

## **CFO Thought Leader**

Strategic Insight For Finance Leaders.



[www.cfothoughtleader.com](http://www.cfothoughtleader.com)



*The following is an edited abstract from the CFO Thought Leader podcast featuring Bill Elkin, CFO at Interflex Acquisition Company, and Jack Sweeney, co-host of CFO Thought Leader.*

**CFOTL:** So, along the way, can you share a story during your finance career when you had sort of an ah-hah moment, a moment of strategic insight that allowed you to influence the direction the firm was taking?

**ELKIN:** The ah-hah moment for me was really going in on the first acquisition that we made with our first private equity investor, what they were looking for from the finance group. I took on an entirely different role. In a previous acquisition we made before we were privately owned, we basically engaged somebody to do all the due diligence that we felt like needed to be done. But once we had some private equity backers and we were more active in the M&A market, the ah-hah moment for me was there's really a lot that the finance group can do when going in and looking at all the financial data. The sales team tends to be focused on the market. The manufacturing team looks at operations but the finance group has access to all the data and to me, we tend to collaborate with due diligence and I've led that on the last two transactions where we're looking at all the financial data, all the sales data which is all numbers and all analysis and all data and then ah-hah, I can piece all this stuff together and paint a good picture of what are the key risks that are here, how do we mitigate those and also, what are the key opportunities that we didn't see when we first started looking at this but now that we've had a chance to pull the covers back a little bit, we can say that there's more there that can be done and more that can be achieved. So, I can paint a whole picture of what's going on based on the data that I have.

**CFOTL:** It was more of an operational role.

**ELKIN:** Well, I'm kind of jumping ahead but as you look at sort of the roles of the CFO, my view because I've got a lot of peers that come up through sort of the accounting side of things and if they're CFOs, they are also very good at business and analysis. I didn't come up that way in my career and I came up to the financial analyst side if you will and I've always felt like it's traditionally been viewed as just give me my numbers at the end of the month and then go back and do your thing and keep the cash flowing and keep the collections and paying bills but my view is always much more than that. I'd rather do the accounting or for example I'd rather get closed on in three or four days and spend the rest of the month adding value and looking at the numbers and looking at the analysis and what does that tell us about our business and how does that guide our discussions in our management meetings even at the bottom level all the way up to the board level and how do we be a partner to the sales team and how we may be partners to the

manufacturing teams rather than just the guy who comes to the meeting and says, "You made budget, you didn't make budget," and presents what I call the elevator analysis, you missed by X, you were up by Y. So, I've tried to push very hard to hire people who really understand accounting and people who really understand finance but who are able to connect all the dots and help direct the business and manage the business in a way that really adds value so that we can be -- I'm not going to say a profit center but we can certainly be a value center versus just a cost center.

**CFOTL:** It sounds like the organization was looking for you to step up and take on that role. It wasn't like you experienced any pushback like, "No, this is not what we expect from our finance team."

**ELKIN:** There was no pushback from the board and there was no pushback from the CEO. I think that there was probably some and I don't know if pushback is the right word but there was probably some hesitancy from some of the other groups because while we thought we were potentially trying to add value. I could see where people would say, "Well, they're just trying to poke holes in what we're up to," or, "They're trying to second guess what we're doing." And it is kind of tricky not to do that. So there was some resistance but I think that the more that we've shown that -- well yes in some cases we are going to point out something that is wrong from example or that needs attention. That's not really what's driving us. What's driving us is not only are we going to point that out but we're going to try to help give you a roadmap for some opportunities to correct the course.

And sometimes we're not qualified to do that but at least we can provide some value and add some insight to that and I think it's going pretty well as we've grown the business and we've got some different talent at the top. We've got a bit of a leadership shift going on in the business and we're trying to get people to do -- we're trying to hire generalists if you will with specialties rather than specialists and kind of make them into generalists. And so our VP of sales and marketing absolutely understands numbers. When you put a financial statement in front of me, he knows what he's looking at, he understands what all the drivers are, profitability. We have the same thing with the operations, the person that we have now.

So, we've tried to, as we've had to make changes or have had the opportunity to make some good changes for whatever reason, we've tried to recruit people that have similar type of skillsets. And the CEO was also on that flight and that was the second or third time we've flown together in 13 years and it was the last time we've flown together and we jokingly said, what's going to happen, which is just a quick flight to Charlotte. We never fly together, it's never going to be a big deal and that's what happened.

**CFOTL:** I thought that's interesting. I didn't realize the two of you were on the flight. So thanks for sharing that Bill and we'll jump back to our mentoring questions now. What piece of advice do you wish someone had shared with you at the start of your finance career or CFO career. When you think back now, I know it's kind of hard for you because you were sort of in that CFO role before you had the title. But what piece of advice do you wish someone had shared with you at the start of your CFO career?

**ELKIN:** This is probably more a reflection of who I was working for at the time but I think somebody would have pushed me a little harder to ask and be involved in more discussion and meetings that were outside of the finance group, even if all I was doing was sitting and listening, just sitting in the meeting and listening to what was going on, because I think that the real value a CFO can add to any business is the ability to look across the different functions of the different groups of any organization and then as I say, try to connect the dots and bring pieces together and be an honest broker between different groups within a business.

I've got a number of peers and it seems like manufacturing is always arguing with sales. In a different group, IT is always -- I mean there's always friction between certain groups and I think the good role of the CFO and I'd say it would be the same thing for a COO or a CEO is to be someone who those groups can look to be an honest broker and to give them feedback and to do what you say you're going to do and represent all interest of the business for the betterment of the whole business. It took me longer to get there. When I came to Interflex, the leadership was different and the salespeople would have their meetings and I wouldn't be invited, which was fine. But I think if I had been able to get up to speed a little faster there I might have been able to help.

So my advice would be make the time to just participate and listen to other meetings, operations, sales, marketing, IT, all of those kinds of things.

**CFOTL:** What personal habit do you believe is contributed to your professional success?

**ELKIN:** I think that the personal habit that I have to answer that question is that I am not willing to ask anybody to do anything that I will not do myself and that I will work as hard as anybody else, regardless of what my position is within the company or within any team that I have on. I won't ask anybody to come in and work on a project on a Saturday if I'm not willing to come in and do that. And I think that it has inspired other people to do the same and I think it's also shown people that I value their input and I value their time and I'm willing to give up my time and my resources and my energy when I ask them to do something.

I think that there's a team of people both in the finance group and as a result, I think there's a team of people in the finance group and the rest of the business who A, respect me for that but to me it's not about respect, it's about can we then all work together and add value and grow the business together. I've worked for people that have achieved a certain position and then feel like, "I'm going to sort of direct from the top," and to me I am just as happy to get down on the weeds with the team and do whatever it takes to help everybody win. So, I think that's a personal habit. And I guess one other one is that I absolutely am a believer in sharing the rewards and the recognition with the people that do the work. So I tend to spend a lot of time trying to encourage people when they've done something very well, give them credit for that and make sure that the other people within the organization understand that while this finance project that I may be chairing has gone really well, the real people that got it done were the people that were on the team and whoever that may be.

**CFOTL:** What's your favorite Cloud based productivity tool or application?

**ELKIN:** I guess my favorite Cloud based productivity tool or application would be the online data rooms. On the M&A side, the first couple of deals that we did, we didn't have that and there were a lot of faxes and documents and overnight mail. And so with the onset of intra links and Merrill data room and things like that, the ability to collaborate and share information I think has improved tremendously. So I guess we are doing that to some degree, we're keeping a lot of our documents in sort of Cloud based environments so that we can share those quickly and easily within the business and then externally when the need comes up.

**CFOTL:** What book would you recommend to aspiring finance leaders?

**ELKIN:** Well, probably like a lot of people, I tend to remember the last book I read, the Steve Jobs book really meant a lot to me, and only because -- it didn't really have a whole lot to do with finance I guess because -- and then maybe you'll hear this similar to what I just said about my personal habits, he was a tyrant sometimes but he absolutely understood the details of his business. And when you read about the level of detail that he went to on even the most seemingly insignificant parts of the products they were doing, the projects, the business was undertaking, acquisitions, transactions, I just thought that really inspired me and then also I thought was very good for how to build a team around you that understands the vision and can execute on the vision.

**CFOTL:** And finally we have this one last question, what is the one thing that's really exciting you about finance and business right now?

**ELKIN:** I think that right now, at least in our business, because everything seems to be very much data-driven these days, with everybody measuring everything in all aspects of business with pivot tables and slicing and dicing, everything, finance people tend to be good analysts as well. And so to me that's pretty exciting. It comes semi-naturally to me just to be able to look at numbers and try to make sense of them. And I think that's exciting because it takes the finance role out of the back office if you will, realm of a business and helps put that in the forefront of growing a business and adding value and that's what we want everybody in our business doing is looking forward, understanding the numbers, understanding what drives profit, understanding what drives margins and how they can contribute to that. And to me that's pretty exciting. It's a more holistic approach. We tend to manage the business that way, we don't operate in silos. Anybody in our business can question and challenge anybody else. The finance group is leading that initiative within our business and I think that's pretty exciting.

**CFOTL:** Bill Elkin, thank you for being with us on CFO Thought Leader.

**ELKIN:** I'm glad to be here.