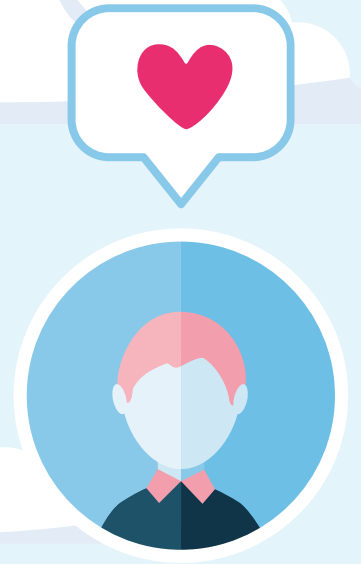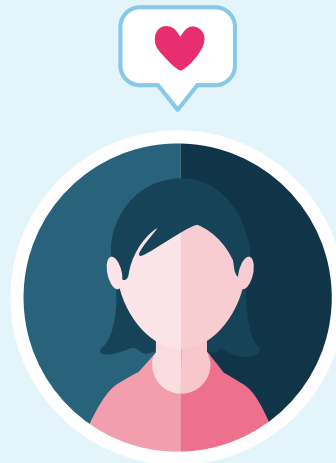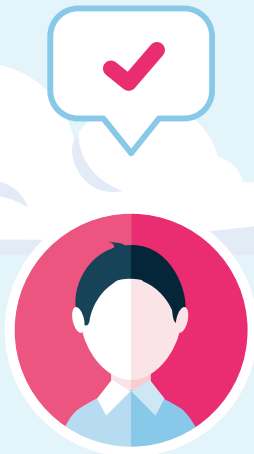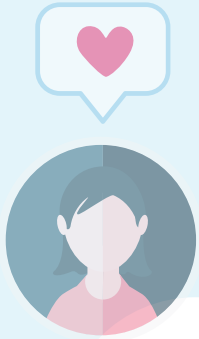# CHAPTER TWO

GETTING THE BOARD ON BOARD

CHAPTER TWO

GETTING THE BOARD ON BOARD

How to win allies and influence people

60-SECOND RECAP

THE TAKEAWAYS FROM PART ONE

If you suspect your finance system might be falling short, here are some key questions to consider:

- Is reporting is good enough?
- What's taking up our time?
- How much risk are we running?

- How long is month-end taking?
- Have we bolted together too many apps?
- Can the system keep up with growth?

Still unsure? Go back for a comprehensive checklist of questions.
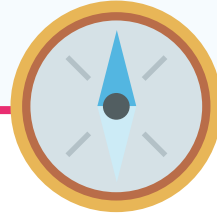
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WHAT YOU'LL LEARN NEXT

Your stakeholders: how to spot them

Why stakeholder personas aren't just marketing nonsense

The different messages that work for different colleagues

Some conversations you need to have

How to start adding numbers to the case for change

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"Today, like it or not, we're all in sales. Whether we're convincing our kids to do their homework, pitching a startup, or encouraging a team to adopt a new tool, we are constantly persuading. And the most effective persuaders today are not those who push hardest, but those who listen best."

Daniel H. Pink,
To Sell Is Human

If you read part one, it's possible you'll be all fired up about the prospect of changing your finance system.

Unfortunately, there are some odd people who are not as inspired by accounting software as the rest of us.

In fact, there's a risk that when you put your proposal to colleagues, there will be an awkward silence. The kind that greets a comedian who's told a bad joke to a tough crowd.

This chapter is about avoiding that tumbleweed moment.

"People often overlook what one might describe as the 'dull but worthy' things," says Keith Collins, Principal Consultant at Adapta Consulting, who advises nonprofits on processes, people and technology.

"Back-end infrastructure — CRM, data management, the finance system — may not be the most exciting topic for everyone but it's incredibly important."

Lauren McCluskey, Head of Virtual Finance Function at AAB, says: "Typically, people don't like to spend money on the finance system because they see it as a pure overhead that isn't going to give anything back to the business. So it's all about engaging the right people at the right time and making sure everyone feels involved in the process — without allowing everyone in the organisation to have a veto."

Read on for some reflections on who you might have to influence. We'll look at how to start building a case that can convince even those weird non-finance people.

"People often overlook the 'dull but worthy' things. Backend infrastructure may not be the most exciting topic for everyone but it's incredibly important."

Keith Collins,
Adapta Consulting

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IDENTIFY THE STAKEHOLDERS

> Often, the biggest blockers are the people using the current system — if they're not ready to acknowledge the current level of pain and admit they need some help.
>
> Jamie Allen,
> Founder and CEO of 4PointZero

Are you likely to encounter a bit of pushback when you suggest switching finance systems? The answer is yes. (For other silly questions, see: Is water wet? Is declining balance depreciation quite complicated?)

As soon as you can, it's important to anticipate where that pushback will come from and what may lie behind it.

Sometimes, you'll come across plain old resistance to change. The attitude of "We do it this way because we've always done it this way." But quite often, you'll hear people voicing a healthy scepticism — the kind based on the reasonable concerns that people are paid to have.

Addressing those concerns as early as possible can help get people onside — and what's more, it can help you reach the best possible decisions.

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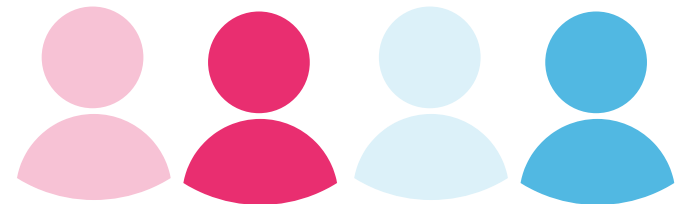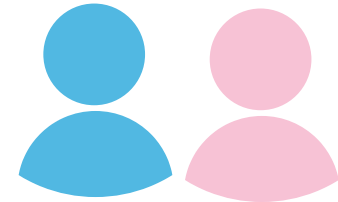
As Lauren McCluskey puts it: "You have to ask yourself: Who are the stakeholders? What do they care about? What do I need to explain to each of them?

"If you provide the same information in exactly the same form to everyone, you're not going to get the results you want. You have to judge what's going to appeal to each person and what won't.

"For example, the chair of the board might be interested only in high-level finance reporting and won't want to hear all about dashboards. The IT team, on the other hand, will care about compliance and security, which is a completely different conversation."

Be prepared for some of the most robust challenge to come from those who are deepest into the existing software.

"Often, the biggest blockers of any digital transformation project in finance are the people using the current system — if they're not ready to acknowledge their current level of pain and admit they need some help to deliver the things they need to," says Jamie Allen, Founder and CEO of 4PointZero.

"You'll often come up against the defensive mentality which says: 'Just let me hire someone' — that's their answer to scalability."

However, there can be a lot in this for the finance team. Their jobs could suddenly become more rewarding.

Frances Kay, Partner with TC Group and Director of App Advisory Plus, has visited a lot of businesses to review how they do things. "I certainly wouldn't go in and suggest everyone's doing everything wrong with their current system. And it's not just about making things more efficient," she says.

"If someone's doing a really mundane job, it's worth asking whether that's what they really want to be doing. They often appreciate having a role that adds a little more value to the business and is a bit more interesting than just data entry."

If you can win some people over and even enlist some as allies in change, the next parts will be a whole lot easier.

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PEOPLE PLEASING

LET'S MEET THE TEAM

Marketers and salespeople spend a fair amount of time devising personas — the "pen portraits" that present a simplified version of their typical customer or prospect.

If you've ever been tempted to suggest they should pack that in and get on with some real work, bear with us.

Reflecting on the concerns and motivation of the people you'll want to influence is likely to pay off. So we've constructed some stakeholder personas.

Let's look at a few people you might come across.

CHIEF EXEC CHARLY

Top concern about change: Is this a sound investment for the whole organisation?

What else is on her mind:

· Can we quantify the benefits of change?

· How do I convince non-finance people that we need a new system?

· What are the risks of doing nothing — e.g. compliance, information security, future software support, lack of control, stress on staff?

· How can we track and report timely, accurate data?

· How can we improve efficiency?

· How can I see performance at high level via dashboards — e.g. P&L, budget vs actuals?

· How do we future proof for growth?

· How do we ensure compliance?

Communication key: Sure, she needs persuasive data. But she also needs a compelling story to share with non-finance people.

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FINANCE WORKER FIONA

Top concern about change:
How will a new system operate in real life?

What else is on her mind:

- What will a new system be like to use on the first Monday morning?
- How will this affect our jobs? Will it mean disruption — or job losses?
- Remember how badly/how well that system change went before?
- How exactly will controls, processes and reporting work?
- Will we lose control if other departments can see more of their own data?
- What happens to the hours that have been spent on manual tasks in the past?

Communication key: She's concerned about disruption and the learning curve involved. She needs to be involved and listened to.
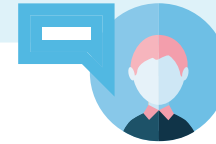
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Top concern about change:
How secure will this be?

What else is on his mind:

- Can we get rid of physical servers?
- Can we move to a secure cloud platform like Microsoft Azure or AWS?
- How well will a finance system integrate with other programs? Will it be done with APIs (application programming interfaces)?
- Will we be safer to go for a big-name software provider?
- What if the finance chief loves a product I've never heard of?

Communication key: He'll be understandably cautious about what you're getting into. Make sure his concerns are respected alongside the wider needs of the organisation.

BUDGET HOLDER BOB

Top concern about change:
How complicated will this be for non-finance users?

What else is on his mind:

- Will a new system be hard to learn?
- What data will I be expected to monitor?
- Will it be easy to see costs and budgets without bothering the finance team?
- How exactly will I handle things like approvals, expenses and purchase orders?
- What'll be expected from me if I'm more accountable for my budget?

Communication key: He'll be concerned about getting involved with a finance system. Keep him reassured about the benefits and ease of use.

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SOME CONVERSATIONS TO HAVE

AND WHAT TO DO WITH THEM

This process isn't about charming and cajoling your stakeholders until they're ready to say yes to your brilliant ideas.

Well, it's not only about that that.

If you listen early and listen well, you'll find you're also marshalling evidence to make a business case for change.

You'll see what your current processes are really costing you and what you'll need from a new system — and you'll begin to put numbers to it all.

> The FC or CFO knows the theory of how they run the finance team — but the finance team knows how they actually do it.
>
> Russell Frayne,
> Director of Transformation, Gravita

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Talk to the users

To really uncover what your current system is costing you through its inefficiencies, your best bet is to listen to the people who use it day-in, day-out.

Russell Frayne, Director of Transformation at Gravita, says: "The FC or CFO knows the theory of how they run their finance team — but the finance team knows how they actually do it. And the two can be massively different. To see how things really work, you have to talk to the people who do the doing."

Frances Kay says: "I start by scoping out the weaknesses of the current system and the potential efficiencies. It's important to do that with the people that actually use the system, rather than me just walking in and telling them I can make things better.

"When you talk to people, they'll usually tell you which jobs take a lot of time or what tasks they hate doing. It helps me understand the process, as well as reminding the team that the system isn't ideal."

Russell Frayne says talking and observing reveals a lot about a department's inefficiencies.

"For example, I visited a client once and I saw there was a noticeable wear in the carpet between one chair and the printer," he says.

"You could tell that the member of the team sitting there was getting up and going back and forth to the printer all day long. I talked to her and discovered that she had to take invoices and emails, print them, then take them back to her desk and type in that information.

"We brought in a couple of applications to change the process. She didn't have to walk to the printer any more, they saved a lot of stationery costs and they didn't need all those cupboards and filing systems."

Mark Preston of Blackpool Grand Theatre adds: "In past jobs, I've known systems where we had paper invoices which have to be registered and sent out to another site, from where they'd come back a week or two later to be entered into the accounts system. Now, invoices are scanned and authorised on the system within the predetermined authorisation levels we set up, with no paper going backwards and forwards and potentially getting lost."

Things to find out:

·   What really are the processes for everyday tasks? Can you map them on paper?
·   What software systems are there that don't talk to each other?
·   What data is being rekeyed from one place to another?
·   What paper-based processes still exist?
·   Where are there breaks in a workflow — and could that work be handled end-to-end by a better system?

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Talk to the non-finance people

Your finance colleagues will not be the only ones whose working days involve wrestling with a beast of a finance system. Consulting with people outside finance is vital.

In many workplaces, finance has become a bottleneck. Budget holders can't quickly get the information they need and may find workarounds by keeping their own records in spreadsheets. The finance team is beset by bottlenecks too, waiting for non-finance people to approve invoices, submit expenses or answer queries.

Things to find out:

- · What information do budget holders lack?
- · Are they keeping their own records and creating data silos?
- · What documents are they hanging onto that should be with the finance team?
- · What processes involve more people than they need to?
- · What is holding up month-end?

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Start counting the costs

It's time to begin putting some numbers on the problems we've been talking about. Take a look at the unnecessary time spent on all those inefficient processes. Can you use it to do a straightforward sum?

· Unnecessary hours spent x hourly cost of the staff involved = ???

To this you can add the other "cost of doing nothing" that we covered in part one.

· The total price for all your current finance software licences
· Cost of third-party applications
· Any costs of hosting a server, maintaining it and installing security fixes

Lauren McCluskey explains: "You need to be able to say: 'These are the frustrations we've got and this is what those frustrations are costing us'. Most people don't realise that unwieldy systems cost the business money because they eat up time and resources that could be better used on something else.

"People love it if you add up all the hours you can save and give them a quantifiable number."

After you've quantified all the current costs as accurately as you can, you can start to meaningfully compare that with the cost of new software.

Consider unquantifiable benefits

By now, you'll also be getting an idea of the less quantifiable benefits a new system could bring,

How much better could your organisation's decision making be if the leadership was working with real-time data — instead of figures from a time that's already slipping into history?

And what could be done with the time that will be freed up by better systems? Can staff time be put to more useful purposes? Can you bring forward other revenue-generating activity without hiring new people?
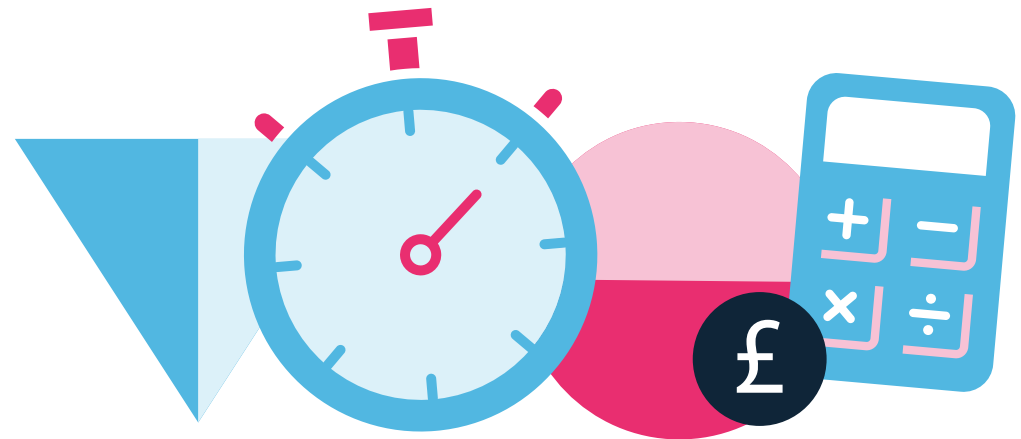
All this information is going to be vital to the business case you're likely to be writing a little later on.

But first, it's time to go software shopping.

People love it if you add up all the hours you can save and give them a quantifiable number.

Lauren McCluskey,
Partner and Business Unit Head;
Virtual Function, AAB

WHAT WE'VE LEARNED

THE KEY TAKEAWAYS

Some people just hate change — but others have a healthy scepticism which can drive better decisions.

Stakeholders have a range of concerns, e.g.:

·   Chief exec Charly needs to see it's a sound investment for the whole organisation.
·   Finance worker Fiona worries how it will work in real life.
·   IT Iain obsesses about how secure it will be.
·   Budget holder Bob needs to know how complicated it will be for non-finance people.

Talking to the users will reveal how your system really works — and what it's costing you in inefficiency.
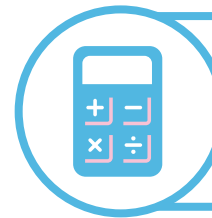
You can start counting the costs by working out how many hours you're paying staff to do unnecessary work. Then add the costs of doing nothing from chapter one.

Some benefits of change — e.g. real-time data for decisions, more time for higher-value work — are real but harder to put a number on.

But they're real.

KEEP READING:

Ready to shop for software?

In part three, you'll learn how to research your options, what makes for a good software demo and how to weigh up price and value.

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