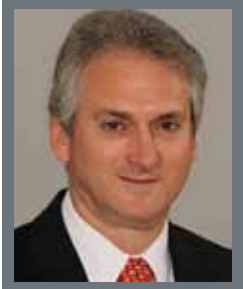

TALKING HEAD

DAN CRUMB, CFO, KANSAS CITY CHIEFS



Dan Crumb was named Chief Financial Officer of the Kansas City Chiefs in September 2010. Prior to joining the Chiefs, Crumb worked for the New Orleans Hornets of the NBA as the team's Senior Vice President and Chief Financial Officer. Before that, Crumb served as the CFO of Abita Springs Water Company Inc, having begun his professional career at KPMG.

"I think the last few years have certainly seen finance's role change. Earlier on in my career, 25 years ago, the finance organisation was viewed as more of an accounting department; you processed the numbers, you did the financial statements, you put out the financials on a monthly basis.

And then it evolved to where the CFO of the organisation is really a trusted advisor to the president. You see the ownership leveraging that finance person and the finance department's knowledge and their expertise in making decisions. So, now it is not just giving financial statements, it is 'what do you think about this business opportunity?'

And it is fair to say we have a unique ability, thanks to our training and experience, to decipher what the numbers are telling us and to be able to partner up with the different departments, and advise them and pass on knowledge. Hopefully we can also increase their financial literacy along the way.

"We want our (finance) people to act like the business owner, who understand the numbers but who also know what it takes to grow and manage a business."

But even though finance's role is being transformed in some ways, we have to maintain our objectivity and independence. And in my view, it really boils down to your internal control environment. For instance, in our organisation, we have an audit committee, external auditors, we have league auditors. As a result, we have a lot of layers of accountability that strengthen our internal control environment.

It is also about the tone at the top, from our ownership down, the commitment to control and making sure that everything is correct and that everybody is accountable. From the financial statements, the analysis, the reporting; everything is properly and fairly stated, according to generally accepted accounting principles.

There is always going to have to be that one department or person that plays devil's advocate. For me, that has to be finance and the CFO. They are going to have to continue to be the objective, independent enforcer of the rules, making sure the business is looking at everything in the proper context, applying the right principles and sound business judgment. I think we will continue to see finance maintain that role of gatekeeper and enforcer.

Of course in order to make sure you are following these guidelines, you need the best people. To find them, we have to maintain a good connection to the universities and professional education sector to ensure the curriculum and syllabus development supports that. This is important because as this function evolves the requirements are going to be about more than just core financial competency. People working in it are going to need to be more literate in management areas and marketing and in business operations, for instance.

We want our people to act like the business owner, who understands the numbers but who also know what it takes to grow and manage a business. The more we are able, as finance professionals, to give that advice and to look at things in that context, the more value we are going to add to our organisation.

Finance is truly going to be able to help an organisation grow, get financially stronger, maximise value and maximise profits.

So, we really impress upon the finance staff to think like the owner, think strategically, and cover all the bases. Make sure when they make a recommendation on an opportunity they have looked at everything, they have applied the proper analysis.

“As CFO I always tell my finance staff that we can’t just think about what is good today and what works right now. It has to be about what is going to be good in the long-term.”

How do we support this? We constantly train our people, to make sure they are up to date in their skill sets and we support continuing professional education. All those things are there to keep us sharp. And we also benchmark against our competitors and other organisations, in and outside our sector.

Our way of developing people into that sort of role involves the finance department going out and interacting with other parts of the business. So in our business, I would have our finance people interact with, say, our stadium operations crew and have them do part of the stadium operations for a day or a game. It can involve working in the ticket office for a game. And we do that so that they see what it is like, to understand what it takes to operate our business. In that way they are not just seeing the numbers; they also know what activities create the numbers.

In addition to that, we demand that they look ahead and think strategically. As CFO I always tell my finance staff that we can’t just think about what is good today and what works right now. It has to be about what is going to be good long term. So when we make a decision, or advise a course of action on a certain opportunity, we can’t just think about the short-term implication.

As part of that process, we want to make sure that we look at everything. And that’s where the finance skill set, I believe, comes in. It provides a true value add because we know that a business must look at the details and drill down; you have to look at the one, three, five, ten year out scenario to see what the implication of that decision is.”