

Marketing and finance—a partnership for growth

A strong CMO-CFO relationship helps drive business performance

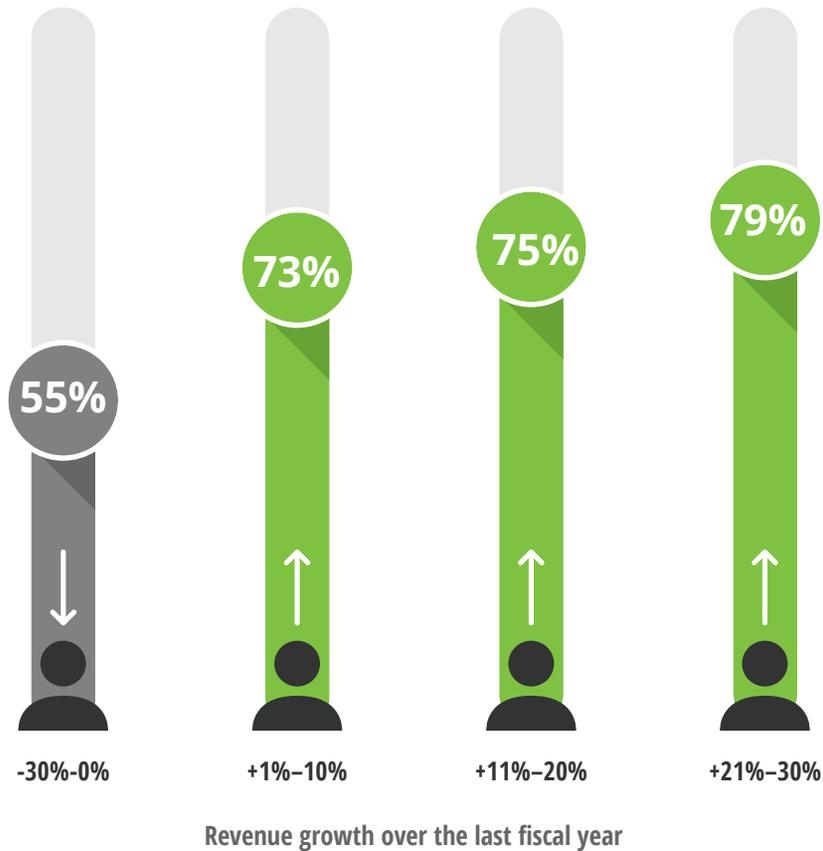
Sarah Allred and Timothy Murphy

WHILE the chief financial officer (CFO) and chief marketing officer (CMO) routinely look for growth opportunities, their role-based mandates may not always align. For instance, CFOs are often under pressure to translate various organizational initiatives into financial terms, with a view toward shorter-term markers (such as quarterly earnings reports). Similarly, CMOs want to tie the impact of their marketing initiatives to business outcomes, but there are challenges. For example, while brand value is undoubtedly a long-term financial asset, it's difficult to measure, much less in the short term.

However, Deloitte's research shows that some CMOs and CFOs are finding ways to collaborate more effectively.¹ Most promisingly, we found a strong correlation between C-suite alignment on marketing performance metrics and revenue growth: The highest-growing companies routinely indicated that C-suite leaders agree upon marketing metrics (79%) relatively more, compared to lower-growth companies (55%) (figure 1).

High-growth companies indicate stronger alignment within the C-suite as to which marketing metrics are important

Percentage of organizations reporting that they have clear C-suite alignment on marketing performance metrics



Source: Deloitte CMO Program Global Executive Survey, April 2021.

To achieve similar results as high-growth brands, CMOs and CFOs can start by identifying where the biggest disconnects happen—and then restructure processes to capture marketing value more easily. For example:

- **Building a full-funnel mindset.** Intuitively, CFOs prioritize financial data as the #1 source for evaluating marketing's success. CMOs are more likely to find value in a balanced mix of data types, such as financial, market-share reporting, and customer-related data. For CMOs, it may be worth going the extra mile to position the upper-funnel activities as leading indicators to lower-funnel purchases.
- **Speaking the language of the C-suite.** When we asked the C-suite their biggest challenges in measuring the impact of their marketing initiatives, the #1 challenge for CMOs, *changes in the legal/regulatory landscape*, was the lowest-ranking challenge for CFOs. The CFOs' #2 challenge, *access to relevant data*, ranked dead last for CMOs. This may suggest that for CMOs, the challenge is related less to data access and more to translating marketing initiatives—and their success—into finance terms and outcomes. To tackle this, some brands are setting up financial measurement teams for marketing that incorporate a dotted-line reporting structure to finance. (See our article "[Redefining the CMO](#)" to learn more.²)

By building a shared understanding early, and working together, CFOs and CMOs can be better positioned to demonstrate the true value marketing delivers to the enterprise.

Endnotes

1. Deloitte's CMO Program's global executive survey polled 1,099 C-suite executives from global companies located in the United States, France, Japan, the United Kingdom, and the Netherlands in April 2021. This survey asked CMOs, CEOs, CFOs, and chief information, operating, learning, and human resource officers their thoughts on a variety of topics, driving the evolution of the marketing function, including around C-suite expectations and alignment on marketing performance metrics.
2. Diana O'Brien, Jennifer Veenstra, and Timothy Murphy, "Redefining the CMO," *Deloitte Review 22*, January 22 2018.

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