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Peter Margaritis: [00:00:27] Welcome to Change Your Mindset Podcast, formerly known as Improv is No Joke, where it's all about believing that strong communication skills are the best way in delivering your technical accounting knowledge and growing your business. An effective way of building stronger communication skills is by embracing the principles of applied improvisation.

Peter Margaritis: [00:00:47] Your host is Peter Margaritis, CPA, a.k.a. The Accidental Accountant. And he will interview financial professionals and business leaders to find their secret in building stronger relationships with their clients, customers, associates, and peers, all the while growing their businesses. So, let's start the show.

Peter Margaritis: [00:01:15] Welcome to Episode 23. And my guest today is my good friend and colleague, Jennifer Elder, who's a CPA. Now, Jennifer works with financial leaders to become more strategic, stay ahead of the competition, and be more successful. As a consultant and keynote speaker, Jennifer is known for being energetic and enthusiastic. She has the natural talent for taking complicated topics and making them simple, practical, and immediately implementable.

Peter Margaritis: [00:01:47] CPA Practice Advisor named Jennifer one of the Top 25 Women in Accounting in 2018. The American Institute of Certified Public Accountants and the Maryland Association of Certified Public Accountants named her a Woman to Watch in 2015. She has been awarded Outstanding Educator by the American Institute of CPAs five times. In 2018, Jennifer earned the designation of Certified Speaking Professional. She is one of only 10 people worldwide who hold both the CPA and CSP designations. And Jennifer, I know you're listening to this. Let's just hope that maybe I can join that, and we can push that number from 10 to 11 in 2019.

Peter Margaritis: [00:02:37] Before we get to the interview. I wanted to share with you that Change Your Mindset is now being distributed on C-Suite Radio. You can find Change Your Mindset and many other outstanding business podcasts on C-Suite Radio by going to www.c-suiteradio.com.

Announcer: [00:02:59] This podcast is part of the C-Suite Radio Network. Turning the volume up on business.

Peter Margaritis: [00:03:04] If you've been listening to this podcast for a while, and you think that I could add value as a speaker to an upcoming conference, please contact me at peter@petermargaritis.com and put in the subject line, CYM Speaking Opportunity. Well, now, that's all out of the way, let's get to the interview with Jennifer Elder

Peter Margaritis: [00:03:34] It's been way too long since I've had my very close, good friend, Jennifer Elder, on my podcast. And she's up in New Hampshire looking out her window at all the beautiful snow and skiing that she's going to do when she's done with today's episode. So, Jennifer, thank you very much for taking time out to be on the podcast.

Jennifer Elder: [00:03:52] Thank you very much, Peter. It is a pleasure to be here.

Peter Margaritis: [00:03:56] And I'm looking forward to our conversation because Jennifer does speak about the CFO role and how the CFO role will change as technology becomes more prevalent in the workplace. So, I wanted her to give us that background on how that role will begin to change, let's just say, from CF No to something more strategic.

Jennifer Elder: [00:04:20] Exactly. That's exactly how I describe it is the past -- The role has already started to change that. In the past, the role of the CFO was historian, record keeper, and the CF No. Their mission in life was to say no to everything because, "No, it's not in the budget. No, no, no, no. We can't do that. You're not following the policy and procedure. There's no exception." And it was all about command and control. And that's great if you are in a very stable environment, but the

rate of change is never going to be any slower than it is right now. And it's really hard to keep up as it is. So, that command and control doesn't work anymore.

Jennifer Elder: [00:05:08] I'm likening it, and some people may have already heard this reference, but when you're driving your car, you have your windshield, you have your rear-view mirror. The rear-view mirror is small because it gives you a little bit of information but not enough. Really, you need to be looking forward through that big windshield. And the typical in the past, the role of the CFO was looking at the historical financial statements, which is looking behind them in the rear-view mirror. It tells you where the ship has been. It doesn't necessarily tell you where it's going. And there's too much, too much change, too much risk out there that the CFO now has to shift that perspective and look forward. They have to start to be able to look into the crystal ball, see what's coming down the pike.

Peter Margaritis: [00:06:02] Whoa. Well, then, this is a perfect topic for my podcast, Change Your Mindset, because it sounds like the CFO needs to change their mindset into something completely different than they've been doing in the past.

Jennifer Elder: [00:06:13] Yes. Again, it's no longer but, "What did we do?" It's, "What are we going to do? And how do we protect ourselves? How do we position ourselves, to take advantage of what's coming down in the future?" And if you're not thinking ahead of what you're going to do, you're already behind. When you're surfing, you have to look ahead and be ready to catch the next wave. If you try and catch it when it's here, you miss it completely.

Peter Margaritis: [00:06:44] Yeah. So, if you're a controller or aspiring to be a CFO, then this episode is really important to you. And listen carefully because you're going to need to change that mindset and apply some of the nuggets that Jennifer's going to bestow on us. Things that we need to do to become that CFO of the future.

Jennifer Elder: [00:07:01] Yeah. So, the things to do to become the CFO of the future are really to look ahead. Think about what's going on in the world and how that might affect your organization. So, you want to be looking at trends. What are the trends in the

world? It could be, if you are operating globally, what's going on in the countries that you operate in? If you're national, what's going on in your country? Regionally, same thing.

Jennifer Elder: [00:07:35] You also need to look at your industry. What's going on in that industry? What are the trends that are affecting it? Is there something that's causing the industry to constrict? Is there something that's causing the industry to expand? Now, in the accounting and finance role, right now, the trend everybody's looking and talking about, as you mentioned, is technology. How is that going to change everything? And, sadly, some book somewhere gave the number that 94% of all accountants will lose their jobs due to technology.

Peter Margaritis: [00:08:14] Now, wait a minute. We know 73% of all statistics are made up.

Jennifer Elder: [00:08:17] Exactly. And some of us have been around since the dinosaurs were roaming the earth, and we saw the switch from -- No. Using tax preparers to TurboTax. And when TurboTax came out, everybody said, "That's it. The sky is falling. There will be no more tax preparers." And that's not the case. The role shifted. But if the tax preparers that didn't shift, yes, they got left behind.

Jennifer Elder: [00:08:46] And the same thing with corporate finance is that they have to be prepared for this shift because AI will affect what we do. So, we need to change how we do it. So, AI will start to impact how you do your accounting. And there are lots of software programs now that integrate between buyers and sellers. So, you don't have P clerks entering data. We have expense reporting software that will do things automatically for us. And, ultimately, years down the road when we get into a blockchain, we may not need AR or AP clerks, but we're still going to need the people to give advice. And that's the real shift.

Peter Margaritis: [00:09:33] So, the gentleman's name escapes me. He is the former chair of the MACPA, Maryland Association of CPAs, who is the CFO at McCormick.

Jennifer Elder: [00:09:45] Ken.

Peter Margaritis: [00:09:46] Yeah, Ken.

Jennifer Elder: [00:09:46] Ken Kelly.

Peter Margaritis: [00:09:47] It could be him. We'll just call him Ken because that's -- At least, we got his first name. But, I guess, you shared with folks, with Tom Hood and the folks at the Maryland Association that he's put in RPAs, robotic process automation, where they've got these two bots. And since it's McCormick, they named one Pepper and one obey. And these bots go in and reconcile almost everything or anything that needs to be reconciled, but they reconciled it within a matter of seconds versus a matter of hours.

Jennifer Elder: [00:10:25] Yes.

Peter Margaritis: [00:10:25] And they have lost some staff over it because they didn't need that that work. The automation took care of that. But what they needed, to your point, was they needed somebody to go, "Okay, let me look at this report. Let me see where those areas are that's telling me that I need to go look at. Let me go find the answer, and then communicate it upward."

Jennifer Elder: [00:10:47] Yes. So, bots will do some of the work, but they're still going to -- you're still going to need somebody to review the work that the bots did and look at what they're reporting. So, a bot can come in there, and look, and say, "Here are the transactions that don't make sense." But somebody has to come in and say, "Do they really make sense?" And if they don't, who's going to do the research to figure out what really should have happened?

Jennifer Elder: [00:11:18] So, the bots will look and find transactions that are not within normal standard deviations, but somebody has to interpret things and figure them out. So, problem solving skills will be another skill for the future. You can get these reports, but who's going to tell you what to do with them? So, a couple of the mindsets that have to change are (1), is thinking towards the future; (2), is problem solving; and (3), would

be how do you communicate that information throughout your organization in a way that people hear it and understand it.

Peter Margaritis: [00:12:01] And I've said this for a long time, accounting is a foreign language. And we, as CPAs, need to become better translators for that foreign language into plain English.

Jennifer Elder: [00:12:08] Yes.

Peter Margaritis: [00:12:09] Is that what you're saying? We need to speak in plain English versus jargon.

Jennifer Elder: [00:12:14] Yes, it's jargon. And it's also going from data, to information, to insight. And as accountants, we tend to love to produce data reports.

Peter Margaritis: [00:12:27] Yes.

Jennifer Elder: [00:12:27] Oh boy. And that's wonderful. I love crunching the numbers too, but a report is only useful if the reader can do something with it.

Peter Margaritis: [00:12:38] Right.

Jennifer Elder: [00:12:38] So, we prepare reports, that's data. Information is when you tell me it's important. And insight is, now, when it informs my decision making. So, when I teach classes on the skills of the future and presentation skills, I break it down into five words, to really add value to your organization. When you're preparing a report you have to get to the what, the so what, and most importantly the now what.

Peter Margaritis: [00:13:16] Okay.

Jennifer Elder: [00:13:16] So, what is data. So what is why should I care?

Peter Margaritis: [00:13:22] Right.

Jennifer Elder: [00:13:22] Now, I remember, giving a presentation at Tech Data, and I mentioned this, and the CFO went, "Thank you because I'm the CFO of a \$15 billion company. I don't care about \$15,000 variance. I don't need to know that. It's not in my world. That's not important. Is it important to somebody? Yes, but it's not. At my level, no." So, we have to take the data we prepare, that's the what, put it in context, so that we know whether we should care about it. And then, now what is, what do I do with that information? How does it inform my decision making? What direction should I go as a result?

Peter Margaritis: [00:14:12] You just said something really important in that statement that, in essence, when we get the report together, we need to understand what audience this report is going to. I don't need to take that \$15,000 variance to the CFO. He'll throw me out, or her, throw me out of the office. I need to bring in the big things. Now, maybe to my manager or somebody else within the organization that's important. But I think that as CPAs, we want to give them everything that we've done, and we're not thinking about the audience of what they need. I'm just telling you what I think I should give you.

Jennifer Elder: [00:14:48] Right, right. If we're doing the what, we're just presenting the data that we think somebody needs to get, but you have to think about it from their perspective. So, I try and explain to people that you really got to think about your audience. What matters to them? And I often say, what is it that they're afraid of? The information that protects them is something that they will be most concerned with.

Jennifer Elder: [00:15:20] The other thing to think about when you're presenting information to non-financial people is to think about the difference between what they want to hear versus what they need to hear. And sometimes, we will jump in with what we think someone needs to hear. And they'll just be rolling their eyes, and drumming their fingers, and like, "I don't really care about this. You need to get to the number I want to hear." So, they tune out everything else.

Jennifer Elder: [00:15:53] So, one of the things to think about is the difference between what somebody needs to hear and what somebody wants to hear. And if you start with what somebody needs to hear first, you'll come across like Charlie Brown's teacher. "Wa, wa, wa, wa."

Peter Margaritis: [00:16:10] "Wa, wa, wa, wa, wa."

Jennifer Elder: [00:16:10] They don't really care. They're just waiting to hear the number that it is important to them. So, they tune out everything else. Think about when you have to do a performance review with somebody. What are they waiting for? What's the one thing they really want to know when you do a performance review?

Peter Margaritis: [00:16:29] Am I getting more money?

Jennifer Elder: [00:16:30] Exactly. So, until you tell them that, all they hear is "Blah, blah, blah, blah, blah." So, if you tell them that first, now, they'll pay attention. So, you really got to get inside your audience's head. Another shift in mindset, step out of your own head, get into the head of your audience, and think about what's important to them. Give them something they want to hear first. Then, they'll pay attention to what they need to hear.

Peter Margaritis: [00:17:02] I still can remember when I was at Victoria's Secret catalog, not as a model, but thank you for thinking about that. And it was my first day working with the CFO. And he said, "I got a project for you to do, and give it to me the next day." Then, I researched this thing. I had a five-page, and I thought I was just done. I thought I just nailed this thing. I took it to him the next day, and he looked at it, counted the pages, and threw it in the trash can. He said, "You've got one hour to produced one page with bullet points, and the most important thing in here because I don't have the time to read the five pages. Get out of my office."

Jennifer Elder: [00:17:45] Yeah, tuck your tail and run.

Peter Margaritis: [00:17:48] Yeah. And that was critical in the learning process because he actually told me what I had done wrong, and go back, and think about it. I never made that mistake again.

Jennifer Elder: [00:17:58] The people who are further up the food chain than we are, they have less time than we do. So, they want the Reader's Digest summary, the Cliffnotes version.

Peter Margaritis: [00:18:08] Yeah. I know you do some communicating in the workplace, a version of the Myers Briggs. But if we think about bringing that into this, CPAs are in that room that we love data. We like to produce a lot of information. But there comes a point like when you're in that dominant quadrant, the CEO, the CFO, the drivers of the business, they don't have the time to look at everything.

Jennifer Elder: [00:18:34] Right. They want a summary. They call it the executive summary for a reason.

Peter Margaritis: [00:18:40] Right.

Jennifer Elder: [00:18:40] They will assume that you have done a good job. If they've asked you to report to them on something, they trust you, they believe in you, they assume you've done your homework. They just want you to cut to the chase. What? So, what? Now what?

Peter Margaritis: [00:18:58] Right. So, the other question I have is -- I mean, when I talked to audiences, I ask how many CFOs I have in the room. There's a lot of hands that go up. So, how many of you were in charge and have human resources report in here? Most of the hands up stay up. How about IT? Most of the hands up stay up. How about marketing? No hands go up, which is good I guess but that's -- But what type of hats do CFOs need to begin to wear as they transition into this role and as the landscape changes?

Jennifer Elder: [00:19:31] The CFO typically does cover HR. If you're lucky, you have a manager of HR, you might have a Chief HR officer, but they still tend to report to the CFO. IT, same thing because IT is related to data. So, that's often under the CFOs role. And that's getting more challenging because the technology is getting more and more complicated. But as the CFO, you don't need to know the IT structure in detail, but you have to understand what your goals are. And IT is changing so rapidly that you can't think about keeping your IT structure up to date. You have to think about how you're going to get it ready for 5 years, 10 years from now.

Jennifer Elder: [00:20:23] So, you may not -- I talk to a lot of companies, and I ask, "Do you have a server, your own servers?" And they'll say, "Yes." I said, "How often do you replace them?" "Somewhere between every three to five years." And my question for them is, "Do you really want to replace it again?" Maybe it's time to start thinking about going to the cloud because you're throwing good money after bad. That's where we're going.

Peter Margaritis: [00:20:49] Right.

Jennifer Elder: [00:20:49] So, CFOs have to become a little -- It's another shift in mindset. It's becoming a little bit more comfortable with risk, but as Eisenhower would say, you take a calculated risk. It's not jumping off a cliff, but it's taking that calculated risk. You mentioned that CFOs never have responsibility for marketing, but they actually start to do some marketing of themselves.

Peter Margaritis: [00:21:20] Yes.

Jennifer Elder: [00:21:20] Because we have a bad rep. We're accountants. The first word that comes to mind when you ask somebody on the street, "What do you think of when you think of accountant?" "Boring," or " Taxes," or "You're good at math," which is a joke because I don't know any CPA who does math without using a calculator or excel. But that's really how number-phobic the rest of the world is. So, we have a bad rep to begin with.

Jennifer Elder: [00:21:56] Then, the history is that a lot of people in your organizations, the only experience they've had with the finance department is the CF-No. "I'm not going to prove your expense report," or "You violated procedure," or "You exceeded your budget." It's all bad. They don't see how we can help them. So, the CFO, or comptroller, or really anybody in finance needs to start thinking about themselves as their own personal brand. And you have to work hard to get over the assumptions that people have about us. So, one of the things I suggest that people do is go out and visit. Go see people in your organization.

Peter Margaritis: [00:22:46] But when the accountant shows up for the first time, they go into, let's say, the sales department to talk to somebody over sales, the salespeople freak out.

Jennifer Elder: [00:22:54] Yes, they will.

Peter Margaritis: [00:22:57] I did an opinion piece at Accounting Today published a couple of years ago that's about standing out from behind our desk, to that point. And it's a critical piece that, as accountants, CPAs, CFOs, we need to network our way around the building because it's all about relationships.

Jennifer Elder: [00:23:16] Yes, it is.

Peter Margaritis: [00:23:17] And when I came in to -- When I went to Victoria's Secret, I got into the accounting profession late in life, and I knew there's that stereotype. And I knew that if I didn't get to know people in the organization one-on-one and in a personal way, I could never get information from them because they're defensive when the CPA shows up. But, if I can get them to look at me, "Oh, it's Pete. Yeah. Have a seat. What do you need?", that information comes a lot easier.

Jennifer Elder: [00:23:45] One of the things I did when I joined a homebuilder as their CFO down at Florida, and the prior CFO was a bit of a nightmare. Nobody liked him. So, I've got that baggage for me. So, I would go and see people, and they're like, "Jen's coming. This is not going to end well." So, after the first two times of that, I said, "Yeah,

something's got to change here." So, I started going to different departments, and I would just drop off chocolate. Drop off chocolate, or flowers, or just something, and they'd look at me and go, "Oh. What's going on here?" I said, "Nothing. This is just to help make your day a little bit brighter." And I wouldn't ask any questions. I would just leave.

Jennifer Elder: [00:24:39] And then maybe a week or two later, I'd go by, and I'd say, "Hi. How you're doing?" And they remember, I brought them something. So, now they say hi, and I can have a conversation with them. And as you get to know them, you can start asking the key questions of, "What are your biggest challenges? What do you struggle with?" And then, we can start thinking about, "How can we help?" Because the really cool thing about finance is we are the keepers of the kingdom. We know everything. We have access to all the data. So, if we can understand what the challenges are in one department, we can start pulling information for them in a way they can understand it.

Jennifer Elder: [00:25:25] So, one example I can give you is with another company I worked for, bottled water manufacturer and distributor. I'm talking with the production guy, and he said, "One of my biggest challenges is I never know what's coming down the pike. What big accounts have we landed that I need to adjust our inventory for." And I kind of had stop myself from rolling my eyes because he actually had that information. He just didn't know he had it.

Jennifer Elder: [00:25:59] So, he was getting a report. He just didn't know how to read it. So, instead of pulling out the report, and handing him, and saying, "Hey, you get this every week. So, apparently, you have not been reading it," which would embarrass him and, again, really make me look bad, I just said, "Tell me what it is you really want to know." And I wrote down his words.

Peter Margaritis: [00:26:27] There you go.

Jennifer Elder: [00:26:27] And then, just produce the same report, and I changed the titles. So-

Peter Margaritis: [00:26:33] To his words? To his words?

Jennifer Elder: [00:26:34] To his words. It was the exact same report, changed the titles to his words, I sent it to him, and I said, "Well, let me know if this will help." He came running back to my office saying, "Oh my god, thank you so much. This is fabulous." He just couldn't read the report using accounting words, not sales words.

Peter Margaritis: [00:26:58] Yeah. That's an interesting concept because I take a bigger picture with this because I remember back in the day, if I missed an episode of Gilligan's Island, I wouldn't see that episode until maybe a year later, or during the reruns, or whatever. But, now, today, we've got almost like this ala carte menu. So, when we're thinking about an organization, the salespeople talk differently than the IT people talk differently than customer service. We have to tailor those reports, I love these words, to their words, so they can understand it.

Peter Margaritis: [00:27:28] As a profession, how can we, as CFOs, as leaders within an organization, begin to think about we speak a foreign language to everybody else within the organization? How can we take our report and tailor them to the language of the user, not the language of the preparer? I think, that will be huge.

Jennifer Elder: [00:27:46] It is huge. And I can share one story, and then I've got a hint. One story is I work for a company that was owned by a venture capital group, and we were part of a six-company consortium. And every month, we had a conference call about earnings. And on that call were six CEOs, six CFOs, and then I don't know how many venture capital people on the call. And we all went through the same two slides. And I've been doing this for about six months. It was always the CEOs that spoke. The CFOs were just there in case there was a question.

Jennifer Elder: [00:28:28] So, this particular month, my CEO had laryngitis. So, I had to give the presentation. And I got through, and I said, "Here's our revenue, and these are expenses, and here are our EBITDA, which is earnings before interest taxes

depreciation amortization." And then, I heard this, "That's what that means." And who would have thought that in that group, somebody had no idea what it meant.

Jennifer Elder: [00:28:59] And we all have people like that in our organizations who may either have just started, or they've been there a while, but we use jargon. They don't want to raise their hand and say, "Excuse me. I'm clueless. I don't know what this means." So, they suffer in silence to try and figure it out. And in the meantime, you've gone on with your presentation, and they're still struggling trying to figure out some of the words. So, I encourage people to share what their jargon is.

Jennifer Elder: [00:29:32] And at a presentation, at a Fortune 500, I won't share the name because, for them, it might be a little embarrassing, they did have an acronym that they used to measure revenue. They called it RevPar.

Peter Margaritis: [00:29:46] RevPar.

Jennifer Elder: [00:29:47] RevPar. And I had to ask them, I said, "I'm not in your industry. Can you help me out and tell me what it means?" And three other people in the room said, "Yeah, I could use with understanding what that means to."

Peter Margaritis: [00:30:01] Yeah. That's a pet peeve of mine, acronyms. I just did something for a very large retail organization located in Minneapolis, Minnesota. And in preparation for my presentation, I asked them, "I need to understand your language." And this was the construction division, and they sent me eight pages of acronyms. Eight.

Jennifer Elder: [00:30:22] Wow. Ouch

Peter Margaritis: [00:30:24] 413 acronyms just within the department. And some of them were overlapping, and I was looking through these, and I saw STD. But that stood for season to date. Yeah. And it doesn't matter what profession we're in or what organization, when we're inside that organization, we talk in acronyms, but the salespeople don't understand it. I tell folks, especially when you're doing a presentation,

and if you're using PowerPoint, if you're using an acronym, write it out sort of by knows what it is, and then show what the acronym is, and then move on because-

Jennifer Elder: [00:31:08] Exactly.

Peter Margaritis: [00:31:08] ... you should not -- The deer-in-the-headlights look should go away, but we make assumptions.

Jennifer Elder: [00:31:16] Now, the other hint I would give people to find out whether their reports are connecting with people would be if you prepare a report weekly, monthly, prepare it, and don't send it, and see who notices. The people who notice and call you are the ones who find value in your report. The others, not so much.

Jennifer Elder: [00:31:45] Now, I know myself, when I worked in corporate I used to get all kinds of reports that I don't know how I got on the distribution list, but I didn't need them, but somebody decided I needed them. And that happens to a lot of people. A prior person in that role, the role has changed, but nobody will ever call someone and say, "Hey, stop sending that report," because they're worried they might be missing the point. But if you don't send it, and somebody doesn't notice, now you have an opportunity to make a connection with them and go talk to them.

Jennifer Elder: [00:32:27] If they're within your building, go talk to them. If they're in another state, pick up the phone, or do a Zoom or Skype call, and just say -- this is where you going to be really tentative because you don't want to kind of come across like you're attacking somebody. But I would call and say, "Hey, I screwed up." So, it's all about me right up front. It's my problem. "I screwed up. I forgot to send that report. But here's the thing, you didn't email me or call me to let me know you didn't get that report. So, I'm thinking," and, again, I do, I get very tentative, "I'm thinking that maybe you don't need to get this report or it's not giving you the information you need. What else can I do for you instead?"

Jennifer Elder: [00:33:17] And that gives me a chance to have a conversation. Sometimes, the answer is, yeah, there on the distribution list and they don't need to be

there. Number two, maybe I need to change some of the words on the report, so that they can understand it. Or number three, I just need to tailor the report and give them slightly different information. But having that conversation allows me to connect with them and figure out what it is I need to give them, so that they can do their job better.

Peter Margaritis: [00:33:48] Right. It's funny as you're describing that, we have a mutual client in the Baltimore area that will be nameless, but I was in a session, and I was talking. They said about the reporting of the stack, "That goes the package." The package for the meeting. The package for the meeting was five inches or six inches thick. And they go, "We know they're not reading it. We know they're not reading it at all, but this is-" I got these words, "This is the way we've always done it."

Jennifer Elder: [00:34:19] We've done it, oh.

Peter Margaritis: [00:34:21] And I said the same thing to them, "Pull something out that you don't think that they're reading. If they call you, then, just fall on the sword, "My fault. I apologize. It won't happen again." But I would bet 99.99% of the time, nobody's calling because nobody's even reading it.

Jennifer Elder: [00:34:38] Exactly. And I can't say I've ever come across somebody recently that said, "Oh yeah. I've got plenty of time to do my job." Wouldn't that be nice?

Peter Margaritis: [00:34:51] That would be nice.

Jennifer Elder: [00:34:52] So, having to read reports that aren't summarized don't give you something useful, something actionable. We don't need statistics. We don't need background. We need actionable information. And we do it with reports, and we do it with meetings. That's another one of my pet peeves. And I think it's probably everybody's pet peeve is meetings.

Jennifer Elder: [00:35:16] So, maybe one more tip about changing your mindset is to stop doing meetings for everything. Again, sometimes, we get added to the invitation list for a meeting because we needed to present some information once. And, now, we've

been invited every single month. And we don't need to be there, but there are people there who, possibly, have an effect on your career, so we go, bored to tears, we keep the cellphone underneath the table, and we do the cell phone prayer the whole time.

Peter Margaritis: [00:35:53] Exactly.

Jennifer Elder: [00:35:56] So, if you're being asked to attend meetings that you really don't see the value to, you really should call the meeting planner and say, "Is it important that I come? Do you see the value in my attendance?" It's up to them. If they say yes, then I'm sorry, you still have to go. But most times, if you don't see the value, they won't see it either.

Peter Margaritis: [00:36:21] My brother's a VP of a large fashion retailer in the Columbus area, and we were driving out to Bowling Green for memorial service, and he's on this phone call, and he goes, he puts it on me, he goes, "I don't know why I'm listening to this. I'm in this meeting. I don't know why I'm here. I don't know how I got put onto this thing, and I need to be off this meeting because this is just wasting my time."

Jennifer Elder: [00:36:47] Yes, exactly.

Peter Margaritis: [00:36:50] Obviously, we know that there's a lot of people, after listening to this podcast, are actually driving down the road or in the gym nodding their head up and down, going, "Yeah, exactly."

Jennifer Elder: [00:36:58] I don't have time. I got other stuff I should be doing. Yeah. So, the reality is there should only be two reasons for a meeting. Number one is to have a discussion, to get people into a room to have a conversation, to do some brainstorming, to think about pros and cons, risks and rewards, should we, should we not. You need the people in the room for that.

Jennifer Elder: [00:37:25] The second reason to have a meeting would be to make a decision. Beyond that, they're a waste of time. We don't need status updates because people can write a status update. And guess what, everybody else can read it. Unless

there's something that is a problem that needs to be discussed, you don't need a weekly update meeting.

Peter Margaritis: [00:37:50] That's what video is for, right? Use your cell phone, give the updates, send it out to everybody that needs it, so you're saving everybody's time, so they can be more efficient, and they get to see you, and they get the information without having to sit in the conference room.

Peter Margaritis: [00:38:05] Actually I work for an employer, remain nameless, that we had a meeting to discuss how to have a meeting. And I just went, "That's the most redundant thing I think I've ever heard of. Look up the word redundant. Goes to a meeting to talk about how to have a meeting." And that's when I knew that I was in Lala Land. I mean, how do you? Who actually could do that and think that would be an effective use of time?

Jennifer Elder: [00:38:32] Yeah.

Peter Margaritis: [00:38:32] Yeah.

Jennifer Elder: [00:38:34] Although, on the other hand, there are a fair number of organizations that need to have that meeting because they do their meeting so badly.

Peter Margaritis: [00:38:41] Right, right.

Jennifer Elder: [00:38:41] And so, I think that's another change in mindset that people have to understand or start thinking about is we're all too busy. So, what is it that we are doing or asking people to do that really is not efficient? And in the finance department, we're responsible for process and procedure. And we may think we have a good idea on process and procedure, but, sometimes, we really need to talk to the people doing the process and procedure to see if it makes sense.

Jennifer Elder: [00:39:20] I was on a cruise last year, and I would go up to the bar in the afternoon, and here's where it got weird. If you asked for a vodka and tonic, they

would pour you a drink and the tonic would come out of the gun. If you just ask them for a club soda, and I brought an insulated cup that would generally take about two cans of soda, they wouldn't fill it from the gun. They had to open up a can of club soda, pour it into the cup. I had to step away from the bar, turn around, and come back to get a second can to fill my cup.

Jennifer Elder: [00:40:18] On what planet does this make any sense? And, just, I'm thinking to myself, "That's cost accounting gone wrong where somebody has a brilliant idea that this would be a way to keep track of costs," but when I start thinking about that the time and effort of stocking the bar with these cans of club soda, the weight of the cans versus using the gun-

Peter Margaritis: [00:40:47] The cannister.

Jennifer Elder: [00:40:49] And they have to dispose of the trash. The cost of that far outweighs the benefit of the cost accounting. So, we have to stop saying that we know better than everybody else. We have to put ourselves in their shoes. And the people that work for us have fabulous ideas on how to do things better, faster, more efficiently, if only we would listen. And, sadly, again, I'll go back to the fact that people have been the CF-No. So, too many employees will go, "Yeah, I have a great idea but no. I'm not going down to finance."

Peter Margaritis: [00:41:26] Right.

Jennifer Elder: [00:41:27] That's Dilbert. It shows the finance accounting department is in the basement staffed by trolls.

Peter Margaritis: [00:41:34] Exactly. That's an interesting visual you just gave me, but we do know that those who are not in our world tend to think of us, that's how we live in the world. And, yeah. it goes back to really, how do we create a relationship within the organization that we are asked for permission versus forgiveness? And it just goes with kind of stepping away from our titles, remembering we're all people, and just getting to know other folks, and having a conversation, communicating, and we all have needs,

we all have wants, and we all make mistakes, and just accept that, and move forward, and you will learn a lot more information from people when we build that relationship versus not having that relationship at all.

Jennifer Elder: [00:42:28] Exactly. Now, you mentioned making mistakes. Here's another change in mindset because one of the big buzz words in the industry is all about innovation. Got to change. Got to innovate. Well, change is incremental. Innovation is a huge big step in a new direction. If you're going to try and innovate, we're going to screw it up sometimes. But if people get punished for trying something new, nobody is going to innovate.

Peter Margaritis: [00:43:02] Right.

Jennifer Elder: [00:43:02] So, one of the things I suggest to people is we've got to think about, what's our innovation budget? What are people allowed to lose? How much can they screw up, and they won't lose their job? I heard an example once of a gentleman. There was an accountant, a guy in the finance department. And he came up to me one day after doing a presentation, and he said, "I'm that guy." He said he came up with an idea that he thought would be fabulous for his organization, and he got the CEO to buy in. And this was a global company. In six months, he lost \$3 million, and they got nothing.

Jennifer Elder: [00:43:47] So, he walked into the CEO's office and he said, "Here's my letter of resignation. Before you fire me, I screwed up. I am so sorry. I really thought this would work, and it didn't. So, here's my letter of resignation." And the CEO looked at him, and he said, "What?" he said, "No." He tore up the letter of resignation, and he said, "Why would I fire you?" He said, "I just invested \$3 million in your education. I need some ROI on that."

Peter Margaritis: [00:44:23] Nice.

Jennifer Elder: [00:44:27] He said, "Tell me what you learned."

Peter Margaritis: [00:44:28] Yeah.

Jennifer Elder: [00:44:30] So, we have to leave room for failure. And in the finance department, we tend not to. It's, "You're over budget. You screwed up. You're out."

Peter Margaritis: [00:44:41] So, someone once told me an acronym, FAIL stands for first attempt in learning. And I say-

Jennifer Elder: [00:44:50] I'll own that.

Peter Margaritis: [00:44:51] I know. And I've been using it with my son, "What have you failed at today, except for your classes?" Even at that, I mean, what did you fail at? And then, what did you learn, so you don't do it again?" Now, if you continue to fail at the same thing over and over again, that's a problem. But as long as we're not doing it, as long as we learn from it, I mean, that's how we learn and grow is by failure.

Jennifer Elder: [00:45:16] Yes, yes. That's where the greatest learning is, is when you fail. If you keep doing the same thing the same way, there's no growth there at all.

Peter Margaritis: [00:45:26] No, that's a bad hire, basically, is the way I say it.

Jennifer Elder: [00:45:26] Yes.

Peter Margaritis: [00:45:26] So, any last parting thoughts before we call this podcast to an end, my friend?

Jennifer Elder: [00:45:37] I think one of the biggest shifts in mindset that the CFO, the finance department is that we've got to get comfortable with being uncomfortable. You can't do the same thing the same way. There's going to be constant change, whether it's technology, whether it's your industry, whether it's your market, whether it's your customer base. So, we have to learn to get comfortable with skating on thin ice and be ready to adapt. As things change, we have to adapt. So, anytime you hear that phrase,

"This is the way we've always done it," you need to turn around and say, "Then, I have a problem."

Peter Margaritis: [00:46:22] Yeah. So, Jennifer, I can't thank you enough. And I'm going to give a little plug here that you don't know about, But, folks, Jennifer, this past year, she's a member of the National Speakers Association, and she was awarded the highest earned credential within the Association of Certified Speaking Professional. Once again, Jennifer, congratulations on that milestone. And I can't wait till our paths cross very, very soon.

Jennifer Elder: [00:46:46] Thank you, Pete. Always a pleasure. And look forward to seeing you on the road.

Peter Margaritis: [00:46:56] I would like to thank Jennifer for taking time out of her busy schedule to sit down and have this conversation with me. And now that you've listened to this episode, what are your next steps to beginning the transformation into the CFO in the future? Is it just a change in mindset? Is it learning new skills to prepare you for your new role? Is it building relationships throughout the organization? What will it be? I hope you take time, and reflect on this conversation, and begin to plan your next steps.

Peter Margaritis: [00:47:27] If I can be of assistance to you please contact me at peter@petermargaritis.com, and put in the subject line CFO Transformation. You can also reach Jennifer Elder at jennifer@sustainablecfo.com. Thank you all for listening. If you're enjoying this podcast, please subscribe and share this episode with a friend. Also, please visit c-suiteradio.com to listen to many of the outstanding podcasts they have in their network. Have a great day.

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