

What is the Best Advice You Would Give to a New Startup CFO?

- Have a bias toward the “**best**” plan and not the most “**predictable**” plan. Predictable startups go out of business daily.
- Therefore, **replan** at least **quarterly** if not more. Not just because you have to anyway, but because you’ve made agility a core discipline to crush competition.
- The most interesting things happening in this company probably **don’t show up** anywhere in the numbers. Play detective and figure them out.
- Learn the new set of **metrics**. Engagement. K factor. CAC. CLV. NPS. They often speak to the health of the business more than revenue, expenses, and margin do.
- Maintain a strong **bias towards change**, not status quo. Ask every day if the plan is still right and if it could be improved.
- Your job is to **advise and coach** the CEO and **work effectively** with the whole team. Not to be the advocate for the finance department.
- Publicly support the CEO**, even when you have disagreements behind closed doors.
- HR has little to do with benefits and payroll: it is about getting the **best team** on the field and getting them trained and motivated and in the loop. It is purely art, not science. For every decision you make, ask if it will attract good people to your company.
- Facilities** that don’t reflect the company’s values or help attract good people can kill a company. Do not be penny-wise. I’ve never been at a successful startup that had grey 6-foot high, 8’x6’ cubicles. And I’d never work at one.
- When you update the team or board, see how far you can get **before using any numbers**. And never give a number without interpretation and color commentary. 10% data, 90% interpretation.
- Use the word “policy“ sparingly**. Don’t say, “here is our expense report policy.” Say “here is how we do expenses.” The word “policy” always knocks down everyone’s motivation by several points.
- For every minute you spend helping keep **bad things** from happening at your company, you should spend ten trying to **make good things** happen. If you go out of business, it will be because you didn’t hire the best people, make the right product, or sell it effectively. It won’t be because someone hacked into your conference call because you didn’t rotate the 10-digit code.
- Your job is not to be the one trying to spend less money. You help think of ways to **spend it the most effectively**. If you see your job as pushing for less spending vs. the rest of the team spending more, then resolve that misalignment. Don’t accept it as the “CFO’s role.”
- Internal disagreement** on company strategy often **manifest themselves in budget** conflicts. A CFO resolving those conflicts is often doing the CEO’s job. Bring the CEO in right away to resolve those.
- Never waste employee’s time** in the interest of saving a little money. Go ahead and pay \$100 a month for that new saas expense reporting system if it keeps the team from spending an hour a week each printing and stapling receipts. The opportunity cost for an hour of employee time is several hundred dollars. It also tells the employees they are valued.

- There is an **inverse relationship** between time spent preparing for and “rehearsing” for board meetings and the health of a company.

- If you run IT, **use cloud-based solutions**. Let people choose their equipment within reason. Make them manage it. Do not seek uniformity for the sake of uniformity.

- Assume all **information should be shared with the team**...if you think you’ve found an exception, make sure you have. If you ever say, “I’m not sure the employees can handle....” you are going down a road that may not end well.

- Assume it is going to be a **wild ride! Enjoy it!**

This answer originally appeared on Quora.