

5 Key Takeaways From the CFO Roundtable

At our CFO Roundtable held in Boston, 16 finance leaders joined us for a peer-to-peer discussion about what's top of mind heading into 2024, top challenges of the role, and promising practices for tackling those challenges. Here's a summary of what we heard:

1 Building buy-in on data hygiene and ownership is a big and critical challenge.

It's vital to get the rest of the organization bought-in to the importance of accurate, deeply segmented data that everyone agrees on and uses to make decisions. Developing that data-first mindset is tough when Finance doesn't own the inputs, but is accountable for the outputs (namely related to customer count and financial results) and what gets reported to the management team, the board, and investors. It's also hard to strike the balance between optimism and appropriate skepticism (particularly given the cycles we've seen in the last few years).

3 Organizational data hygiene will result in numbers we can trust.

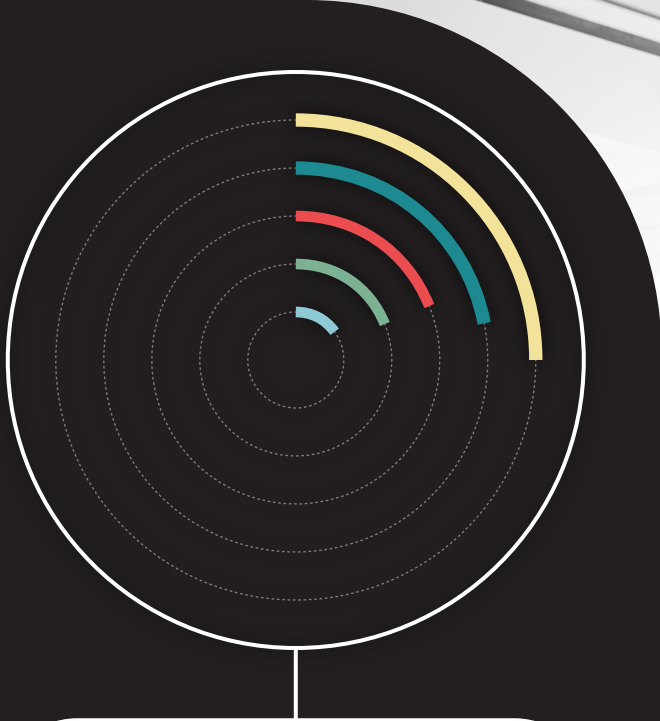
Organizational data hygiene results in numbers we can trust internally and make timely decisions from, with confidence. It also builds trust in Finance and the organization overall with external audiences like investors. If we deliver our story with accuracy, speed, and depth, we build trust in (and gain greater control of) the story, which in turn impacts how investors evaluate and value what we're doing.

2 Finance can and should lead the data-first charge.






We in Finance (along with ops leaders) need to lead the data-first charge. Support from the CEO ("tone at the top") is important, but the onus is on us to create this awareness and show people how it benefits them and the organization, including being out in front on big shifts - like AI - understanding what they mean and how to apply them.

4 There's guarded optimism about '24.

Working with a 1-5 scale, most people agree we're coming off a 1-2 in '23 which was a challenge by all accounts. We'll know more as pipelines shape up in Q1, but we're guardedly optimistic for a better '24, including getting back to investing in the business. Some think we're headed for a solid, if not stand out, improvement to a 3. Others are more optimistic, seeing a 4 in the cards for the US thanks to drivers like the AI shift, continued inflation progress and potential interest rate reductions. Even if there may still be a dip into 1 territory early in the year thanks to world events, we can expect things to meaningfully tick up in the back half.








What do CFOs want to prioritize in 2024?

- 25%**  Data readiness & hygiene
- 22%**  Performance measurement & monitoring
- 19%**  '24 outlook & planning
- 19%**  Performance optimization
- 15%**  Finance function build



5 Leaders shared their personal insights on thriving in high-pressure roles.

-  Get active with mentors - have a personal board of directors to help you steer the ship of your state.
-  Share good news fast, bad news faster - both roads lead back to trust.
-  Stuck is not a leadership move - data quality buy-in challenges are real and... you have agency and moves to build the mindset you think the org needs.
-  Take stock every 12-18 months - this is the biggest investment of your most precious resource (time), check-in honestly and regularly with yourself on this big bet you're placing.
-  Don't be afraid to say no to revenue - (unless perhaps you're PLG) - painful as it may be in the short run, making sure the org is saying yes to the right revenue, from the right customer almost always pays in the medium to long term.

Top 3 Challenges Surfaced by CFO's and Ideas For Best Practices



We asked CFOs in advance to surface top challenges they wanted to talk about with peers, and engaged them in a discussion of the top 3 in the roundtable.

1 Data Readiness and Hygiene

All agree clean, accurate, segmented data is vital and paves the way to the sustainable, predictable growth that's more important than ever after the roller coaster of recent years. At the same time, consistent hurdles stand in the way, including varying data definitions and human factors in data inputs. While figuring out how to commit the right resources to the challenge is difficult, leaders in the room felt finance can and should lead the org on data quality.

2 Performance Measurement and Monitoring

The idea of key metrics may be common language for performance discussions generally, but defining what they actually are, how they're aligned to the business model, what's important about each one and how to consistently communicate them across the business (and to the board/investors) - that's a whole other matter. Particularly with a remote workforce and changing growth contexts. As one CFO put it, it's hard to get the CRO focused on LTV:CAC and churn when the business environment prioritizes growth above all.

3 '24 Outlook and Planning

Against a backdrop of guarded optimism about '24 (particularly when compared to '22-'23), the discussion focused on balanced planning. I.e. how do you land the plane of appropriately aggressive but also achievable? Or as a CFO put it, hittable but not a layup? Because there's power in the momentum that comes from making your plan, versus always shooting for the moon and potentially tanking optimism.

BEST PRACTICE IDEAS

- *Involving other stakeholders in the cause, partnering with the CRO at the top of the list.*
- *Showing them clear incentives for better data, like specific linkages to more budget, investment, etc.*
- *Focusing on clear process as you go. Paraphrasing one CFO, having a robust business process is more crucial than just accumulating data.*
- *Magic wand? Data-first from the beginning (but that's hard generally), or be PLG.*

BEST PRACTICE IDEAS

- *Too much communication about what the metrics are and why they matter is never enough (thank you Mark Twain).*
- *CFO relationships matter a lot - strong ties with other department heads go a long way to better forecasting, planning, and adjusting together.*
- *Not everyone has the resources, but embedding FP&A team members as partners in functional teams can dramatically boost key metric game (and ultimately data).*
- *Magic wand? Get advanced warning, early alerts about performance issues.*

BEST PRACTICE IDEAS

- *Focus on sales (and thus planning) predictability, which requires more visibility to GTM elements that drive plan, and regular check-ins to adjust as we go.*
- *Plan to adjust the plan - rolling forecasts, 100-180 day plans (depending on sales cycles), upside and down scenarios that encourage more revisiting and refining.*
- *Be open to going beyond the "security blanket of excel" on tools.*

Assessments of the Data Challenge

1

We also asked CFOs in advance to weigh in on elements of the data challenge at their organization. First a question about the importance of data being “always ready” to put to work and where they see their data on that journey today.



8.4

Importance of data being “always ready” to put to work

5.2

Where CFOs see their data on that journey today

0

Not At All

5

Somewhat

10

Very

2

And second, a question asking them to rank various elements of the effort to fully leverage data in terms of difficulty. important to note that, when looking at the aggregate results, CFOs shared with us that they felt there wasn't a lot separating most difficult from least. As in their estimation these are all hard and important challenges.

- 1) Having our data complete and segmented enough to help us generate insights we can confidently act on.
- 2) Setting up the data so it can alert us to changes and signals we should pay attention to.
- 3) Making sure the data is accurate and reliable.
- 4) Consolidating our data into a single source that all our functions can access.
- 5) Enabling other functions to use the data without breaking something and compromising data integrity.

Thrive in 2024 With the Right Strategic Partnership

As 2024 unfolds with its share of unknowns, SaaSWorks is here to guide your business to growth and resilience. Together, we'll convert the year's uncertainties into avenues for strategic triumph.

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