



CFO Spotlight: Don Clarke, CFO of Plex Systems, Inc.

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1. What was your first CFO opportunity and how did you get it?

The short answer is I was in the right place at the right time. My promotion to CFO came at a fairly young age. I was Controller of Telic Corporation, a very profitable software company (principally timesharing, the pre-cursor to SaaS) owned largely by one individual. This owner used our cash flow to branch into new ventures including one with tremendous revenue growth. It was a very dynamic environment and proved difficult for CFO's – the typical CFO lasted 6 months and I had a new CFO about every year or so, many times running without a CFO. Three years into my stint as Controller, the founder brought in a professional manager to be president of Telic since the founder's empire had grown so large. There was a CFO in place when the new president joined but this CFO soon fizzled out just as the others had. A year later, the new president promoted me to CFO citing, among other attributes, my deep knowledge of the business, ability to successfully operate in such a demanding environment over an extended period, my openness to new ideas and his belief in my room to grow quickly in my new role.

2. Who had the biggest influence on your career and why?

The person who had the most significant influence on my career was John Sidgmore. John was that new president hired at Telic and had spent the prior 15 years at GE. At that time, GE was widely recognized under Jack Welch's leadership as the best run business on the planet due to its innovative and leading edge programs and philosophies and its resulting incredible execution. John brought much of that with him to Telic. I saw John take a highly dysfunctional group of executives (our first offsite had one exec throw a steak knife at another!) and turn them into a highly-performing team. Along the way, we transformed the business in virtually every way imaginable. What I learned from my time with John is too great to ever capture in a few sentences.





3. How do you balance the demands from work with those of the family?

This is a great question because we all struggle with this. If you want to be successful at work, you need commit a huge amount of time there and if you want a successful family life you need to commit the right amount of time there too. I have 5 children so this has been top of my mind for my entire career. In my case, one way I tried to reduce the stress between these investment areas is that I gave up my hobbies – you could view this as my family became my hobby knowing that I could always re-start my hobbies later in life. I also make sure I handle what's important whether that's at home or at work – for example, I made sure I attended my kids' graduations from kindergarten. And I have a terrific spouse, someone who appreciates me taking time out of the work day to attend those graduations and understands when I need to steal some personal time for work after hours. For software companies in particular, I believe the ability to achieve balance has become much easier as technology now enables us to work virtually anywhere, any time – with a little, and I mean very little, every other day maintenance on my mail box, I don't think anyone at work realized I just spent the last 2 weeks in the Outer Banks.

4. The CFO landscape is constantly changing. How do you keep yourself educated on the latest developments that affect your position?

It absolutely has been a dynamic position over my career. In the early days it was more about closing the books and getting financial reports out, dealing with banks. Today it is much more than that.

One way the position has evolved is CFO's have the opportunity to be much more operationally oriented than in the past. As a CFO, I sit at the intersection of data, strategy and operating decisions. Recognizing the need for adjustments to tactics can have a profound effect on the progress of the company. I think privately backed companies (CEO's and Boards/investors) are looking for CFO's to "multiply" the effectiveness of the CEO by being fairly operational. And I think public company investors highly regard CFO's who can speak with ease about operational elements of the business.

On the more traditional CFO functions, I do what everyone else probably does – use experts, solicit ideas and knowledge from my peers and others. I also keep my ears open. We have tremendous resources available to us, like the Greater Washington CFO Network.





5. A CFO is typically a confidante of the CEO; how did you gain their trust?

Great question. For me, it starts in the interviewing process. I will tell the CEO that the two of us must have a special relationship; and while there are many reasons for my statement, there are two that deserve airtime.

I will describe to the CEO that we are the only two members of the leadership team who care about the whole company and who are relied upon by our Board/investors to drive shareholder value. The other leaders (Sales, Dev, Marketing, etc.), no matter how executive and experienced they may be, still have parochial views. Every CEO nods his/her head at this.

And the second reason for this special relationship is that the CEO needs to know that I may need to tell him/her things they may not want to hear. And when I do that, which in my experience is not that often, they need to know the interaction is coming from a good place and nothing else.

Typically, this leads to a discussion about how they want a partner on whom they can count to be candid.

Once I start, everyone judges me based upon what I do and say, really the contributions that I make. This is where the real trust is built.

