



Partnering for performance

Emerging markets perspective

Part 2: the CFO and the chief marketing officer

EY

Building a better
working world

EY's Partnering for performance: emerging markets perspective

The *Partnering for performance* series explores ways in which CFOs can grow, protect and transform their organization by partnering with the leaders of different functions.

EY's *Partnering for performance: emerging markets perspective* series is tailored for emerging markets and covers the relationship between the CFO and:

- ▶ The CIO, demonstrating the need for strong collaboration required with the CIO as well as for a "digital CFO" who plays a key role in driving value from investments in IT and the technologies that enable digital
- ▶ The CMO (further details in this document)
- ▶ The CEO, as CFOs now need to fulfill the role of strategic advisor to the CEO, with a focus on value creation as well as more traditional finance responsibilities

In this – the second part of the series – we explore the relationship between the CFO and the chief marketing officer (CMO) on and the contribution that CFOs are making to four vital marketing-related activities:

- ▶ Customer segmentation and insight
- ▶ Marketing return on investment
- ▶ Optimizing the product portfolio
- ▶ Digital governance

Our findings are based on a survey of 652 CFOs, of which 329 are from emerging markets.

To find more insights for CFOs and future finance leaders, visit ey.com/cfo.

Key findings

A closer collaboration



52% of CFOs based in emerging markets say collaboration with CMOs has increased.

CFOs are collaborating more closely with CMOs for three reasons:

- ▶ Need for a better understanding of the return from marketing activities (35%)
- ▶ Changes in marketing strategy (32%)
- ▶ Change and plans for change in the operating model or organizational structure of the business (30%)

These reasons are quite different from the global results, in which changes in marketing strategy is the top reason with 33%, and "new products and services" is second with 29%.

Main barriers to the relationship

Emerging market CFOs identify the following main barriers to the relationship with the CMO in their organization:

37% Absence of clear KPIs linking financial performance and the marketing agenda

37% Lack of common tools and processes

36% Cultural differences between finance and marketing

Here, the global respondents rank and rate those barriers differently: a lack of common processes (33%) being the main one, followed by the absence of clear key performance indicators linking financial performance and the marketing agenda (32%) and continued cultural differences (31%).

Customer intelligence is key

60% of emerging market CFOs make customer segmentation and insight a priority.

46% of emerging market CFOs feel they make a significant contribution to this activity.

Working together on marketing ROI

Increasing marketing spend in response to changing customer demands and channel proliferation in a digital world must be justified by effective measurement methods.



57% of emerging market CFOs say measuring ROI from marketing is a priority, but only 13% say that the agendas of finance and marketing are completely aligned on the issue of measurement methodologies.

Optimal product mix

55% of emerging market CFOs consider optimizing the product portfolio to be a high or very high priority.

The CFO and CMO need to strike a balance between customer centricity and excessive product proliferation.

Digital governance



51% of CFOs say digital governance is a high or very high priority.

Even if this is the third priority out of four, the CFO has a vital role to play in building a governance model that enables the organization to make the right investment decisions across the competing interests of different business units, functions and geographies.

28% of CFOs say they are collaborating more closely with CMOs because of the shift to digital within the business.

Learn more online



- ▶ For further insights into the global results and global CFO role, visit [ey.com/cfo](https://www.ey.com/cfo).
- ▶ Follow us on Twitter at [@EY_EmergingMkts](https://twitter.com/EY_EmergingMkts).

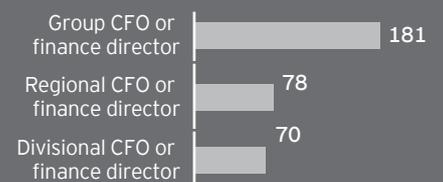
Emerging market survey respondents

The following is a snapshot of the geographic location and designation of the 329 CFOs who participated in this study:

Country



Finance roles



More on the survey respondents demographics at [ey.com/em-cfo-and-cio](https://www.ey.com/em-cfo-and-cio).

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Contacts

Ilse Blank

**Global Economic Programs
Leader**

ilse.blank@za.ey.com

+27 82 853 7331

Robert Brand

Global CFO Agenda Leader

robert.brand@ey.com

+1 201 872 5692

Jessica Evans

Global Press Relations

jevans4@uk.ey.com

+44 20 7951 4653