



POINT OF VIEW

Interview by: SUZANNE SHARMA



Tim Zahavich

CFO, St. Joseph Communications, discusses the evolution of the printing industry

1 What leadership skills are most important to succeed in your role? Communication, recognition of others and making sure you're able to motivate and develop those you work with. They're the most important to your career because you can't do it yourself. One thing I learned early on is that you need really good people around you and they're the people who can carry you a long way.

2 What are the top 3 risks on your mind? Cyber risk, digital privacy risk and our physical plant risk. We do a lot of direct mailing of statements, so we're responsible for people's personal information. Also, our machinery and equipment is large and expensive so it's important that we take care of it. These risks are standard for the big players in the print industry.

3 Any other important risk issues in your industry? One big risk is the technological changes that have taken place in the industry. At one time, print was all on paper but now it's not. It's on many different devices and electronic media, and that gives rise to a large number of other

risks that we never had before. For example, the digital realm and the transfer of data—95% of our data now is transferred in digital form. If you think back even 10 years ago, probably zero percent of data was digital, so there's a huge risk in how you handle data.

4 What keeps you up at night? Trying to figure out whether I've got the structures we've put in place right. We have structures for tax, compliance, finances and governance. For each one of those you look at the cause and effect—what could happen in the business if there's a change, and have we built enough shock absorbers to absorb it. I'm constantly thinking about what will happen if an unfavourable event takes place, and whether I've taken into account all possible effects of a business change.

5 How has today's volatile financial and economic environment affected your business? It's made us more cautious. Looking at most businesses in Canada, there's talk about how much cash they have right now, and that is a result of being more cautious. You generate cash, pay down debt and don't take

on big risks because you're uncertain about the future.

6 What strategies are you taking to ensure profitability? We're frugal and always have been frugal. When we do make a decision, we move quickly. Back in 2008 there were a couple of publications we had that weren't profitable, so we decided to just close them down. That becomes an emotional decision, but it's one you have to make.

7 Do you have a mentor? What have they taught you? I've had many mentors over the years that taught me to get involved in the business and to not be afraid to take a measured risk. When you're CFO you can sometimes sit in a bubble and just deal with numbers, but that's not what a good CFO does. Instead you should get involved in the business, talk to people, and put all the pieces together to come up with a financial and business model that makes sense. I'm a member of Financial Executives International, which is an organization composed of senior executives. It allows me to interact with other senior financial people, get ideas and talk about problems. We meet on a regular basis. ■