

# The CFO Role— Guidance to Success

X-it Strategy Consulting  
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# Purpose

The purpose of this presentation is to highlight some of the key themes that a CFO (or senior finance leader) looking to perform at a high level should consider and execute against. No two CFO positions are alike, affected by industry, company size and history, public/private funding, company culture, etc., so this is not necessarily a comprehensive list. Having said that, once you review this presentation, it should seem that any CFO that thoughtfully implements a strategy against each of these themes, increases his/her probability of being designated as a high performing leader.

As you view these concepts, they will all seem intuitive. The key is execution in the face of unexpected fires and emergencies, which often become excuses as to why these themes fall by the wayside, and the potentially successful CFO becomes just “average”.

# Themes

- Leadership
- Customer Experience
- Building a Culture
- Communication
- Team Building
- Setting Priorities, Planning, and Being Organized
- Data Driven Performance Management

# Leadership

Recognize that the CFO is a critical leader in the organization. Capital providers, the CEO, senior management, and those below the “C” level look to the CFO to set the tone, along with the rest of the senior management team. Given the proximity a CFO has to critical business information, it is highly valuable for the CFO to be more integrally involved in the operation of the business.

The best way I have found to provide leadership is to view everything the CFO does in connection with providing an outstanding Customer Experience. For more on the Customer Experience, see the next slide...

# Customer Experience

One of the critical goals of any company is to provide a high quality experience to its customers. The successful CFO understands the importance of providing a high quality experience to all of his/her customers, Extending the definition of Customer to include investors, senior management, employees, vendors and the actual end user customer. For example, the payroll process directly effects all employees, and when the function that processes payroll considers employees as the customer, the way in which they complete the payroll process becomes much more important. Functions that report to the CFO interact with each of these customer groups, so this concept applies almost uniquely to the CFO.

# Building a Culture

The CFO should set the tone for his/her organization by building a culture within each of the functions within his/her reporting structure, a culture that works in concert with the mission statement and company values, but applies to the mission of that function more specifically. If the CFO is passionate about the culture and creates good habits around the elements of the culture, the teams will engage with more passion to achieve their goals and objectives. In all cases, providing high quality customer service should be the first element of that Cultural Framework. In addition, for example, the accounting function could include concepts in its framework like:

- Document and Cross-train against each and every process
- Validate and ask Why (why do we process transactions this way?)
- Automate and make processes more efficient
- Plan and Organize the work



# Communication

Thoughtful communication is the key to great leadership. The CFO must take the time to develop a communication strategy to all constituents, including the CEO and Board/investors, peers at the senior management level, and the downstream teams. The strategy should consider the frequency of communication (how often to meet or share information), as well as the various mediums of communication. Leaning only on electronic delivery of the message would be ignoring the important of direct fact to face contact, which allows emotion to play a role in the information delivery. Be considerate of the audience when sharing information, as there are times to simplify and summarize the message. There are also times when it is necessary to share all of the complicated details. Being responsive to requests gives the requester a sense of how important they are as a customer.

Note that LISTENING is also a critical part of the communication process.

# Team Building

The team that the CFO creates is in the best position to make him/her successful, as there is a need for the CFO to shift focus toward management and analysis, and away from performing “Business as Usual” tasks. Staffing appropriately is the only way to insure focus is at the right level of “work”. Make sure that the group is guided with organizing techniques (i.e. Monthly close checklists and an annual view to the various deliverables within the group).

Having an organizational chart that is reviewed periodically gives perspective on structure. Job descriptions are the key to insuring that there is clarity and coverage for all tasks, and gives each position clear instruction and guidance as to the expectation for successful effort in his/her position.

Each position should be tagged with measurable performance items. These must be objective measures, with clearly defined targets. It is then important that the CFO take the time to measure performance against the targets and provided ongoing feedback as to their performance. Employees need feedback on their performance, both constructive feedback and positive reinforcement. If the CFO communicates thoughtfully and consistently, the annual performance review should yield no surprises.



# Setting Priorities, Planning, and Being Organized

Time is always at a premium. Successful CFO's view time as their most valuable resource or their biggest limiting factor.

The approach to managing limited available bandwidth, the focus to most productively use that time, and the way in which one works to stay organized and on top of the various areas and projects which are being managed are all critical concepts that directly effect performance.

CFO's are force to think about history, the current state, and the future, which requires a highly organized approach to the compliance aspects of their role (reporting and filing, processing payroll and payables, etc.) as well as strategic and tactical planning (budgeting and modeling, capital and exit planning, etc.).

The CFO must find an organizational approach that works for him or her, regardless of what that approach is.

# Data Driven Performance Management

This concept represents the comprehensive effort to gather data and use that data, by delivering metrics reporting, to assist in the business decision making processes, and keep the business on course to its most efficient and customer friendly environment.

The CFO's organization is often considered the team responsible for compiling, analyzing and delivering information for use throughout the organization in managing operational and financial performance.

The key is to manage with metrics at the Macro level as well as the Micro level.

Micro level metrics involve managing individual position and employee performance, and doing so with data that is available on a real time basis (and designed for easy consumption). Technology like Mobile apps allows field based positions data on sales and account characteristics, and inventory data as examples. Telephony systems allow for real time and easy to consume (display) call center performance.

Create a Reporting Library with different points of measurement, build out an organized reporting and analysis approach that becomes a key part of the way you run the business and work together to make course corrections. Incorporate data gathering and analytics into the daily routine of all positions throughout the organization.

# Xit Strategy Engagements

- Member of the Board of an SDM 100 Company, acting as an industry partner and offering consulting services to the CEO/CFO to further advance various board objectives
- Currently assisting a client with obtaining a senior credit facility, in connection with 2 acquisition opportunities (where Xit is assisting in the buyer due diligence and conversion planning)
- Currently assisting a client with streamlining its operation, assessing a new software platform, and improving the finance/accounting function
- Current assisting a client by optimizing their use of a most recently installed Sedona Office Accounting/CRM system.
- Working as Acting CFO for a high growth technology company within the security industry, tasked with organizing the accounting and finance functions, working with senior management and the board to evaluate the capital structure and financing options
- Assisted Buyer in Due Diligence on a SDM 100 Company acquisition
- Assisted Bank in Due Diligence on a recent placement of debt with a SDM Top 20 Company
- Completed assignment as Interim VP Accounting to elevate the accounting function to “World Class”
- Talent Sourcing – Assisted Client in effort to hire a key member of the finance management team
- Implementation of Software upgrade – Assisted Client in the project management efforts to upgrade accounting software to latest version

# About X-it Strategy Consulting and Founder Ken Wiesenfeld

X-it Strategy, a financial consulting firm, is focused primarily on the electronic security industry, assisting small to middle market companies, improving the value embedded within their finance/accounting resources, optimizing their business processes and organizing their environment for a capital event.

Ken Wiesenfeld, founder of X-it Strategy Consulting, has over 20 years of progressive financial and operational experience. He served most recently for the past eight years as the Chief Financial Officer at Security Networks, an electronic security provider to over 200,000 customers and more than \$100 million in annual revenue (2013), having grown the company from \$5 million in annual revenues when he began with the company. He worked closely with the CEO to build Security Networks through a combination of strategic acquisitions coupled with a powerful affiliate model that fueled steady and consistent growth. Before his employment at Security Networks, Mr. Wiesenfeld was the CFO of Guardian International in Hollywood, FL. Prior to that position, he held various management positions at Security Technologies Group and Sensormatic Electronics Corporation. He began his career at Price Waterhouse after having graduated from the Wharton School at the University of Pennsylvania in 1992, and lives with his family in Parkland, Florida.



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# HELPING YOUR BUSINESS STAY THE COURSE



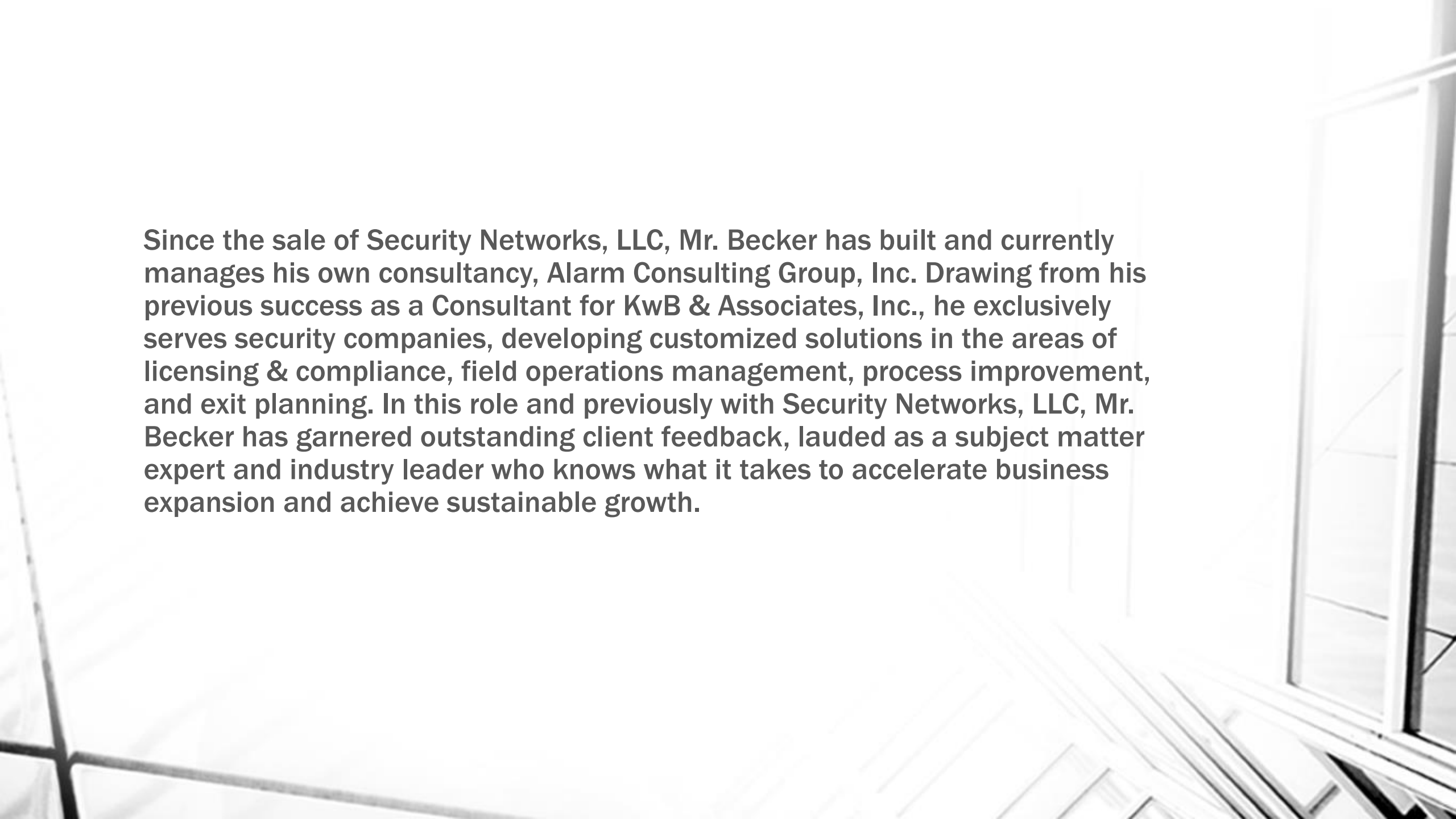
**Our mission at Alarm Consulting Group is to provide our clients with guidance and sight to help elevate their business to the next level.**



# About Alarm Consulting Group Inc and Founder Kurt Becker

An accomplished executive and entrepreneur with more than 25 years in the security industry, Kurt Becker has established a career-long record of success marked by diligence, agility, and innovation. With a relentless drive to spur business development and uncompromising commitment to customer service, Mr. Becker has repeatedly shaped organizational culture to realize results across profitability, efficiency, and growth.

For ten years, Mr. Becker directed all aspects of day-to-day operations for the residential security provider Security Networks, LLC. As Vice President of Operations with oversight of strategic and tactical planning, he seized every opportunity to enhance organizational efficiency and advance business development efforts. From recruiting and training top talent to sourcing and securing the most competitive vendor contracts, Mr. Becker expertly balanced immediate needs with the company's longterm vision. Among his many achievements in this role, he played a key role in expanding the client base from 4,000 to 225,000 accounts across 46 states and the addition of a UL-certified central station in Orlando. Further, he provided essential contributions to the successful sale of the company to the second largest residential security provider in the country at one the highest valuations on record

The background of the slide is a grayscale photograph of a modern office space. On the right side, there is a large window with a white frame, looking out onto a bright, possibly outdoor area. In the foreground, the dark metal railings of a staircase are visible, leading upwards. The overall lighting is bright and airy, with soft shadows cast across the surfaces.

Since the sale of Security Networks, LLC, Mr. Becker has built and currently manages his own consultancy, Alarm Consulting Group, Inc. Drawing from his previous success as a Consultant for KwB & Associates, Inc., he exclusively serves security companies, developing customized solutions in the areas of licensing & compliance, field operations management, process improvement, and exit planning. In this role and previously with Security Networks, LLC, Mr. Becker has garnered outstanding client feedback, lauded as a subject matter expert and industry leader who knows what it takes to accelerate business expansion and achieve sustainable growth.