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CFO Insights

CFO Transitions

Winning friends and influencing stakeholders

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By Dr. Ajit Kambil

OUR research on CFO transitions finds that effectively managing time, talent, and relationships is critical to CFO success in the first year and beyond (see *Taking the reins: Managing CFO transitions*).[1] Of the three, however, creating supportive relationships may sometimes be the most vital—and the most vexing—to executing key priorities.

Think about it. CFOs have to quickly establish effective relationships with the CEO, the audit chair, the board, peer executives, and staff members as they advance their agendas. Failure to master any one of these relationships can often drain the energy of a CFO and sometimes stymie his or her career. Failure to balance these relationships can handicap the very agenda the CFO is trying to advance.

Based on our research, we find that there are a few guiding principles to help CFOs win friends and influence critical stakeholders. And explicitly addressing these three in a transition can go a long way in avoiding relationship pitfalls. These principles include:

- Asking what critical stakeholders want—and knowing what they don't want
- Knowing what currencies can be used to "influence without authority"
- Understanding differences in communication styles and adapting communications to the personalities of individual stakeholders

Ask what others want; know what they don't want

Our research on managing CFO transitions finds that new finance chiefs often undertake listening tours to understand what their key stakeholders "want." These conversations are seen as vital to establishing relationships and to addressing any legacy issues a finance organization may have with these stakeholders. But despite these conversations, CFOs often run into roadblocks to their change initiatives due to a lack of information.

To really know what key stakeholders want, CFOs should:

- **Understand that what stakeholders say they "want" may not express their entire universe of "wants."** For example, a business-unit leader may say he needs better information and support from finance to create budgets or make investment decisions. But his true "want" may be to be really "listened to" by the finance organization, or he may want finance to help support the personal initiatives he believes will advance his career. For example, if the stakeholder runs a shared services unit, he may want to ally with you as the finance leader to advance the common agenda of shared-service units like finance. By understanding stakeholders' true wants, you can identify the currencies you can use as a CFO to gain support and sponsorship for your agenda.

- **Know that what key stakeholders do not want is as important as knowing what they want.** Imagine, for example, an entrepreneurial CEO who hires a CFO to help build better processes. The CFO dutifully designs those processes only to find the CEO reluctant to implement them. To the CEO, the processes he or she thought were needed undermine the collaborative, entrepreneurial approach to problem-solving prevalent in the organization. In the quest for efficiency, the CFO misread the importance of the existing culture and values because the CFO didn't know what the CEO did not want. Thus, due diligence to find out what key stakeholders do *not* want is as vital as discovering what they want.

Knowing what people truly do or do not want begins by asking the questions. But as we have noted, it is often difficult for stakeholders to clearly articulate what they do and do not want. A savvy CFO will need to construct and test his or her own hypotheses of "wants" and "don't wants" through a series of conversations directly with stakeholders or indirectly with his or her peers.

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Know what currencies you have to influence without authority

As keepers of the purse strings, CFOs have some power. But in most organizations, the CEO has final operational authority. Thus, to successfully drive change or accomplish priorities, CFOs must master the art of influence without authority. Once they know what key stakeholders want, they need to determine what currencies are available to trade for the influence and support of key stakeholders.

Authors Allen R. Cohen and David L. Bradford provide a useful typology of currencies in their book *Influence without Authority*.[2] These include:

- Inspiration-related currencies like vision, excellence, and ethical correctness
- Task-related currencies such as people, resources, information, and responsiveness
- Position-related currencies such as recognition and influence with others

- Relationship-related currencies such as personal support and acceptance
- Personal-related currencies such as gratitude, autonomy, and discretion

By knowing what your key stakeholders want, CFOs can identify appropriate currencies for influence. Some currencies are often at the CFO's disposal, such as the ability to provide resources such as people or investment capital in a stakeholder's agenda, the ability to provide greater access to information, or the ability to improve the finance function's responsiveness to support decision making. Other currencies can also be helpful, but must be nurtured—such as close connections to the CEO or other key stakeholders, which may be valued by the stakeholder.

Adapt communication styles to stakeholder personalities

Effective communication is the foundation of influence. But being truly effective at communication requires adapting your style to the personalities or cognitive styles of different stakeholders. There are many different typologies for personality, such as the Myers-Brigg Type classification or TetraMap. Many of the typologies derive from the work by psychologist Carl Jung and provide similar guidance on how to adapt communications to different styles.

At Deloitte*, we have co-developed a typology of business personalities rooted in the work of Dr. Helen Fisher, a well-known author and research professor in the Department of

Table 1. Types of business personalities

Type	Characteristics	Things that tick them off	Ways to engage them
Driver—likes logic and deep examination of systems	Determined, direct, analytic, pragmatic, aggressive; tend to focus on goals over feelings of others	Small talk, waiting, indecisiveness, self put-downs	Be brief; get to the point; be logical, clear, unemotional; recognize their achievements and leadership abilities
Pioneer—likes variety and possibilities with boundless energy to pursue them	Adventurous, creative, verbal, enthusiastic, novelty-seeking, independent	Structure, moderation, process, details, repetition, limits, moralizing	Explore their ideas; emphasize freedom and autonomy; present imaginative materials, more theory, fewer details
Integrator—likes to connect on a personal level and figure out how the pieces fit together	Big-picture thinkers, intuitive, supportive, empathic, consensus builders	Confrontation, aloofness, interruptions, aggressiveness	Listen actively; be friendly, authentic and personal; think contextually and long term; offer support; talk about people
Guardian—likes concrete reality; respects (and often rules) the social hierarchy	Conscientious, orderly, persistent, industrious, fond of rules and facts, cautious, socially networked	Excessive theorizing, intuitive statements like "I suspect" or "I feel"	Present concrete facts, proven principles, established practices; emphasize the right way to do things; make plans, stick to schedules

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Anthropology at Rutgers University, which we abbreviate in table 1. This typology is rooted in different brain chemistries and consists of four types.

A particular individual is likely to display one dominant type of personality in his or her interactions. By understanding that different individuals tend to express different personality styles, CFOs can adapt their communication strategies to engage different stakeholders more effectively.

As CFOs navigate the challenges of managing time, talent, and relationships in their transitions, knowing their key stakeholders' "wants" and "don't wants," their available currencies for influence, and their options for adaptive strategies for communicating to stakeholders with different personalities can go a long way toward transition success.

To learn more about how CFOs successfully navigate transitions, see *Taking the reins: Managing CFO transitions*.

Endnotes

1. Ajit Kambil, *Taking the reins: Managing CFO transitions,* Deloitte Development LLC, July 2010, http://dupress.com/articles/taking-the-reins-managing-cfo-transitions/.

2. Allan Cohen and David Bradford, *Influence without Authority*, Second Edition (John Wiley & Sons, March 2005).

About the author

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