



# Two heads are better than one

How the CMO/CFO alliance fuels company growth via  
Marketing as a Profit Center

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# Introductory observations



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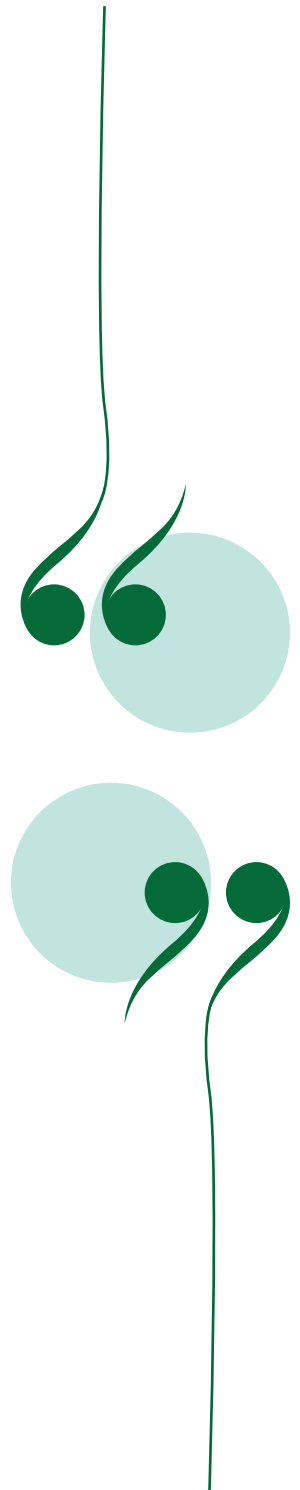
*"Today every investment is increasingly under scrutiny as the CFOs need to manage companies' overall ROI. Sales and Marketing efforts by the CMO are undergoing constant change to adapt to the current environment and accelerating shifts to digital as they optimize the full funnel approach. In order for companies to jointly manage and sustain their profitable growth CFOs and CMOs will need to manage in tandem with joint focus on clear business objectives. The CMO will need to connect sales and marketing KPIs directly to the company's business objectives, increase measurability of revenues and profitability impact and build data and tech capability together with the CFO for a new business steering of ROI."*



**Dr. Lars Finger**

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*"When it comes to marketing digitization projects, we often observe a disconnect between the marketing and finance department with respect to Marketing Technology investments. Many CFOs struggle to make the investments needed in new marketing technologies because they need to better understand the link between fueling marketing activities first and reaping the financial benefits second. This is why it is so important for CMOs to develop compelling use cases that demonstrate the financial outcomes gathered from granular data and holistic KPI frameworks."*





# 1. Executive Summary

In times of tightening data-protection regulations and rapidly changing customer behavior, it has never been more important to recognize the function of marketing as a profit center. A close alliance between the chief marketing officer (CMO) and chief finance officer (CFO) is a fundamental prerequisite. If the CMO and CFO speak the same language, they can collaborate to jointly develop a KPI framework combined with a dashboard that links key marketing-related metrics to financial outcomes. For the KPI dashboard to accurately reflect the effectiveness of marketing activities requires not only granular and detailed insights but, more importantly, accurate measurement and attribution of data. Apart from the lack of collaboration the main issue we experience industry-wide is the uncertainty about advertising results brought on by low technical readiness in measurement techniques. Marketing often fails to build compelling investment cases. Tackling these challenges first requires investment in proven measurement technologies (e.g., Marketing Mix Modeling (MMM)), and companies' Marketing Technologies (MarTech) landscape, such as customer-centric solutions (e.g., Customer Data Platforms (CDPs)). The quality of the customer data thus obtained is an upgrade that facilitates more accurate analysis of customer behavior. This allows for more efficient media spend, while at the same

time enabling organizations to react actively and promptly to changing consumer demands, thereby enhancing customer experience (CX). By leveraging these technologies and methodologies, CMOs can work with CFOs to calculate marketing metrics like customer lifetime value (CLV). This helps link marketing with business objectives and optimizes return on ad spend (ROAS).

Using practical examples from business, this article cites MMM and CDP investments from FMCG and retail that prove a more effective and fluent allocation of the media budget and enable restrategizing based on test and scale frameworks. The results achieved make a compelling case for marketing investment. Expenditures for MarTech optimization should not be regarded as a cost factor, but as an investment in the future. Only through granular and reliable customer insights can organizations meet the required level of customer centricity and tackle challenges like changing regulations and customer behavior.



## 2. Shifting the CFO perception on Marketing

The role of CFOs has changed in recent years as they increasingly focus on strategic issues, influencing and supporting the creation of business value across organizations. By dint of their finance-based vantage point, they are becoming primary drivers of enterprise-wide business value, which imposes a need to be aware of digital strategies, transformation, and cross-functional synergies that help create competitive advantage. As leaders of finance and economic guardians of the enterprise, CFOs have the chance to drive real value if they break down data silos and start governing data across the enterprise. The CFO should aim to capture and blend financial, operational, and market data to enable advanced analytics that reveal how to increase productivity and uncover new value. Advanced technology should be used not only to process financial data but to unlock predictive forecasting, leveraging machine learning on data sets to capture real-time analysis and apply advanced analytics and predictive modeling.

As companies explore new growth opportunities, CFOs must play a more strategic role that includes allocating resources to areas that could boost profitability. In an age of hyper-personalization, CMOs are earning a more prominent seat at the decision-making table as their role allows businesses to reach customers online. Today's CFOs often perceive the marketing department as a cost center. Frequently overlooked is that a close alliance between the finance and marketing departments is vital to driving growth if marketing and business goals are aligned. Using advanced measurement and data activation and automation solutions, marketers can now focus on value-based business outcomes, such as revenue, profit, and CLV. Many CFOs are now responsible for long-term growth, but few are using all the digital tools at their disposal. Marketing is reaching its full potential

as a growth engine and campaigns can now be optimized towards true business value. In other words, CFOs and CMOs can work together to drive business priorities and measure success.

The need to accelerate growth has driven a shift in C-suite functions. This is especially true for the relationship between CMO and CFO. The language between finance and marketing leaders is often not aligned, so the CFO does not understand what marketing can contribute to the bottom line, further reinforcing the notion of marketing as a cost center instead of marketing as a growth driver (e.g., "marketing is a black box"). Only when CFOs and CMOs understand each other's objectives and methodology can they set mutually agreed KPIs that support marketing decisions and drive directional success. Working towards common goals requires a shared language. Developing a set of metrics that aligns both functions, reducing uncertainty about marketing results and outlining the business impact to the CEO, is thus key to success. In conventional corporate structures, marketing and finance departments work within their respective silos. But to fuel company growth, silo-thinking must be dissolved, and active collaboration encouraged. When CMO and CFO collaborate and pursue common goals, the entire company benefits.<sup>1</sup>

<sup>1</sup>Paul Mayanya and Nicolas Darveau-Garneau, "[C-suite chemistry: How CMOs and CFOs can partner to drive business success](#)", Think with Google, July 2022, accessed February 16, 2023.

### 3. Challenges and different perceptions of the CMO/CFO

Across all sectors, 2022 has brought little good and mostly bad news for companies and the economy: the war in Ukraine, the sharp rise in energy prices and subsequent jump in inflation, economic weakness in the USA and China, and the reversal in monetary policy - just to name a few.<sup>2</sup>

And it's confirmed by consumer uncertainty: The extreme price jumps are causing great concern and inhibiting spending. Along with sudden price rises comes greater uncertainty about price trends, making them more unpredictable and consumers more cautious.<sup>3</sup> These difficulties are also observed within the C-suite. According to a Deloitte CFO study, the CFOs surveyed believe their companies and the economy are in a downturn, so both employment and investment are in negative territory. Against this backdrop, it is hardly surprising that cost reductions are a strategic priority for German companies,<sup>4</sup> and reduce CFO willingness to invest in marketing activities.

Organizations also face threats from the already existing, and soon further enforced, 3rd party cookie deprecation, the omni-availability of information in real-time, and increased customer expectations of seamless purchase experiences. The elimination of 3rd party cookies and limitations at device level mean that the associated reduction in media and customer data available to marketers and analysts severely impacts the ability to measure marketing effectiveness and accuracy.<sup>5</sup> In light of today's volatilities, it becomes clear that the focus of CFOs and CMOs lies on their respective departments, leading to two distinct perceptions of marketing activities. While the former tends to strictly focus on financial data to measure

marketing success, the latter aims to balance a multidimensional type of data to ensure brand value.<sup>6</sup>

In addition to financial data, CMOs take market share reports, transactional data, customer reviews, etc. into account. By striving for a holistic view of the customer journey, CMOs aim to establish a clear connection between typical awareness metrics (e.g., impressions, clicks) and advocacy-related ones (e.g., "customers acquire customers"), thereby linking their and the CFOs' varying interests.<sup>7</sup> CFOs, on the other hand, face the challenge of exploiting the data provided with all the digital tools they have available. Yet few CFOs leverage operational data to identify new value or introduce macroeconomic data into their forecasts.<sup>8</sup> Already available data for more precise forecasts and more accurate CLV calculation thus remains unused. Although both continuously look for growth opportunities, their role-based mandates do not always align. While most CFOs tend to convert initiatives and projects into short-term measurable financial terms (e.g., quarterly financial reports), CMOs strive to link their marketing activities to long-term business outcomes. But one of the CMO's main long-term financial goals is brand value, for instance, and difficult to measure in the short-term.<sup>9</sup>

<sup>2</sup> Dr. Alexander Börsch, "Economic Trend Briefing: Der Abschwung ist da – Flash-Ergebnisse des Deloitte CFO Survey Herbst 2022", Deloitte blog: Economic trends, October 7, 2022, accessed February 16, 2023.

<sup>3</sup> Dr. Alexander Börsch, "Economic Trend Briefing: Der Preis der Unsicherheit – Konsum im Sinkflug", Deloitte blog: Economic trends, August 17, 2022, accessed February 16, 2023.

<sup>4</sup> Dr. Alexander Börsch, "Economic Trend Briefing: Der Abschwung ist da – Flash-Ergebnisse des Deloitte CFO Survey Herbst 2022", Deloitte blog: Economic trends, October 7, 2022, accessed February 16, 2023.

<sup>5</sup> Ken Nelson and Kathleen Ollen, "A model approach to improving marketing metrics", Deloitte whitepaper, September 2022, accessed February 16, 2023.

<sup>6</sup> Florian Schülke and Dr. Gordon Euchler, "Das neue Dreamteam aus CFO und CMO", Deloitte blog: Executive & Board Programs, February 15, 2022, accessed February 16, 2023.

<sup>7</sup> Florian Schülke and Dr. Gordon Euchler, "Das neue Dreamteam aus CFO und CMO", Deloitte blog: Executive & Board Programs, February 15, 2022, accessed February 16, 2023.

<sup>8</sup> Nelson Fontainhas and Ludgero Goncalves, "Future of Decision Making", Deloitte brochure, 2022, accessed February 17, 2023.

<sup>9</sup> Sarah Allread and Timothy Murphy, "Marketing and Finance - a partnership for growth", Deloitte insights article, October 14, 2021, accessed February 17, 2023.

CMOs and CFOs ought to collaborate closely to overcome these different perceptions and goals. Above-average success in measuring marketing performance correlates with teamwork at the board level.<sup>10</sup> What's more, creating a correlation between upper- and lower-funnel advertising activities and demonstrating their attribution secures CFO buy-in. CMO and CFO should thus develop common performance metrics in line with the overarching business strategy. These jointly aligned objectives can be built on to demonstrate marketing's input to growth: by leveraging a coalesced view on data-driven marketing activities that are trackable and measurable on the one hand and linked to the profit and loss statement on the other. This ensures continuous performance tracking and re-evaluation of agreed metrics, for a marketing strategy that can be adjusted.<sup>11</sup>



<sup>10</sup> Sarah Allread and Timothy Murphy, "[Marketing and Finance - a partnership for growth](#)", Deloitte insights article, October 14, 2021, accessed February 17, 2023.

<sup>11</sup> Paul Mayanya and Nicolas Darveau-Garneau, "[C-suite chemistry: How CMOs and CFOs can partner to drive business success](#)", Think with Google, July 2022, accessed February 16, 2023.



## 4. Challenges

### A. CFOs are faced with the difficult task of strategically adapting budget planning to volatile circumstances

To meet the challenges of growing revenue while cutting costs and ensuring control, CFOs must take on the roles of strategists and catalysts. Strategic CFOs assume greater responsibility than ever before in aligning business with finance strategies. As catalysts, CFOs have a head-start in accelerating the timely execution of disruptions that add value to the organization's finances.<sup>12</sup> Speeding up the timely execution of disruptions addresses the massive scale and swift pace required in today's decision-making. Harnessing speed includes not only investing in disruptive technologies but supporting data models and measurement approaches.<sup>13</sup> Stepping up investment in new marketing technologies enables organizations to access data-driven customer insights and improved decision-making to glean competitive advantages.

To proactively react to the current volatile circumstances, CFOs must adjust the process of budget planning to be more fluent. While marketing methods like performance advertising work best and maximize profits when flexibly reacting to corresponding demand (even in an open-ended paid advertising budget), CFOs prefer predictable and calculable investment patterns.<sup>14</sup> An option for compromising on these preferences involves gradually shortening the budgeting cycle (from annually to quarterly to monthly). Assuming successful implementation and positive investment results, this option can lead to a continuous performance advertising budget.<sup>15</sup> Another potential solution is to flex the marketing budgets according to demand to be more fluent (e.g., search budget). This prevents the risk of artificial growth capping (omitting an unpredicted

consumer demand when budgets run dry) and the risk of ineffectively set expenditures (incentivize marketing teams with a "use it or lose it" budget mentality). For instance, an automated bidding strategy for Google Ads avoids the risk of overpaying a click or losing a profitable purchase to a competitor. Here, finance and marketing should jointly conduct a profitability analysis so that a target return on advertising spend (TROAS) strategy can be collectively developed to incentivize capturing all customer conversions above that target.<sup>16</sup>

Finally, to successfully react to the current consumer and market volatility, CFO preferences on fixed and set marketing budgets need to soften and give room to more flexible investment models and marketing spends (shortened budgeting cycle, automated bidding, continuous testing, etc.).

<sup>12</sup> Deloitte, "Four faces of the CFO", Deloitte perspectives, 2022, accessed February 17, 2023.

<sup>13</sup> Nelson Fontainhas and Ludgero Goncalves, "Future of Decision Making", Deloitte brochure, 2022, accessed February 17, 2023.

<sup>14</sup> Paul Mayanya and Nicolas Darveau-Garneau, "C-suite chemistry: How CMOs and CFOs can partner to drive business success", Think with Google, July 2022, accessed February 16, 2023.

<sup>15</sup> Courtney Rose, "2 organizational approaches that drive successful digital transformation", Think with Google, May 2022, accessed February 17, 2023.

<sup>16</sup> Lara Naqushbandi and Nicolas Darveau-Garneau, "Stronger together: How finance and marketing should collaborate to maximize profitable demand", Think with Google, August 2021, accessed February 17, 2023.



## B. CMOs must fundamentally optimize many processes

Like CFOs, CMOs perceive that their role in the strategic direction of the organization has recently gained importance. The pandemic has also forced marketing teams to acquire a deeper knowledge of the technology that facilitates consistent customer interaction across all touchpoints.<sup>17</sup>

In light of these challenges, CMOs would be wise to enhance some of their processes. First, they must live a customer-first mentality. Serving customer needs at the right time and via the preferred channel with engaging content is key to successful marketing. This is only possible by integrating and analyzing all available data, balancing creativity and analytics, and involving stakeholders from the C-Suite.<sup>18</sup> With stakeholder involvement and paid advertising budget planning, CMO and CFO should jointly design an advertising dashboard. It must link marketing-related metrics (reach, impressions, etc.) to business-related ones (profits, CLV, etc.). This facilitates CFO understanding of the investment necessary in upper-funnel marketing to gain lower-funnel financial results. Only by understanding the aligned KPIs can marketing metrics be transferred to financial results for coordinated calculation of the CLV (e.g., length of the CLV forecast, CLV algorithm, etc.) or a mutually agreed measurement methodology.<sup>19</sup> Long-term marketing success is not characterized by short-term profit optimization but by holistic advertising activities that first promote brand metrics (awareness, recognition, etc.), and

then translate into profits (higher sales, lower retention costs, etc.).

Optimization of the customer retention process must not be neglected. Instead of honing in on new markets or customer segments, CMO efforts should focus on expanding existing customer relationships. Marketing executives exploit customer trust and seek to develop new areas of sustainable growth by satisfying fundamental and emerging customer needs. The Deloitte CMO Council study confirms these findings as outperforming marketers focus not only on growth over the next two years, but growth over five years and beyond. This requires highly accurate prediction of likely future scenarios and the appropriate technologies and calculations. Such CMOs gain a competitive edge by experimenting with consumer needs testing in the current market to anticipate the future. They help their company actively shape future demand, rather than just responding to it.<sup>20</sup>

<sup>17</sup> Jennifer Veenstra, "Finding tomorrow's CMO", Deloitte perspectives, 2022, accessed February 17, 2023.

<sup>18</sup> Deloitte, "The evolving role of the CMO", Deloitte perspectives, 2022, accessed February 17, 2023.

<sup>19</sup> Jennifer Veenstra, "Finding tomorrow's CMO", Deloitte perspectives, 2022, accessed February 17, 2023.

<sup>20</sup> Paul Magill, "Repositioning the CMO from gains to growth", Deloitte perspectives, 2018, accessed February 17, 2023.

## 5. Solution: Investment in Measurement, Marketing Mix Modeling, and MarTech

Digitization has been accompanied by a shift in power from business to consumer and by changing customer preferences, thus has revolutionized marketing perhaps more than any business department. CMOs should strive for more customer-centricity by connecting business to customer. Achieving customer satisfaction and enhancing customer experience (CX) calls for a consistent narrative and a unified brand image across multiple touchpoints. For strong linkage of business requirements with customer needs, CMOs must thoroughly understand and drive the marketing technology stack and analytics.<sup>21</sup>

As CFOs demand proof of ROI and CMOs are tasked with proving and improving the value of media, media-effectiveness measurement has gained importance in the macro-economic headwinds. In order to effectively shape the technology landscape, CMOs and CFOs should not only jointly develop a strategic and operational KPI dashboard, but continuously track, test, and evaluate the results of marketing activities. Agility is crucial to capitalizing on market opportunities as they arise, and a jointly established test-and-scale framework helps to quickly adapt strategy and objectives.<sup>22</sup> But this requires reliable and accurately measured data delivered in or near real time.

How then to implement effective measurement techniques for online and offline advertising that are resilient to signal-loss and dilution scenarios on the one hand, and privacy-compliant on the other? The MMM profile continues to rise in response to the demands of a multi-technical approach that takes multi-touch attribution (MTA) into account. MMMs and MTAs combined with

experiments – which validate findings from MMM & Attribution through controlled tests in a real-world setting and leverage experimental outcomes to inform assumptions – redesign knowledge- and data-based marketing activities for growth. In combination they provide access to privacy-compliant analysis of marketing effectiveness and create customized and transparent models that eliminate analysts' subjectivity and bias. MMM is tremendously flexible and adapts to these changing dynamics by absorbing new externalities, unpredicted events, and continuously recalibrating its approach.<sup>23</sup> Integrating machine learning and artificial intelligence into MMM addresses CMO concerns about the customer information shortage resulting from 3rd party cookie deprecation. In addition to first-party data on CX, transaction data, impressions and media spend, granular MMM also automatically calculates non-marketing-related information like competition, seasonality, promotions, and even macroeconomic conditions. Even more accurate sales forecasts and scenario planning can be designed, as well as a data-driven and privacy-compliant enhanced CX.<sup>6</sup> Using AI to create self-learning personalization models is key to counteracting the upcoming customer-information bottleneck.



<sup>21</sup> David Philipps and Adrian Mills, "[Reviving Marketing](#)", Deloitte whitepaper, 2018, accessed February 17, 2023.

<sup>22</sup> Paul Mayanya and Nicolas Darveau-Garneau, "[C-suite chemistry: How CMOs and CFOs can partner to drive business success](#)", Think with Google, July 2022, accessed February 16, 2023.

<sup>23</sup> Leonel Sentana, Davide Fabrizio, Miguel Conde, María Eugenia Gómez, and Carlos Real, "[The future is modeled](#)", 2021, accessed February 17, 2023.



In a long article, Google has published a detailed media effectiveness guide for CMOs (and CFOs) on

- a. Setting fundamentals, overseeing the full customer journey, and establishing a clear KPI and metric structure including both performance and branding outcomes.
- b. Implementing a measurement ecosystem by learning how to apply Attribution, Marketing Mix Modeling, and Incrementality on brand and sales outcomes.
- c. Creating a test-learn-improve cycle by building a learning culture and a continuous practice of generating and testing hypotheses, and scaling only tactics that have been proven to work.

The guide is helpful for both structuring CMO media effectiveness efforts and for educating CFOs on media effectiveness and the value of softer outcomes like brand building, and how this value can be measured. It suggests the following 4 steps:

- Step 1: Use data-driven attribution to optimize across channels, leveraging campaign-level results. Be clear about blind spots in your attribution solution, i.e. which channels may be underrepresented or not included in the scope.
- Step 2: Use studies that isolate a channel's incremental impact to measure the true effect of the underrepresented channels from step 1, ideally by analyzing the same outcome as in digital attribution. To capture the effect of upper-funnel YouTube campaigns (awareness, consideration) use Brand Lift studies, since these campaigns are not designed to drive short-term sales.
- Step 3: Invest in custom MMM, which measures the effects of all media (offline and online) on all sales (offline and online), to make annual budget decisions. Use marginal ROI results to guide

investment across channels, and use historic revenue or outcome contributions by channel to get a better view of digital attribution blind spots.

- Step 4: Repeat steps 1-3.<sup>24</sup>

The paragraphs below describe some examples

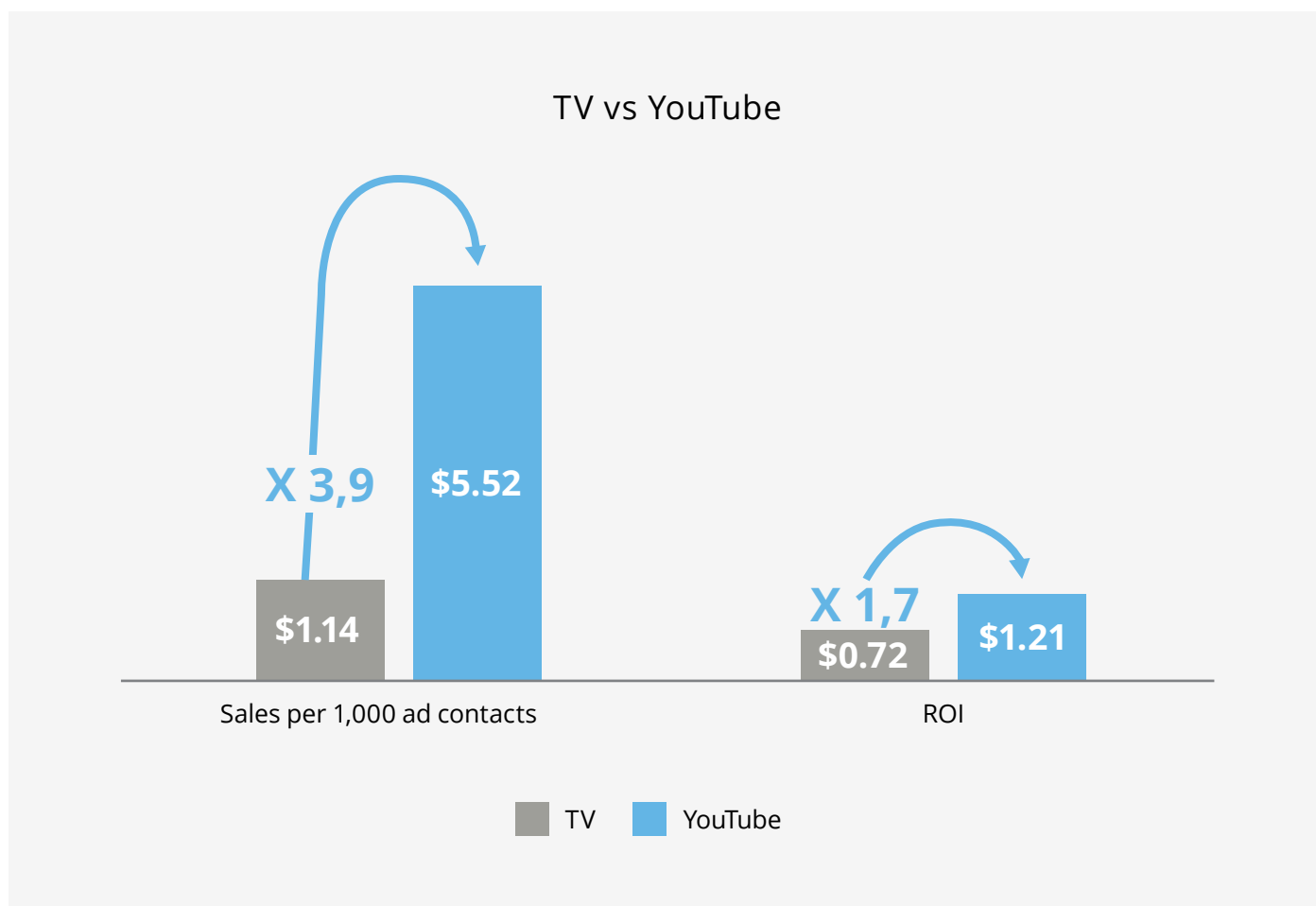
of MMM applied in industry. To highlight the input of the marketing department as a profit center, we have included business use cases. It should be noted that this is only a sample of possible investments in marketing technologies and not exhaustive.

Studies conducted from 2017-2021 compared the

effectiveness, efficiency, and potential scalability of MMM-based YouTube and TV advertising for German consumer packaged goods (CPG) across all product categories. To calculate effectiveness, revenue per 1,000 ad contacts was determined. In 76 percent of the MMMs examined, YouTube revenue was 3.9x higher compared to TV (\$1.41 vs \$5.52 per 1,000 ad contacts). A similar picture emerged from efficiency measurement at the same investment level given a 1.7x ROI for YouTube compared to TV advertising. Further analysis revealed that investment levels on YouTube were (and often still are) not yet saturated, implying further scaling potential since the model suggested an almost twofold increase in weekly budget allocation to YouTube to maximize video ROI (TV + YouTube).<sup>25</sup>







Another example is Deloitte's strategic- and global-media effectiveness measurement system, developed for an international fast-moving consumer goods (FMCG) group by applying advanced analytics and MMM methodology. Strategic and tactical insights into digital performance effectiveness, long-term brand campaign ROI, media synergies and media mix optimization were defined on a monthly basis for implementation of AdROI measurement. Moreover, a dynamic benchmark was developed: a new methodology that enables better understanding of each campaign's effectiveness results. It includes the ability to compare ROI with a specific subset of similar campaigns. The media mix optimization achieved an average uplift of 1 percent over total sales volumes on the same budget. And thanks to the digital investment optimization and offline activity integration, ROI increased by ~15 percent.<sup>26</sup> As to (near) real-time data access and machine

learning capabilities in addition to MMM, technology like customer data platforms (CDP) warrant investment. The definition of CDP as a single, easy-to-use platform where customer data can be gathered, organized into unified profiles, mined for new insights, and used to orchestrate real-time relevant experiences for customers across channels and the full journey of engagement<sup>27</sup>, demonstrates that selection of a CDP provider is anything but trivial. Various stakeholders and departments (broadly spoken marketing, finance, IT) are involved, so objectives must be in line with requirements. Strictly necessary technical and functional requirements must be met, while non-functional requirements also play a decisive role.

<sup>24</sup> Olesya Moosman, "A media effectiveness guide for CMOs (and CEOs)", Think with Google, December 2022, accessed February 17, 2023.

<sup>25</sup> Google and Nielsen, "Optimum mix for max ROI", Study, August 2022.

<sup>26</sup> Deloitte, "Marketing Mix Modelling - How to boost your ROAS and drive value through the power of Advanced Analytics", Deloitte booklet, 2023.

<sup>27</sup> David Chan, David Geisinger and Natalie Groff, "Bridge the Customer Data divide with a dual-zone CDP", Deloitte whitepaper, September 2022, accessed February 17, 2023.

Google and Deloitte have jointly implemented a CDP based on the Google Cloud Platform (GCP) at different retail clients in Germany. Siloed customer data was merged, analyzed, and used to personalize marketing activities to improve CX and increase marketing effectiveness. In one case, CDP implementation enabled a new revenue stream. Instead of manually and uniformly targeting the company's own website, customers were segmented into audiences, thereby enabling fully automated and individualized advertising at customer level. This made it possible to monetize 1st party data by selling onsite ad inventory to partners and giving them room to position themselves. CDP implementation also boosted a retailer's ROAS by +20 percent without increasing the campaign budget. Existing customers were specifically excluded from advertising measures so that the budget could be used to acquire new customers. Moreover, another client from the retail sector was able to save variable costs of ~10 percent thanks to automatic CDP integration of web analytics data into SEA campaigns. Meanwhile, revenue generated was 1.5x higher than in the corresponding benchmark campaign.

These examples of MMM and CDP implementation show that extending already existing tech landscapes and investing in new technology are crucial to proactively react to today's challenges. They enable more accurate and granular insights, so that CMOs and CFOs can jointly adjust strategy and thus budget allocation, increasing both the effectiveness and efficiency of marketing measures.



## 6. Conclusion: The CMO/CFO alliance catalyzes marketing as a profit center

Fast-shifting customer behavior means organizations must be agile and close to their customers, and as enterprise-wide value drivers finance leaders have a crucial role to play. Finance continues to evolve from ad-hoc 'budget approvals' to 'hands-on' team members involved in strategic investment, vision, and long-term growth. But few CFOs are using insights from data and digital technology in their role as economic guardians to drive business value. Many still focus on improving the accuracy of historical reporting and delivering tactical cost efficiencies—rather than using the transformational benefits of digital technology to adopt a predictive focus, thus creating a disconnect between business objectives and marketing objectives.

A close working relationship between finance and marketing is vital for maximum impact from ad budgets. By following some simple steps, CFOs and CMOs can lay the groundwork for effective and mutually beneficial collaboration. Successful

collaboration comes down to three key factors: 1. Aligning marketing metrics with business priorities, 2. Strengthening marketing potential with privacy-first measurement and relevant first-party data, 3. Making the most of automated solutions. But these require investment in MarTech optimization tools or further-reaching state-of-the-art marketing technologies (e.g., MMMs, CDPs), hence, the CFO buy-in.

Only when CMO and CFO objectives are aligned and a mutually agreed KPI and test and scale framework is set up can strategic investment in marketing technologies take place. These applications provide more and better data at a more granular level, making media spend more efficient and enhancing CX and CLV. The alliance between CMO and CFO adds business value as both come to understand the need to invest in marketing technologies and perceive the marketing department as a valuable profit center.



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