Out the Window:

Breaking Old Stereotypes and Leveraging New Skills and Strategies Required to Sell to Today's CFO

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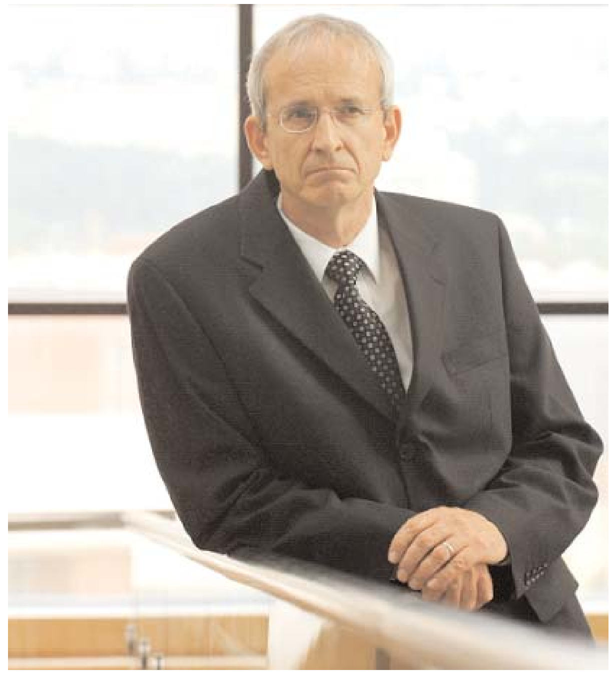
Introduction: Understanding Today's CFO



Consider the role of the Chief Financial Officer (CFO) in its most traditional sense. The CFO has always been the money man or woman who is chiefly responsible for managing the financial risks within their organization. He/she is, most often, a highly conservative, risk-averse person who tends to make decisions through a carefully honed, value-preservation lens.

Now, take this idea and throw it out the window because old stereotypes no longer apply. In fact, sales strategies around selling to the CFO that rely purely on value preservation will not cut it in today's business environment. There has been a dramatic shift in this role, and today's modern CFO is more than just an accountant or financial watchdog; the CFO is a strategic business partner.

Like any other strategic business partner within an organization, today's CFO is no longer focused on just value preservation – their focus is on creating value for the organization's stakeholders. The CFO is aware of trends and opportunities by looking not only within their business but within their industry and by looking at the economy from a global perspective. As expected of a strategic partner, the CFO has broken out of the proverbial box and now operates with greater agility and flexibility to ensure the success of their business.

However, this shift does not come without a renewed focus and commitment to integrity and ethics. Today's CFO understands the impact of operating unethically and thus requires a high degree of integrity and ethics. He/she looks for this same level of commitment to integrity and ethics in those they choose to do business with. Not even the smartest salesperson will be successful with today's CFO if he/she cannot demonstrate shared values of integrity and ethics.

Delivering Value as a Strategic Partner

As a strategic partner, a company's CFO serves as the "right-hand" person to the CEO. He/she monitors internal performance trends closely and establishes his/her focus based on factors impacting his/her business, the industry, and the economy as a whole. For example, in a normal business environment, a CFO's focus would be execution-oriented, as he/she would be looking for ways to improve internal performance and lower costs wherever possible.

By contrast, a CFO of a company in growth mode will likely focus his/her attention on ways to grow the business, either organically or through acquisition (while growth of the business will always be a focus for the CFO, for certain CFOs, the emphasis will be much greater). Similarly, in businesses that are seeking new products and services to remain competitive and/or accelerate growth, the CFO's focus will be directed toward transforming his/her organization's financial, structural, and operating platform to accommodate this.

For companies that find themselves struggling financially, the CFO is often looked to as a "turnaround specialist." In this role, a CFO will turn his/her attention to stabilizing the business, fixing problems, and creating a platform that will support future growth.

No matter what the state of performance is within an organization, today's CFO is a fully-integrated business partner who is uniquely positioned to build value creation for stakeholders. The question is – how must salespeople adjust their skills and strategies to engage today's CFO?

It may be helpful to first understand how a CFO views his/her own internal sales team. From a CFO's perspective, he/she can both value and remain skeptical of his/her sales team. The reason for this is centered on the fact that the sales team is on the front line of generating revenue for the business, and most CFOs admire their ability to sell products and services to clients. However, at the same time, the CFO views the sales team as an expensive item.

Each salesperson is viewed as someone who spends in excess and carries the burden of additional costs through special sales promotions and awards. Therefore, when preparing to sell to the CFO, take into consideration any potential bias that a CFO may have toward salespeople based on his/her own internal experiences. The best way to counter those concerns is through a salesperson's own commitment to value creation, a concept that will be greater explored in a bit.

Preparing to Meet with the CFO

As strategic partners with a much broader focus today than ever before, salespeople must prepare for their meeting by acknowledging that a CFO's plate is very full and that he/she will not take the time to understand a sales pitch. Therefore, it is incumbent upon the salesperson to ensure that his/her presentation is precise and to the point.

Begin your preparation by determining if the CFO is the sole decision maker, a joint decision maker, or if he/she is a key influencer. Remember that as a strategic partner and right hand to the CEO, the CFO can be a roadblock to a potential sale or a potential source of support to help accelerate the sales process.

Just as today's CFO is knowledgeable on a global scale, salespeople must be prepared to do their homework on not only the current state of a client's business and industry but also on global economic issues that may be impacting the way the CFO thinks. The more a salesperson knows, the more credible he/she becomes.

Be prepared to ask questions and identify key ways to tie product/service offerings to specific results for the CFO's company. A salesperson must also be well versed on his/her own value proposition and be prepared to speak specifically about how it relates to the CFO, his/her business, and issues on a global level. The CFO is a data-driven person and fully appreciates tangible benefits, so they should not be buried within a presentation; they must be clear and precise. Some key tangible benefits that the CFO appreciates are:

- Return on Investment (ROI)
- Payback period
- Total cost of ownership
- Operating vs. capital expenditures

Salespeople should also be prepared to speak to broader financial benefits as well as intangible benefits, such as improving customer and/or employee satisfaction. Recognize the CFO's role as a strategic partner by layering in the strategic benefits of a particular solution, such as its ability to improve the customer experience.

Engaging the CFO

When meeting with the CFO, it is important to operate in such a way that demonstrates a salesperson's ability to emulate a CFO's culture. There will be an expectation for a salesperson to be a "straight shooter" and to present in a factual, quantifiable manner. While it is not necessary to speak the language of the CFO – nor should a salesperson attempt to be an expert in finance if he/she is not – it is important to be able to speak intelligently about the CFO's roles, areas of responsibilities, and core focus.

It is critical for a salesperson to engage a CFO rather than "sell" in the traditional sense. The CFO wants facts and data; therefore, the presentation needs to be professional and based on objectivity rather than sales jargon. Salespeople should err on the side of conservative and ask questions to understand the needs and objectives currently facing the CFO, as well as future plans and strategies.
By understanding how a CFO operates as a strategic partner within his/her own organization will enable a salesperson to position his/her products/services in a way that demonstrates how the solution will help the CFO advance his/her strategic objectives.

As part of the dialogue, salespeople should aim to share the complete cost picture in a targeted and focused way. The CFO will naturally want to gravitate toward discussion around ROI and payback periods for the investment. A good salesperson will not steer the dialogue away from those topics but rather leverage success stories and share how he/she has worked with other CFOs to better position them to meet objectives.

Remember that the CFO is focused on minimizing risk and maximizing value for his/her organization. Therefore, the CFO does not want to find out later that an important cost component was overlooked during the presentation. Even if such a missed item was unintentional, it will not help in building the trust the CFO will seek from a service provider. The salesperson can be proactive in shaping the dialogue around costs by linking them to value and turn any potential negatives that arise into positives. For example, if the size of a smaller firm may be perceived as a disadvantage, the salesperson can proactively point out key differentiators, such as his/her smaller firm's ability to be more responsive, nimbler, and more flexible than large competitors, or its ability to allow the CFO to have a greater influence on the company product road map while providing better service and support.

Salespeople must keep the dialogue consultative by continuing to ask the CFO questions, solicit feedback, and check for feedback on the solutions that they have positioned. As part of the overall meeting wrap-up, the salesperson must set the expectation for next steps and follow up accordingly.

Becoming a Trusted Advisor to the CFO

As a strategic business partner within his/her own organization, a good CFO knows how important it is to establish a close circle of trusted advisors that they can turn to for value-added insights.

Salespeople who demonstrate their understanding of the multi-faceted role of today's CFO, as well as their ability to communicate in a direct, precise way with shared values, can position themselves in such a way that they become trusted advisors to the CFO. In this role, the salesperson has become someone who the CFO will turn to because of his/her knowledge of the CFO's business, industry, and global trends.

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