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Quick Answer: What Differentiators Appeal to Finance Tech Buyers?

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Initiatives: Tech Buying Behavior; Business Buyer Insights

User experience and innovative use of emerging tech are the most prevalent finance software differentiators reported in a recent Gartner survey of finance leaders. Product leaders targeting finance technology buyers should focus on these differentiators versus pricing or time to value.

Quick Answer

What differentiators stand out to finance technology buyers?

- User experience or easiest to use
- Best fit with technical requirements
- Compatibility with current environment
- Innovative use of emerging technologies

More Detail

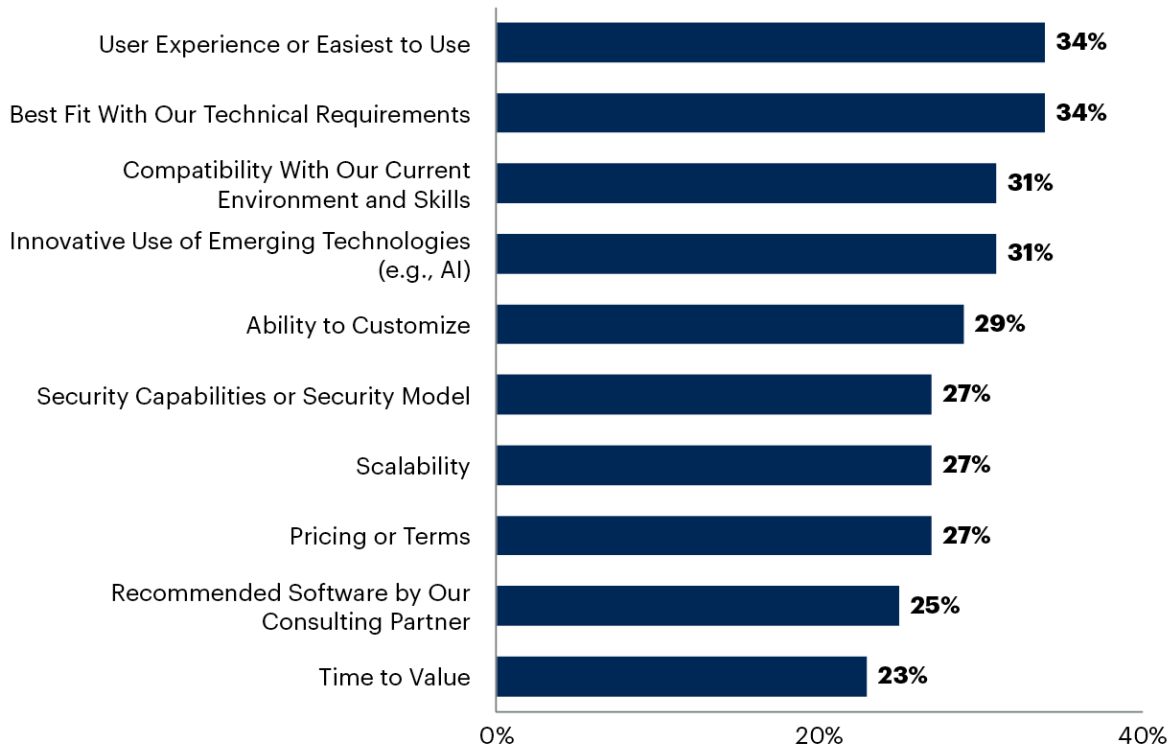
Differentiation can be difficult to define for finance technology product leaders. When asked about differentiators, their common responses resemble a list of features/capabilities, sometimes coupled with a statement about the quality of service delivery. While those may be compelling reasons to buy, they are not differentiators (see [How to Test and Strengthen Differentiation – The Buyer Perspective](#)).

In the 2022 Gartner Functional Business Buyers Survey, when finance professionals were surveyed about what differentiated the software solutions they chose to purchase, their responses were quite different.

Figure 1: Differentiators That Stand Out for Finance Technology Buyers

Differentiators That Stand Out for Finance Technology Buyers

Sum of Top Three Ranks



n = 518 Finance Leaders

Q: What ultimately differentiated the software product you chose?

Source: 2022 Gartner Functional Business Buyers Survey

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Top Differentiation Opportunity: Ease of Adoption

A common theme emerges among three of the differentiators appearing toward the top of the chart in Figure 1. Finance leaders prefer to select providers that can best answer fundamental buying questions, such as: “Will it work in our environment?” and “Will our people use it?”

- **User experience or easiest to use** is clearly important for finance technology buyers. Perhaps this is because most financial professionals' daily experience still largely takes place in Excel. One would be safe in assuming that the bar is set low for demonstrating user experience (UX) gains for financial workflows. As much as finance pros may complain about Excel, it's still a place of comfort. The differentiation opportunity here for product leaders is in the development of intuitive B2C-inspired interfaces that are recognizably familiar, yet clearly superior to the current experience (see [How to Measure the Value of User Experience Design](#)).
- **Best fit with our technical requirements** can be interpreted as being integrally related to UX. Ease of use as a differentiator is built upon technical attributes, such as the capability to integrate with other systems and to sustain security requirements. For enterprise organizations, the definition of best technical fit quickly becomes complex, and this is where differentiation can be generated. Products that showcase simplicity, while simultaneously being capable of satisfying a broad range of technical requirements, will have a strong ease-of-use story to tell.
- **Compatibility with our current environment and skills** represents a common buyer concern around user adoption. Product leaders who can segment their ideal customer profile down to the level of technographics, psychographics and current resources will be more capable of calibrating their product positioning to build a prospect's confidence that their organization will be able to smoothly adopt the solution (see [The Enterprise Persona – Defining Your Ideal Tech-Buyer Profile](#)).

Emerging Technology as a Potential Differentiator

Who can be blamed for assuming that finance leaders tend to be conservative, late adopters of technology? While still broadly true, Figure 1 suggests we are starting to see a change.

- **Innovative use of emerging technologies (for example, AI)** ranking highly as a differentiator for finance buyers may come as somewhat of a surprise. Still, the Hype Cycle around AI has been exponentially magnified and all functional areas of enterprise businesses are being swept up in it. This is putting pressure on product leaders to respond with plenty of new AI-based messaging, resulting in a large volume of vaporware in the market. Product leaders who can anchor AI-based messaging to concrete use cases and product experiences – coupled with measurable, defensible claims of productivity gains – will find finance buying teams to be quite receptive.

Time to Value and Pricing Differentiators Are Not Enough

Pricing and time to value, essentially the activities around value assessment, are basic requirements for the construction of a business case. Yet, these are not enough to differentiate your solution.

- **Pricing/terms, time to value:** One might assume these factors would be top differentiators for finance buyers. But, they actually tend to rank lower, because they're missing a key characteristic of a differentiator – uniqueness. Every finance software provider can tout their pricing and argue for their time to value. Differentiators stand out more when they are unique to the product, and can be shown to be defensible (see Tech Marketers: Make Your Differentiators Clear as MUD).

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Evidence

2022 Gartner Functional Business Buyers Survey. This survey was conducted to understand how functional business units within organizations approach large-scale software purchases to support their business function. The research was conducted online from September through mid-December 2022, among 3,048 respondents representing six different business functions: customer service and support (n = 508), finance (n = 518), human resources (n = 509), marketing (n = 513), sales (n = 499), and supply chain management (n = 501). All surveyed organizations had at least 250 employees and at least \$50 million in annual revenue in fiscal 2021. All respondents resided in either North America (42%), Western Europe (37%) or Asia/Pacific (21%). The North American countries represented in the survey were the U.S. (30%) and Canada (12%). The European countries were France (11%), Germany (12%) and the U.K. (14%), and the Asia/Pacific countries were Australia (9%), Singapore (7%), India (3%) and New Zealand (2%). Respondents represented more than 15 Industries, including banking and investments, communication service providers, education, healthcare providers, insurance, manufacturing, media, natural resources, public sector, retail, services, technology service providers, transportation, utilities and energy, and wholesale. All but a handful of respondents were at the manager level or higher within their organizations and participated in the purchasing process for software, specifically for their respective business function during the previous two years. Software purchases were either new, replacement or expansion purchases. At least 96% of the functional business unit software purchases reported by respondents had contract values of at least \$50,000, and 43% were more than \$1 million. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and organizations surveyed.

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