EBOOK

How To Present Marketing Results to Your CEO, CFO, and Board

planful

Introduction

After presenting marketing results hundreds of times to boards, CEOs, CFOs, and other senior executive teams, we started to see some patterns develop regarding the expectations from these audiences. More recently, marketing leaders have not been able to get away with presenting high-level information, selective results, or lists of projects and activities. These leaders are being held to a high standard of operational rigor and are expected to present their results in the context of the business.

Contents

Considerations for presenting to CEOs, board members, and other senior executives

When developing your presentation for an executive audience, it's important to shift your mindset from that of a practitioner of marketing who is in promotional mode to a leader of a critical business function who is reporting facts in the context of the business. Successfully making that shift is a critical requirement for marketing leaders. The list below is a good test to see if you have made that transition:

- Focus on results, not activities
- Show the relationship to your goals
- Communicate value in business terms, not marketing terms
- Provide context for results
- Be consistent with your reporting format and content
- Tell the truth
- Tell the WHOLE truth
- Take the opportunity to teach, but not preach

Focus on results, not activities

This may seem rough, but your CEO doesn't care how you have been filling your day. She really wants to know about the outcomes. Many marketing leaders fall into the trap of delivering an activity report instead of the business results achieved.

The table below contrasts results reporting vs. activities reporting:

Results (Share these!)	Activities (Nobody cares.)
• Generated $2M in incremental pipeline • Positive article in NY Times reflecting our industry views • Identified 20 customer expansion opportunities for new product	• Wrote 24 blog posts • Ran a seminar series in 3 cities • Delivered 2,345,124 emails

Notice that in the results column, the list includes a few different kinds of outcomes, including pipeline generation, press coverage, and opportunity identification. The column on the right may represent a lot of work performed by your team, but it is not useful for your executive team to know about unless you can connect these activities to the outcomes. For example, you could say that your team "ran a seminar series in 3 cities that generated 6 new customer expansion opportunities representing $800k in new pipeline."

Show the relationship to your goals

While reporting in the form of results is necessary, it is not sufficient to communicate the entire story. If we take the example of results above, each bullet begs the question "how does this compare to our goals?"

A more complete communication of the results would add a comparison to your targets, as shown in the examples on the next page:

- Generated $2M in incremental pipeline in Q2 **vs. target of $1.8M (111%)**
- Positive article in NY Times reflecting our industry views **vs. target of 2 major news outlets reflecting our position (50%)**
- Identified 20 customer expansion opportunities for our new product in Q2 **vs. target of 10 (200%) as part of our customer expansion efforts**

Notice that the comparison to the goals tells a much more complete picture of achievement. In the first and third examples above, the performance was well ahead of plan. The PR coverage in the NY Times, while exciting, did not meet the target.

It may feel uncomfortable to highlight the fact that you did not achieve the objective, but it's more comfortable than having to respond to a board member who asks how this compares to your goals when they are not listed.

Communicate value in business terms, not marketing terms

While this recommendation is important for all audiences, it is especially important when presenting to board members. Board members rarely have backgrounds in marketing, with the majority of them coming from financial backgrounds.

Take a look at the table below, which compares the communication of business results versus marketing buzzwords:

Business Results (Good!)	Marketing Buzzwords (Bad!)
• Generated $2M in incremental pipeline, expected to convert to $450,000 of incremental revenue based on historical conversion rates	• Email campaigns delivered 14.5% CTR • Created 4,000 MQLs in Q2

The examples above highlight two major factors that will improve your communication: connection to a business or financial outcome and connection to the English language. The first example not only uses a metric (pipeline) that will be universally understood by the audience, but it tells the complete story by highlighting how this interim result is expected to convert to business value over time.

The examples in the righthand column use marketing jargon ("CTR" or click-through rate, and "MQLs" or marketing qualified leads) and do not show the connection to business value. To improve the last example, you could define your terms and add some business context by saying "We created 4,000 marketing qualified leads (MQL) in Q2, which are expected to generate 100 new opportunities (2.5% historical conversion rate), representing $2.5M in incremental pipeline at $25K ACV."

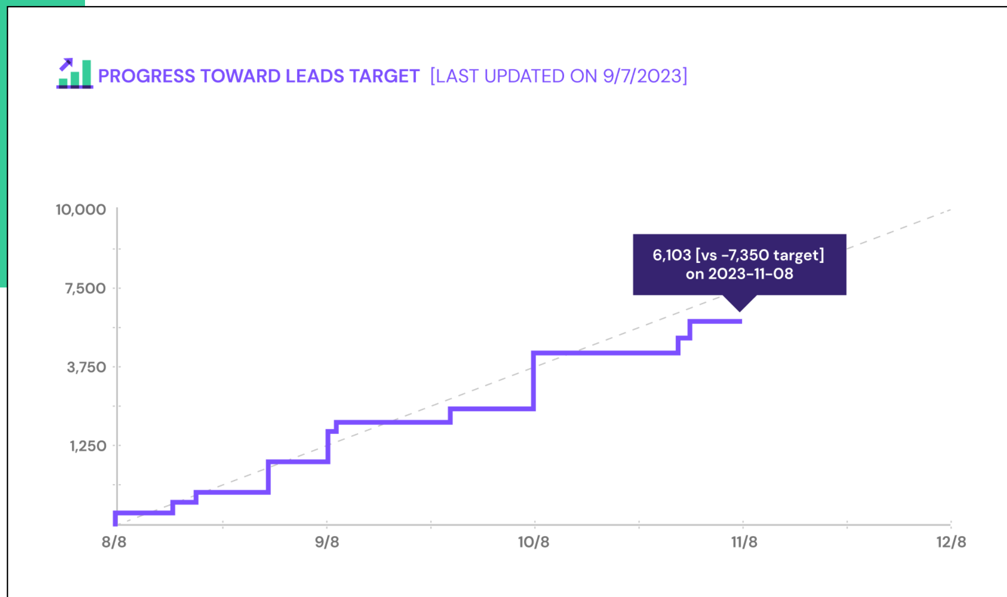
While that example may seem verbose, it includes the necessary context to explain the business value of the result.

Provide context for your results

We've all seen marketers proudly report on a metric to senior management and then pause, waiting for the thunderous applause, only to instead find they've just created an awkward pause in their presentation. That's the moment the marketer learns that his or her audience does not have the framework to understand that the results are exceptional.

Providing context for your audience can take on one of the following forms:

- **Showing results compared to your goals or with a direct connection to the business result:** (Described above).
- **Using an external benchmark:** For example, you could say, "Our improved sales tools increased the conversion rate of our funnel from 14% to 17% versus the standard for our industry of 15%." This assumes that external benchmarks are available, which is not always the case.
- **Using an internal benchmark:** If an external benchmark is not available for your metric, it can be helpful to compare your result to an internal benchmark. The same result above could be expressed with the context of an internal comparison as follows: "Our improved sales tools increased the conversion rate of our funnel from 14% to 17% versus our previous best conversion rate of 16%."
- **Trending data:** Another strategy to communicate context is to visually show the progression of your metric over time. For example, if you were trying to communicate the performance of your campaign measured by qualified leads, rather than describing the progress with words, you could share a chart like the one below. It shows how you are progressing toward your target, or in the case below where we are trending ahead of our target.



Be consistent with your reporting format and content

Ideally, the presentation of your marketing results should be easy for the reader to un derstand. But any complex set of information takes some time to fully understand it. This is one of the reasons why we recommend that you maintain a consistent format for presenting your results.

Remember that your audience reviews this data infrequently, and they often consume lots of different kinds of information, including financial information, sales reports, research and development updates, operations data, and more. It will be far easier for your audience to understand the data if you use the same format each time you present your results. Ultimately, you will spend far less time explaining the format of the data and more time discussing the implications of the results.

The other reason why consistency is important is that it reduces the likelihood of cherry-picking your results, which can lead to much broader issues (more on this in the section titled, "Tell the WHOLE truth").

There is another reason why telling the truth is important: Trust.

Tell the truth

Some marketers spend their entire careers learning to use words and data to create their own version of reality. It is critical that you remember that when you are presenting your business results, your job is to tell the truth, not spin the results to make you or your team look good.

Why is this important? First of all, in this setting, you are using data to make business decisions about the application and prioritization of resources. If your big campaign concept didn't deliver on expectations, your job is to explain the results, along with your analysis of what happened. You should then be prepared to make a recommendation about resources. Is it still worth it to proceed with this campaign? Are there changes that should be made? Would it be better to shift the resources to another campaign, or even to another department? If you aren't honest about the results, you won't be able to make the right recommendations to improve your business outcome.

There is another reason why telling the truth is important: Trust. The highest functioning management teams trust each other. And not telling the truth is one of the fastest ways to erode trust in the team. Here's an example that illustrates the value of trust.

A CMO at a large company also had the responsibility of acting as the general manager for a direct-to-consumer software business. The head of marketing for that team was incredibly bright and creative, and the CEO and CFO often came to the CMO to find new ways to generate growth for the company. They had been selling their software via our ecommerce site and via retail, but the head of consumer marketing thought they should try to set up demonstration kiosks in shopping malls for the holiday season. They modeled out the investment (which was millions of dollars) and highlighted the risks. In this case, they were wrong about the effectiveness of the model. And even though they were tempted to make it look better, they were transparent with the results and recommended that they cut their losses. While the CEO and CFO weren't happy, they still trusted them. And the next time they had the opportunity to try something new, they were given that opportunity because it was clear that they would do the right thing when it came to presenting their results.

How to communicate bad news:

As mentioned above, it is critical to communicate the truth. But it is also important to know how to communicate the truth when it involves bad news.

There are three things that you should keep in mind when you have to deliver negative news:

1. **Measure it again:** Before you start telling everyone that the sky is falling, take a breath and make sure that it is indeed falling. Check your assumptions and your calculations before you do anything else.
2. **Communicate early:** When you are sure that there is a problem, don't wait for the big meeting to drop the news. Let your management chain know when you suspect that things are going off the rails. Tell them that things are not going as expected, identify the steps you are taking to try to get back on track, and let them know when you will report back with an update.
3. **Don't surprise your boss in front of their boss:** The worst thing you can do is to report bad news to your board and break the news to your CEO at the same time. If the results don't look good, make sure you review with your direct manager as soon as possible to align your recommendations and mitigation strategies.

Tell the WHOLE truth

You probably assumed that we were done talking about the truth, but we're not. As mentioned above in the section of the article about consistent reporting format, it is critical that you provide a complete view of performance when you are reporting your results.

Some marketing leaders choose to focus on the good news part of their results rather than tell the complete story. This leads to some pretty difficult conversations when a marketing leader is called out for cherry-picking his or her results. The conversation usually goes something like this:

MARKETING EXEC: "Our amazing digital campaign delivered 2,000 leads in the quarter and had a 7X ROI."

CEO: "How much of your budget does this campaign represent?"

MARKETING EXEC: "7%."

CEO: "What happened with the other 93% of your budget?"

MARKETING EXEC: [crickets]

The point is that you need to tell the complete story of your functional performance. It is expected that you will highlight the best results, but you also learn a great deal from those campaigns that did not go well. If you hide behind the best parts of your marketing plan, the worst parts will never get better.

Some approaches you might use to tell the whole story include:

Breakdown 100% of your plan: A great way to summarize your results is to show your total discretionary marketing investment and your total results delivered. By starting with a top-down view, you won't miss anything.

Show the top AND bottom performing campaigns: If you have a lot of campaigns, one approach is to show five to ten of your top AND bottom campaigns. This will force you to highlight the lowest performing campaigns and identify corrective actions being taken to improve them.

Show a system view: Communicate marketing results like a system because it forces you to look at the end-to-end performance of the overall marketing machine. By forcing the team to assess the performance of each element of the system regularly, you never see the system fall too far out of tune.

Report results consistently: If you use the same reporting format each time, you will force yourself to report on the stuff that isn't as fun to talk about, but is necessary to understand for the overall performance of the organization.

Take the opportunity to teach, but not preach

A lot of marketers complain that their CEOs, CFOs, or other executive counterparts, don't "get" marketing. If this is the case in your organization, your colleagues don't think that you "get" their function either. The highest performing companies have great depth and understanding across the executive team. With that in mind, it's important to understand your role in teaching the rest of your team about marketing.

If you follow the principles above, the rest of your team will develop a much keener understanding about the importance and impact of marketing. By connecting your plans and strategies to the overall business goals, the team will understand how marketing helps the business achieve its objectives. By communicating your results in business terms, they will be able to clearly see the value of the function, in a language that they understand. And by consistently telling the whole story, they will develop a deeper understanding of the function and will trust that you and your team are acting as responsible stewards of the company's resources.

Key questions your executive marketing reports should answer

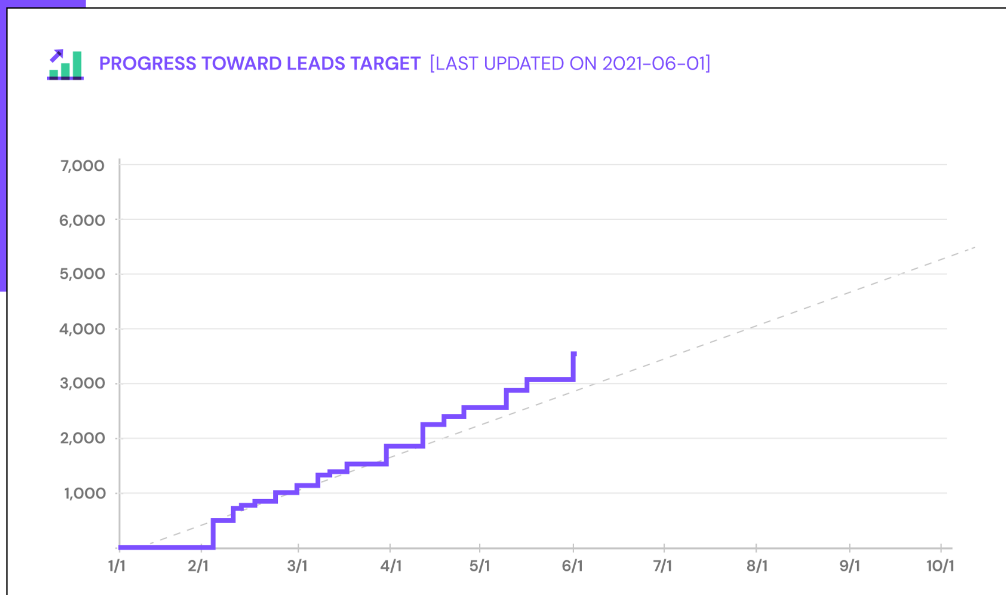
Now that you are grounded in the key considerations for presenting marketing results to this audience, we need to turn to the specific content of the report. While every business has its unique information requirements, your marketing reports should be designed to answer the following questions:

- Are we on target to achieve our goals?
- How much are we spending to achieve our goals, and what is the implied cost per outcome and return on investment (ROI)?
- What are the best and worst performing campaigns?
- How much is marketing forecasting to spend overall versus the plan?
- What optimizations could improve the plan's outcome?
- What has changed in the market we serve?
- Are we on target to achieve our goals?

The most important question to answer is whether the marketing team is going to achieve their goals. While that may seem like a simple question, presenting the data clearly requires an understanding of all the factors that were described in the first part of this chapter.

Clearly and concisely answering this question will set up the rest of the conversation around marketing performance. For example, if you are not achieving some of your goals, you should be prepared to discuss what is driving the underperformance and what specific remediations are in place to get back on track. And if it is not possible to get back on track, you need to be able to address other consequences, like a budget adjustment or complete replan.

The following chart is a good example of reporting progress against a key metric (leads) that is related to one of your goals (driving growth). The chart below shows the target (40,000 leads), the milestones (the quarterly targets indicated by dots in the dashed line), and the current progress.



To provide a complete picture of performance against goals, you should include an overall assessment of each one of your goals, show the current progress versus the primary metric for each goal, and provide a forecast about future performance.

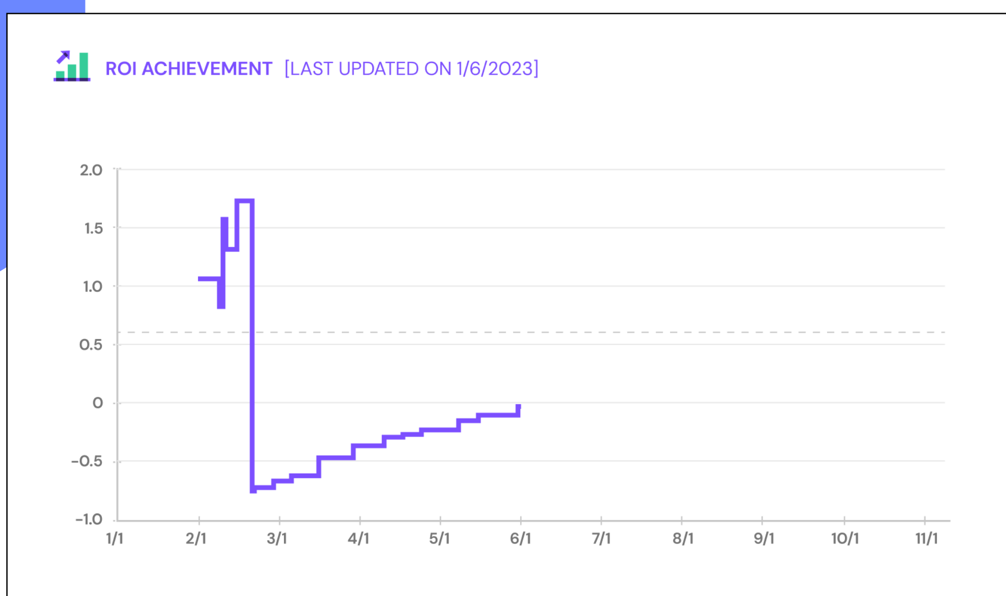
How much are we spending to achieve our goals, and what is the implied cost per outcome and ROI?

Once you have demonstrated your performance compared to your targeted outcomes, you need to show your efficiency, typically measured in spend per goal, cost per outcome (CPO) or return on investment (ROI).

The simplest measure to report is spend per goal. It gives you a high-level assessment of how you are managing your budget. As with all these metrics, spend per goal should be shown in the context of a target.

The next level of detail involves reporting on cost per outcome. For example, you may have a target cost of $50 per lead, or $1,000 per opportunity, or $0.08 per $1 of new pipeline.

The clearest way to report your results is to show the return on investment (ROI) for your goal achievement. The chart below shows the trended ROI for the same lead target above. You may have noticed that the chart is volatile in its early stages, because it is measured based on a small number of outcomes (leads). At the beginning of March, the ROI dropped to about -0.7, because the marketing team was spending money in advance of getting results. As results start to come in throughout the year, the ROI steadily increases.



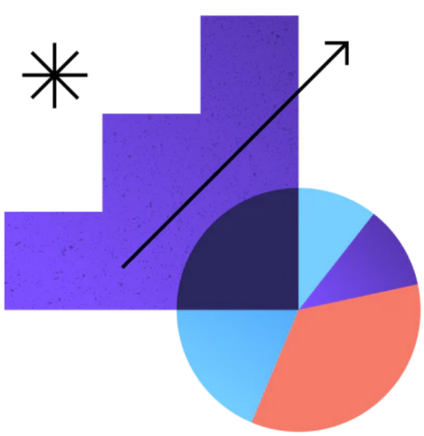
What are the best and worst performing campaigns?

The clearest way to report your best and worst performing campaigns is to show a complete ranked list of performance. If you have a large number of campaigns, that can be impractical. If that's the case, you should provide a top and bottom list of performance, including five to ten campaigns on each end of the performance scale.

There are multiple ways to measure the performance of a campaign, and it can be useful to show performance from more than one perspective. For example, you might list performance in the following ways:

- **Largest metric contribution:** Which campaigns delivered the largest number of opportunities in your pipeline?
- **Performance vs. forecast of metric contribution:** How did campaigns perform against. their targeted lead contribution?
- **Ranked CPO or ROI:** What campaigns were most efficient?

Ultimately, you want to show the campaigns that deliver performance at scale, with high efficiency.

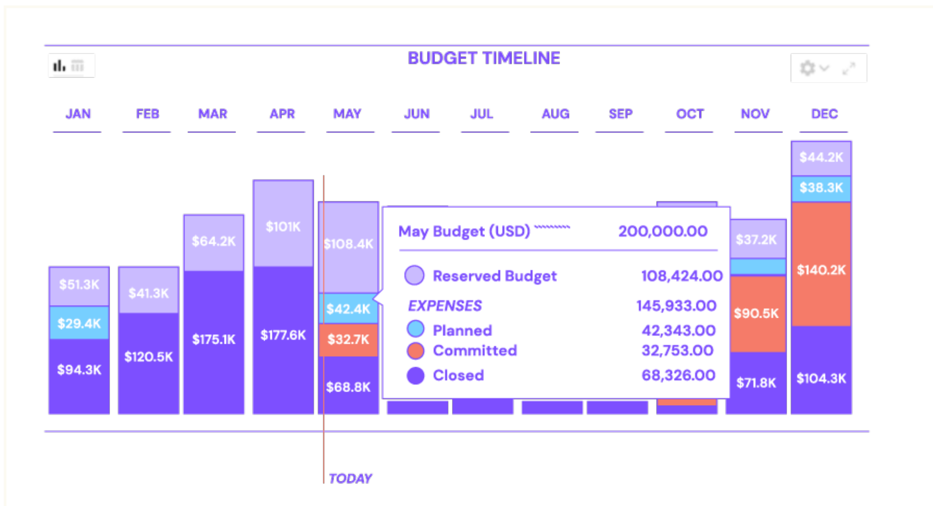


How much is marketing forecasting to spend overall versus the plan?

An important measure of operational excellence is your ability to manage a budget. A critical component of that management is the ability to forecast your spending accurately.

The clearest way to forecast your budget is to show the spending data by status, including the expenses that have already been closed, those expenses that have been committed (via contract or PO), and finally the expenses that are planned.

Using this method, (shown in the following chart) you should be able to tighten the forecast range.



What optimizations could improve the outcome of the plan?

Once you have established a clear assessment of the performance against the plan, you should also explain any recommended adjustments that can be made to the plan to improve performance.

Your assessment should focus on the areas of highest impact. For example, you might recommend that we add another $100,000 of budget to the top-performing campaign that is also delivering a strong return on investment. Or you might recommend suspending a campaign that is performing at the bottom of the list and shifting that budget to a campaign that's performing better.

A common question that you may hear from a CEO or a board member is:

"What can you do to drive more growth?"

You should always be prepared to answer this question with a specific recommendation and assessment of the business impact, measured by cost per outcome or return on investment.

Keep in mind that if you are asked to improve performance, the first place you should look for funding is from poor performing campaigns.

What has changed in the market we serve?

Finally, while you have the attention of the leadership team, you should communicate any important changes going on in the market that may affect your plan. Changes could include competitive actions, external factors that may impact your target customers, or significant geopolitical events.

Get Your Operational Marketing Index Score

Today, there are numerous metrics used to track the marketing performance of activities and channels but nothing to determine the operational effectiveness of the plan and budget. The Operational Marketing Index (OMI) asks a series of questions to provide a benchmark on your approach for building and managing a plan, and allocating and tracking your budget. After completion, you will get a score for both your plan and budget, as well as an overall OMI score. Get Your Score →

To keep the c-suite captivated by Marketing's success, learn how Planful for Marketing can help your team reach peak marketing performance while providing the data to prove it. Marketing teams looking for better visibility, to reduce wasted spend, and optimize strategic investment use Planful for Marketing to quickly and easily create winning plans, maximize budget impact, and improve ROI on their marketing.

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About Planful

Planful is the pioneer of financial performance management cloud software for Marketers. The Planful platform drives peak financial performance across the business and is used around the globe to consolidate planning, budgeting, and analytics into one view. Planful for Marketing enables marketers to optimize their marketing performance and true business value by ROI. Superior to traditional disconnected spreadsheets and disparate tactical marketing systems, only Planful for Marketing delivers a unified, collaborative marketing solution with process automation for improving agility, efficiency, and business value of marketing investments. Planful for Marketing provides full visibility of real-time insight for better decision making and operational marketing excellence.

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