

Proformative

HOW TO MARKET TO TODAY'S CFOs

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Overview

The purpose of this white paper is to examine the most successful marketing methods that best engage the modern-day CFO. And when we use the term "CFO" in this paper, we typically mean the CFO and the senior executives that report to them, such as Corporate Controller, Treasurer, VP of Finance and the like. This paper investigates the differences in the modern business climate, the evolution of the sales process from a marketing standpoint, and how these changes have affected the role of the CFO.

While many job functions have evolved in recent decades with the advent of technological innovations, few jobs contain the dynamics of a corporate executive. The CFO's role has changed from being the "chief accountant and number reporter" to being a core part of the business team evaluating every major strategic and tactical move in the enterprise, including strategic planning alongside the CEO and board, "owning" not just finance and accounting, but also HR, IT, Business Development, Purchasing, Administration and much more. The CFO is now a clear second-in-command at most companies, behind the CEO, and drives almost all of the inward-facing activity at their companies, and increasingly is involved with customers and press as well.

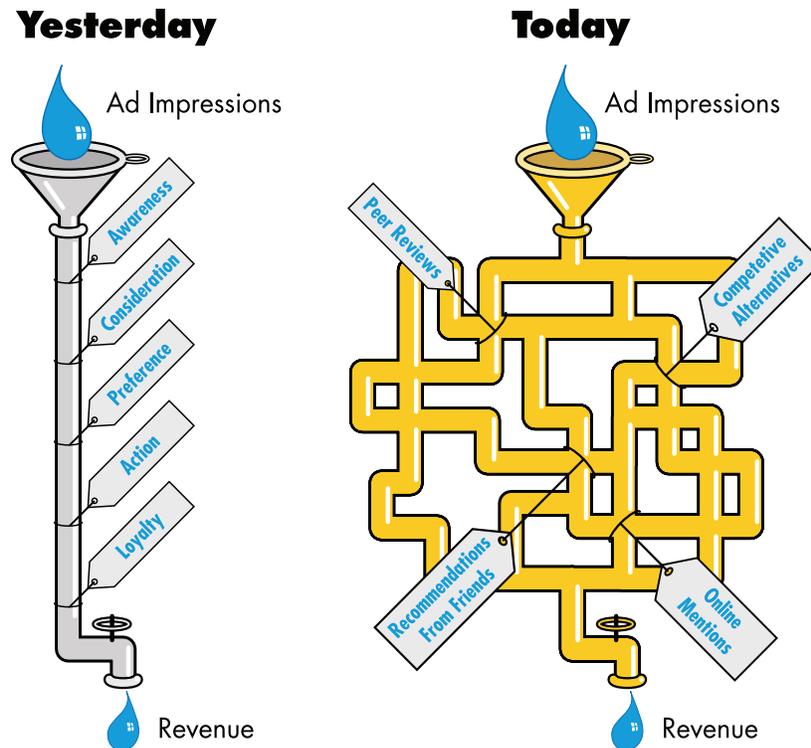
Let's face it, there have been very few marketing channels that have succeeded with the financial executive. Typically, that success can be attributed to a deeper understanding of the CFO's motivation and incentives. Therefore, the success of the marketer relies on understanding a two-tiered dynamic: acknowledging the new business practices that have affected the CFO, and understanding the CFO's response to those changes.

This paper makes use of various studies conducted by corporate publications, executive polls, and business research institutions. As a whole, our research finds that traditional marketing tactics are typically ineffective when selling to a corporate finance executive.

The New Marketing Funnel

Yesterday's Sales Process vs. Today's

Traditional marketing wisdom has always shown the sales process as a linear action that was initiated solely by a marketer.



But in today's information age, there are a myriad of factors that contribute to influence a buyer.

This does not imply that people are buying less today than in the past – quite the opposite. However, with information so easily available, consumers are better informed than ever before and are using that data to spend only on the best. It's important to understand that “best” here does not mean the newest, fanciest, or most expensive item, but the one that will most efficiently solve their problems and, critically, the one that is found at the right place and the right time when they are considering solutions.

This makes it difficult to understand how to sell successfully to the average consumer. And that problem is compounded many times over when selling to the modern CFO. The complexity of that position adds to the complications. On the one hand, marketers have more “solutions” than ever to offer to the myriad problems faced by CFOs. However, the complexity of reaching and engaging CFOs is growing by the day.

Today's successful marketer understands how CFOs differ from the average consumer in how they acquire and use information, what motivates them, and what solutions they are looking for. To close the sale, marketers must get deep inside the heads of their potential clients and understand the nuances that others will miss.

The New CFO

Just as business in the information age has evolved drastically from earlier business models, so too have the responsibilities of the CFO. The recession has mandated companies trim the fat and focus on their core functions, and among that trimming, the CFO has had to adopt new responsibilities. The result is that the CFO is more involved in the buying process than ever before. Below is a partial list of new roles taken by modern CFOs, according to a recent study by Accenture.

New Roles

The portion of finance chiefs surveyed who said that in the previous 18 months they had assumed additional responsibilities in:



Source: Accenture survey of 1,054 senior finance executives; multiple responses were allowed.

One obvious conclusion that can be extrapolated from the above survey is that financial executives must consume more information and find more answers. This is because their added responsibilities require them to deliver more insights, more diagnostics, and more quantified data of varying types.

The natural marketing method that should come to mind at this point is content marketing. Above all, CFOs desire information and knowledge, and content that delivers value to them holds high importance when it comes to purchasing a solution.

Understanding the CFO

MISCONCEPTIONS ABOUT CFO PROSPECTING AND DECISION MAKING PATTERNS

The marketing community often has beliefs about how some groups respond to campaigns. What follows is a list of misconceptions about marketing to CFOs that will be examined later in the report.

1. CFOs click on banner ads
2. CFOs don't spend much time online
3. CFOs won't do their own research on products and services
4. CFOs can be marketed to just like other enterprise audiences
5. CFOs enjoy live events
6. CFOs make all of the buying decisions for the company
7. CFOs make all of the buying decisions for the finance, accounting, treasury and related organizations
8. CFOs are not involved in marketing, engineering and other functional area purchases
9. CFOs leave tech purchasing to the CIO
10. CFOs are not tech savvy
11. The CEO makes more buying decisions than the CFO
12. CFOs at larger companies delegate all purchasing decisions to their team
13. Enterprise CFOs make all of the big buying decisions at their company
14. SMB CFOs love to outsource
15. SMB CFOs prefer doing all of their work with full-time employees
16. CFOs want to buy, not be sold
17. CFOs want intelligence, not sales ignorance
18. CFOs want to know "where to buy, when they need to know".
19. CFOs love to network, especially in peer events
20. CFOs want to be educated in areas where they perceive others think them to be non-informed
21. CFOs aren't involved in the blocking and tackling of finance operations
22. CFOs do not realize that their best resources can be their peers
23. CFOs do not like to interact with their peers
24. CFOs hate social media
25. CFOs have all the resources they need already
26. CFOs understand how to network effectively
27. CFOs are not involved in the professional development of their employees
28. CFOs do not care about their own professional development
29. CFOs do not respond to levity
30. CFOs do not own technology purchasing across the enterprise

The research shows that most of these misconceptions can be dispelled with some examination of the CFO's role in their organization and what motivates them.

CFO Demographics

The best content marketing personalizes everything to the reader. When creating content for CFOs, it is best to understand a bit about these executives, what motivates them, and what problems they all share.

The average CFO is male (82%), 35-45 years old, holds a CPA and MBA, and has risen through finance department ranks, according to a survey by *CFO Magazine*. They have years of experience dealing with volumes of complex data. In most cases, those years of experience mean that they can distinguish between real value that supports decision-making and superfluous information that can be ignored.

The integration of technology, accounting software and other automated solutions has freed the modern-day CFO to focus on the overall goals of the company. Ultimately, this means that their focus is on the long-term bottom line. This has allowed the CFO to act as second-in-command to the CEO. To fulfill this new role, most CFOs are extremely comfortable navigating the new technologies that facilitate their responsibilities and lead to dynamic and effective leadership.

The Roles of the CFO

According to the Spencer Stuart report, "The Global Fifty: Perspectives of Leading Chief Financial Officers," today's CFO is responsible for the following three roles:

Role #1. Strategic Planning and Decision-Making

CFOs must keep up to date with the changing dynamics of their business landscape. The most effective CFOs provide insights and knowledge about that landscape and offer data-backed information to aid in decision-making.

Role #2. Financial Community Liaison

The CFO is the face of the financial side of the company. They have the privilege and responsibility of building a relationship with outside analysts and investors, communicating the company's value, and demonstrating trust and integrity in the company's operations and numbers.

Role #3. Management Team Member

Effective CFOs work closely with their COO, CEO, and other members of the management team. Their main concern in this role is to take the analytical burden away from the other members so that they can spot opportunities through information delivered by the office of the CFO or via systems that the CFO has put in place across the enterprise for information "self-service".

In addition to these roles, CFOs are typically responsible for purchasing. Among the many items they most commonly purchase or authorize procurement for are:

- 401(k) providers
- Accounting systems and services
- Budgeting and forecasting software
- Management systems
- Legal services
- Risk management
- Liability Insurance
- Health care and employee benefits

- Technology systems and services
- Outsourcing of many corporate operations

Most of the CFO's time is spent in meetings and conference calls talking with analysts, department heads across the company, and their staff. Other time is spent on analysis, both tactical and strategic, helping shape their ideas and power their suggestions across the company. Budgeting and forecasting, along with board meeting and investor meeting prep are also heavy time consumers, to say nothing of M&A activities and ad hoc requests from every part of the company on a daily basis.

Most of their work can be divided into two levels - the micro and the macro. Effective CFOs delegate the micro-level responsibilities so they can focus on creating value and seeing big-picture opportunities. Again, their main focus at any given time is still the long-term bottom-line. The goal is always to make sure the company is there in 2, 5, and 10 years, and performing well.

The CFO's Biggest Problems

Given the many roles they assume, there are always a number of problems facing them at any given time. However, there are three universal issues that always face these executives. Information that provides value to them in dealing with these topics is therefore always welcomed.

The top four problems facing most CFOs are:

Quality Information

Analysis is done for the purpose of educating oneself and frequently an audience of internal or external stakeholders in order to inform decision-making. Companies make hundreds of tactical and many strategic decisions on a weekly basis. Finance, accounting and treasury organizations are right in the middle of these decisions providing data, information and insights, which propel corporate decisions.

The problem with analysis is getting the right data at the right time and in the right format to make it useful to whoever needs it. There never seems to be enough people, the right process or sufficient technology to make this all easily manageable. Yet there is nothing more critical to the day-to-day and long-term success of a company than good analysis creating usable information and driving great decisions.

Risk and Compliance

Companies face many risks every day. These risks derive from employing people, operating globally, managing and deploying large amounts of money, creating value for shareholders, and being very visible targets for litigation should they place a footstep poorly.

One result of poor risk management was the creation of the Sarbanes-Oxley Act (SOX). SOX was the most significant change to federal securities law since the New Deal. This law was signed in 2002 and requires companies to comply with corporate disclosure policies and updated auditing stipulations. SOX compliance is expensive. According to a November 2004 study by J.D. Powers and Associates, nine out of ten CFOs say the costs of compliance are greater than the benefits.

For the CFO, the most significant part of SOX makes them criminally liable for signing off on misleading Securities and Exchange Commission filings. It's understandable how complying with this law is often at the top of the list of problems facing the CFO.

Communications

The traditional communication responsibility of the CFO was producing and publishing financial statements. But today's media-driven world pressures the executive with providing a positive image of the company to analysts, investors, and employees – all the time. In light of recent events, positive image mostly means integrity and value, both in the company's character and as a financial investment.

Another frequent communication issue that most CFOs deal with is interpreting company metrics for the CEO and the board of directors. Finance executives need financial metrics and benchmarks to help inform "big picture" issues and offer intelligent suggestions.

Financial Planning/Reporting

In a recently produced industry survey, more than 40% of respondents reported one of their top priorities is to improve their planning processes and to provide better forecasts. Many CFOs, however, lack the tools required to carry out intensive data-driven analysis required for forecasting or planning. The survey shows 61% of respondents saying they need "more or new technology" to support their decision-making.

In addition to the majority lacking the tools, 90% say their organizations get distracted during the planning season with "low-value, seemingly trivial tasks". This is mostly due to the dynamics within the organization and inconsistencies in internal reporting. These are obvious time-wasters that plague the CFO during one of the most critical time periods of the year.

These are problems that make a sales pitch seem like an ill-timed, bad joke. However, turn that around and help them solve their problems not through a pitch, but through education and useful information, and you can get the CFO's ear.

How To Connect With The CFO

Although they are technically authorized to make major purchasing decisions, studies have shown that typical CFOs are very unlikely to respond to traditional advertising. These tactics often result in the CFO feeling overwhelmed by marketing that is irrelevant to their main concerns.

Given the importance they place on information, it should be no surprise that flashy marketing gimmicks don't work well in persuading financial executives. They have no time for clutter. They need solutions that speak to their problems directly, and the more useful and educational the better.

Copywriting for CFOs

Avoid marketing jargon. Words like "optimize" and "solution" often trigger red-alerts in the minds of CFOs. Think of how many times a day they hear or read these words. They are naturally wary of content that includes this jargon because it resembles too closely the marketing ploys they see daily.

What *does* impress them is information that helps them run their business. If you are part of an ERP company, educate them on trends in big data or squeezing the most out of corporate systems, or new ways of connecting corporate data to cell phones, etc., etc. If you are in the liability insurance business educate them on managing risk, or laying risk off onto specialty insurance carriers, or reducing exposure via changing corporate policies, etc.

Educate first, last and always. Connecting with them on their biggest issues will increase the likelihood of a response. Give them the information they most value in the format most easily digestible for their busy schedule, and the brand impression you create will be a positive one.

Content Marketing Channels

Some of the channels used by successful marketers to reach CFOs include:

Email

As everything else you offer to a CFO, email should be in a plain, clear copy that is easy to read, includes no distracting graphics or extraneous links, and provides high-value information that is relevant to them.

Direct Mail

There should be no superfluous material. Creative mailers will simply distract. A simple one-page direct mail letter in a plain #10 envelope works best. The letter should have a clear and concise offer for information. Executive reports based on studies, research results, and high-level white papers are very appealing to CFOs and should be included in the main offer of your mailer.

Telephone

Typical cold call telemarketing is not a good tactic to use with a CFO. Remember, the focus should always be on *offering solutions*, not pitching your product or service. Calling after sending a report or white paper or after the CFO has attended your event will increase the chance of building a rapport. Before the call is placed, you should know whom you're calling and

what specific problems the company is facing so that your solutions are as personalized as possible. Note that one of the first things most CFOs do is teach their assistants to send sales calls away.

Events

CFOs like to be appreciated as executives. Well-heeled executive breakfasts, roundtables, and presentations can work – although it is increasingly difficult to get finance leaders out of the office. For the CFO to be truly invested in an event, the speaker should be an A-list expert on the topic of concern. Peers (other finance execs) and speakers from research companies or leading global players in the space hold a high degree of credibility with executives and improve your chances of getting a busy CFO out of their office.

Throughout any channel that is used, the language should always reflect the fact that you understand the CFOs situation. Learn what words matter to them and use them; avoid words that make them feel like you are selling to them. To the CFO, meeting someone who “gets it” - that is, someone who understands finance and their job - is a welcome change of pace from the mass product pitches and cold calls that consume their time without reward. For those whose knowledge of finance is limited, the recommended reading starts with Finance for Dummies and The Portable MBA. If possible, attend CFO association meetings to understand the culture of the executive and what their conversations are like.

In the event that an executive actually asks for information, always follow through on your promises. CFOs actually do often ask salespeople to send information so they can learn. The follow-through rate is often abysmal; up to 90% of promises are left unfulfilled according to industry polls.

Creating Persuasive Collateral and Digital Content to Sell Successfully

The above tactics are general methods that should be followed at all times when marketing to CFOs. What follows now is a detailed examination of exactly how to construct a successful campaign.

Create A Financial Model

CFOs are first and foremost analytical professionals. When faced with a prospective offer, they will first turn to their experience in quantifying situations. Your offer should therefore include a model that quantifies the benefits. Build a financial model that lays everything out in tangible, grounded numbers that can be consumed naturally by a CFO. A solid document showcasing data-backed benefits will make it easier for the CFO to agree. Put less emphasis on features and functions and more on cold hard numbers.

Express The Benefits In ROI

After your offering is made in terms of financial impact, express your benefits as ROI. This should be the highlight of your financial model; CFOs will want to know how much they have to invest to hit their target numbers. Make it easy for them. If possible, determine what specific ROI CFOs needs for decision-making. Remember that CFOs will discuss those numbers with their CEOs and other board members. Personalize this as much as possible and they will feel like you truly understand their business.

State All Assumptions

Constructing a financial model involves varying degrees of assumptions about the numbers. Make sure to state them all and offer them to the executive so the CFO knows they make financial sense. This also puts the CFO at ease knowing you are not cooking numbers for a sale. No one will sniff out bad numbers and poor logic as quickly as the CFO.

Document Your Proof-Points

The assumptions, analysis and estimates included in your model should be backed up by demonstrable proof that your value proposition has been real world tested. If possible, offer benchmark and case study data into your analysis. Every number should have concrete evidence supporting it; the stronger the evidence, the harder it will be for the CFO to turn down your offer.

Clearly State Your Success Criteria

The CFO will want to know how success will be measured throughout the life of the project. Even more importantly, how will your side take responsibility if that success isn't met? Clearly expressing what your firm intends to do if the criteria aren't met is invaluable in persuading a CFO to take the financial risk with your company.

Offer Objective Opinions

The more objective the analysis of your offer is, the more credible it will be. Having an independent analyst or a peer at another company reporting your ROI and success measurements will make your offer seem more official and thought-out. It's not enough that you believe in your solution, other unbiased professionals should believe it too. This makes it easier for the CFO to trust your analysis.

Create the Final Documents

The entire report should be pulled together in an executive summary. Most situations will call for two final documents: a presentation that relies heavily on the summary, and a report that provides all of the above.

Proformative's Solutions For Reaching CFOs and Over 600,000 Other Corporate Finance Decision-Makers

Proformative's integrated marketing campaigns to corporate executives include the various channels discussed in this white paper and many more.

Take advantage of comprehensive features of B2B marketplace:

- B2B "micro-site" with multiple sub-tabs of rich information on your products
- Full company contact information including websites, phone numbers, email and more
- A full, graphically-rich, descriptive home page
- A tab for your company's locations
- The ability to publish Videos, News and Blog posts
- A Resource tab where you can post any number of collateral and resource documents
- An Events tab where you can post events that draw the interest of our community
- A tab for customer Reviews
- White Papers and Case Studies with unlimited lead generation

Have you tried demand generation programs that are built around webinars? Proformative excels in webinar hosting and promotion. Proformative's custom webinars demonstrate, through a focus on top-tier education on timely subjects such as what your products or services helps companies accomplish, the power of your brand to an audience of senior corporate finance decision makers. Whether the company outreach is focused on lead generation or establishing thought leadership, Proformative's custom webinars offer the chance to connect with corporate decision-makers through popular, accessible events tailored to your company, products and services.

Proformative's expert team works with your existing digital assets and extends the value of your downloadable content with our proprietary content consolidation and new content creation facilities such as microsites, expert pages and other turnkey and on-demand products.

Clients' content is supported with content promotion campaigns. We have designed programs that introduce your brand and new content directly into the user's research path. It enables our clients to accomplish unprecedented engagement rates, significant brand lift, and efficiency of demand generation efforts that are measured by dramatic inflow of highly qualified, ready-to-close leads, and as a result, increased revenue.

Live events are also included in the Proformative's integrated marketing campaign mix. Proformative's conferences provide unparalleled sponsorship, thought leadership and demand generation opportunities. Proformative offers its partners unmatched, multi-platform thought leadership programs to position your organization as a leader and associate your brand with the enhanced credibility and image that a relationship with Proformative has been bringing to companies like *PwC, Deloitte, E&Y, SAP, Wells Fargo, US Bank, Western Union, NetSuite* and many others. Proformative's conferences provide access to high-profile corporate finance leaders, as well as access to a rapidly growing user base of over 600,000 Proformative users.

Our various products result in high ROI leads. Proformative offers not only a wide range of world class marketing solutions for lead generation; it has also designed a variety of on-site and off-site lead nurturing solutions that advance prospects through the purchase cycle and provide marketers with ready-to-buy sales leads that return high ROI on your marketing investment.

Our clients:



What Clients Say About Proformative Results

“ In partnering with Proformative and fully developing our company ‘footprint’ on their B2B Marketplace we instantly saw high quality leads, greater branding exposure and strong ROI. ”

Ben Lamorte, VP of Marketing (Alight Planning)

“ Proformative has filled a void in the industry by taking a leadership position in the education of finance and accounting professionals regarding emerging technology, and we've enjoyed great success in building business partnerships as a result of our relationship. We look forward to a continuing association that delivers high quality educational events and resources that offer meaningful ROI to these professionals. ”

David Downing, CMO (NetSuite)

“ In 30 minutes after the event I had already received multiple direct meeting requests from people who just attended our webinar on Proformative. ”

Heather Bearfield, Heather Bearfield, Director (Marcum LLP)

Find complete [client list](#), their testimonials and [case studies](#).

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