MarketingWeek

OPINION

Finance has three main dialects, not one uniform language

For marketers wanting to build a productive relationship with finance, "speaking their language" is often a priority, but finance is not one homogenous group and treating the function as such risks missing the mark.

By Jonathan Knowles | 7 Aug 2025

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Marketers often assume that "finance" is a single, homogenous thing. But just as marketing compromises multiple disciplines, so does finance.

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This is important because there are at least three distinct audiences within the finance department that need to be educated about the role of marketing, and each speaks a different dialect. Marketers trying to speak the same way to each audience will get nowhere.

The three audiences are the financial accountants responsible for putting together the public financial statements; the management accountants who do the financial analysis and planning on which the operating managers rely to run the business; and the treasury and capital markets folk who work on raising and deploying capital, and on communicating with outside investors.

Each audience is interested in a different aspect of how the financial performance of the business is generated and reported, so marketers need to be ready to frame their contribution in three different ways.

Treasury and capital markets – raising and deploying capital

Let's begin with the treasury and capital markets people as these are the ones with the most "strategic" perspective on the business. Their goal is to convince investors that they should invest in the business over their other investment opportunities.

To do this effectively, they require a compelling story about why the business has a sustainable market franchise that will allow it to generate an above average return on capital. This story is always some combination of product, technology, culture, leadership and brand.

For this audience, marketers should describe marketing as the "sowing and harvesting of cash flow" – investing in opportunities that will yield a harvest over different time durations.

The role of creativity is to improve the certainty of those future cash flows, something I detailed in a previous piece, which advises marketers to think about the hunter and farmer variants of creativity when talking to their CFO. Brand also plays the role of aligning the efforts of key stakeholders so that the business works more effectively.

Contrary to the belief that the two functions are adversaries, I contend marketing acts as the strategic sibling to finance. Marketing offers a complementary perspective on three issues that finance cares about – how value is created, how to balance between the long- and short-term, and how to take intelligent risks.

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Management accountants – optimising current performance

Often operating under the Financial Planning & Analysis (FP&A) title, management accountants act as the right hand of the business unit managers. They put together the annual budget, define the KPIs and maintain the financial dashboards that the business unit managers use to manage the day-to-day operations of the business.

Management accountants see the business as a machine for transforming a set of inputs into a desired set of outputs. They are the ones who are deeply frustrated by the idea that "half my advertising is wasted" because of the implied inefficiency. It is not surprising they were therefore most susceptible to the efficiency and measurability claims of "performance marketing" as these align directly with their input/output orientation.

While marketers should also describe marketing as the "sowing and harvesting of cash flow" and refer to its role in making the whole business model work more effectively (since both descriptions are compatible with an input/output mindset), the management accountant audience will demand a more granular description of the mechanics of how marketing creates value.

For this audience, marketers should begin by discussing three drivers of financial value – growth, profit, and risk – and describe the six ways in which effective marketing improves each, something I have outlined previously.

The primary interest of this audience is on the current year's financial performance so marketers should resist the urge to talk about brands as assets and focus instead on discussing how actions and campaigns this year should be selected with the goal of creating a compounding effect in future years, rather than just maximising ROI or ROAS in the current year.

Financial accountants – keeping financial score

It is a tragic irony that the audience on which many marketers have chosen to focus is the one audience who are least open to acknowledging the value of marketing.

Financial accountants operate under a very strict set of rules defining how performance is to be reported (the International Financial Reporting Standards globally and Generally Accepted Accounting Principles for US-listed companies) and, even if sympathetic to marketers' requests, have essentially no ability to act. Two specific rules make it hard for financial accountants to acknowledge the impact of marketing: the reliance on a transaction with an arm's length third party as the basis for most accounting entries, and the conservatism principle.

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The "no transaction, no accounting entry" is the reason why homegrown brands cannot appear on the balance sheet, while those acquired via acquisition can appear. This explains why the P&G balance sheet shows a value for Gillette but not for Tide nor Pampers.

While some marketers have argued that homegrown brands should appear on the balance sheet and brand-building spend be capitalised, the conservatism principle makes it unlikely that permission will be given for this, as it would involve relying on "expert opinion" to establish what proportion of marketing spending is on brand-building and over what period it should be amortised.

Financial accountants are still scarred by the memory of how "expert opinion" resulted in poor quality financial derivatives being classified as investment-grade securities and contributing to the global financial crisis of 2009.

Marketers are looking for love in the wrong place by focusing their energies on financial accountants, as they do when they argue for brand to appear on the balance sheet. Many may be sympathetic to marketers' argument but few are willing to accept the significant reform to accounting principles that would be needed to put brands on the balance sheet.

One message, three dialects

It is vital for marketers to maintain an open dialogue with their colleagues in finance. The success of the business depends on managing the tension between the perspective that marketing and finance each bring to the topics of customer value creation versus value capture for shareholders; maximising performance in the current period versus maximising lifetime value; and when the context calls for disruptive creativity versus compounding creativity.

For this dialogue to be effective, marketers should recognise that it needs to be conducted in the dialect that is most appealing to each of the three financial audiences.

Treating finance as one uniform audience risks missing the mark. Marketing brings a wide range of benefits to a business, but financial audiences differ in terms of whether they want to hear about marketing's impact on the long-term, current period, or publicly reported performance of the business.

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