



CFO Spotlight: Mark Lynch, CFO of Appian

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

I was the Assistant Controller for Clark Construction Group and got a call from a head hunter to be the Controller of a small startup in Herndon VA. The company had 10 employees, one patent, and an empty plastic box that was going to become a smart phone. The CEO (Bill Gorog) was the former founder of Lexus Nexus and Verifone and the other two executives (Fraser Bullock and John Backus) previously worked together at Bain Capital with Mitt Romney. The company was called US Order and was created to do online bill pay and magazine ordering over a proprietary network. This was before the internet really got started. I got offered the position and took it, against my friends' advice. They thought I was crazy leaving a \$1 billion dollar revenue company for a startup. I didn't know if we would be successful, but figured we had a good shot with such an amazing executive team. During my first year at US Order, I was finishing up my MBA at George Washington University at night school and had to create a business plan for my Entrepreneurship class. The professor let us do a business plan for US Order, which we ultimately used to raise \$13m for the Company. Following the raise, I was promoted to VP of Finance. Two years later we took the company public and I was promoted to CFO.

During your career, you should be willing to take calculated risks that put you into a position to succeed and you should always look to take yourself out of your comfort zone. I did both at US Order and it fundamentally changed my career trajectory.

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

John Backus, a local venture capitalist. He gave me my first shot at being a CFO. He has been a tremendous supporter and a great mentor for me over the years. He's one of the best managers that I have ever worked for. He's incredibly demanding, but is also a lot of fun to work with. On top of it, he's a top notch person.

3. What's the best business book you've read lately?

I've read several books over the past couple of years and have found most to be dry and tough to read. Two books that are great for any technology CFO or aspiring CFO would be Built to Last and Shackleton's Way, Leadership Lessons from the Great Antarctic Explorer. Both are really good, but the latter has really resonated with me





for a bunch of reasons. His story is truly incredible and never gets old. The following is an excerpt on the book and is well worth the read.

Excerpt from Amazon: Sir Ernest Shackleton has been called "the greatest leader that ever came on God's earth, bar none" for saving the lives of the twenty-seven men stranded with him in the Antarctic for almost two years. Today the public can't get enough of this once-forgotten explorer, and his actions have made him a model for great leadership and masterful crisis management. Now, through anecdotes, the diaries of the men in his crew, and Shackleton's own writing, Shackleton's leadership style and time-honored principles are translated for the modern business world. Written by two veteran business observers and illustrated with ship photographer Frank Hurley's masterpieces and other rarely seen photos, this practical book helps today's leaders follow Shackleton's triumphant example.

4. What's one regret you can share about your career?

I am a cautionary tale for any CFO. Being the CFO of a publicly traded company that had an accounting restatement and lost billions in market cap is not something anyone wants to live through. We thought we were doing the accounting correctly, worked closely with our outside auditors, but we made some mistakes. Where we got into trouble is that we were trying to manage our earnings by pushing deals forward into the following quarter, to increase our backlog, and to improve our visibility into the next quarter. I thought we could do that from an accounting perspective, but the accounting regulations were pretty clear in that *how* we did it wasn't correct. My regret was that I got caught up in trying to come up with ways to maximize the company's performance, using legal accounting methods, versus letting the company's financials show how the company was truly performing. We honestly thought we were doing things correctly. I didn't know the regs well enough and should have known them better.

The moral of my story is that CFO's should realize that there is no gray area. There are only black and white. I always cringe when I hear the joke: The interviewer calls in the accountant and asks "What do two plus two equal?" The accountant gets up, locks the door, closes the shade, sits down next to the interviewer and says "What do you want it to equal?" The answer should always be four from the CFO's perspective. If you always strive to get to the *correct* answer and not to the *best* answer, you will never have any problems from an accounting perspective.

5. What is the biggest challenge you are currently facing?

How to grow as fast as possible without diluting the company's culture or lowering our standards on the quality of the employees hired. It sounds pretty straightforward, but it is incredibly difficult to pull off.





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

It generally takes a while to gain the CEO's trust. I have known my current CEO for almost 20 years so we both had an inherent understanding of how we both worked. When I took the role I told him that the CEO and CFO are going to naturally have disagreements over time. It is just the nature of the beast. But there will be a time, when it was very important that he needed to follow my advice, even if he didn't agree with the solution. I promised to only pull that card when it was really, really important. Over the past 7+ years, I have only had to pull out that card twice, and in both situations the CEO didn't even flinch and agreed to follow my advice. Luckily, they were the right decisions in each case 😊.

In a nut shell, a CFO's job is to put up the guard rails, to show the CEO where the guard rails are and to keep the CEO from blowing through the guard rails. Our job is to try and keep the CEO and the company safe, but to also give them lots of latitude to continue to do great things.

