23.03 WW DWEB - How to "Sell" to Your CFO

## **Ryan Radcliff**

So I'm going to introduce our speakers. I'm going to let each of you give a short introduction, Joe Garafalo, Co- Founder and COO of Mosaic. tech, and then Nick Tarnoff, VP of Finance with SupportLogic.

Thank you for joining me today.

## **Joe Garafalo**

Happy to be here, thanks for having us.

## **Nicholas Tarnoff**

Absolutely. My pleasure.

## **Ryan Radcliff**

So when you look at this agenda, these are very important topics for the support industry. A lot of support leaders, they're dealing with hiring freezes, they're dealing with headcount reduction." Doing more with less" is becoming a cliche at this point.

I think it's a great opportunity to add technology that fills those gaps, and talk about how a finance team deals with requests for adding that technology. How can you educate your CFO about those support needs or your IT needs?

And something else I think I'm excited to get into is we're going to talk about what CFOs care about and discuss how those values align with support operations values.

But before all that, what I really want to know from you guys is all about March Madness. Can you help me with my bracket and who's in your final four?

## **Joe Garafalo**

I don't know if I could help too much. I usually just pick Kansas to win every year, so that, that's been my strategy. It's worked out quite well for the last few years and my final four, I think is all the number one seats.

So Alabama, and Kansas, and Houston, and I forget who the last one is, but it should be a fun couple weeks.

## **Nicholas Tarnoff**

Oh, March Madness is always a great time of the year, and I didn't even realize when we scheduled this that we were going to be competing with March Madness for eyes on the screen, but I've seen a couple different strategies used to pick that I'll give you some thoughts, Ryan.

## **Ryan Radcliff**

Yeah.

## **Nicholas Tarnoff**

Wanted to be kind of go down the list and say," Which school would I have back when choosing? Which school would I have preferred to go to?" Some it might be heavier academics, some may be more social, some may be better location.

Or the other alternative is" Which school's located in an area where I'd like to go on vacation next time?" So those are some interesting thoughts.

I have a couple California schools in my Final Four and a couple schools from the state of Texas, including the University of Texas, which is my wife's alma mater.

So my school hasn't made it and I think almost 10 years. So I got to find other teams to root for.

## **Ryan Radcliff**

I hear you on that. I'm a UCI alum, so we're always right on the cusp of making it and then immediately knocked out, so yeah, it's tough, but yeah, thank you guys for indulging me on that.

It seems like aligning support with finance really begins with looking through that same lens, seeing the business the way finance does.

My question for you guys is with market conditions what they are, belt tightening that we're all experiencing, what really makes a tool request or a new resource attractive to you?

## **Nicholas Tarnoff**

Absolutely. It's a terrific question and it's one of the things that we as finance and operations leaders are thinking about and challenges we're dealing with every day in terms of how we support every department across a company, whether it's support, customer success, marketing, sales, it's the similar challenge.

On the screen, we're showing four different buckets that are key items that each of us as finance leaders and operations leaders think about when looking at technology and looking at new solutions for the company.

I think we've gotten to a point though where point solutions that only solve one problem are not maybe the perfect opportunity, but solutions that cut across multiple problems and can solve multiple challenges at the same time are really starting to take hold, and are going to have probably much stronger footholds in the marketplace versus those one- off, I only tackle one little piece of the problem, because with best of breed and cross multiple problem solutions, you can tackle and those fall into a number of the buckets that we're showing here in terms of reducing cost, being more efficient in terms of revenue and improving employee retention and employee satisfaction overall.

But Joe, I'll throw over to you to tackle the question, as well.

## **Joe Garafalo**

Yeah, thanks Nick. And Ryan, really great question and I think it's probably top of mind for everyone, obviously the world right now is a scary place. There's macroeconomic pressure from all angles it feels like, and every day something new is attacking us.

So I think the first lens to think through when buying new software that from my CFO hat is me asking," Is it mission critical? And can we do the job of that piece of software in a better way or a more efficient way?" And if the answer is no, then we get into that buying decision.

And from a CFO's perspective, I think there's these four really big areas, a lot of which you've got on the slide here, but I summarize them in, does it reduce cost for us?

The second is, does it maximize our productivity? And those two for me are basic. If you're selling me software, it better make me more efficient and help us save money.

So those really aren't to me, the ones that are the deal breaker and move us to that mission critical bucket. The next two are really the important ones and I think if you can make a really strong case for three and four, how is it going to reduce some risk to the business?

Does it protect our revenue? Does it help us sell more efficiently? Then you're getting into that mission critical bucket. And then the last one is around you can put it into a category of mitigating risk.

Does this purchase help us mitigate some risk? And it doesn't always have to be a legal risk or a compliance risk, but can it reduce the risk of us churning employees, churning customers, reduced risk in slow onboardings, things of that nature.

But I think once you start asking those questions about," How do you make the product sound mission critical?" You have a lot more success in tough economic times.

## **Ryan Radcliff**

That makes a lot of sense. I like how you sometimes put it with pointing to the bigger problem of boiling all this down, coming to the finance department with this is exactly what I'm looking to solve.

## **Joe Garafalo**

Absolutely, and I think it's really important to get into the psyche of the CFO, like one of the core jobs of the CFO is to be a steward of the company capital.

And a lot of times CFOs, and Nick, you can speak to this, they treat the company capital as if it was their own. And in some cases it's really good to have CFOs treat the business assets as if they were their own.

But in other cases, for the AEs or the sales folks on the line, it's really tough to get those folks to say" Yes." But if you focus on not only the ROI, but again, how and why the software that you're buying is mission critical, it gets the CFO to start to open that wallet and maybe loosen the belt just a bit.

## **Ryan Radcliff**

I think that's a great point. We're discussing what finance cares about and you just mentioned it getting to" Yes." I think this next area I want to post to you guys is all about double clicking into that, how do I get to" Yes?" And so that's my big question is looking at these three buckets, what do they mean to you and how does this move the needle?

## **Nicholas Tarnoff**

No, absolutely. I think getting the" Yes" is a really good way to put it. We're in an environment right now where we talk about, Joe made a great point, finance leaders treating capital, and capital investments as if it's at their own, and moving solutions that you're selling from nice- to- haves into that must- have bucket.

The nice- to- haves, I think, are going to be things where people are going to look to trim, the must- haves are mission critical to getting the job done, but also protecting revenue, reducing risk.

So I think the key things to point out are in terms of making something feel like a must- have are, what is the opportunity cost of not making this investment? Is the opportunity cost...

especially, I think, when it's even more critical on an opportunity cost basis, when you're selling against something that is selling against folks status quo of operations, versus selling against another solution.

And so that's another thing for sales folks to also have to take a pulse on, is it a competitive sales cycle where there's two or three solutions being considered? Or is it just selling against an opportunity where there is no change in operations and it's selling against status quo?

So I think that's a really key thing to understand and then be able to articulate what is the opportunity cost of not doing anything. Then the other piece is once you, you've looked at that bucket, you go to the cost or investment, I think like to think the second one is investment to put up, as a sales folks person putting a positive spin on it, when I as a finance person hear cost or expense, I immediately go to," Oh, man, what's somebody going to ask me to spend?" I would think about it as an investment.

So it's an investment in a new solution, it's an investment in protecting revenue. It's an investment in customer retention and customer satisfaction. So how can I tie the things that the solution that we're selling or the solution that we're trying to bring to a CFO or a COO for approval, how can we tie that investment to these different other elements that are the key pieces of key metrics that finance and operations thinks about and that executive leadership thinks about?

The last one is really time to value. How quick do I get to see the value of the solution? How quick do I feel the impact of that solution being turned on?

And do I immediately protect, if I save one customer?" Man, that solution's paid for itself. Beautiful." QuickTime to value, short hurdle in terms of being able to develop to deliver ROI.

Those are critical. Joe, do you have others that you think about when people bring you business cases or bring you solutions?

## **Joe Garafalo**

Yeah, I think you nailed it there, Nick, with a lot of what you said being super, super true and very relevant. I think for me though, I'm in this unique position where I was the head of finance, the VP of finance for about a decade before starting Mosaic and Mosaic.

We sell financial planning software to CFOs and so I've been in the CFO seat and now I'm actually leading our sales and customer success teams over on the mosaic side and got this unique lens where I can see inside of the sales process.

And one of the things that I always encourage our AEs to do is, and this is taken from Chris Orlob, who is, he was the first AE at Gong, if any of you are familiar with that tool, but he's got this really incredible class where he teaches folks to peel back the onion and uncover the bigger problem.

So to your point, Nick, about the opportunity cost of not making an investment, if you're dealing with the analyst, the analyst problem may be a five or $ 10 ,000 problem, but how do you peel that layer back and show that," Hey, there's actually a bigger problem here." Maybe it's too many support tickets to sift through, that in itself is probably a five or 10 or $ 15 ,000 problem.

But then if you go to the next level and you ask, if you have too many support tickets and you can't get the insights from the pulse of the customer, what does that actually mean from a product perspective and from an engineering perspective?

And suddenly now you're talking about support influencing engineering and product. And then ultimately, if you're building the wrong product or the customer isn't happy and you can't get those insights from the support ticket, then you're dealing about customer churn and retention.

So you've now peeled back the layer and you've made something that started as a small problem into this bigger problem. And once you get the analyst paying the director paying, the C- suite paying, then it's really, really easy to build the ROI or explain how the tool is going to protect against that revenue.

So people in finance, CFOs, we're really, really analytical and there's a good chance that what you're selling will have a direct impact on one of the financial metrics that the CFO cares about deeply, but it's the AEs and the sales team job to build that case and do it effectively.

So I think it's really important to arm arm folks with that information so that they can build their case properly.

## **Ryan Radcliff**

That makes sense. That's some really good insight. I think looking at it from that analytics perspective and bridging that gap to customer support that you're talking about support logic spend now and the customer support enhancement realm now for a number of years.

And moving into this next part of our discussion about support's impact in analytics in those metrics that finance cares about, let's discuss some of those key metrics that we see here and how you view these and how customer support affects them.

Nick, I'll start with you.

## **Nicholas Tarnoff**

No, I mean, these are some of the key metrics that finance operations and the C- suite all look about look at at, talk about. They're discussed in boardrooms, they're discussed with potential current and potential investors.

So these are some of the key elements that customer support impacts. And I think what's critical is for the sales team to be able to speak in the language that operations and finance and C- suite is thinking in, and be able to tie back how the solution can impact each of these metrics in a positive way.

So we talk about from support logic side, 40% reduction in escalation, 53% reduction in time to resolution, 30% increase in first day resolutions, all of those things tied to customer experience, employee experience, and our key elements and some of the drivers and business impacts in the metrics that we're talking about.

So let's think about it, Net Dollar Retention. Net Dollar Retention is really a focus on how happy your customers are. Do they stay with you? Do they expand their spend profile?

If you've provided an excellent customer support experience, the likelihood that a customer churn is very, very minimal. So positive customer support experiences, protecting revenue, increasing net dollar attention, that's one of the key metrics that both investors and executives look at on a pretty regular basis, especially when deciding whether it's fundraising or making business decisions.

That's a key metric that folks look at. Again, margins, same thing. Time spent protecting revenue, fewer costs going into your cost of goods, sold for support.

Again, increased margins is another huge driver of both company valuation as well as overall company he company health. Joe, do you want to talk about the other two customer, LTV and rule of 40?

## **Joe Garafalo**

Yeah, I'd love to. And just going back to some of the metrics you've already covered. Net Dollar Retention, I mean in economic times these, I would say that there's an emphasis on metrics like NDR.

I think the VC community has all realized," Hey, the grow it all, any cost is no longer the in vogue thing to do," and there's been a big, big shift in growing your existing customer base.

So can't say enough good things about focusing on this one as a key value driver when selling to the CFO. Margins are also near and dear to a CFO's heart, their job is to build a software business that has best in class margins.

And for something like gross margin, you want to target that 75 -80% number. And if you are telling a CFO that your software is going to help them do that, you're directly pulling on the heartstrings of the CFO.

And a lot of folks, if you don't live and breed these numbers every single day like we do in finance, they're probably somewhat foreign concepts to you, but there's a lot of good literature out there to just go learn what these means and how to sell with these things in mind to really build that ROI and that value prop.

I think on the slide that we had before, the ROI, obviously that's like the mecca, right? You want to prove the ROI and there's a lot of tools where proving the ROI is super obvious, right?

One that I would love to talk about that I'm a big fan of is a tool called Qualified. So Qualified is a chat bot that sits on your website and it helps your leads or your prospects speak to an SDR, someone in sales development.

It helps them get the relevant content that they need from the questions that they may have. And when buying Qualified, the ROI was really obvious.

The cost of the tool is about our average ACV. So it was," Hey, can Qualified bring us one or two customers, then boom, the thing paid for itself." In other tools like that ROI isn't like, it doesn't punch you in the face, it's not super obvious.

So these are the behind the scenes metrics that I think are arguably more important in some regards, but a little less obvious than maybe the ones that smack you in the face if you couldn't miss them if you tried.

So customer, LTV, you want to keep your customers for a really long time and you also have to acquire those customers efficiently.

Again, your customer efficiency, your acquisition cost has to work in tandem with your Net Dollar Retention. So these two go really, really well together. If you can make the sales process efficient, if you could reduce that churn, then your NDR goes up over time and these things work together.

And then, of course, rule of 40, everybody is focusing more and more on efficiency. Again, the grow at all costs, those times are behind us. So rule of 40 is a really good one that talks about how your profit margins need to be above this 40% threshold.

And again, if you can show how your software is going to help the rule of 40 increase when you're talking to a CFO, you've given them the cheat sheet for how they need to do their job well.

So they're going to appreciate these. But Nick, feel free to add anything I might have missed on any of the metrics.

## **Nicholas Tarnoff**

Oh, I think you did a great job covering, and even Ryan, if we keep clicking forward when you click and zoom out, if you want to go to the next slide, to make it really bring it all full circle, the metrics are one element, but then if you just go and speak the language of finance and operations and the C- suite, the P& L, the profit and loss, and the income statement is a really great place to go, as well.

And great support experience, as we've talked about at a metric level can translate very quickly into real dollars. And so we'll highlight here are a couple elements protecting your customer base that increases revenue, reducing churn, protecting customers, your top line goes up that should get the end ears of any finance or executive leader.

Again, a positive support experience and making your support teams more efficient will reduce your cost of good sold, increasing your gross margins. Again, that should be a very easy way to capture the attention of a finance leader or the executive team.

And at the end of the day, it trickles down to an increase in net income and there's no CFO and no head of operations and no executive leader who won't listen, if you build a business case that will show you how to drive net income up, I would be hard pressed to say that you'll find that person.

So really tying it back to tying your solution back and your sales process and business case, back to the language of the finance and executive leadership, if you bring it back to the language that they're speaking and put it in terms that they understand and in terms of how that business case translates to real world impact or real dollar impact, will make a much stronger business case.

Are there other elements, Joe, that you think about when asking folks to put business cases together?

## **Joe Garafalo**

I think you touched on a lot of them in what you just covered. I think first and foremost, to talk about the specific support example, I got to just say thank you to the support folks out there.

Their job is really hard a lot of times not getting the thank yous that they deserve and they don't get as much love as they should, but they are like...

Man, I'm proud of a support team and the support folks out there who always just turn Harry problems and questions into really positive experiences.

And the way that I think about our support team is, they are keeping the pulse on our customer base. And for anyone out there with a big book of business, everybody thinks about their customer base in these terms of green, yellow, and red.

That's like the most fundamental way to think about the customer base. And the support folks a lot of times are dealing with those yellow and red customers.

And for any CFO out there that you don't want red customers, you don't want churn. So think of the support team as the ones who are protecting against those things from happening.

Now, I wish we can hire as many support folks as we could, but again, with my CFO lens support folks get allocated to COGS, so they reduce that gross margin.

So you can't just linearly scale your customer base with support folks. So there has to be some trade off where the support team is the set number of people for a long time.

And the only way to do that is to make the operation more efficient. So when you're building your business case, and even if a CFO is being tough and it's their job to be tough, it's their job to say" No" and ask too many questions until one side gives up.

So when you're building a business case, there's things that you can ask like," Could you live with a bump in your margins if you don't make an investment like this?" Sure.

Going back to the cost of inaction, maybe it means you save 20 ,000 or 30 ,000 or 50, 000 this year on burn, but your margins are going to take a dip or you won't get that margin improvement.

And what is actually more important? Is it going to be that incremental 20, 30, 50K? Probably not, that's probably not going to change the trajectory of the business, but actually a 10% improvement in your margin will.

So even when you get" No," just be prepared to ask the hard questions back. It's like," Well, it's 20 ,000. Do you really want to save 20, 000 or would you rather have your gross margins improve 5- 10%?" Again, you have to have the proof in the pudding to actually do those things.

And I think looking at your website, 40% reduction in escalations, I know personally the cost of how expensive an escalation is, and you got to bring in your best support folks, your best engineers, and if they're focused on a specific customer issue means they're not focused on the roadmap.

So there's all of these tradeoffs and a good rep, a good salesperson will know how to co- mingle the tradeoffs and tie them back to the ultimate P& L.

## **Ryan Radcliff**

That makes a lot of sense. I love those insights. I'm starting to feel a real through line here with talking about ROI, relating it to LTV.

We capture these customers and it's harder and harder than ever to capture them and then keep them. So if you can find ways to add technology that helps you keep these customers, we've got success stories like with FiveTran where we helped save customer churn by 35%.

You've got this way of getting technology to really affect that revenue line. And something I wanted to transition into was talking about that tech consolidation, because I think it's vital.

Support logic started with sentiment analysis, workflows for customer experience and that churn reduction story. But fast forward a couple years and our focus has changed to the full stack for assisted support.

So if you're investing in your infrastructure, great. If you're investing in case deflection and chatbots, that's awesome, but there's a lot of areas here in assisted support in your operations, in your quality monitoring agent productivity.

There's a lot of jobs to be done in this area. You should probably all be nodding your heads if you're in customer support, that these jobs that you see here on the right, excuse me, are things that you really need to be able to do.

So in the quest to get the most out of people, reduce that tech spend, we're really moving into this usage based zone to let our customers expand into these different jobs to be done gradually adding technology to enhance them, start with those core needs and move on.

So my question for you both is when you hear about usage- based pricing compared to traditional enterprise type agreements, what stands out to you and what value do you see?

## **Nicholas Tarnoff**

I think for one of the most tremendous values that usage- based pricing presents is the opportunity for each customer to bring their own use case to the table, in that, no two customers, even if they're trying to solve the same problem, are going to go at it or same challenge are going to go at it the same way in terms of how they structure their support team, where they're based, what elements they're trying to bring in.

So the beauty with usage- based pricing and with a kind of all in one solution is it allows each customer the opportunity to cut to make their own experience in using the solution.

And having that flexibility I think is key, especially as you're thinking about it from a buyer and operational perspective is, I can bring in one solution and I may not use it all right away, but I'll grow into it as well.

So I think that opportunity is really valuable in terms of having all in one solutions, but also a flexible usage and a flexible pricing model so that teams can start using it and then grow into it and learn other parts of the tool, and also grow into other areas where maybe it's not a key focus for them at the time being, but they also have the opportunity and working with customer success teams to grow in and adopt other parts of the solution that may not be top of mind in the immediate buying cycle.

## **Joe Garafalo**

Those are all-

## **Nicholas Tarnoff**

You have other thoughts?

## **Joe Garafalo**

Yeah, I think I second a lot of what Nick said, and I think there's a lot of really, really relevant business examples out there of companies that have switched to usage basic pricing models with tremendous success.

The ones that come to mind are Snowflake, Amplitude, FiveTran, which you mentioned Nick. I think to the point of flexibility, a usage- based pricing model really does allow for that.

I think the one thing that I would add is, as long as the pricing model is predictive where people can understand what they're going to pay, then I think these things work really, really well.

But I think and consumption- based pricing is the future, and you're seeing a lot of best in class. SaaS companies offer this blend of feature- based pricing and packaging and then some element of usage and consumption.

And I really, what I like about the usage and consumption model is that it's tied directly to the value that you're getting from the product. It's like," Well, I bought all these things, I don't use half of them, but I still to pay." Whereas with usage and consumption, it's like" I'm paying because I'm actually using all the things that are deriving value." So I do think it aligns the incentives from both the customer using the product and also the company building and selling the product.

## **Nicholas Tarnoff**

You make a terrific point, and this is where I think also as a seller from the sales perspective, partnering with finance, even if it's your own internal finance team, as you're selling a usage- based pricing model or solution externally, work with your internal teams so that you can give some level of prediction or forecast of what the spend will look like 6, 12, 18 months down the road as certain consumption increases.

I think that's a great point that Joe made and something that finance leader leaders want to see is a little bit of predictability. I may enter and start at 50K today, but if I use the solution and I get tremendous value from it, I'm not going to be paying 50K a year from now.

So being able to work with the team to understand what that looks like, I think is a really critical point.

## **Ryan Radcliff**

I love those perspectives. We've got a few questions from the listeners. I just want to flash up our key takeaways, some of the things that we've been discussing, and I want to thank you both.

Nick, thank you for joining me. And Joe, thank you to you and Mosaic for being a part of this. The insights have been incredible from both of you, these are just a quick rundown of a lot of what we've been talking about.

But I want to jump into some of the questions that we're seeing from our listeners here. Aleena is asking, she says," I'm actually selling to CFOs right now.

What is something specific that can make a deal go faster?" So it sounds like from a seller perspective,

## **Nicholas Tarnoff**

Joe, do you want to take this?

## **Joe Garafalo**

Sure. So without knowing specifically what you're selling, I think there's a lot of things that you can do. Number one is you've got to create that inherent urgency.

It's like what is the thing that you're saying that is going to make them actually go faster and pay attention? For us, there's a lot of seasonality in the business. So we sell to CFOs and some of the things that we do is help with planning and reporting.

So in Q4, we know a lot of people are thinking about building their operating plan, so lean into that messaging with the CFO. If it's Q1, we know board season is upon us, and CFOs a lot of times are going to be prepping for hours and weeks and days for that three hour meeting that occurs every 90 days.

So there's a lot of things that the CFO does that are quite predictable, especially if you pay attention to the environment, you see terrible things in the news.

Sometimes it's layoffs and riffs, sometimes it's contraction in the economy. Those are the things that are keeping CFOs up at night. So if your tool helps them do those things better or more efficiently or helps them think about some of these macro problems and make better decisions, then absolutely lean into the times, lean into the seasonality.

And then the trick as well, on the sale side, if when selling to CFOs is, they like incentives, they want to get a good deal, they want to feel like they've won.

So if you can incentivize them with a free month or with a discount to take an action by a certain time, CFOs, they love to say that they saved some money, they saved some costs, they got a good deal.

That's what they're all about. That's what we're about.

## **Nicholas Tarnoff**

I love that comment at the end too. CFOs want to feel like they won the negotiation. Absolutely true. They always want to feel like we got a good deal or we got a good deal for the value that we're being sold.

I think that's an excellent point.

## **Ryan Radcliff**

That makes a lot of sense. I feel like that leads into our next question here from Jerry. He says," What if budget is set in stone? What can a champion of a purchase request really do at that point?"

## **Nicholas Tarnoff**

So I'll start this one. It's a good question. I think there's a belief that all budgets are written in stone and budget is not written in stone.

We want, as finance leaders and operations leaders, to have a clear line of sight to a plan, go for the course of the year, but if there's a compelling business case, we will always listen.

And that's where we were talking about giving you the tools to think about how to build that business case, opportunity cost. Maybe think about what other solutions you would replace or efficiencies you would gain by bringing on a new solution that maybe isn't in the budget, or maybe there are things in the budget that you can look at and say," Hey, maybe I'll make some trade offs.

I can prioritize this solution and this purchase investment now, and that will reduce my cost that we were planning to spend on A, B, C in Q3 or Q4 of this year." The alternative is just you can go the other approach, which is," Hey, let's make this investment now, it's a cost investment today, but it will increase revenue by X percent in Q3 and Q4 down the road because we're making a proactive investment." So I think the notion that budget is written in stone is a fallacy that us, finance leaders, have put out there for quite some time as an easy way for us to say," No," to things.

But a compelling business case will always capture somebody's attention.

## **Joe Garafalo**

That's a good point. And you just let a secret out of the bag that budgets are set in stone, that is-

## **Nicholas Tarnoff**

Maybe.

## **Joe Garafalo**

but if you're getting stonewalled with," Hey, there is no budget, the budget is locked." My rebuttal would be like," You need to get to the right level of authority within the organization that can unfreeze the budget or make the call." So get to power is always one of the first and foremost things that the AEs should be doing, is get to the person who controls the budget, and if you can't get to the person that controls the budget and you still think you have a really good champion on your side, that's where doing the things that we covered in this webinar, like building the use case, getting the higher value problem set out, maybe it's, again, we don't have 20K in budget, but what is actually the cost of churning one or two or three more customers for not having the solution?

So reframe it, throw the question on its head is like," Well, you don't have the budget, but if you don't have the budget, then you're actually going to have a more expensive problem on your hand. So if you can build the case, if you can get to power and show the cost of inaction, then I think next quarter maybe there will be budget.

And usually you're reevaluating every 90 days. I know Nick does rolling forecasts, so sometimes the budget for the quarter is locked and you just got to wait it out, but you can build the case so that when the reforecast happens, you become a line item.

## **Ryan Radcliff**

I love that.

## **Nicholas Tarnoff**

We do as Joe said, we do the rolling forecasts courtesy of Mosaic, one of the things that we use to really help make that a very easy thing to do. And the other thing that you can point to, especially with the entry pricing that we have at Support Logic these days and the usage based opportunity or pricing model is, it doesn't take saving many customers, for most of our customers, one or two customers saved and retained pays for the solution itself.

So as Joe mentioned with... I can't remember the one you mentioned, I don't think it was gone with Qualified. If you can point very directly to one or two or three customer saves to pay off the value of the investment, those are really key and critical points to unlock budget.

## **Joe Garafalo**

It's a no- brainer, right? As a founder, as somebody who has to speak to investors and raise money, if you said," Hey, look like you can turn three customers that are in the red bucket to yellow, and take three from yellow to green, I sleep better at night.

We know the net retention numbers will be better." And then that, to me, is something that is mission critical, so it's all about framing. And again, if you're selling software, of course, it should save you time and it just save you money.

If it doesn't do that, you're probably selling the wrong thing. But what are the bigger pain to make the thing mission critical? That that's really what you want to get across.

Not focus on saving time and saving money, because it's 2023, every software should save you time, it should save you money, what else do you have?

## **Ryan Radcliff**

That's a great point. Yeah, we've got just one more question here. It's a little similar to the question that was asked before. So I'd love to put a technical spin on it and hear about, what are the tools that someone can use?

So the question is, Taylor's asking," My purchase requests usually stall out, how can I stop this from happening?" And the ad that I want for this is when it comes to PowerPoints and spreadsheets and different methods of maybe meeting what has been successful with you with getting this stall out from getting pushed through?

## **Joe Garafalo**

I think is that, go ahead Nick.

## **Nicholas Tarnoff**

I was going to say one thing I would probably do if I'm in Taylor's shoes is, before going forward again, is look at the purchase work requests they've put forward in the past and see in the stall out what the roadblock is and if there's a commonality to the roadblocks.

Is it stalling at a certain point? Is it stalling because the CFO or the finance leader has asked the same question a couple times and they're just not going deep enough in a certain area?

So the first thing before I bring another one is," Let me evaluate the cases I've brought forward. And is there a commonality to the roadblock that we're getting?" If there is, then that's the area to go after right away.

I think for me, what I want to see, it's two or three quick slides, thoughtful business case highlight, highlight the important numbers, make it so that I can grab them, I can look at them on my laptop, on an iPad, or even on my phone and quickly get to understanding the value in no more than 60 seconds just looking at a slide.

That for me is very impactful in terms of how somebody can build a business case that'll capture my attention.

## **Joe Garafalo**

It's a great point, and I think the same way that we're encouraging folks to focus on the ROI of selling to the CFOs, you've also got to make your own case internally.

So my significant other Brittany, she works in marketing and her purchase requests were we're getting stalled, and we were talking about why that is, and it's like," Well, don't focus on the fact that you need a tool to send more emails.

Focus on if you have a tool, how much more pipeline can you generate? And how many more people will show up to events? And how many more leads will the AEs be able to get?" And when you reframe, again, taking that small problem of," Hey, we need to send more emails," it's actually more emails equals more pipeline generation, which means more win rates.

And then you, you'll start to see your purchase requests go from getting blocked to maybe starting to get through. The other thing that's important is, know the context, right?

If you're already way over your budget, you're probably not going to get any more unless you have the results to prove it. It's like," Hey, we were 10% over budget last quarter, but we blew our numbers away.

We want to do that again. Ask for more money to do X, Y, and Z things." So the context is always helpful for why they may be getting stuck.

## **Ryan Radcliff**

That makes a lot of sense. It feels like over the next couple years, approval pass are going to continue to flow through the finance department through the CFO more than ever.

I just want to make a quick plug as we're wrapping up a little bit. If the folks on the call have found this valuable, I really recommend checking out SX Live virtual event and in- person city tours.

These are free events where we bring together practitioners, industry heavyweights, like Joe and Nick from the finance perspective for this call in customer support and customer success.

And we discuss operations, we discuss be best practices, and I think it's always great opportunities to meet in person or attend our virtual conference and really get connected in with the industry.

So with that said, thank you to you both for joining me today. I love the discussion. Do you have any final points?

## **Nicholas Tarnoff**

I would just say, I think, focus on on, I think, Joe made an excellent point earlier. Focus on the times, understand the climate that we're all in, understand the environment that we're in, understand that constrained resources are becoming a thing, but use the tools and use the metrics.

And as Joe said, really highlight the end problem that you're trying to solve and bring those things back and build the business cases around those. Those will be impactful, they'll get attention, and they will unlock budget and they'll unlock the opportunity to make in investments because you're making an investment not just in your own team, but you're making an investment for the company and you're making an investment for your end customers, as well.

And those are always critical components that executives like to think about and have as top of mind.

## **Joe Garafalo**

Great points. And the last comment is, when selling to the CFO, we're people too, a lot of times CFOs, we get a bad rap as red tape, or that we're going to be the ones saying," No," help us say" Yes," right?

We don't want to be the red tape. We don't want to say" No." We want to make the business go faster and help teams, especially when software will make their lives easier, and employees will be happier and be more efficient.

So know that we don't want to be that red tape, just help us say" Yes," more efficiently.

## **Ryan Radcliff**

Nice. Well, awesome. Well, thank you both. Really enjoyed the discussion. Hope our listeners did too, and we'll see you next time. Thank you.

## **Nicholas Tarnoff**

All right.