

## A CFO's Lessons Learned from Managing Through the Pandemic

By leveraging professional networks, as well as expertise in scenario planning and corporate strategy, finance executives can steer their organization through the tail end of Covid-19, and beyond.

BY SUSAN COSGROVE

In many ways, the Covid-19 pandemic and global economic turmoil have forced all of us to re-examine the way we work. Like many of my fellow CFOs, I spent the initial days of the crisis refocusing on working closely with my organization's board, my management committee peers, and my team to ensure the firm's financial stability and to manage risk so that we could continue supporting our clients.

As time went on, however, I recognized the need to adjust how I approach my role to fit this unprecedented moment in time. Although the crisis is not fully behind us, enough time has passed to cull four key lessons that will shape my leadership going forward.

### 1. Invest even more heavily in relationships.

While CFOs tend to be numbers-oriented, logical problem-solvers, the pandemic has put a spotlight on the importance of having a finely tuned emotional antenna as well. More than at any other time I can recall, throughout the second half of 2020, I worked closely with my leadership team and HR to help our



colleagues see the bigger picture and make sense of the chaos that seemed to unfold daily.

We balanced business concerns with the understanding that our co-workers might be going through difficult personal challenges outside their virtual offices. As many of us have learned during the past 10 months, we must be aware of mental health concerns in order to effectively support our colleagues. It's the right thing to do, and it enhances our collective ability to serve the organization and our clients.

On many occasions this year, one-on-one "business" meetings drifted into deeper personal discussions where we shared our fears, frustrations, and concerns, as well as the happy moments that we have experienced since the pandemic started. Such conversations have been both healthy and important—and while my first instinct was to offer advice or try to solve problems, I found in most cases that people simply wanted me to listen.

Over time, I learned to focus on being more attuned to my team and

more sympathetic and thoughtful during my interactions. By investing in taking those existing relationships to another level, I forged a stronger connection with my colleagues. They, in turn, feel a greater level of support and comfort in their work each day.

## **2. Counteract uncertainty with scenario planning.**

Perhaps the biggest challenge CFOs have faced throughout the crisis is the high level of uncertainty in almost every area of our responsibility. This likely won't change anytime soon, which makes flexibility essential in maintaining superior execution and long-term focus.

CFOs are well-positioned to work with the broader organization to set priorities and identify the levers needed to calibrate activities to stay in sync with the marketplace. CFOs' 360-degree view of the enterprise gives us deep insight into what is occurring across the business and support functions. This helps us better prioritize initiatives, connect investments to outcomes, and link outcomes to growth.

Navigating the pandemic has felt a lot like scenario analysis on steroids. And scenario analysis is something CFOs know how to do. Our strategic approach to planning enables us to identify the best ways to implement changes or toggle decisions. As important, we can help colleagues understand the strategic planning process, set expectations, and create roadmaps that illustrate how opportunities and challenges align to priorities.

For example, when the pandemic hit, my team quickly established a framework for tracking Covid-related expenses in a mostly remote work environment. Knowing that we would need to make decisions without the luxury of time to complete our usual reviews and approvals, we created an efficient, transparent, and flexible process that ensured we could act and pivot quickly.

## **3. Evaluate prospective investments, even during a crisis.**

During times of crisis, organizations must be especially selective and strategic when it comes to investments. Resources are strained, and it may feel superfluous to deploy capital on innovation when a business's core services are most in demand. But this short-term mindset could have negative long-term implications.

CFOs must look beyond the next quarter and closely examine innovation initiatives for their potential to deliver value and strengthen the organization in the "new normal." As part of this evaluation, we have to consider the costs and benefits of each opportunity, in the context of our organization's business partners and the broader industry. In an environment of uncertainty, this is difficult, but leveraging data can provide the necessary insights to guide effective decision-making.

While organizations will inevitably need to pivot as the internal or external landscape evolves, CFOs are in the best position to use data-driven analytics to determine whether innovation initiatives will generate sufficient return on investment (ROI) over the long term to justify continued investment in them. In addition, CFOs can leverage data for predictive purposes to soften the blow of market downturns or take advantage of future opportunities to further grow the business or enhance support for clients.

## **4. Cultivate your network, albeit virtually.**

The pandemic reinforced the significance of continuing to build networks with colleagues. The alternative is to risk isolation, particularly in a remote working environment that can make it challenging to maintain close professional contacts. Virtual business models are likely to persist long after the pandemic crisis is behind us. Thus, leaders should set an example by actively cultivating

and leveraging relationships with colleagues inside and outside our organization and modeling networking behaviors for our team.

Such investments in building strong connections with peers and partners pays dividends. For instance, earlier this year, my team successfully executed a debt offering that featured a fully virtual roadshow. We laid the foundation for that success long before the pandemic as we polished our presentation and spent many hours engaging with bankers. When it was time to solicit financial support from the market, the strong rapport and trust that we had developed in advance reassured our banking partners. We are fortunate to have access to new collaboration tools that enable us to create strong relationships in a virtual environment.

As we've seen over the past year, there's no single set of rules to guide how we should operate in the future. Nevertheless, one thing is certain: We all need to continue evolving our style and approach to keep pace with fast-moving external dynamics.

The lessons I've learned since last March represent a good starting point, and I plan to continue adjusting and adapting my style to drive business growth and support my colleagues over the long term.

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