
Neustar Research Reveals Lack of Collaboration Between Finance and Marketing Departments

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78 Percent of Executives Indicate Marketing and Finance Alignment is Critical but Few Companies Show Signs of Alignment

[Neustar](#), Inc. (NYSE: NSR), a trusted, neutral provider of real-time information services, today released the findings of a commissioned study conducted by Forrester Consulting, which discovered that many companies lack collaboration between their marketing and finance departments. Although marketing and finance recognize the value that improved collaboration can have, both departments view the business in vastly different ways and lack alignment on key metrics. This research is particularly insightful as improved collaboration between marketing and finance could drive greater marketing efficiency and improve overall business results.

In today's fast-paced business environment, a disconnect in objectives between marketing and finance can not only hinder collaboration, but also result in missed opportunities with better reaching customers and achieving business goals. Recognizing the need to work together, 78 percent of respondents said it is very or critically important that marketing and finance teams are aligned on business objectives, including revenue growth and profit margins. Yet only 15 percent of executives said marketing and finance plan and work collaboratively toward shared goals. Even more striking, only 36 percent of companies considered their marketing KPIs and overall business KPIs to be very well connected.

According to the research, the heart of the disconnect stems from a lack of mutual understanding of each department's actual charter and top-down processes. For example, 41 percent of companies said that marketing budgets are determined by the finance team based on a derived number from the revenue/earnings goals, which can be a frustrating way to devise marketing budgets for marketers. The lack of a shared language and metrics continues to create extreme challenges for CMOs and CFOs, as does the increasing amount of data points across people, places and things. Most executives cited difficulties in integrating systems that track marketing campaigns with systems that track business results as a top challenge hindering collaboration. CMOs have a unique opportunity to demonstrate the business impact of effective marketing but only if the right tools, technology, and people are in place.

“One of the biggest opportunities for CMOs and CFOs in 2017 will be to open up the lines of communication to get past the cost center/profit center disconnect and identify what role marketing should play in overall corporate success, said Steven Wolfe Pereira, Chief Marketing and Communications Officer, Neustar. “Companies that employ a data-driven approach using advanced analytics can unlock significant value from their marketing budgets to drive greater returns on investment and business results. By focusing on making the right decisions that impact business outcomes, CMOs can better align with their CFO counterparts to drive growth.”

The study identifies a few key recommendations for creating better alignment and collaboration between marketing and finance:

- **Get marketing and finance on the same page.** Companies must define a common language, align on key metrics and define a process for using big data insights to drive results forward.
- **Set up a frequent cadence of collaboration.** Marketers should involve finance in more tactical campaign planning discussions and finance should expose marketing to the discussions, and decisions around other business investments and preparations for investor calls to give them a broader view of the business.
- **Focus on improving data and analytics capabilities with the help of new technology.** Using the right quantitative, analytic techniques can bridge the gap between business results and marketing tracking data.
- **Kick off a data audit and clean-up initiative.** Companies must make sure their data is ready to be used in a way that creates the kind of shared metric needed for a highly productive marketing and finance relationship.

A complimentary copy of “*Winning In The Connected World: How Aligning Finance And Marketing Will Drive Business Success*” is available [here](#).

The study commissioned by Neustar surveyed 190 marketing and finance executives from US-based companies in the eCommerce, retail, financial services, healthcare and consumer packaged goods (CPG) industries.

About Neustar

Every day, the world generates roughly 2.5 quadrillion bits of data. Neustar (NYSE: NSR) isolates certain elements and analyzes, simplifies and edits them to make precise and valuable decisions that drive results. As one of the few companies capable of knowing with certainty who is on the other end of every interaction, we’re trusted by the world’s great brands to make critical decisions some 20 billion times a day. We help marketers send timely and relevant messages to the right people. Because we can authoritatively tell a client exactly who is calling or connecting with them, we make critical real-time responses possible. And the same comprehensive information that enables our clients to direct and manage orders also stops attackers. We know when someone isn’t who they claim to be, which helps stop fraud and denial of service before they’re a problem. Because

we're also an experienced manager of some of the world's most complex databases, we help clients control their online identity, registering and protecting their domain name, and routing traffic to the correct network address. By linking the most essential information with the people who depend on it, we provide more than 12,000 clients worldwide with decisions—not just data. More information is available at <https://www.neustar.biz>.