

Fear of Financials

—by Aliza Pilar Sherman

When it comes to the financials of a business, are women more or less apt to embrace the numbers? While there are no definitive studies claiming that women have a harder time with financials than men, women who are not trained in financial aspects of business tend to feel everything from indifference to fear to hatred of their company's finances. Despite the emotions, there are ways to succeed even if financials aren't a favorite pastime.

"At Business Literacy Institute, we've found that the fear of finance comes in part from not having the opportunity to learn about it. Once exposed to the numbers and how they work, women can become a powerful part of a business' success," says Karen Berman, PhD, co-author of *Financial Intelligence: A Manager's Guide to Knowing What the Numbers Really Mean* (Harvard Business School Press, Jan. 2006). The book is a primer on financial literacy to help business owners and executives understand the basics of business finance.

Katie Delahaye Paine, CEO of KDPaine & Partners, LLC, a public relations and marketing measurement business, has run two successful businesses over the past eighteen years.

"I can honestly say that I've never conquered my Fear of Financials," admits Katie who teaches at a university business school but brings in another instructor when they get to the financial chapter in the textbook. "I haven't balanced my checkbook since 1973. Yet somehow I managed to build one company up so it was worth \$3.8 million when I sold it, and my second company has doubled in sales every year since it started in 2002."

Paine says she has never really been good at details or "getting the numbers right." She learned that she was a "word person" and needed to hire people who were "numbers people."

Deirdre Breakenridge, president of PFS Marketwyse, handles most of the financial responsibilities of her business. While she always felt she had a good sense of numbers, she left her personal finances to her significant other. After ten years working in marketing, she decided to start her own communications firm.

"I realized that this meant more than just new business development and managing account work. The numbers — from what I was told by friends, family and my peers — was the part of the business that needed constant attention and supervision."

Breakenridge didn't feel she was stilled to take on her startup's financial but she wasn't in the position to hire someone.

"I decided to round out my business experience by pursuing my MBA. Through intense courses I was introduced to statistics, calculus, financial analysis, and accounting end-users approach. This training helped me to develop my own system of accounting and financial planning that has assisted me when times were troublesome, due to a downturn in the economy," says Breakenridge.

Is it a male or female thing when it comes to numbers? Breakenridge has a non-scientific take on the subject.

"I've always had an underlying feeling that males are groomed to be the numbers experts. I noticed that in K-12 schools, teachers would normally chose the males to go up to the board and solve the math problems. I don't have statistics to back this up but I've spoken to female friends and they feel the same."

Paine has a different take on the subject.

"I think that there are word people and there are numbers people and that it may be hard-wired into their genes. Some people turn on their computers and go straight to Excel, some go to Word. Some people like to tell stories and write, others like to calculate. I refer to the numbers people as Martians the word people as Venutians but it has nothing to do with gender. It has to do with how their brain works."

Paine also believes that early in a venture, women are sometimes afraid to admit that they don't know how to or can't do something because they are trying so hard to prove themselves to be capable.

While getting an MBA isn't for everyone, Breakenridge suggests that women push themselves into unfamiliar territory.

"It will make you that much stronger and more valuable. I always feel that you should experience as much as you can and understand the inner workings of your business including new business development, marketing, financials, operations and HR."

Breakenridge adds that you should always hire people who are smarter and more skilled than you are when you are financially ready, but even when you can afford to do so, you always have to have enough knowledge to supervise to tackle challenges and make decisions in the business.

Says Paine, "The first step is to figure out what you do well that contributes to the success of the business and do more of it. And if you have a good head for numbers, great, dig in and go for it.: Paine also agrees that if financials aren't a strength, hire someone else to handle them.

Wendy Barlin, CPA, specializes in working with women entrepreneurs. She recommends three basic things women can do to handle their business side of their business.

1. Build a team of professionals to support them - accountant, attorney, insurance expert;
2. Sit down with the accountant each month and look at the numbers; and
3. Use the numbers to create Key Performance Indicators on which to make strategic decisions.

"Too often women hire a bookkeeper or accountant to take care of the detail but never take the time to understand and make the numbers useful to them," says Barlin.

You might choose to handle the financials yourself, but if you choose to hire an accountant, bookkeeper or Chief Financial Officer, take the time to learn some aspects of business financials to become a stronger business leader.

Says Breakenridge, "Knowledge is the best way to be prepared."