

## CFO Insights

### The power of business chemistry

It happens all the time. You walk into a meeting anticipating a clear resolution only to encounter someone who asks to bring others into the equation; or someone who insists on crunching more data; or someone who simply has a better idea.

Sound familiar? As CFO, juggling such diverse stakeholder personalities comes with the territory. But how you interact with these individuals often means the difference between getting nowhere and getting that resolution you want.

Luckily, there are clues to deciphering personalities in business that can help CFOs better relate to others. Termed "Business Chemistry," the framework identifies distinct patterns of behavior that can be harnessed to not only improve individual interactions, but also to influence strategy. In this issue of *CFO Insights*, we'll outline the different Business Chemistry personality types and discuss how CFOs can leverage them to their advantage.

#### Not just another personality test

The claim that personality is important in business is by no means new. Many executives have been exposed to a breadth of personality tests over the course of their careers. And yet, there are several flaws with existing tests that make them ill-suited to today's business world. For example, many are:

- 1. Hard to remember.** They either have too many types, too many acronyms, or names that have little to do with the business environment ("*...was I a blue or a peacock?*").
- 2. Too focused on introspection.** They may help you understand yourself, but offer little insight into others ("*So that's why I'm terrible at trivia night...*").
- 3. Not designed for business.** While our core personalities may not change dramatically between a business and nonbusiness environment, the way we behave in each setting can be significantly different ("*Honey, if you flip to slide 20, I'll show you our upcoming family vacation plan...*").

To counter these gaps, Deloitte teamed with scientists from the fields of neuro-anthropology and genetics to develop Business Chemistry, a personality system that leverages modern computational techniques to bring a data-driven approach to understanding personalities. The resulting system is easy to remember, but with a sophisticated underpinning that highlights statistically relevant behavioral cues in a business environment.



Specifically, Business Chemistry uses a series of 70 behavioral questions to reveal four dominant personality patterns: the Driver, the Pioneer, the Integrator, and the Guardian. (See sidebar “The four patterns of Business Chemistry.”) While each pattern is unique, each has shared traits with its “neighbors” (Driver with Pioneer and Guardian, Pioneer with Driver and Integrator, Guardian with Driver and Integrator, and Integrator with Guardian and Pioneer). And for CFOs, one benefit of knowing Business Chemistry is an awareness of your own predilections and tendencies. For example, in the Q4 2010 *CFO Signals*<sup>TM</sup> survey, we asked large company CFOs what type they considered themselves, and more than half pointed to Driver, and 30% pointed to Guardian.<sup>1</sup>

Perhaps more important, however, Business Chemistry helps you recognize personality patterns in your colleagues. For example, does your CEO make snap decisions as she jaunts down the hall? Does your controller insist on voluminous detail to support decisions? Do certain members of your board have the propensity to debate more than decide? Such clues allow CFOs to recognize the dominant patterns of colleagues and gain insight into how to connect on a personal level and build effective teams.

After all, we may assume that our colleagues are just like us, and therefore interact with them in the way that we prefer. The problem with this approach is that most people are actually not like us. Simply put, knowing Business Chemistry may help you make a transition from the Golden Rule (treat others as you wish to be treated) to the Platinum Rule (treat others as they wish to be treated).

### The four patterns of Business Chemistry

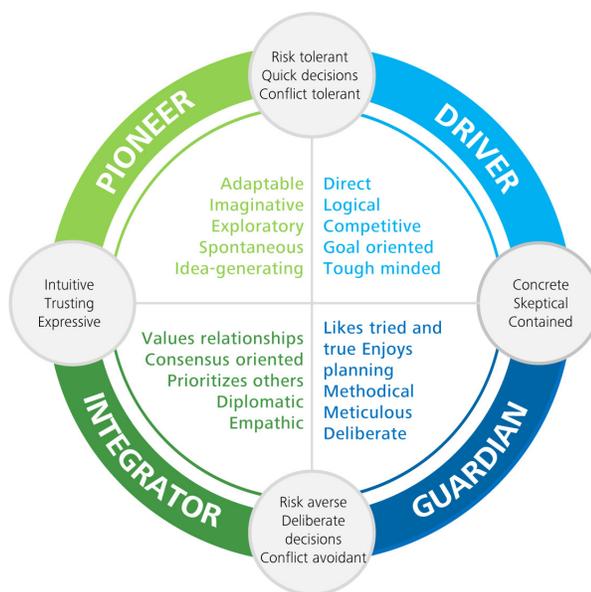
While everyone displays a combination of traits from the four Business Chemistry patterns, most people align closely with one—and sometimes two—of the following types:

**Driver:** Drivers are analytical thinkers who are intellectually creative and prefer experimentation over theorization. To them, business is just that: business. As such, they have limited tolerance for small talk and aren’t afraid to ruffle feathers to get their point across.

**Pioneer:** Pioneers are blue-sky ideas people, whose adaptability allows them to thrive in multiple environments. To them, business is exciting when they’re exploring possibilities and redefining the status quo. As such, they sometimes feel weighed down by structure and details.

**Integrator:** Integrators are masters of empathy and nuance, and are particularly skilled at understanding the broader context of an issue. As such, they often take time to consider everyone’s opinions and socialize an approach before moving forward.

**Guardian:** Guardians prefer concrete reality and are particularly skilled at providing structure and minimizing risk. As such, they can be reluctant to pursue unproven ideas and often deliberate thoroughly before making decisions.



<sup>1</sup> *CFO Signals*, Deloitte U.S. CFO Program, Q4 2010.

### Real-world applications

The consequence of misreading personality types may be as harmless as two parties walking away thinking, “Wow, that person just doesn’t get it.” But as countless client anecdotes suggest, the real results are often more serious: workplace inefficiency, poor team dynamics, and personal brand damage. On the other hand, a CFO who understands her own Business Chemistry, as well as her team’s, is better suited to:

#### 1. Engage and influence stakeholders

CFOs engage with such a broad range of stakeholders that an understanding of where and how people’s tendencies and preferences vary is essential. For example, a CFO might present the same business case differently depending on the primary pattern of the audience. In presenting to a Driver, she might come equipped with a one-page summary and start the conversation with the overall impact of the initiative. In presenting to an Integrator, she might start with the broader context of the business case (for example, how it came about, the long-term goal) and include details about which stakeholder groups are on board.

This ability to adjust one’s own style to suit different stakeholder preferences is one of the leading ways to build effective relationships. Another way is to intentionally leverage one’s own differences in a way that is complementary to someone else’s tendencies. So, for instance, a Driver CFO working with a Pioneer CEO can participate in the brainstorming that a Pioneer loves, but also bring a helpful data lens to complement the Pioneer’s more intuitive natural position.

#### 2. Manage team strengths and weaknesses

The complementary potential of different personality patterns should come as no great surprise. In fact, effective teams have both diversity—a mix of the four types—and an awareness and ability to leverage that diversity.

That doesn’t happen automatically, of course. In some instances, individuals are drawn to—and therefore hire—others of their own personality type. Other times, teams have diversity, but are unaware of its value,

leading to misunderstandings and conflict. For CFOs, this suggests two related questions. First, what is the personality composition of my team? And second, how can I use that composition to promote effective team coordination and broader organizational engagement?

To address these questions, consider the following steps:

- a. Observe and hypothesize.** Based on observable behaviors, what personality patterns are represented on my team? (See sidebar “Engaging with others.”)
- b. Identify gaps.** Are there gaps that will pose risks to achieving our goals? Do we have strategies to mitigate potential blind spots?
- c. Leverage strengths.** What strengths exist relative to achieving our goals, and how can we get the most out of those traits?
- d. Celebrate diversity.** How can we recognize personality differences and leverage complementary traits where they exist?

Once a team is profiled, CFOs can build on existing strengths and introduce processes to combat potential pitfalls—and in the process possibly shift the perception of finance for the better within their organization.

#### 3. Flex to multiple roles

At first glance, many of the traditional CFO responsibilities seem to map neatly to the Guardian pattern: preserving the organization’s assets, getting the books right, minimizing risk, and so on. And indeed, many CFOs say that their stakeholders often assume they’re Guardians, simply because of their role. But this is problematic for two reasons.

First, not all CFOs are Guardians. Those aligned more closely with other patterns often struggle with a misperception about how they ought to engage or feel the need to play to the stereotype. Second, although the stereotype around what a CFO “should be” persists, the reality is that today’s CFOs are expected to play roles that go beyond the traditional “Operator” and “Steward” categories and require skills other than those associated with Guardians.

### Engaging with others

Below are a few tips for dealing with each Business Chemistry personality type:

#### Driver

- Be confident and sit back casually.
- Be brief; get to the point, and head straight for the goal.
- Recognize their achievements and leadership abilities.
- Don't criticize yourself.
- They like to spar; don't be afraid to fight back.
- They enjoy puns and paradoxes.

#### Pioneer

- Be lively; mimic their energy and optimism.
- Explore their ideas.
- Emphasize freedom and adventure.
- Let them shine.
- Be daring.
- Present imaginative materials—more theory, less detail.

#### Integrator

- Listen actively, lean forward, make eye contact.
- Be friendly, authentic, personal.
- Think contextually, long term.
- Balance facts with ideas and emotions.
- Offer support.
- Reveal yourself (to bond with them).
- Tell stories about people.

#### Guardian

- Present concrete facts, demonstrated principles, established practices.
- Be orderly, calm, unemotional.
- Make and stick to plans.
- Appreciate their need for details.
- Be patient with their many questions.
- Minimize risks and uncertainties.

Still, since everyone is a mix of patterns, even if a CFO is dominant in the Guardian pattern, she can dial up secondary traits as needed. And where there is truly a gap, extra effort may be needed to occasionally do something that doesn't come naturally to meet a particular need. After all, no capability is limited to a single type, meaning everyone is capable of being detail oriented or logical or collaborative.

#### Small steps, big results

In a way, you can think of personality as you would language. Not everyone "speaks" the language you're fluent in, but many of us are capable of learning other languages (or personalities in this case). By training yourself to look for a few important behaviors, you can quickly hypothesize what personality/language someone else is speaking.

For example, to develop a hypothesis of someone's personality type, **look for shared traits**. Drivers and Pioneers, for example, are tolerant of both risk and conflict and are generally quick decision makers; Integrators and Guardians, on the other hand, are risk- and conflict-averse and make more deliberate decisions. **Specific words** also offer clues to personality preferences. For example, if someone says, "trust and integrity" or makes continued mention of "risks," you can hypothesize that they may be high on Guardian; common use of the term "cooperate" is a natural word choice for an Integrator.

Implementing just a few basic principles of Business Chemistry can create better alignment within your teams, better engagement and relationships with your stakeholders, and a better understanding of how to change perceptions and build credibility within your role. Doing this well is not only about creating a personal advantage, but creating a competitive advantage as well.



### Primary Contacts

Kim Christfort  
Director  
Deloitte LLP  
[kchristfort@deloitte.com](mailto:kchristfort@deloitte.com)

Neda Shemluck  
Senior Manager  
Deloitte Services LP  
[nshemluck@deloitte.com](mailto:nshemluck@deloitte.com)

Deloitte *CFO Insights* are developed with the guidance of Dr. Ajit Kambil, Global Research Director, CFO Program, Deloitte LLP; and Lori Calabro, Senior Manager, CFO Education & Events, Deloitte LLP.

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