

# 5 CFO Tips for Better Board Reporting



## The Path to Better Board Reports

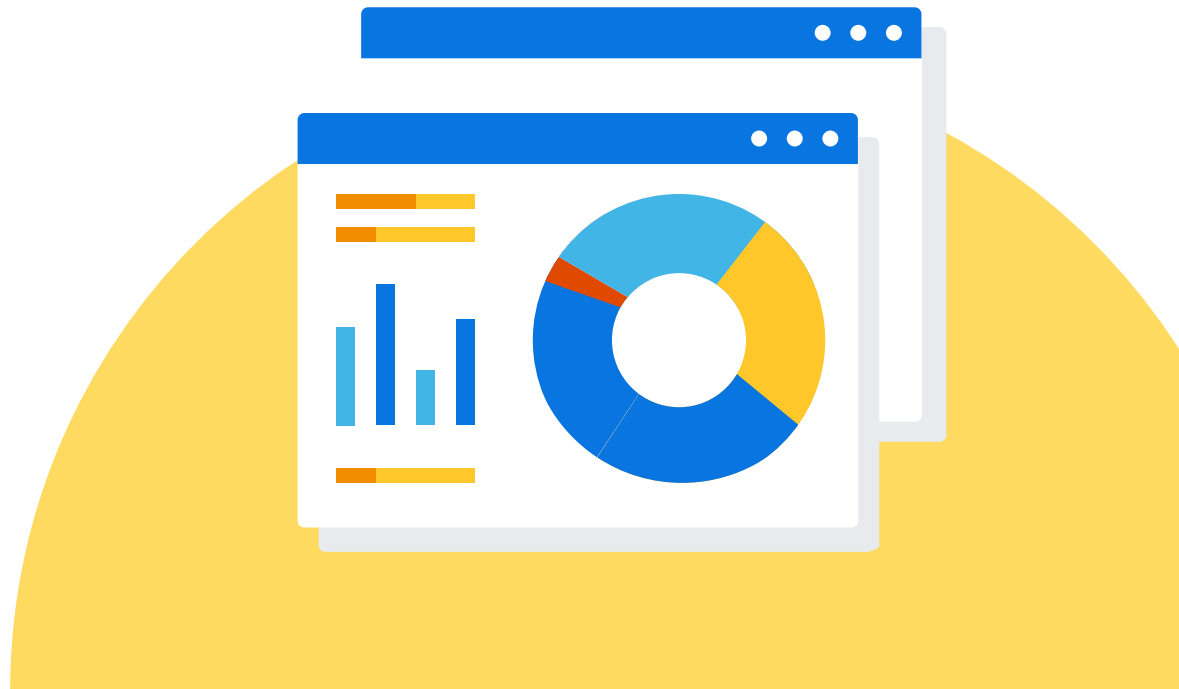
Ah, board reports. They lurk on the horizon each quarter until crunch time when your finance team scrambles to triple-check your data and patch together your PowerPoint deck.

Sure, the reports get done. You deliver your presentation. Yet, chances are, as a CFO, you're left with a nagging thought: There must be a better way.

Well, there is.

The five tips in this eBook can put you on the path to better board reporting through stronger presentations and strategic, meaningful narratives. You'll learn how to spark more dynamic discussions and guide your board members to make better decisions.

Read on to learn how to crush your next board presentation.

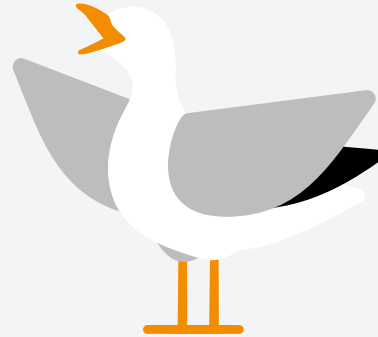


## #1: Know Your Audience

A Silicon Valley legend once shared a funny analogy about board members.

“

Board members are like seagulls,” he said. “They fly in four times a year and do bad things over the building. Then they leave and forget everything that happened.”



Of course, his take was clearly tongue-in-cheek. As the retired president and CEO of one of the valley’s high-flying companies, he well knows the value of a board of directors. In fact, he sits on several of them.

Yet, his comment aims to make a point: If you want to effectively communicate with board members, you need to spend some time looking at the world from their perspective.

The reality is, board members are busy. They likely show up to a meeting once a quarter. They often sit on multiple boards. And they have jam-packed lives and careers. Bottom line: The last thing they need is to suffer through your 60-slide PowerPoint deck.

### Presentation Tip

Avoid the temptation to give too much information, but be ready for questions!

## Less is More

Gaining a deeper understanding of your board's perspective sets the stage for board reports and presentations that are more focused, strategic, and easier to understand.

Your board doesn't need to know every last detail of your financials. In fact, less is more. You want to shift from obsessing over "What do I want to tell them?" to focusing on "What do they need to know?"

The result? You deliver greater clarity that provides board members with a better picture of your company's story and greater context on the challenges and opportunities you face.



### **Avoid appendix-itis:**

Don't take every chart that didn't make the final cut in your presentation and throw it in an appendix. Remember, less is more.

# #2: Be Transparent

When it comes to transparency, remember the old maxim: “Bad news is not like fine wine. It does not get better with age.” If there’s bad news, get it out there so the board knows what it’s dealing with.

Useful transparency goes beyond simply being upfront with the numbers. It’s also about presenting financial information in a way that gets to the real story of what’s happening—and its impact on your company.

So instead of simply showing that sales declined 25% last quarter, offer insight on what drove the change.



**11 days:** How long many CFOs say it takes to get reports to key stakeholders, largely due to tedious data gathering and verification.



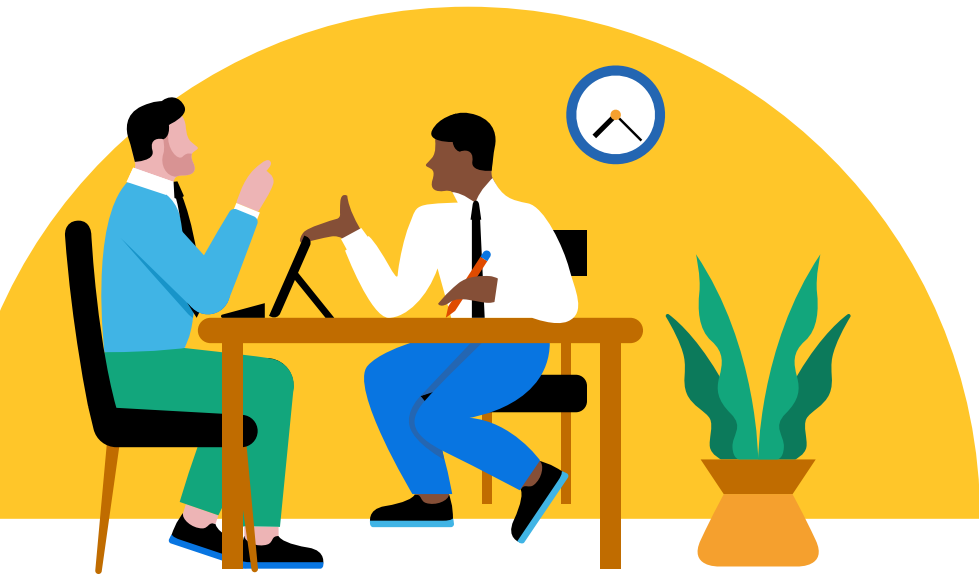
Most CFOs want to whittle that to **five days**, so they can focus more on creating a strategic narrative.<sup>1</sup>

<sup>1</sup> <https://www.adaptiveplanning.com/cfo-indicator/dangerzone>

## Skip the Surprises

If there's a cardinal sin related to boardroom transparency, it's serving up a surprise. It never ends well. Besides chewing into your credibility, it can blindsides your CEO—something you never want to do.

So how to avoid surprises? Make it a habit to share pre-read materials that highlight any issue that may prove problematic or stir debate.



### Presentation Tip

#### Pre-read primer:

- Give your board enough time to digest the pre-read.
- Limit pre-read to one to two pages, no smaller than size 12 font.
- Keep the format consistent so board members can easily navigate information.
- Separate content by subject matter. For instance: finance update, sales update, marketing update.

## #3: Provide Context

Providing context is probably the most neglected aspect of board financial reports. Yet it's through context that trusted strategists separate themselves from the mundane number crunchers.

Numbers alone provide only a static snapshot. Meanwhile, context paints a clear picture of what those numbers mean and how they impact broader issues and opportunities facing your company.

Think of context as the insights that knit the narrative together, providing much-needed perspective that helps your board better grasp your business.

### 3 Steps to Compelling Context

**Show, don't tell:** Visuals such as bar charts, waterfall charts, and compelling images help board members see the story behind the numbers.

**Comparisons add clarity:** Help board members see how your data compares to established benchmarks, such as how the company is doing versus plan or stacked against the competition. In the Adaptive Insights CFO Indicator Q1 2017 report, nearly 60%<sup>1</sup> of CFOs reported that their boards ask how company performance stacks up against benchmark companies.

**Think color commentary, not play-by-play:** Too often slides become a script with the presenter simply rattling off numbers on the slides. News flash: Your board members can read. Instead, they want to know: "What do you think happened, and what might happen next?"

#### Presentation Tip

**Create a context cheat sheet:**

When considering context, ask yourself three key questions to craft a board-friendly narrative.

- Where have we been?
- How are we performing now?
- Where do we expect to go in the near-term and farther into the future?

<sup>1</sup> <https://www.adaptiveplanning.com/cfo-indicator/dangerzone>

## #4: Be Consistent

Board members can be creatures of habit.

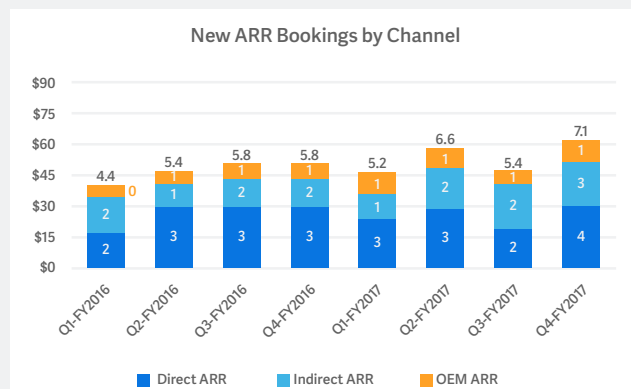
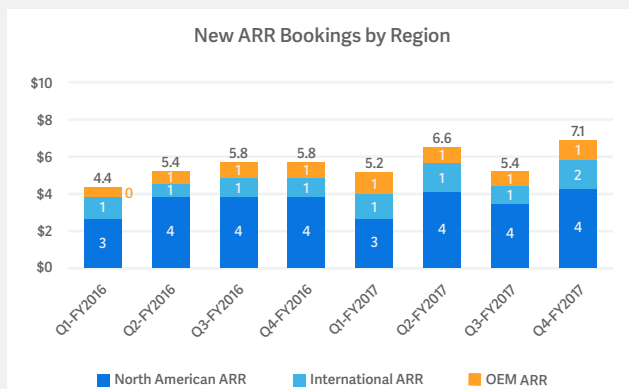
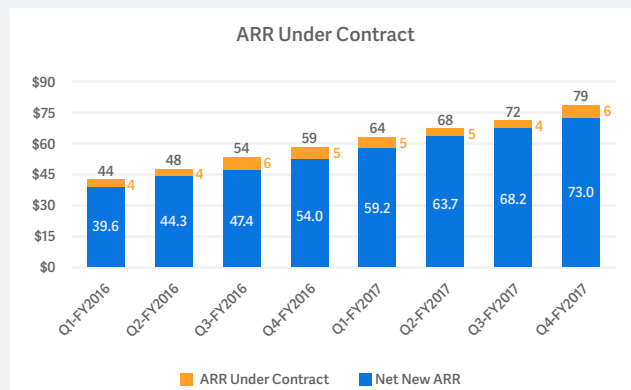
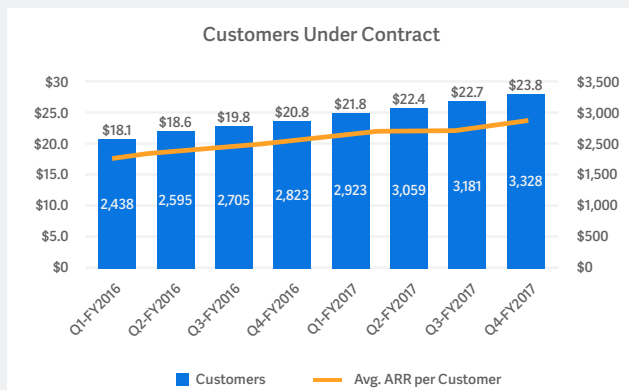
Your presentation's format and approach should help them easily navigate a well-worn path through the information. Make sure your team understands the importance of creating reports that will be consistent and easy to digest

Yes, continue building on your reporting and presenting capabilities, but be selective. Take your board members through familiar territory before offering up information in a new format.

### Presentation Tip

This easy-to-understand graphic is a good go-to for board presentations and allows you to provide commentary on the performance highlighted.

## Customers and ARR



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## KPIs Add Consistency

One trick to ensure consistency is to identify the most relevant KPIs for your board, and then frame every quarter's presentation around them.

This can be easier said than done, particularly for some high-growth software-as-a-service companies that may be tracking hundreds of metrics.

Again, think like a board member, considering which KPIs best tell your story. Edit the list down to a manageable number—depending on your company, that could be anywhere from 10 to 20. Then categorize the KPIs for easier consumption by your board.



### Presentation Tip

With Workday Adaptive Planning OfficeConnect, you can create consistent, high-quality reports and presentations within Microsoft Office (Excel, Word, and PowerPoint). Your team has total control over formatting and the power to refresh your data with one click. You can reduce your financial reporting process from days to minutes.

## #5: Ramp Up Your Credibility

The fastest way to turn seagulls into vultures is with a data error in your presentation.

For instance, the same data point that's different on two slides can lead the conversation down a rabbit hole of debate over data veracity and sourcing. If that's not bad enough, it can also plant the seed that the insights that follow are built on a shaky foundation.

Using a presentation tool that draws from a single source of up-to-date data dramatically increases the credibility and trust the finance team has with the audience.



## Appearance Counts Towards Credibility

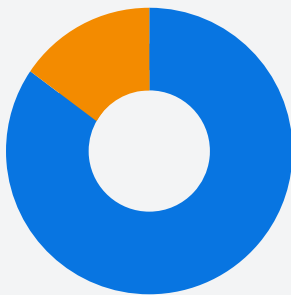
It's easy to dismiss design as an afterthought or flourish. Don't. Streamlined, uncluttered slides can actually bolster credibility.

In one classic study that pitted a strong speaker against a less compelling one using no slides, well-designed, or ugly slides, researchers found that well-designed slides significantly influenced the audience—regardless of the speaker's skill.

Why? Well-presented information evokes an emotion. When the audience members saw crisp, professional slides, they were more likely to rate the speaker's idea as credible and worthwhile.

So in the run-up to your board meeting, avoid focusing all of your time on picking out data points.

Remember: The way you present the information can sway everything—from the conversation that follows to the board's view of the finance function!



**85%**

of CFOs say they have access to data they need, but so much time is devoured gathering and verifying data and formatting reports that only of

**17%** their team's time is devoted to strategic tasks.<sup>2</sup>

## Ready to Ramp Up Your Reporting Game?

Clearly, there is a path to better board reporting. Following the five tips in this eBook will help you tell your story in compelling and engaging ways—and assure you kill it at your next board presentation.

For more information about how to take your reporting and presentations to the next level, visit our website.

<sup>2</sup> <https://www.adaptiveplanning.com/cfo-indicator/cfo-indicator-q4-2016-piece-by-piece>

## About Workday

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