

Surviving your first 100 days as a new CFO amidst the pandemic

Finance leaders can follow five steps to build credibility and meet high expectations in the first months on the job.

By Luke O'Neill

Finance professionals reaching for their first-time CFO job face a trial by fire.

New CFOs used to have a grace period, but the pandemic has heightened a need to make an impact early. Once on the job, first-time CFOs need to build credibility quickly, executive recruiters and senior CFOs suggest.

Many boards and executive managers expect CFOs to have an international perspective to foster global growth, according to executive recruiters interviewed by Deloitte. They want a CFO who's a good communicator, has a vision, can lead and collaborate, and can turn data into strategy. And they want quick results.

Rowan Wilkie, the Melbourne-based CFO of global software company LiveTiles, said that during the pandemic, CFOs need to get comfortable making decisions at an incredible speed, because indecision and inaction may have worse consequences than some mistakes.

"You've got to be directionally right, but choose speed over precision," he said.

Small teams of senior executives from different functions — ideally chaired by the CEO — help structure issues and responses, Wilkie said. To make important decisions, these teams should use quality data from a range of internal and external sources.

"Once that's in place, be ruthless with your time and resources by triaging risks and opportunities," he added. "Do the

important stuff well, get used to ditching nice-to-do things."

5 focus areas for first-time CFOs

Here is more advice from senior CFOs to help you in the initial 100 days as a first-time CFO:

Prioritise cash

This is the advice of Fabien Dawidowicz, the CFO of Spendesk, a French tech startup that gives CFOs and finance teams more visibility over company spending. "You may be in a newly funded company with a lot of cash in the bank account, which gives you more time to deep-dive into other subjects. But if cash is tighter, this absolutely needs to be your chief focus. That's the main financial priority. You can't do anything without cash. You can't pay employees or suppliers — nothing."

But the virus may impact revenues significantly, making it necessary to track cash flow and to forecast at different rhythms.

"In some cases, it could be day-to-day," Dawidowicz said. "If one or two clients can't pay and that would severely impact your cash, for instance. At the very least, this would be a time to talk to your own suppliers to see if you can change your frequency of expense payments."

Deliver business as usual

When you become a first-time CFO, you're now the custodian of core competencies.

"There are certain compliance-related functions, such as closing the books on time, getting meaningful reports out to management, making sure that financial statements are in compliance with GAAP, meeting regulatory requirements, and making sure you pass the audit," said Anna Brunelle, CPA (inactive), former CFO of Kinestral Technologies, a US company that develops software-enabled tinting windows.

"If the fundamentals are operating well, everyone takes them for granted, but if they are operating poorly, they're a constant pain point," Brunelle said. "To be successful, you have to have the wheels on the bus — it's not the glamorous part of the job, but without that foundation, you can't be a successful CFO."

Wilkie echoes Brunelle's advice on getting meaningful reports to management. "If you don't do that, and if there are question marks about the accuracy of information, or about multiple versions of reports or numbers, you will end up in a credibility cycle and you end up chasing your tail," he said.

Walk, listen, and talk

Mitsu Doshi, ACMA, CGMA, is the Asia Pacific CFO of foodpanda, a mobile food delivery platform with a presence in more than 240 cities worldwide. She advises new CFOs to observe, listen, and actively engage and interact with multiple stakeholders in their first 100 days.



“Invest time in understanding your business, your organisation’s culture, and the people who run your business,” she said. “It’s equally important to understand the values and the vision of the business, the board, and the investors.”

Dawidowicz also believes an understanding of company culture is key to shaping pandemic-related decisions. “Especially with topics like budget cuts, you have to be clear with employees about what’s happening and what kinds of effort you’re going to make in the future to avoid further issues,” he said. “From my own experience, transparency is key.”

Also, it’s important to try to find solutions with team managers. From time to time, they need to be able to operate with a lower budget, he said.

Craft the company’s story

Brunelle said stepping into the CFO role requires a transition to a storyteller role.

“You’re focused on what the company will become over the next few years,” she said. “Or, if you’re in a public company, you’re ... sharing your strategy with analysts, sharing quarterly financial results, answering questions, speaking at conferences, and guiding the stock market on future projections.”

Doshi agrees. “Aim to build a business where you can tell a story that not only contains elements of growth and wealth creation but also says that we proactively protect our businesses from the risks that come with the changing business landscapes.”

Act with integrity

When Wilkie and LiveTiles’ CEO returned from a US investor roadshow in early March, markets had started to become volatile. After speaking with major global investors and other large tech firms, it became clear that the coronavirus would spread around the world and a recession was likely.

On 2 March, he and the CEO talked on the phone, Wilkie said. In the next six weeks, headcount was cut 25% by accelerating acquisition integration and consolidating functions. As a result, cash burn decreased by nearly 90% in the quarter to 30 June.

The early stage of the pandemic was a challenging time. He said that making good people redundant has a profound and lasting impact, and it’s terrible for everyone involved. “So, you’ve firstly got to treat people as well as possible in that process and have broad buy-in from your

leaders, otherwise your culture and the objectives of the programme can be undermined.” ■

Luke O’Neill is a freelance writer based in Australia. To comment on this article or to suggest an idea for another article, contact Sabine Vollmer, an FM magazine senior editor, at Sabine.Vollmer@aicpa-cima.com.

Resources

Reports

Understanding and Communicating Value Creation: *The CFO and Finance Function Role in Value Creation* and *Understanding Value Creation*, tinyurl.com/yyk24afs

Agile Finance Reimagined: *Whitepaper and Video Series*, tinyurl.com/y97rmpv7

Videos

“The Evolving Role of the CFO”, tinyurl.com/y3ng98h4

“The Evolving Role of the CFO: The Sequel”, tinyurl.com/y6frj9qa