



 **ALLOCADIA**

# **CMO vs. CFO**

**Challenges of the Modern  
Marketing and Finance  
Relationship**

# Executive Summary

This report is for CMOs, CFOs, and other marketing and finance leaders who want to find a better way of working with their counterparts and create alignment.

North American marketing and finance professionals are facing three critical challenges.

## **Key Challenge 1: Inefficient Processes Drive a Wedge Between Them**

The most frequent challenge according to 42% of finance professionals is that marketing lacks a basic understanding of accounting and how finance operates. We found that 30% of marketers are struggling with the finance-mandated technologies to manage their budgets.

According to 100% of marketers, the most effective way to improve how marketing and finance work would be to have the right technology and data available.

## **Key Challenge 2: Different Goals and Priorities Make it Hard to Win Together**

We found that 32% of finance professionals are frustrated that marketing frequently requests more budget for programs, but does not report the return from that additional spend.

However, 29% of marketers say that finance cannot provide accurate, real-time information on marketing's budget. This makes it impossible for marketing to make strategic decisions based on investment insights.

## **Key Challenge 3: Each Department Has Their Own Data Sets, and the Numbers Don't Line Up**

The ROI measurements marketing and finance compare are only somewhat aligned 54% of the time. And if the numbers do not match up, 80% of the time, finance's calculations of marketing ROI are used as the "true calculation".

However, we also found that 18% of finance professionals aren't even tracking the right data to be able to measure marketing's ROI.

# Executive Summary

## How Marketing and Finance Can Better Align

The modern marketing and finance relationship is about both departments evolving and meeting in the middle. Cross-departmental communication must be a priority. Make adjustments like meeting *before* month end so both departments know how the marketing budget is tracking, review last month, and discuss any strategic investment pivots.

It's a matter of understanding each other's goals and working with modern software to help give everyone the visibility to look at a single source of truth.

Please read the [Cloudera](#) case study for how marketing and finance can measure ROI together. We also encourage you to enroll in our [Marketing Planning Crash Course](#) to better understand how complex marketing teams can build stronger partnerships with their CFO and transform into operationally efficient, agile organizations.

# Introduction

In our survey of North American marketing and finance professionals, we found that 87% believe it's very important for the two departments to have a good working relationship. However, the best intentions don't always coincide with reality.

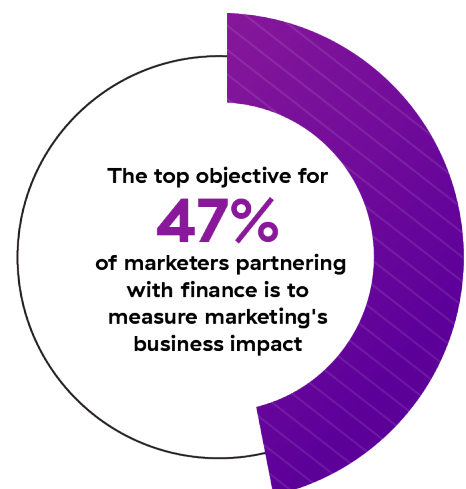
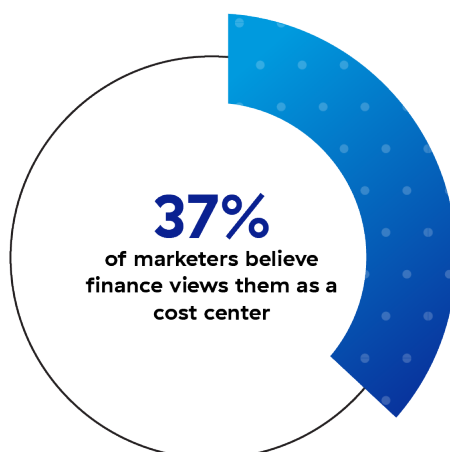
Part of the problem stems from the very different ways marketing is perceived within the organization. While marketers know the value they bring to the company, 37% of them think finance only views them as a cost center rather than a revenue generator.

This discrepancy carries through to each department's respective goals. Marketing wants to talk about investments to achieve growth goals, while finance is focused on keeping the costs down.

Even when goals overlap, there is still discord that needs to be addressed and fixed. According to 47% of marketers, their top objective working with finance is to effectively measure marketing's impact on the business. However, finance professionals say their top objective working with marketing is to help them make more informed decisions with their budgets by better understanding their ROI. Finance doesn't believe marketing is making strategic decisions based on ROI, while 61% of marketers say all their investment decisions are data driven.

Marketing and finance each have their own skill sets. And it's time to harness the combined power of these two juggernauts.

What's standing in the way of marketing and finance aligning to collectively drive more growth and revenue for their organization?



# Key Challenges

North American marketing and finance professionals are facing three critical challenges that are turning CMOs and CFOs into adversaries when they could be advocates.

**Marketing and finance's three key challenges:**

1. Inefficient processes drive a wedge between them
2. Different goals and priorities make it hard to win together
3. Each department has their own data sets, and the numbers don't line up





**KEY CHALLENGE 1**

**Inefficient Processes  
Drive a Wedge  
Between Them**

# Key Challenge 1: Inefficient Processes Drive a Wedge Between Them

How many marketers do you know with an accounting degree? Probably fewer than you can count on one hand.

According to 42% of finance professionals, marketing's lack of basic understanding of financial processes is one of the biggest challenges they face. But from marketing's perspective, financial jargon unnecessarily confuses matters and blocks clear communication.

The second complicating factor is the entirely different frameworks for how the two departments organize spend. The general ledger codes finance uses are so broad that they:

1. Don't correspond to marketing's own budget framework
2. Don't help marketers make meaningful decisions

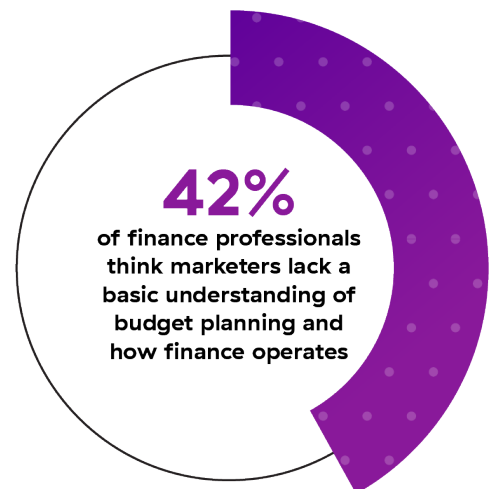
The third process issue, according to 29% of marketers, is that they need accurate, real-time information on their investments, which finance does not provide. Finance typically provides actuals on monthly spend well after the end of the month, sometimes weeks. This

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**“I recommend bringing the finance partner as close as possible . . . almost consider them an honorary marketing team member. ”**

[Ken Evans, former VP of Demand Generation & Marketing Operations at Fuze](#)

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gives marketing no time to make changes to stay within budget. It's the equivalent of closing the barn door after all the animals have escaped. And there's no chance to prevent disaster.

But, at the same time, 29% of finance professionals say they don't have enough visibility into how marketing spends their budget. Typically, finance only receives invoices or POs which doesn't show the planning or logic behind marketing's investment decisions.

How can marketing and finance cut through all these disconnects?

Finance professionals believe that if each department understood the other's high-level processes, they would develop a higher level of respect for what the other team does. This understanding would also help marketing and finance understand how their processes are connected, which ideally would lead to how those processes could be *improved together*.

Better understanding of each department's processes will help with communication and aligning any processes that connect the two teams. But there's also another way.

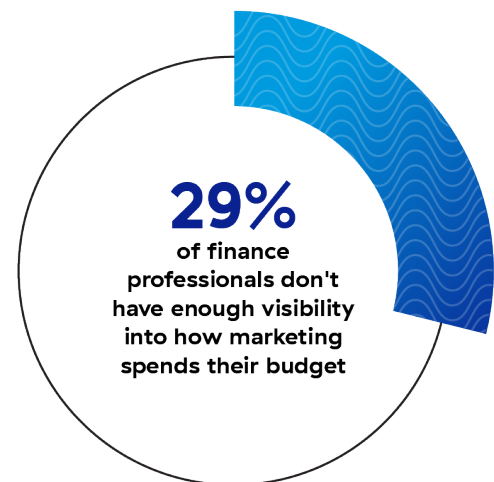
We found that 30% of marketers are not satisfied with the technologies that finance gives them to manage their budgets. On the surface, having marketing and finance use the same system for consistency of data seems like an obvious solution. However, the systems designed for finance are just that: [designed for finance](#). They aren't designed to give marketers the insight or agility they need

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**“I’m always trying to teach marketers the difference between accrual and cash accounting. Because if you have the chance [for extra budget near the end of quarter], you need to execute quickly—and make sure it’s accounted for in the right quarter. ”**

[Marlene Chan, Marketing Business Operations Director at Splunk](#)

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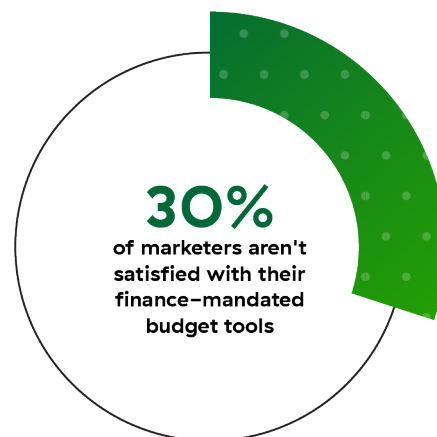




to capitalize on new market conditions or shift spend quickly to better performing initiatives. Those finance systems can tell marketers if they ended up over, under, or on budget at the end of the quarter or the latest rolling forecast for their spend. But they can't tell them which marketing channel is delivering the highest ROI, or which campaigns are contributing to pipeline.

Yet, 100% of marketers said that having the right technology and data available would be the most effective way to improve how marketing and finance work. Is there a way to make this work?

Yes—with a marketing budgeting platform that's built to support marketing's needs but still connects to financial systems of record. Marketers need to be able to plan and manage their spend at the campaign and activity level instead of by GL codes and cost centers. By connecting a marketing budgeting platform to the financial platform, the same financial data flows between them. This alleviates the manual work and the back and forth between departments at month end to reconcile the marketing budget.



A circular inset image showing two fencers in white gear and masks, engaged in a match. The background of the entire slide is a dark purple gradient.

**KEY CHALLENGE 2**

# **Different Goals and Priorities Make it Hard to Win Together**

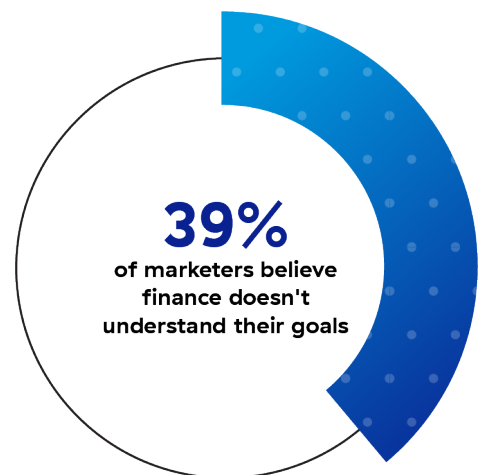
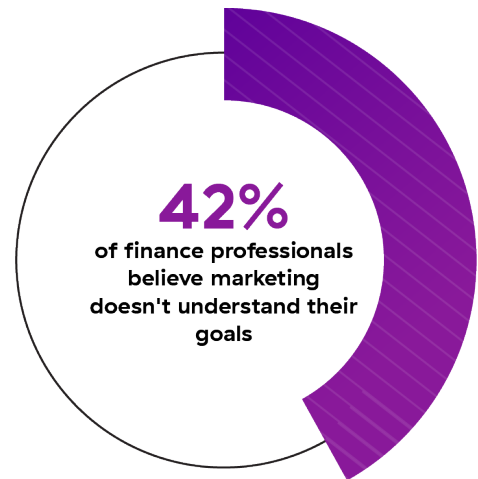
# Key Challenge 2: Different Goals and Priorities Make it Hard to Win Together

According to CMOs and CFOs, this challenge is the most critical of the three currently facing marketing and finance.

Finance believes they have “little or no communication, different priorities, and expected outcomes” to their marketing counterparts. In fact, 42% of finance professionals say marketing lacks an understanding of finance’s goals. We found that 39% of marketers feel the same about finance not understanding their goals.

Yet, there should be alignment when looking at the high-level priorities of each department. According to [Gartner](#), the CFO’s number one mandate is to drive efficient growth despite economic and business hurdles. A [CMO’s](#) goal is to drive revenue growth.

While their high-level goals may align, it’s the actual execution towards those goals and daily work that gets in the way of the two departments working together.



We asked marketers and finance professionals what they wanted their counterparts to know about them, their goals, and their priorities.

### Marketers said . . .

We are not making frivolous purchases. It's about our customers.

Marketing • 9:01 AM • Read

We help drive revenue, and we do more than just advertising.

Marketing • 9:03 AM • Read

Some success isn't measured in dollars.

Marketing • 9:05 AM • Read

Marketing is an investment, not an expense.

Marketing • 9:07 AM • Read

Our approved budget totals seem arbitrary.

Marketing • 9:09 AM • Read

### Finance said . . .

Hard numbers can impact what we are able to do with our other departments.

Finance • 9:02 AM • Read

We are trying to work together to make sure our company gets a good ROI.

Finance • 9:04 AM • Read

We're trying our best.

Finance • 9:06 AM • Read

Spending over the budget affects the company negatively.

Finance • 9:08 AM • Read

We are not an endless supply of money.

Finance • 9:10 AM • Read

Diving deeper into the challenges from finance's viewpoint shows that there is a significant gap around why marketing allocates their budget, how much they spend, and a lack of reporting on that spend.

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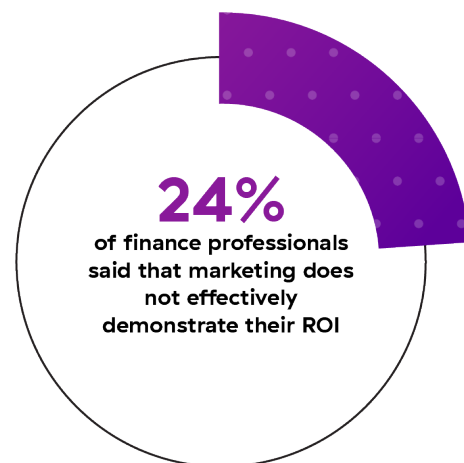
**“Challenge your misperception that Finance wants to be a watchdog, or if that’s really the case in your organization, work to change it through open dialog. We can help you tell your story to the rest of the company, and especially to the C-suite. We want to be in your corner. Magic happens when you hitch Finance’s left brain to your right brain, so work together to make the whole company successful, which is what we’re all after anyway!”**

[Carey Rutigliano, former Director FP&A at Cloudera](#)

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We found that 32% of finance professionals are frustrated that marketing frequently requests more budget for programs, but does not report the return from that additional spend. In fact, 24% of finance professionals said that marketing does not effectively demonstrate their ROI. This makes it difficult to know how efficiently marketing is investing their budget, let alone why they made those investment decisions.

From marketing’s perspective, they want to plan their campaigns to support the company’s goals and strategy. But 24% of marketers are missing the investment insights needed from finance in order to make those strategic decisions.



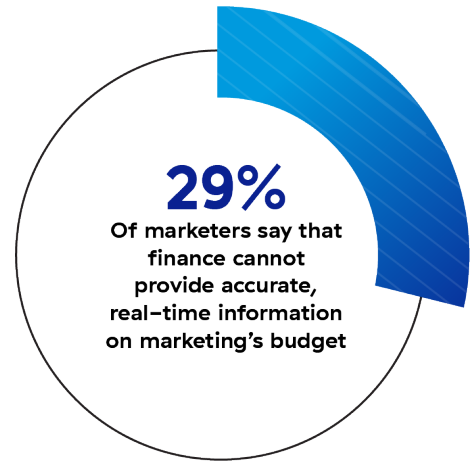
In fact, 29% of marketers say that finance cannot provide accurate, real-time information on marketing's budget. This makes it impossible for marketing to spend efficiently and stay on budget, both of which are in finance's top three priorities for their relationship with marketing.

Marketing's own priorities with their budget do not align with finance's goals for marketing's investments. Marketers are interested in:

1. Showing the impact marketing investments have on the business
2. Having full visibility into their budget so they can quickly adapt to changing market conditions

All of these problems collide when marketing comes to finance to ask for more budget to hit their goals. For example, if marketing tells finance that they require X dollars based on the cost per acquisition (CPA) they won't be able to meet their goals if finance only approves a smaller budget. Now both departments are frustrated that the goal wasn't met.

But problems like this stem from finance needing to control costs across the entire organization and the lack of trust placed in each department's data.







**KEY CHALLENGE 3**

**Each Department Has Their Own Data Sets, and the Numbers Don't Line Up**

# Key Challenge 3: Each Department Has Their Own Data Sets, and the Numbers Don't Line Up

When it comes to calculating marketing ROI, the numbers that marketing and finance bring to the table are only somewhat aligned 54% of the time. And if the numbers do not match up, 80% of the time, finance's calculations of marketing ROI are used as the "true calculation".

How can marketers be accountable for revenue growth and their business impact, if finance's calculations are the ones that take precedence?

Here's what marketers and finance professionals have to say about the misaligned metrics.

## Marketers said . . .

Finance doesn't have all the inputs to calculate ROI on marketing initiatives

Marketing • 9:01 AM • Read

Finance never seem concerned with ROI until it's a business concern

Marketing • 9:03 AM • Read

Marketing is never made aware of the end goal for how ROI metrics are used

Marketing • 9:05 AM • Read

## Finance said . . .

Marketers don't consider ROI, they just know their budget dollars

Finance • 9:02 AM • Read

We don't have established ROI metrics in place to capture the data points

Finance • 9:04 AM • Read

Marketing uses performance data to making investment decisions only half of the time

Finance • 9:06 AM • Read

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**“My counterpart in accounting helped us go through actuals, she was hand coding at the end of the month line by line in our spreadsheet the actual spend so that’s between 60 and a hundred lines every single month that she was writing over from NetSuite to Google Sheets so that we could track the spend.”**

[Morgan Butterfield, Director Integrated Marketing Operations at Qumulo](#)

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Both sides have valid arguments. We found that 18% of finance professionals are not tracking the right data to be able to measure marketing’s ROI. For the finance teams that are able to measure ROI, 37% are doing so by manually updating multiple spreadsheets and siloed systems. Neither of these help finance provide the real-time financial insights marketing needs to make data-driven strategic decisions about where to invest next.

Marketers believe they are data-driven, with 61% saying they only make decisions based on data. But only 48% of finance professionals say marketers use financial data to make investment decisions.

However, using multiple, disparate systems leaves the company with no single source of truth. Connecting and layering the finance’s investment data to marketing’s plans and performance results is the only way to achieve optimal results.



To overcome misaligned metrics, marketing and finance need to agree on:

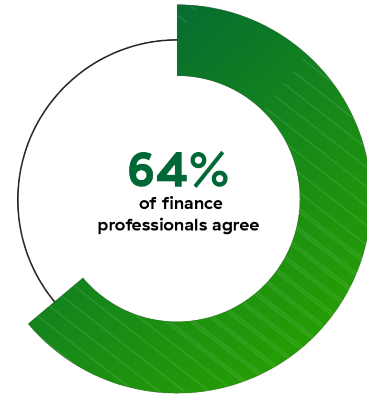
1. The metrics used to measure marketing's success
2. How those metrics are calculated
3. Which data sets are trusted

Aligning on performance metrics like ROI is one area where both marketing and finance want to do better. We found that 64% of finance professionals think aligning on performance metrics would be the most effective way to improve how marketing and finance work together. And 56% of marketers agree with that sentiment.

A foundational layer of trusted performance metrics is accurate, real-time spend data. Marketing can't be proactive and optimize their spend if they're working with reports that are weeks old. Marketing and finance may have the same high-level growth goal, but using different sources of truth can put a wrench in that collaborative working relationship.

Working on the same metrics, from agreed on data sources will help marketers make informed decisions about their investments based on ROI data. As finance can also access these metrics, it helps provide more clarity into why marketing makes investment decisions. This can be further helped by establishing regular check-ins between the departments. These changes will help improve communication between the two departments, prove marketing's value, and increase data accuracy.

**Aligning on performance metrics is the most effective way to improve how marketing and finance work together**





SUMMARY

# How Marketing and Finance Can Better Align

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It's an outdated stereotype that marketers sit around drinking scotch and spend all their money on advertising. Today's marketers, from the CMO down to budget owners, are keenly aware that their marketing investments must be strategic.

And outdated stereotypes persist in finance too. It's much more than bookkeeping. Today's CFO is a critical, strategic leader who affects change throughout the entire organization.

The modern marketing and finance relationship is about both departments evolving and meeting in the middle. Marketing needs finance for visibility on their budgets, and ideally to increase that budget so they can hit targets. Finance needs to know marketing is investing in company interests and *within* targets.

Cross-departmental communication must be a priority. Make adjustments like meeting *before* month end so both departments know how the marketing budget is tracking, review last month, and discuss any strategic investment pivots. Finance can also provide invaluable help when marketers are first trained on how to manage their budgets.

It's a matter of understanding each other's goals and working with modern software to help give everyone the visibility to look at a single source of truth. What would fit both departments' needs?

Marketing and finance both need:

1. Accurate, real-time visibility into the status of all marketing investments
2. ROI data on marketing's investments, so marketers can make informed decisions

Please read the [Cloudera](#) case study for how marketing and finance can measure ROI together. We also encourage you to enroll in our [Marketing Planning Crash Course](#) to better understand how complex marketing teams can build stronger partnerships with their CFO and transform into operationally efficient, agile organizations.





# About Allocadia

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Allocadia provides best-in-class money management capabilities for more than 16,000 global marketers and gives them the confidence to know where to invest their next dollar for the best return. Our customers love that Allocadia seamlessly connects to any Enterprise Performance Management (EPM) system to provide even more insights.

Companies like Autodesk, Charles Schwab, Juniper Networks, and Land O'Lakes manage more than \$25 billion marketing dollars within Allocadia, which enables them to reduce acquisition costs by 25%, stay within 1% of their targets, and double their ROI.

Please reach out for a personalized demo to learn how your marketing and finance teams can evolve their relationship and drive more efficient revenue growth for the business together. [Book your demo here.](#)

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## Survey Demographics

The following results are based on a non-probability sample of 220 Canadian and US marketing and finance professionals.