

## **CFO Thought Leader**

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*The following is unedited abstract\* from the CFO Thought Leader podcast featuring David Giannetto, author and Jack Sweeney, co-host of MME Thought Leader.*

**CFOTL:** For the finance leader who is looking at these different initiatives and yes they are often pursued independent from one another, how do they begin to prioritize? Do they need a social initiative? Do they need a mobile initiative? Do they need a big data first initiative in the back to make sure they're looking at the data the way it needs to be looked at?

**GIANNETTO:** Well, they're going to need all three inevitably, but I think the good news for most organizations is they probably already have all three, at least any sizeable organization. Some smaller organizations might not have mobile initiatives yet but that's inevitable as well. So, when I'm working with organizations, I'm trying to get them to think that things really haven't changed. Financial leaders have always had to balance priority. And the good ones take a very clear look at what this initiative is going to do for the business, because they hold information relative to that profit equation and if the organization isn't profitable in the long term, it's not going to be around that long. Social, mobile, big data, these things consume a lot of resources, there's a lot of technology coming in that's being brought there. It's all very expensive.

So, you have to really look at those specialized practitioners in the eye and say to somebody who is a social practitioner for example, what is this going to get the business because a friend, a follower or a fan is not the same thing as a customer, and they're going to find that very intimidating, very challenging question because big data, social media and mobile practitioners really have never been challenged to answer the question of what's the ROI on their efforts. And that's really what I think needs to happen today. And that's got to come from somebody, and since the CFO is the owner of that equation, the custodian of it for the organization, here she can be asking that hard question and connecting those specialized practitioners to their counterpart. Social should be supporting sales in the traditional role of marketing.

It is another channel to identify prospects, to close business and then to interact more efficiently with existing customers and try to up sell them and cross sell them. So, let's not think that we need to radically change what we do. Certainly these initiatives can help us evolve into a more effective and efficient organization, but that's the perspective, the mindset that I see being most successful given the research that I've done for the book.

**CFOTL:** When it comes to driving business results across the enterprise then and leveraging social mobile, what can you share with us in terms of companies that have really succeeded?

**GIANNETTO:** I have to really use a lot of examples in the book because it's a little bit challenging for folks to draw this difference between using social media really well or a mobile app really well or using big data to understand the business really well and becoming what I call in the book, "Big social mobile." So, I use a lot of examples, like a very large one for example that takes people somewhere they don't normally go is Starbucks. We think of Starbucks with their mobile app as the most successful wallet application in the world. Nobody else can come even close to what their app has done from a mobile wallet perspective. But that's not where that app started. That app started to make the workflow in the stores more efficient, because when you step up to a cash register at Starbucks, there's 87,000 drink combinations that you could order. And that financial checkout process for the -- I think it's 10.5 billion or more cups of coffee they sell a day and I'd have to go back to the book to get that exact number.

But the financial transaction takes up so much time, it delays the workflow in the store. But the mobile app was designed to make that checkout instantaneous. So what they really did was create a mobile app that supported that value proposition in the store of a great experience. It turned into the most successful wallet app in the world and it's great that it did that. But they started with a business perspective. It's the same thing as my local dentist who I worked with, she added on a very simple mobile app that reminded her patients when their 6 month check-up was due. And what she found is that 40% of the population doesn't come for that second insurance authorized cleaning. But by using an app, she could get that up to over 80%. So, that directly drives her success. And that very simple use of mobile technology has a better ROI than I bet the most expensive apps that exalt for most organizations.

So we could go through one example after another of how what you see on the surface as just good engagement via social, a clever mobile app or collecting broad data, isn't really the right mindset. You have to start with your business and say, "How can this new technique or technology really bolster us, really help us evolve to the next perspective." Dunkin' Donuts did it with social, National Oil and Gas, they did it by combining social on mobile with big data, big bucks, retailers like Walmart did it using big data to target very specific customers and increase their propensity to buy to get them to buy things that they would not have otherwise. So, I use a lot of examples to try and make it very real and tangible for the reader.

**CFOTL:** It seems like there is always some of the most innovative stories we hear are coming from the B to C side, is there anything happening on B to B?

**GIANNETTO:** The real change in B to B is getting all of the organizations that are in in the very broad supply chain to work together with this increased focus on how are we going to drive profitability overall. And it's really more of what we think of as collaboration, the creation of tight communities of raw material providers, manufacturers, distributors, all

the way up to retailers, working together to say, "How do we maximize profit?" That means running more efficiently and effectively, using less materials, just in time inventory and then having a more clear understanding of how marketing campaigns are affecting the mix that needs to occur at retailers, how do you get that mixed there at the right time, bolster that with some local merchandising, so they're collaborating much more efficiently and effectively across what I think of as the supply chain on the B to B. It's much more cooperative now than it ever used to be.

*\*Note: This unedited abstract may contain electronic transmission errors, resulting in inaccurate or nonsensical word combinations, or untranslated symbols which cannot be deciphered by our transcription process. This abstract may differ from an edited transcript of the same interview in content, page and line numbers, punctuation and formatting.*