

## **CFO Thought Leader**

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*The following is an edited abstract from the CFO Thought Leader podcast featuring Christina Kite, SVP of Susquehanna Bank, and Jack Sweeney, co-host of CFO Thought Leader.*

**CFOTL:** So, it's now time for us to ask you for an aha moment and share a story of a time in your finance career when you had a moment of strategic insight that led you to drive change. I think you've hinted at quite a few already but does any comes to mind?

**KITE:** Yes, I'll surprise you. When I went to the Federal Reserve, it was a very prestigious organization and one that in many cases certainly implemented change but not at any rapid pace. We had never outsourced any functions within the Federal Reserve Bank of New York in terms of some of the back office areas and we were looking at an area of food servicing that we really felt to provide higher quality of food for our employees and in many cases to reduce the cost of that that we're continuing to escalate. We really needed to look it up sourcing the function. So my aha moment came, this was something that we had tried to do for a couple of years prior to my arrival and so I went out and I interviewed every single one of the executive members of our senior management team at the Feds and asked them what they felt, were the resistance to really outsourcing this function, what would it take for us to get them to yes?

And what we found out, and I think this is really important for any finance individual, that oftentimes you have to have a business case, there's no doubt about that. But oftentimes it's not about just the business case. What we found out here was if we outsource the function, we would absolutely face over \$1.1 million a year, but that wasn't what was going to get the organization to yes. In fact, the final presentation that we did get them to say yes to outsourcing the function didn't come from the business case. We didn't even include the business case in the presentation. What we really focused on was number one, how we were going to take care of the people that had been with the Feds thirty, in some cases forty years and how are we going to take care of those people. They are very loyal to the individuals that had been part of their Federal Reserve team for all those years.

Number two, we had to also focus on how and what was important to the remaining employees to get them to hire quality food by letting somebody else take that function over that would be core to them and how the rest of the federal reserve team members could also focus on things that were more important to them. Number one, we structured the contract so that the third party that we were outsourcing the function to would accept every single Federal Reserve employee for at least a period of three years which answered the first one.

Number two and more importantly, we could give them career paths. So if somebody was a cook, the chances that they could move to cook 1 or 2 or even get specialized training in culinary at our organization was going to be very low but moving to a third party, the chances that they could get much better training and a career path was really what got the organization to yes.

And number three, by showing that we could outsource it to a third party, that we would be able to raise the level of quality of food that they would also in many cases benefit the 3,000 employees at the Federal Reserve that we thought we could provide a much better food servicing program for them. Even though we were absolutely able to show that they would also save 1.1 million, it was really about the people and focusing on listening to each one of those 14 members of the executive committee that we needed to get to yes, that all the previous years focused too much on the business case and not enough on listening to what was going to influence the organization and that although we certainly had a compelling business case, it was really focusing on the people and making sure that we had a strong business case around the people that actually got us to be able to bring that change to the organization.

It's a real story. I wish I could tell you about something. It was much grandest but I think sometimes the examples that are really, this is how we got them to yes and even though in a million-dollar savings year over year wasn't as important as we would take care of the people that would be displaced but also the people that would remain and deserved a much higher quality food program.

**CFOTL:** Have they carried on?

**KITE:** Yes, and I think they will be more open to outsourcing of other trades and other things so let's face it, we want the Federal Reserve very, very focused on not only monetary policy but ensuring that we can continue to drive down the unemployment rate and we can continue to manage and place them and how can we allow others to really take on other functions and get them focused on what's core to the organization.

**CFOTL:** What is one thing that's really exciting you about finance and business right now?

**KITE:** I think this digital revolution. I think three things, number one, you've got to get control of it and the digital world is here to stay, the internet of things is here to stay and the CFO, the future needs to understand how this is going to impact their world, and not just their world from a finance standpoint but enterprises that they're operating in. Number two, security, they need to understand that the chances now, the probability is not if, it's when, so be prepared, have your business continuity plans in place but don't be surprised. Expect that you will have your data compromised and be a good CFO and make sure your organization has run through the drills so that you're prepared when it happens. It's almost like saying, "We'll never have a hurricane," and you're living in Florida. You need to now be ready and as a CFO make sure your organization is ready.

And number three, it's still about the people. Never ever, ever think plans make things happen or Excel spreadsheets make things happen, no, people at the end of the day make things happen and you still have to be able to win the hearts and the minds of your people.