

CFO SPOTLIGHT: GUS BESSALEL, CFO OF FUGUE, INC.



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

Fugue is my first CFO role and came about in a non-traditional way. I do not come from a classic finance background, but I have been involved in startups for more than twenty-five years as a CEO, COO, founder, advisor, board member and angel investor. After selling my first company, I had not held a traditional job for more than a decade when I was approached in 2012 by my former colleague and longtime friend Josh Stella. A brilliant technologist for whom I have immense respect, Josh was looking for help getting his company off the ground. We had worked together in a startup in the late '90s, and I had seen first-hand how talented and visionary he is. He came to my house and after a three-hour conversation where he laid out for me and my wife his vision for improving security in a software-defined world, I knew I had to get involved.

When it comes to my current role at Fugue, I am the proverbial “boiled frog”. My initial intention was just to help Josh and the company as an advisor to secure its seed round. But over the course of the past six years, I went from “friend of Josh” to official Advisor, investor, consultant, half-time Interim CFO to full-time CFO. It’s not something that I planned for, but Fugue is by far the most interesting startup I have been involved in during my career, and I feel privileged to be along for the journey.

2. What’s the best business book you’ve read lately?

When Phillip Merrick joined Fugue as our new CEO in July, 2019, he recommended to the management team that we read two excellent books—Patrick Lencioni’s “The Five Dysfunctions of a Team” and “Measure What Matters” by John Doerr, both of which I would recommend to any senior leader.

Lencioni’s fable tells the story of a fictional management team and their efforts to tackle classic organizational obstacles including departmental territoriality, conflict avoidance, lack of trust, and lack of accountability. The Fugue leadership all read the book prior to our first management retreat with Phillip, and it served as a powerful catalyst to help integrate Phillip into the team while establishing a set of norms in the way that we work together that has substantially improved our decision making, communication and collaboration.

“Measure What Matters” is John Doerr’s exposition on the OKR system of goal development and management in an organizational setting. The OKR system (which stands for Objectives and Key Results) has become a critical underpinning of the way we at Fugue set our longer term aspirations (Objectives) as a company and translate those into actionable, measurable shorter term goals (Key Results) around which we organize our day-to-day efforts.

Implementing OKRs at Fugue has helped bring a level of clarity, alignment and commitment to every person in the company around what is important. We even recently started using OKRs with a key vendor as a way to create concrete goals for our relationship and establish accountability.

3. What is your biggest accomplishment of your career?

Certainly my biggest professional accomplishment was taking the plunge to start my first company at the age of 29. The company made it onto the Inc. 500 and had a successful exit a couple of years later. The company was the Mid-Atlantic regional franchise of Transmedia, a discount dining business offering discreet savings to professionals at hundreds of restaurants throughout the region and thousands across the country. Ultimately, it became Rewards Network, the underpinning of the dining-for-miles programs offered by the major airlines, with a legacy that continues to be bigger and better than ever.

Outside of my professional career, my most satisfying accomplishment was co-founding Compass (<https://compassprobono.org/>), a volunteer consulting organization that brings together alumni from more than a dozen top business schools to provide strategic advice to nonprofits throughout the DC metro area (and now also Philadelphia and Chicago). Started by five Harvard Business School alumni around the time of 9/11, Compass benefited from the surge of volunteerism that emerged from that tragic event. In our first year, we completed projects for five area nonprofits. Since then, through incredible community support and substantial partnerships with Capital One, Booz Allen Hamilton and Arnold and Porter, Compass places hundreds of amazingly talented volunteers onto more than seventy nonprofit consulting projects every year.

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

That's a good one. It has become a running joke that every time Fugue has closed a funding round or significant customer transaction, I have been on vacation, managing the process from remote hotel rooms as far away as India. Given the company's track record of completing major transactions when I'm out of town, I'm regularly being encouraged to go away more often!

Having been around startups for decades, I have come to accept that work-life balance is somewhat of a myth. This is even more true in our house as my wife just took a CEO position with a Charlottesville-based startup and the demands on her are even more intense than on me. What we strive for more realistically is what one of our board members refers to as "work-life integration". The fluid dynamics of startup life require the ability to quickly and seamlessly shift gears from professional to personal and back at any given time.

Operationally, Fugue made a decision in the beginning that we would be 100% paperless and we have fully embraced multi-channel communication and videoconferencing, which keeps us from being tied to any physical location or process. Our son is a college golfer, so that flexibility has been particularly important in allowing us to get up to New England to see him compete during his fall and spring seasons.

5. What opportunities/experiences did you have that best prepared you to be a CFO?

The combination of six years in management consulting along with a couple of decades in various roles in startups has provided a really valuable mix of experiences that inform my role as a CFO. My early training working at Bain & Co. in Boston exposed me to a level of strategic thinking and analysis that I would say was even more useful in business than my MBA. But one of the problems with consulting is that, in the absence of actual hands-on experience, there's a disconnect between strategic thinking and the execution required to build a business.

At the last consulting firm where before founding my first company, I had an opportunity to become the administrative partner with responsibility for all of the back office functions, including finance, HR, recruiting, and even coordination of sales and marketing. All of the other partners in the firm took a giant step backward when the need for someone to fill that position emerged, so I reluctantly agreed. I had recently been married and had grown weary of all of the globetrotting I was doing as an international consultant, so I thought the change would be beneficial.

It turned out to be a fortuitous decision. Although I missed the actual consulting work and interacting with clients, it was a fantastic opportunity to get practical experience with the nuts and bolts of how a business actually runs. It gave me the background and confidence to step into the role of Founder/CEO at my first company. From there, the broad general management experience I gained has served me well in being able to think about business opportunities strategically while also rolling up my sleeves and tackling the myriad details that a CFO has to deal with every day.