. Are we going to make
money with this? Does the customer want this? I mean, these are basic business acumen
things that you’d be amazed as you go along various different companies I’ve worked
with. At the end of the day, we didn’t talk to our customer, and the product didn’t do well.
And so, understanding and just from a business perspective doesn't make sense to invest
in this particular area.

Ken White
For someone who would like to do what you're doing, get into the field wherever they are
in their career. What kind of advice would you have? What should they be bringing to the
table? What should they be preparing in order to be successful?

Donna McDermott
Well, number one, I think you have to have the personality. You have to have the ability to
be both strategic and tactical, which is hard, you know, creative and analytical. And these
are things that are difficult to find in people and you don't have to be great at either but
you've got to be very good at both. You need to have a passion for products. You need
have a vision. What do I want to see? What would I love to have? I’d like to have that
Toblerone stay the same. And a curiosity, why are you doing that? Why is the customer
doing that? In ethnographic research is asking them why are you doing that. To
understand kind of what their need is so that you could try to help develop a product for them. So another piece, too, is eye for details. I worked at AutoZone and did a good, better, best strategy for the brands. I had to look at packaging. I at 11,000 SKUs of packaging and trying to find any issue with communication on there. So if it didn’t say in Mexico, it was not good. So you had to know the detail of going through each and everyone and discipline of going through various different details to be sure that you are totally buttoned up when you make your presentation when you sell your product.

Ken White
Hard work but really fun.

Donna McDermott
Oh, awesome, awesome, awesome. There's no better thrill than having your product be on a shelf, and you're walking down the grocery store. Yes, that's mine.

Ken White
That's our conversation with Donna McDermott. And that's our podcast for this week. Leadership & Business is brought to you by the Center for Corporate Education at the College of William & Mary's Raymond A. Mason School of Business. The Center for Corporate Education can help you, and your organization get to the next level with business and leadership development programs that specifically fit your needs. If you’re interested in learning more about the opportunities at the Center for Corporate Education for you or your organization, visit our website at wmleadership.com. Well, thanks to our guest this week Donna McDermott, and thanks to you for joining us. I'm Ken White. Until next time have a safe, happy, and productive week.