

# CF<sup>o</sup> CIRCLE

## BizOps Guide

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**Criss Harms | Former CFO @ Forescout**  
[Network Security | #of employees - 1100 | Public Co]

Role when implemented: CFO, Forescout

BizOps Team Size: 6

BizOps Structure: Build FP&A and BizOps teams in parallel. BizOps team is project ops leader across company. FPA team is reporting, P&Ls, expense leaders, product owners on P&Ls. Profile is consultants with macro strategic perspectives.

## Responsibilities

- Focused 'where is the puck going'.
- Market assessments, competitive, funnel conversion, deal profiles, build or buy M&A, CEO comms to board.

## Challenges

- Get CEO very involved in the process from beginning.
- Had talented team but needed senior level who can hang with C-level execs.
- BizOps group was formed and then passed on. Wished I had kept in Finance.
- Biggest pain point was when CEO was with team and shaping a narrative. I'd have to say 'not an honest way to address the topic'.



## Criss Harms | Former CFO @ Forescout

[Network Security | #of employees - 1100 | Public Co]

Forescout has 1100 people now. There are 6 people on the BizOps teams. 15 on the FP&A team. 15 people on the deal desk. For us, BizOps is very much focused on “where is the puck going?”. It is market assessments, market segmentation, competitive analysis, M&A, build or buy. Very focused on CEO communications to a board, because we're aggregating at the strategic level about where we're going. Team members are generally people coming out of McKinsey, Booz Allen consulting backgrounds with very macro strategic perspectives on things.

The deal desk team is focused on funnel, territory planning, funnel conversion, deal profiles, current quarter. And then the FP&A team is very P&L oriented, corporate P&L, product P&Ls, geo P&Ls, and then the associated functional expense of leaders on each of those. They do that and then they're supporting the product management teams, the product owners on their P&Ls.

Half of the deal desk team are MBAs but don't have a consulting background. They don't think in terms of market segmentation or competitive differentiations like the BizOps teams. Highly bought into the value of having a BizOps team very early. Have that first-person be a partner to the CFO, CEO, and Head of Product. Then, building that team in parallel as you build the FP&A and deal desk teams.

We try to approach projects as a cross-functional team. But, ultimately a BizOps person is the project leader. They're orchestrating across the company at a cross-functional level, much more as a project manager than a driver.



## Emily Westerhold | CFO @ VSCO

[Multimedia + Design Software | #of employees - 150]

Role when implemented: CFO, VSCO

BizOps Team Size: 3 in BizOps; 2 in FP&A

BizOps Structure: Separate FP&A and BizOps teams.

Both report to the Director of Finance who reports to CFO.

BizOps team profile is more consultant, M&A, banking background. These types like strategy, not ongoing reporting.

### Responsibilities

- FP&A/BizOps are separate functions but work closely together.
- FP&A does forecasting, reporting, with an understanding of accounting
- BizOps thinks outside the box and outside of the standard reporting cycle. Focused on projects and processes for business growth and business improvement.

*Ex questions: global expansion, margin expansion, product strategy, pricing & packaging, AWS optimization, new office business case, M&A tuck-ins.*

### Challenges

- It's a new function that did not exist. Inherently there are people issues. Err on side of bringing people along and over-communicate/collaborate.
- Alignment with CFO and Head of Product is essential.
- Be very clear on BizOps role, responsibilities, and hand-off to other teams. BizOps serves other functions. BizOps is not responsible for the outcome. It's collaborative where BizOps develops the insights and then delivers to the function for decisions and execution.
- Wish we'd had analytics embedded in BizOps. Too dependent on a separate analytics team.



## Emily Westerhold | CFO @ VSCO

[Multimedia + Design Software | #of employees - 150]

VSCO's headcount is about 150 people. 3 in BizOps (new hire in next 1-2 quarters). 2 in FP&A that are separate but close collaborators. What put me down this path was seeing that we were actually creating risk in the business by not having some type of team that could plug-in to a cross-functional project and be that voice.

My relatively junior FP&A team didn't have the strategic and holistic lens to tackle all the questions that were bubbling-up that had business and financial impact. I didn't have anyone to delegate to. I found myself being dragged into a lot of meetings or not being in meetings that I should have been in. I also started hearing about decisions within the business that had financial or business implications where someone from the business side was not involved in the decision.

I thought about: How does BizOps differ from FP&A? How should I structure that? Should I combine them? Should I separate them?

And there's a lot of different valuable viewpoints here. Where I ultimately landed was to separate the function. But they do report to a Director of Finance, that oversees both teams, who then reports-in to me. But FP&A and BizOps are totally separate functions in terms of the skill sets and day-to-day projects. Though they do work closely together.

We built BizOps over the last 18 months. The charter that we landed on, through iteration, is to own the processes and projects that catalyze business growth or business improvement. That encompasses a lot of areas. But one thing that we've learned is that it's actually generally not about the outcome. There are projects where it can be the outcome, but usually there's some sort of input work done by the BizOps team that then gets handed-off to someone that actually owns the outcome. We're not on that implementation team, but all the work to recommend the strategy is led by BizOps



## Emily Westerhold | CFO @ VSCO

[Multimedia + Design Software | #of employees - 150]

Some examples of recent projects that have gone on the last few quarters:

- ROI analysis on new purchases or new initiatives
- Led a global strategy project on how we should expand
- Led all of our strategic pricing and packaging efforts
- How do we maximize margins
- Optimizing our AWS spend
- How, where, and when we recommend and-roll out to a new office location
- Models for potential partnerships as well as potential M&A

Where we've struggled was at the beginning. We learned that you have to be very clear on the role of BizOps in a given project, that role versus other teams, and where BizOps is making a hand-off. Also, I think a lot of companies tend to be product-first, especially in the consumer world. There was some rub with our product team in terms of who owns what. It took a lot of alignment with me and our Head of Product.

I would definitely recommend making sure that, at the senior level, that you and any other leads where your teams will be working with are super-aligned on the role and responsibility of the BizOps team as a whole and individual projects.

Furthermore, be mindful that there are certain projects where you're introducing various groups and teams to a function that didn't exist before. There would just be people issues, right? Those intangibles are hard to describe and are different in every organization. But that was most of my effort—communicating early and often, erring towards collaboration, insulating from or removing roadblocks, making sure my team could actually do their job.

The BizOps team was naturally inclined to take things and run with them and just get them done. Then that would cause issues down the road when people were not always aligned on what that should be and what their role should be. Lastly, the analytics team is actually one thing I wish we would have done differently from the beginning. We should have had (some) analytics team embedded in BizOps. We're too reliant on the data team that is totally separate from BizOps. It's created a lot of headaches.



## Gavin Cotter | VP of Operations @ PillPack

[Online Pharmacy | #of employees - 2k+ | ACQ by AWS-Amazon]

**BizOps Team Size:** 45 in BizOps; 4 sub-teams

**BizOps Structure:** Reports to CFO/COO. Sits between Finance and Operating units.

**Analytics (15), Sales Operations & Planning (6), Continuous Improvement (20), Launching New Initiatives (5) and separate FP&A Team.**

### Responsibilities

- Company wide ops processes around decision making. Start with data and then work the human side. Key to develop trust and relationships with key constituents.
- Comfortable with change and driving it in the organization. Be hungry. Work hard. Make impact.
- Manages planning, analytics and process improvement, improve customer experience, service levels, service quality, COGS, team happiness and satisfaction.
- Analyst team supports product team. Have driven upward of 70% cost reduction over 3 years
- More than doubled customer retention and happiness

### Challenges

- Clarity on who owns what. BizOps is a Jack-of-all-Trades team that has breadth. Have to be clear about what you are/aren't doing.
- Used Jira ticketing system but now managed through Google spreadsheets b/c not everyone uses Jira.



## Gavin Cotter | VP of Operations @ PillPack

[Online Pharmacy | #of employees - 2k+ | ACQ by AWS-Amazon]

PillPack is a full-service pharmacy. We package medications and deliver to your front door. We have 2,000 employees. We were acquired by Amazon.

In terms of the customer journey, we acquire customers through digital and voice channels. Once we acquire that customer, we have a prescription operation that obtains all of your prescriptions and processes them. We have a fulfillment operation that packages and gets you the medication you need. And then we have a customer service operation that takes care of all the issues that occur with everything in the service and the challenges in the healthcare space. We also have a technology team that is building tools for the end customer and for our internal customers. And a finance team, HR, all the other functions you would imagine.

I'm the VP of Operations, which is BizOps at PillPack. I report to the COO + CFO (formerly Yvonne Hao). Overall, the function sits between finance and ops and is very similar to what Emily described earlier. It's a 46 person team, organized across 4 teams. Specifically, I manage all analytics, planning, and process improvement efforts across the enterprise.

The first is an analytics team of 15. They are quantifying everything in the business. It's the core of what we do. You can't really improve anything unless you have a quantified understanding of what it is, and you can't really plan for growth unless you know how you're performing today. That team is quantifying many things: financial, revenue, cost of goods sold, labor, shipping, and packaging. But they are also doing all the other aspects of the business, like service levels, quality, ensuring accurate delivery, team happiness, and satisfaction.

The analytics team is supported by a data engineering team that is embedded with the tech team. They own everything from post-customer acquisition, starting with revenue, all the way through the other end of the P&L. That team ensures that all of our proprietary and third-party tools are delivering consistent data and making it available everywhere and is easy to analyze. The Operations analytics team is a customer of the data engineering team.

The second is a sales and operations planning team of 6. They ensure we have the capacity for growth in a rapidly growing company. We need to make sure we have staff, real estate, equipment in place to take care of our ever-growing customer base.





## Gavin Cotter | VP of Operations @ PillPack

[Online Pharmacy | #of employees - 2k+ | ACQ by AWS-Amazon]

The third is a continuous improvement team of 20. With #2, you then have a quantified understanding of what's going on. You quickly find many opportunities to do things better. So, this team is running projects to improve service and quality for the customer and reduce costs for the business.

The fourth is a new initiatives team of 5. It's somewhat similar to the continuous improvement team, but more focused around launching new lines of business. It's a small team around program management.

In terms of what that team is doing and some of the key accomplishments, we've helped a lot in fundraising, building, and hiring, developing some internal processes around decision making, some of the more soft stuff with broad purview. Within our business, we've driven a 70% cost reduction over a three-year period driving millions of savings for the company. But, it's not just financial.

We've more than doubled our customer retention, which reflects higher customer happiness and, therefore, business impact given the longer retention rates. They're obviously happier with the service by dramatically improving our quality so we're ever safer for our customer and driving-related improvements across the business.

These examples allude to the difference between the FP&A and BizOps teams. The purview of the BizOps team is not exclusively financial, by any means. It's about improving the quality of the product and improving service delivery to the customer. That involves a broader set of objectives and inputs than financial.



## Lee Kirkpatrick | Former CFO @ Twilio

[Communications Software + Application | #of employees - 3k+ | Public Co]

Role when implemented: CFO, Twilio

BizOps Team Size: Scaled as the company grew. Six people at IPO in 2016, now significantly larger.

BizOps Structure: Initially reported to finance, then COO, then back to finance. Led by a Director, with a flat org structure below the director.

### Responsibilities

- Tackle once off strategic tactical projects, often cross functional.
- Support the planning process in conjunction with the finance team.

### Challenges

- Making sure the role and projects for the BizOps teams are well-defined.
- In some case the operating managers would try to hijack BizOps team members to do operating activities.



## Lee Kirkpatrick | Former CFO @ Twilio

[Communications Software + Application | #of employees - 3k+ | Public Co]

I'll go back further in my career. When I joined Reuters America out of business school in New York City, BizOps and Strategy had nice offices on the 50th floor while FP&A was on the second floor in kind of crummy cubicles. That really resonated with me because you had the finance team, who really knew the numbers well, knew the business well. But this company had hit such a scale that FP&A was not associated with a lot of the strategic key projects and operations. So my philosophy has been to really build-up the FP&A team. To have them involved with the product team and the sales team. To get a product finance team in early. To get a sales finance team in early. Get them understanding a lot of knowledge. Because in finance, you know the numbers, you know what's going on, you know who can deliver, who's not going to deliver. So that was a foundational thing for me.

Now, back to this conversation. I do think when you hit a scale, you do need unencumbered employees, people that don't have day jobs. So I think BizOps is important and certainly in terms of change management or projects. At a philosophical level, I do have a bias to keep the weight in the finance team and really make them be key enablers of what's going to happen. Because they see the numbers and then have that BizOps team be there for specific projects where you need unencumbered people to get stuff done.

I was hiring people in FP&A and position managers and directors. Looking for the type of people that can take on projects where they're going to weigh in on a M&A decisions. If someone is the product finance person, they're going to weigh in on product roadmap decisions and be in the room with the product managers and engineers on key decisions. Within the core finance team at Twilio we built that up to a couple hundred people before we first built a BizOps team. We needed people for the type of projects that we've been talking about. "Should we go into Japan or not?", "Should we develop a completely new product line that none of the product managers are thinking about, and we don't have a hired product manager?"

At Twilio we built a small team of 6 or 7 people when the company went public. We also had within the finance team one project manager and then slowly started building that out to be a project manager within finance. "What type of system should we put in for a sales tax?" Or, "Let's take a hard look at the billing system."

So that was the structure we had and then just scaled those structures. Scaled the project management team within the finance group. And then the BizOps team is scaled. I left Twilio within the last year. That BizOps team now is about 25 people. Project finance is a handful of people.

## Q&A

### STRUCTURE + PROFILES:

**Some projects fall into both the BizOps and FP&A team. How do you define what goes into which bucket when there's overlap?**

Emily Westerhold, VSCO: There is no one-size-fits-all. There are actually a lot of companies that combine these two groups and responsibilities.

**What profiles did you look for the BizOps team vs. the FP&A team?**

Emily Westerhold, VSCO: I had an existing core FP&A team that was really strong at forecasting and reporting with a deep understanding of accounting. They checked all of the boxes for strong traditional FP&A. But for a really strategic conversation about our market or product, where we need to be thinking outside the box, wasn't natural for the FP&A team. And that was totally fine.

By contrast, the people that I hired for the BizOps team fit a little bit more of that strategic profile. More of the consultant or M&A background. I don't have any bankers on my team, but that's always been in my job description. They can do projects that are more outside of the box than what my FP&A team do. I don't mean that in a negative light. I think it's a function of who I had and optimizing for the strengths on my team.

## What candidate profile for all of these roles? If you were to hire yourself today, knowing what you know, what does your profile look like?

Gavin Cotter, PillPack: It can be a bit of a tough role to hire for. You're looking for someone with a lot of different skills. I've found business school and consulting backgrounds most effective. We hire a lot of ex-consultants, folks who have both a strong strategic focus, financial business, and some operational and customer-focused insights.

Rarely have I found someone who has done a similar job at another company. More often than not, it's just someone with a lot of horsepower and a breadth of experience that is interested in this type of role. It's been tough to find someone who truly has experience in this space.

As for me, I went to business school. I don't have a consulting background. I have an appetite for change. I'm very comfortable with change, more so than a lot of folks. The whole purpose of this role is to effectively drive change in an ever-changing company.

I think that's something that's been important to my success. I have a strong desire to work hard and make an impact. We've only got so many years on this Earth, and I want to do as much as I can with them. I'm not sure how exactly you profile for that when you're looking for somebody. If you don't have the hunger and drive, I don't think you can be successful driving change within the organization and operate effectively in a not-so-clear functional team. There's a lot of influencing from the side in this role. I think the key things are developing relationships and trust with key decision-makers. From TJ and Elliot, the founders, through Yvonne herself, through senior leaders in the company. I've also just worked along side those folks for a long time now. It's knowing that you need to influence those folks and making sure you have good relationships and they understand what you're doing and why you're doing it.

**I'm thinking about the naming of all this. Is this "strategic finance" or "strategy"? I know content is more interesting than names. But, when you think about recruiting and when you think about internal positioning. How do you end up with BizOps?**

Criss Harms, Forescout: I have never encountered problems with the naming. But what you're describing is the substance of that team's role & responsibilities.

Lee Kirkpatrick, Twilio: The term "strategic finance" doesn't sit well with me. What are the other teams, "non-strategic finance"? Separating finance teams into classes can be dangerous. You can lose a lot of value. I do think you need to have your core finance team be comprised of people that know the numbers and work with the people. What people might call "strategic finance" should be woven into the core finance team.

**Are there other analytics teams in the business? Is there product analytics? Is there another business analytics team? How do you manage potential overlaps and conflicts?**

Gavin Cotter, PillPack: There are two fundamental analytics teams—marketing and operations. The marketing team is smaller than the operations team. The marketing analytics team is focused primarily around growth, at the very front end of customer acquisition. They ask questions like, "how well is Facebook performing versus Google Ads?" That analytics team is also a customer of the data engineering team. These Analytics teams were built from the ground up. Initially, I owned the end-to-end data and was responsible for both making it available as well as analyzing it. Then I took the data engineering piece and I gave that to the tech team (happily). They could essentially do the plumbing so that the analyst teams could do their work. We do have an FP&A team who is focused on financial forecasts. They're not looking at change initiatives.

## For product analytics, do you have a team that's doing things like AB testing? Do they cross into business operations where the analyst works with the product manager?

Gavin Cotter, PillPack:

Organizationally, we break it out into three pillars of the business. One is prescription processing, one is fulfillment processing (both internal functions), and one is customer service. That third pillar is building tools for both our customer and for our internal service agent. That is the team that is running essentially customer-facing product testing to see, "Would this be better or not?"

The analyst team that supports that

function analyzes both areas, both how our internal agents are serving the customer, as well as the external customer-facing product.

It may be a little more complicated for us, because we're not really selling a digital product at the end of the day. It's a true physical pharmacy product. In general, we have a lightweight customer-facing portal, but it's not really the core of the product.

## Q&A (CONT.)

### PROFICIENCIES, WORKFLOWS, + LEARNINGS:

A question specifically on the process improvement function. Process improvement can be a very, very broad charter. I'm wondering how you constrain the holistic requests that you probably get. Is this all the way down to helping accounting cinch a couple of days off in the close process, or is it largely company-wide operational processes?

Gavin Cotter, PillPack: The bulk of BizOps work is largely company-wide operational processes. They're not going to solve everyone's problems everywhere. I think what that team prioritizes and working on are the cross-functional projects that aren't getting dealt with solely within a singular functional team. How we do that in practice is a monthly prioritization sprint planning meeting where any stakeholder from ops, finance, or tech who has a project that they want to accomplish is welcome to submit it and defend why they think it should get done. We then prioritize based on business impact as well as our annual goals. We're trying to make sure that we accomplish not only financial goals but also service goals and quality goals for our customers.



**How do you manage the workflow? Do you guys have a ticketing system that you're using and assigning tickets to different analysts or owners to keep track of all the many workstreams?**

Gavin Cotter, PillPack: We've used ticketing systems in the past. To be honest, we used JIRA for a little while and then went away from it. We just manage it through Google spreadsheets. I know that's probably not the most satisfying solution. Not all users across the business are comfortable with JIRA, except for the product and technology teams. Google Sheets was the most user friendly solution.

**Can you share a couple of your biggest learnings (i.e., mistakes made, lessons learned, scar tissue to avoid) that this group keep in mind when we build-out our own BizOps function?**

Lee Kirkpatrick, Twilio: At Twilio, we had a lot of weight on the finance team. People were engaged, the finance team was invited into the room, FP&A to key meetings. In terms of BizOps, I formed the group and then I passed it off to another person to manage. I wish I would've kept it in finance. And I do think we ran it with a lot of individuals without a strong leader. So we had very talented McKinsey MBA types, but we did not get that senior leader that could really hang with the C-level executives. And I think that hurt us and hurt the group.

Criss Harms, Forescout: I don't know how I could've avoided my biggest pain point. It would be when the CEO would engage directly with the team to shape a narrative and then put together analytics and charts to support that narrative. And I would come in and go, "Well that's not an intellectually honest way to approach that topic."

And that created just iterative cycles with the CEO and myself about how to tell an intellectually honest story in reporting to a board. And the BizOps team was often caught in the middle between the two of us. I'm not sure how I could have solved that differently, but that took a good year and a half to evolve. We're still evolving as all of a sudden I see new charts pop-up on dashboards that I see 10 minutes before they go out to the board.

Gavin Cotter, PillPack: Clarity of responsibilities is important. This has been a high impact team that's done a lot of great things for PillPack and has very much justified its existence. However, now it's a bit of a jack-of-all-trades team that has a lot of breadth. You just have to be very clear about what you're doing and what you're not doing.

One mistake was in the world of purchasing and buying drugs. For us, that falls in the cost of goods sold bucket. In the early days, we were responsible for that analysis as there was no corresponding operational or financial team owning it. People just assumed that my team was making progress. To be honest, we probably could have saved a lot of money a lot sooner if we had grown a little more of either a finance muscle or an ops muscle to do that function. You just have to be careful around saying "yes" and saying "no". Make sure you know what this team is contributing on and what they're not contributing on so that you don't leave gaps for things that you could or should be doing.

## Q&A (CONT.)

### CEO BUY-IN:

**BizOps is not recognized and understood by a lot of people, including CEOs. If the CFO leads the charge, it could look like a power grab. You're actually kind of infiltrating a lot of the other leadership individuals to make BizOps successful. How do you get the CEO bought in and feeling like he or she is not left out?**

Criss Harms, Forescout: I didn't face that problem with my CEO. I was here first when he came on board. We had a shared view of the value of BizOps.

Lee Kirkpatrick, Twilio: Jeff Lawson, our CEO, came up from product. He is a very product driven person and feels product managers should drive the company. His initial view is that product should do the activities that BizOps does. As we looked at some of the key projects and cross-functional teams, he realized that the product managers were tied-up with just getting the existing products out the door. Not unlike FP&A was tied-up. This was an issue for the group. If we had had a more senior person leading the group they could have given clarity on what the group was trying to do and keep it more focused. Then, you know what happened? Some people on the team turned out to be very good and useful. And so the CEO realized that it could be very helpful and that's what ultimately gave us the support.

Gavin Cotter, PillPack: I reported to Elliot, who was one of the core founders, before reporting to Yvonne who, until recently, was the COO+CFO. I already had a relationship with TJ, the CEO. We had an interesting path to the team which kind of made it a non-issue. However, some of the things folks mentioned about product leading versus the business leading versus finance

leading are questions that always come up. And so I can definitely understand that perspective. But at least at PillPack it just wasn't an issue. I guess something tactically you could do to try to address is just make sure the CEO is involved. If this is a new function, make sure they're very involved in recruiting, understanding why you're doing it, and just make them a part of it from the get-go so that it doesn't seem like an end-run from finance.

## ADDITIONAL RESOURCES

- [Why Your Start-up Needs a BizOps Team](#) –Medium
- [BizOps Perspectives](#) –Medium
- [Business & Revenue Operations Framework](#) - Copper