



CGMA REPORT

THE FAST-TRACK TO LEADERSHIP

The challenges,
opportunities and
action plan

Two of the world's most prestigious accounting bodies, AICPA and CIMA, have formed a joint venture to establish the Chartered Global Management Accountant (CGMA) designation to elevate the profession of management accounting. The designation recognises the most talented and committed management accountants with the discipline and skill to drive strong business performance.

Acknowledgements

Our thanks to Hays for supporting this CGMA programme, and to all the finance and management executives around the world who have participated and generously shared their time and insights via the roundtables and interviews.

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Author

Ana Barco, Head of innovation – talent management, CIMA

INTRODUCTION – THE GAME CHANGER, THE WORLD IN 2012

Change is endemic in today's business environment. There is little place for complacency; we are in a fast moving, uncertain and demanding age caused by a 'perfect storm' of events such as the unfolding global financial crisis, the meltdown in the Eurozone, the shift towards the East of economic power and the speed of technological change, to name but a few.

Organisations of all sizes and across all sectors have a crucial role to play in navigating the way through these challenges. Board responsibilities are increasing and their role is becoming ever more challenging in leading their business and building sustainable success. In turn, the board's expectations of the operations and executives within the organisation are also changing – many are placing greater responsibilities and demands on finance and its leadership.

In many organisations finance is supporting the business to meet its strategic objectives and building a sustainable business model, so taking it beyond its more traditional role of finance stewardship and operational responsibilities. In these forward-looking organisations, finance is evolving from a focus on the transactional and cost efficiency areas through an analytical and decision support stage to a real strategic focus where it can make real impact.

This expansion has impacted on the capabilities that finance managers across the function need to demonstrate and bring to the organisation. It also highlights opportunities for the management accounting community, in leveraging the management accountant's unique skills to add value to the organisation while progressing their careers.

So, what are the opportunities for the management accountant? How can they leverage their unique skills and develop the competences to maximise these opportunities?

To answer these questions, and provide Chartered Global Management Accountants (CGMAs) with guidance to best develop these capabilities, CIMA and the AICPA conducted global interviews and senior roundtables to capture best practice. The insights from the senior professionals who participated in this programme, together with our own research, have allowed us to identify the opportunities and actions that developing management accountants need to take. These form the basis of this report.

THE CHALLENGE – FINANCE LEADERSHIP DIVERSIFYING

All organisations need to ensure that they develop resilient business models and effective strategies that can create sustainable success in this volatile and complex environment. In turn, this makes new demands on finance and its leadership.

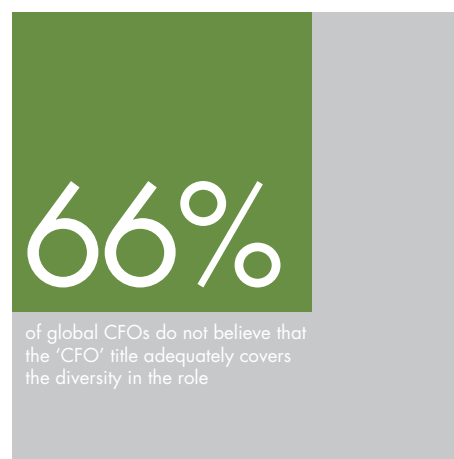
In this landscape, finance leaders retain their fiduciary and operational responsibilities while supporting the CEO to develop the strategy, and then partnering with the wider business to implement it effectively.

The CFO and finance management must be the leaders of the finance function and its teams. However, many finance professionals are also working across the organisation, often leading other functions. Increasingly they are also more externally-focused, taking a more public-facing role for the organisation.

Furthermore, they must build and manage key relationships with internal and external stakeholders in and outside the traditional finance remit – whether it be shareholders, regulators, customers, suppliers or staff.

The finance function should also lead on the provision of forward-looking information and analysis that the organisation needs to make effective decisions. Finance often has a clear mandate to translate actionable insights from the vast amount of data available in an accurate and timely manner, so providing critical decision support.

For many, finance leadership roles, and the CFO role in particular, are more diverse and complex than ever before. There appears to be broad agreement on this trend across professional institutes, academia and advisory sectors. Indeed, a 2011 survey, *Finance Forte*, by Ernst & Young, reports:

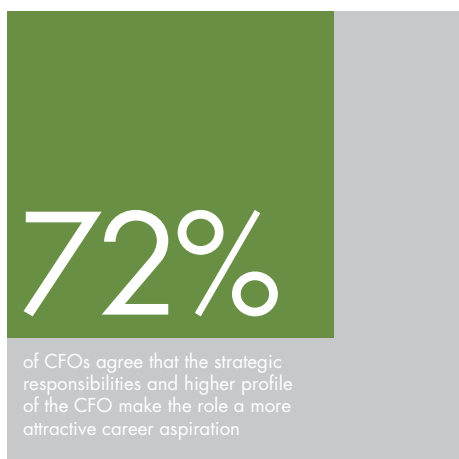


So here we see the level of responsibilities increasing and finance leaders having a widening remit. This may be impacting on the capabilities required by finance staff across all levels, but specifically for the management and leadership roles. Understanding the changing remit and mandate is important for the management accountant to remain fit for purpose and for those who wish to progress into management roles during their career.

THE OPPORTUNITY – MANAGEMENT ACCOUNTING; THE EDGE FOR A REWARDING CAREER

This increasing remit in finance leadership roles, however, does not simply add pressure and extend the requirements expected from finance and its managers. It also emphasises the critical role that finance can play within the organisation – with a higher profile and influence.

Our executive participants highlighted that this often makes a career in management accounting, and the leadership roles, far more varied, rewarding and attractive. This is reinforced in the same survey by Ernst & Young which reported that:



This is certainly the case in finance. A recent report from Accenture, entitled *Delivering value in a complex world*, illustrates that this talent shortage applies to finance roles specifically. These shortages are evident even at this time of high unemployment rates in many markets:



The Economist Intelligence Unit's (EIU) *Plugging the skills gap* 2012 report adds to this debate by showcasing the difficulties in identifying the right talent. Their survey highlights real problems in identifying the skilled management talent required:



So we see that this increasingly complex remit can offer a more varied and rewarding career path at a time when there is a shortage in professionals with the required skills. This offers the CGMA, with its unique skill set, a clear edge to progress within finance and also across the organisation into wider management roles.

THE DIFFERENTIATOR – DIVERSITY AND VERSATILITY – SKILLS AND EXPERIENCE

We now turn to identifying the key capabilities that management accountants need to consider adding to the CGMA toolkit to succeed in the organisation. What are the must haves for our executive peer group? What specific capabilities do they look for? What skills and experiences have helped them to progress their own careers?

1. Finance specialism – the fundamentals

Finance and accounting skills are paramount and remain essential to progress within finance and to move to leadership roles. For some there is a sense that for the CFO role a technical finance background is not critical, as long as they surround themselves with strong finance specialists. This is indeed happening in a few organisations. That said, the executives who have provided input into this paper are all in agreement here and reinforce CIMA's previous research: technical finance skills provide credibility and financial integrity.

"The commercial finance roles may seem sexy – in there with the buying and marketing teams doing deals. In these situations people may believe that the financial substance is a bit in the back, but the truth is that it is at the centre. You always need the bedrock of financial integrity and control."

– Hetal Shah, CFO, Streamline

Finance roles retain a strong requirement and mandate for accounting specialism. Certainly, in many cases they are becoming even more technically specialised, driven by growing regulatory activity, for example in relation to IFRS.

It is critical to develop credibility to progress within the organisation. Knowing and understanding where the numbers come from, combined with the ability to challenge and translate them for the business, can bring that credibility whether in a junior or management role. Management accounting training and specialism can provide aspiring leaders with this credibility.

"The minute you get any role with responsibility you will have a set of numbers that you own and have to understand. You are negligent if you don't spend an initial part of your new career understanding all aspects of how the numbers come together, their accuracy and the risks associated."

– Paul Venables, Group Finance Director, Hays

2. Information for insight – being part of the solution

Organisations face a growing challenge in turning the vast amount of data and information that is generated into meaningful insights that the business can use for effective decision making and planning. Our participants are quite clear that organisations need better information and analysis, but the crucial skills required are the insight and capability to act on it.

“Finance has come to the fore, and not just because of the rigour we bring, but for the value of the information and analysis that we provide. Fundamentally, in a fast moving volatile market businesses need instant quality information and the ability to interpret it. The CEO requires that information summarised with the options and the risks associated because in these times a business cannot make many material mistakes and get away with it.”

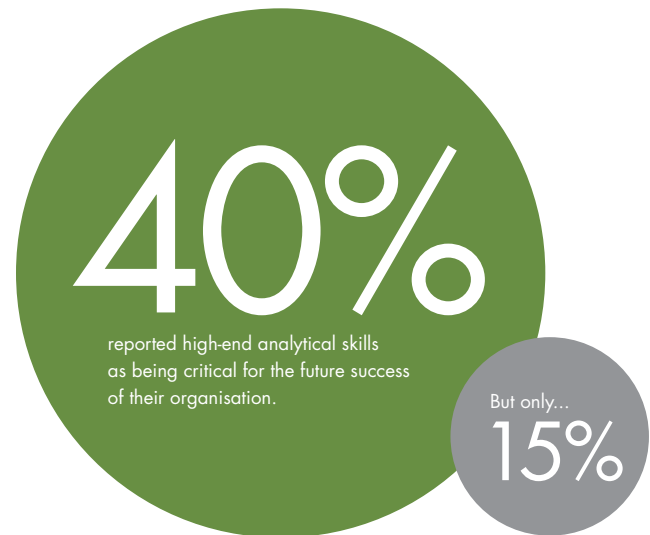
– Paul Venables, Group Finance Director, Hays

A 2012 IBM report, *Leading through connections*, demonstrates why such actionable insight is crucial to the sustainable success of an organisation. It looked at organisations in terms of revenue growth and profitability, as rated by their CEOs, and found that:



These top performers have a key competitive advantage, being more effective at converting information into insight, and critically that insight into action. It is often the management accountant with the right tools, processes and, importantly, the relevant skills that can provide this insight with an objective picture of the organisation’s performance. In this way, the management accountant supports the business in developing and implementing the right strategic and operational actions.

This key skill offers the CGMA an opportunity to make real impact and progress in their chosen career path as it is an area increasingly valued and in great demand. A recent report, *Turning the tide: How Europe can rebuild skills and generate growth*, by Accenture, found that European decision makers surveyed concurred:



... of those have these insight skills available

This research highlights a real shortage of talent in the provision of business and finance analysis, and clearly identifies an opportunity for the CGMA to own this space.

“In order to become a business partner or a copilot, you need to understand the business. You need to understand the environment in which the business operates, and you need to do risk assessment on those and to develop scenarios that allow management to identify or specify specific actions that will be required to deal with different scenarios in a higher-risk environment. And if you can do that and you can do good business analysis, very clear and concise communication, and become part of the solution, then we would achieve what we want to be as financial people.”

– Jim Singh, former CFO, Nestle

3. Commercial and business acumen

As we have discussed, finance continues to lead on the core financial areas of cost, finance operations and reporting. Certainly the current economic volatility has reinforced the importance of strong balance sheet management, investment, debt financing and efficiency, for example.

In many organisations, finance is also moving to be a facilitator of growth and value, collaborating with and supporting the wider business. In this 'partnering' role, management accountants are required to work closer with the business and therefore need to use and develop their business acumen and commercial skill set. The finance professional, engaging in this partnering role with the business, often provides creative solutions in a more open yet prudent risk-taking environment.

Developing both commercial judgement and curiosity is key to be effective. Understanding of the organisation's main commercial value drivers and risks allows the management accountant to connect, support and challenge the business. In this way they improve the quality of decision making to deliver the highest return for the organisation.

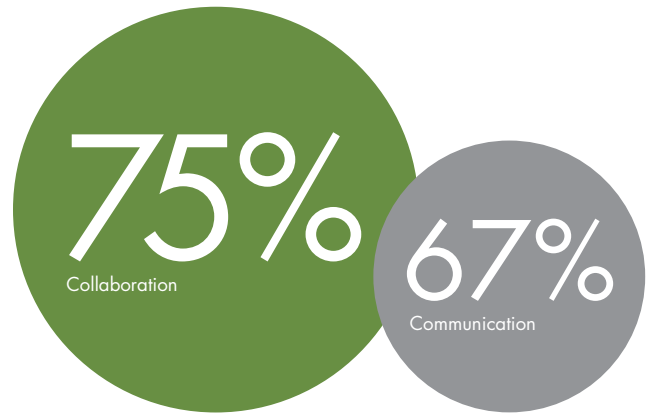
"I've spent the last year trying to transition a team into a commercial finance group. Actually getting the individuals with experience and that have confidence to go and advise a managing director of a business unit is tough, but exactly what the business wants and needs."

– Laura Alexander, Finance Director, Hays

4. The two Cs – communication and collaboration

The way in which people are working together, engaging and communicating, has fundamentally changed. The convergence of the digital, social and mobile worlds has connected organisations with customers, staff and partners in new ways, as well as to each other. This is placing new demands on how all areas of the organisation, including finance, need to communicate and collaborate.

IBM's *Leading through connections* survey of global CEOs reports the top two personal attributes that CEOs see as most critical for the future success of staff being:



These interpersonal skills are particularly relevant for the management accountant. The role and value of finance cannot be considered in isolation, separate from other functions such as sales or IT. Effective communication and collaboration are required to leverage the management accounting skill set across the different functions to fulfil organisational objectives. Management accountants and future leaders need to understand the bigger picture and work with and across the business, as well as with external stakeholders, to be able to connect the dots.

We have already seen the importance and value of interpreting data for decision making and for action in the organisation. One of the biggest challenges facing management accountants today is the need to communicate complex areas and vast amounts of information succinctly and customised to the different needs of a variety of audiences, both internally and externally. As CGMAs progress up the career path, whether within finance or into wider management roles, the pressure to be effective world class communicators increases.

We have also discussed the prominence of business partnering and the value that it can provide to the organisation. This again highlights the importance of a collaborative approach and ability to work across the organisation with other functional units. Having an open, collaborative and team-working approach with effective communication is once more critical in these roles.

“When I have career development conversations with younger individuals in the organisation, it’s a different conversation than I had a decade ago. The conversation is not only about having to be deep in your area of expertise. There’s no doubt that it is the minimum requirement. The needs today also call for broader skills in addition to deep technical skills. Individuals need to take an inventory of their skills, both in consideration of their area of expertise but also in terms of their broader skills, including leadership capabilities. For instance, you need different types of communication skills depending on the circumstances and need to know when to adjust. In short, for each leadership capability, an executive needs to be not only deeper, but also broader than a decade ago.”

– Prat Bhatt, VP Corporate Controller,
Cisco Systems

5. Experience of major projects and strategic initiatives – in and out of finance

Finance leaders spend a good amount of time on key strategic initiatives and projects, whether sponsoring or delegating. Such initiatives can be diverse, ranging from small internal projects, technology investments and implementation to M&A, IPOs and entry into new markets.

Why is experience in these areas important? Management accountants are involved in, often leading, such initiatives as they have deep knowledge of the organisation and work with and across the different functions. They bring a technical understanding of how the business works and the levers that drive it. Finally, CGMAs provide objectivity and good governance and control to such initiatives to focus on the delivery of benefits.

Projects and initiatives of this type also offer a great way in which to gain experience of working across the organisation, managing people and often with external stakeholders and across cultural boundaries. These are all areas that we will discover are deemed critical by our executive group for career progression.

6. Local and global perspectives – exposure to different markets and cultures

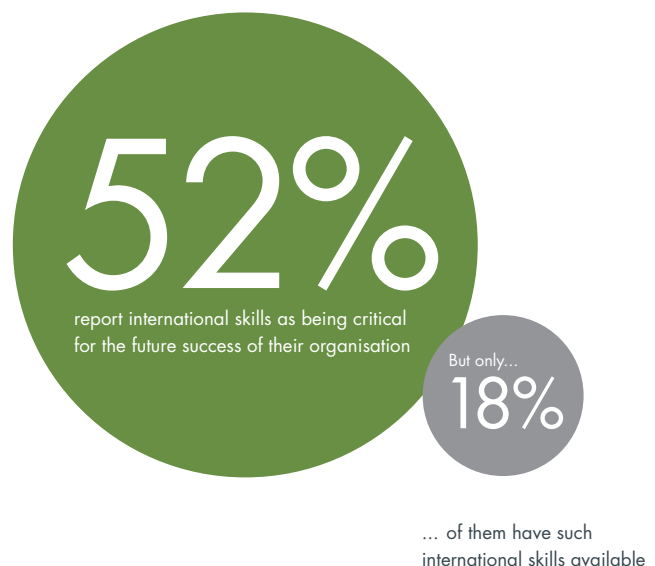
We operate in a globalising environment, with organisations of all sizes and across all sectors, increasingly operating across borders and relying on global relationships and supply chains.

Global companies face pressures through operating in markets with different levels of maturity. The specific issues, risks and opportunities that come from fast-growing but immature markets can be very different from those in the slowing, mature ones. For finance, the local accounting regulatory environment, together with legal, treasury and tax implications, add to the technical demands on the function and its people.

And, as organisations increasingly operate across regions, the CFO and finance leadership team need to understand the cultural diversity of different markets, customers and partners to maximise the value to the organisation and best motivate and manage local talent.

Many commentators already highlight this as a key leadership requirement going forward. Recruitment specialists are confirming to us that finance professionals with experience of working with and in markets at different maturity levels and cultures, are growing in demand and hard to find.

Accenture’s 2012 report, *Turning the tide: How Europe can rebuild skills and generate growth*, again reinforces the value of such skills. The European decision makers who took part in their research rated this as the top skill needed for success:



“They’ve [management accountants] got to be true financial athletes. I mean, they’re going to have to be obviously very, very good at accounting, but they’re going to have to understand finance across the spectrum. And they’re going to have to understand it on an international basis, because the whole world is very connected right now. You get up and you read about the markets in Asia or Europe and something very insignificant triggered a big collapse in one of the markets, and then all of a sudden, it’s a whole different world eight hours after you went to bed. And that’s kind of the reality that we live in.”

– Richard Dinkel, Chief Accounting Officer, Koch Industries

7. Leadership – talent management

Finance leaders have to build and manage a high-performing finance function that has credibility and is trusted within the organisation to effect the implementation and execution of the full range of support services. As corporate leaders spend greater time focusing on the strategy, investor relations, and so on, they rely heavily on their finance teams.

These teams are responsible for implementing and delivering the accounting fundamentals and support functions. These teams are often large, based in different locations and markets and are increasingly operating more autonomously. Management and leadership capability is therefore a crucial requirement to handle this complexity.

The management accountant needs to identify opportunities to obtain management experience from early on in their career. This need not be rushing to lead a team; our executive participants point to having a plan of action as well as seizing opportunities as they arise – always looking outside the box. This may be getting involved with managing a small project or initiative at work and signing up to relevant training courses to start with. However, also using opportunities outside work to build management and people skills can be effective, such as in a sports team or local community activity or professional institute.

8. Strategic vision

The finance function is often at the table when key conversations about business strategy are taking place. In many cases, the board and CEO have increased their expectations of finance and its leadership in this area. The CFOs, specifically, no longer have the mandate to just implement strategy but are increasingly helping to develop it, while still continuing to manage the finance function.

The EIU’s *Plugging the skills gap* report again highlights the importance that organisations place on capability around strategic planning and development:



THE BEHAVIOURS – INTEGRITY, CURIOSITY AND PASSION

CIMA's paper, *How management accounting creates sustainable success*, reports that when senior management and the board align their aims, roles, skills, experience and, importantly, their behaviours effectively, they can better influence and drive organisational success.

So what specific behaviours and values are a 'must have' for our group of senior executives? Which behaviours do they seek for their organisation in identifying future leaders and building influence?

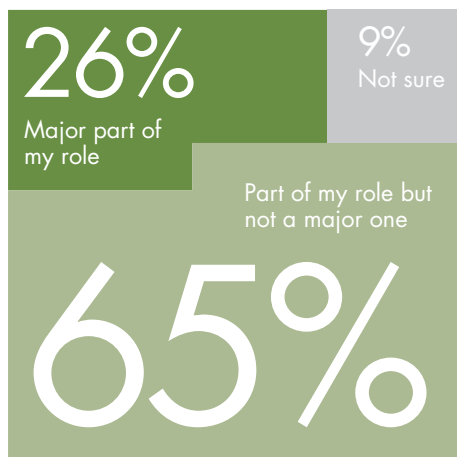
1. Personal and professional integrity – critical for trust and credibility

Integrity, the ability to make the right ethical decisions and choices, is non-negotiable for our executive peer group. These behaviours are critical for all professionals, but let there be no grey area here, this is a 'must have' in finance.

It reinforces the need for the management accountant to focus on earning and maintaining credibility and trust within the business throughout their career.

The recent CGMA report, *Managing responsible business*, perhaps illustrates why this behaviour is so critical in the organisation for the CGMA: 91% of management accountants claim that managing their organisation's ethical performance is part of their current role.

To what extent is managing your organisation's ethical performance a part of your role now?



Base: All who say ethical performance is part of their role (1,638) – 91%

"Personal and professional integrity is critical, absolutely critical."

– Chris Newman, Finance Director for Global Product Development, Experian

"Make decisions! If you get 80% of the commercial decisions right and 100% of the ethical ones right, and I guarantee there will be certain ones you will need to make, then that is a fabulous career."

– Paul Venables, Group Finance Director, Hays

2. Objectivity and independence – critical for trust and credibility

Continuing the integrity theme, all the senior executives who participated in this programme were clear on the need for objectivity to build trust.

Management accountants are expected to challenge and offer a solutions-based approach, but always from a foundation of independence. This objectivity is a must to effectively engage with and support the wider business. Without this independence credibility is lost, as is finance's ability to influence.

"In my experience what people are looking for from finance is independence, where there is no agenda. That's why we are here, to challenge – always rooted in the data and facts. It's the objectivity that provides us the trust and credibility. There is an expectation that finance has to be absolutely trusted. You are the guardian, and if no one can trust you then you are gone – finished."

– Ian Mair, Commercial Finance Director, Grosvenor

3. Intellectual curiosity – challenge

The need to build business and commercial acumen and exposure comes up again. The management accountant is best placed to use his or her mix of skills to really understand the business and its environment. Our senior executives discussed the importance of curiosity on all aspects of the business within finance and across other functions to maximise the impact they can make, challenging the business from an objective base, grounded on the facts and information and with an eye for the implications. Without this intellectual curiosity it is harder to gain the strategic vision required, or to be able to develop into a solutions-driven professional.

"The single biggest thing would be: be curious. I think the management accountancy qualification helps with this – being intellectually curious about how things work and how things fit together, how the costs of something build up and how your competitors do things. It's that intellectual curiosity that drives you to a greater understanding and then, from that, the sort of thinking that might lead to your business being differentiated."

– Andrew Higginson, Board Director, Tesco PLC

4. Passion – wanting to make a difference

Having a real passion for the business is considered a must to be able to leverage that curiosity and gain a deep understanding of the organisation and its competitive environment.

Our executive peer group was quite clear that a proactive approach to identifying the drivers and risks with a view to converting these into actions, recommending changes and driving innovation to improving performance and processes, is a great attribute to have in all finance roles. It is a necessity to progress up the career ranks in all organisations.

"You can come in, tick off things on your to do list, go through the motions and go home. Or, you can come in wanting to make a difference, fixing the small problem or making a change. That is what having passion is for me. If I have a few people doing that, then I have a good function."

– Ian Mair, Commercial Finance Director, Grosvenor

THE ACTION PLAN – ADVICE TO FAST-TRACK YOUR CAREER

We now have real insight into the drivers impacting on the key capabilities and behaviours that management accountants need to consider developing and strengthening. What, then, are the activities and support mechanisms our executive participants have found instrumental in helping them to progress within their organisations? What are they now advising their staff and star performers?

1. Plan your career, then be flexible and adapt

‘Luck’, ‘being at the right place at the right time’, ‘hoping’ and ‘praying’ are all ways used in getting ahead. Yet, unsurprisingly, our senior executives were adamant that in a highly competitive market place it is all about planning, continuous review, adaptation and flexibility so that it gets easier to spot and exploit ‘lucky’ opportunities.

“In my early career I remember going through my career planning every year and my aspirations often changed to where I wanted to go. Find out what your aspirations are, plan, then get input from others and go out and experience. It is your plan so be prepared to change and adapt it as you go forward. Be an ‘Oliver’; don’t be afraid to ask for more!”

– Ryan Mangold, Group Finance Director, Taylor Wimpey

“In your early career, your twenties, it is about gaining diverse experience. In your thirties you start moving up the corporate ladder and start finding your niche area. In your forties you need to maximise its potential. Then in your fifties you are left holding on as long as possible by your fingernails!”

– Paul Venables, Group Finance Director, Hays

“For people who say immediately; ‘I want to be an FD in ten years’ time’, I say they haven’t really thought about it. Sit down and consider what you really want and where you want to get to. Start to map out what that means and how you might get there. Start matching what you need to achieve to help you get along that curve.”

– Melvin Pointer, Finance Director, BUPA Home Healthcare

2. Own your career – take charge of making it happen

But when it comes to your career, planning and reviewing are not enough. Our global peer group showed unanimous agreement on a key point – personal ownership and making it happen. This may state the obvious to many, but for our peer group too many of their staff often believe it is the employer’s responsibility to lead their own career development.

“Take control. You can get help along the way but only you can take responsibility and accountability for owning your career. If you think someone else is going to own it for you, you’re desperately wrong.”

– Melvin Pointer, Finance Director, BUPA Home Healthcare

3. Maintain your finance and accounting skills

The CGMA report, *Rebooting business: Valuing the human dimension*, reported that the C-suite requires professionals who can combine depth in their technical area of finance expertise with a wider and multidisciplinary understanding of the business. Our group of executives are in agreement and highlight the importance of the finance technical skills at the start of their own careers and as they have progressed up the hierarchy.

As CGMAs, you already have those required technical skills. It is now about ensuring that you invest in maintaining these skills and remaining fit for purpose for your current role and, importantly, for your next role.

“It is usually two pieces of advice: be very good at what your professional discipline is. I tell this to engineers as well as to management accountants. Your entry ticket to the wider world of business decision making and value creation is having the passport that says ‘I am a good management accountant.’ So those professional skills are absolutely vital.

But then it is very much about being curious about the business and understanding the business model you work in and having the courage to ask the right question and to encourage those around you to continually improve.”

– Simon Henry, CFO, Shell

4. Communication, communication, communication

Understand your audience

Spend time understanding their specific needs and requirements so you can tailor the outputs and support you provide.

Personal contact

Pick up the phone, join discussions and forums, and don't forget the importance of those five minutes around the coffee machine or water cooler to build relationships and open communication channels.

Maximise the use and variety of communication channels

Get exposure to, and use, a range of communication channels to engage better with the different audiences; whether it be via reports, summaries, presentations, meetings, teleconferencing, email, conferences and events, roundtables, forums ...

“A critical skill for today's leader is communication skills. It's taking the numbers and being able to turn those into a story of what has happened but also what will or may happen. If you don't have that ability then you really are not at the level you should be and will not be as successful as you should be. It is through communication that leaders will influence change.”

– Paul Stahlin, Regional President, Fulton Bank of New Jersey

5. Invest in yourself – it is all about lifelong learning

Never stop learning. Being a CGMA brings a professional commitment for continuous professional development. This is essential to remain fit for purpose and is imperative for progression.

Our senior executive group advises CGMAs to make a personal investment in development, often along with the employer, in both time and financial terms.

There are many ways to upskill, available across a variety of channels for the professional. Taking advantage of formal courses, qualifications, e-learning, conferences and forums can be important when identifying specific skill requirements. Management accountants should not underestimate the benefits of more informal methods as well. These can include providing coaching or mentoring to your staff or colleagues, participating in roundtables, research or on the job experience, for example.

The key, for the executives we have spoken to, is not to undertake training for training's sake. Ensure it is relevant to your role and your immediate career aspirations. Remember to take time to reflect on how successful the development activities have been in order to maintain progress.

“Focus extremely hard on all the financial disciplines, and not just on accounting. And then realise that you’re going to have to be a student for the rest of your life. You have got to focus on continuing to learn and make yourself better.”

– Richard Dinkel, Chief Accounting Officer, Koch Industries

“I say to managers that you have to take your own development in your hands. The company’s here to help you, but try and get better, because if you don’t get better, one of these days you become obsolete. And that’s not good for yourself, because as you advance in life, you also have commitments that increase, so try and take the time to improve yourself.”

– Jim Singh, former CFO, Nestle

6. Be proactive in getting support

While there is an imperative to take ownership and a proactive approach to planning and progressing your own career, do seek advice and support.

Mentoring and coaching can be good ways of getting advice and ideas on how to implement and bring your career aspirations to life. The senior peer group reported on key decision points throughout their own careers where the insight and experiences of a coach or mentor provided a much needed objective perspective. These support relationships can also be a way of broadening your network, helping to build useful relationships that can support you along your career.

“Be proactive, find your own mentor – it does not need to be formal through your company. Finding someone you connect with to have an open and honest conversation can really help.”

– Ian Mair, Commercial Finance Director, Grosvenor

“You have to raise your hand. You can’t wait for the opportunities to come to you. You have to take the initiative, seek out other areas to gain experience in and seek out the people who are going to help you to achieve that.”

– Kathryn Johnson, VP Finance, Los Angeles Newspaper Group

7. The unconventional route – move outside your comfort zone

All participants are clear that they have taken a few calculated risks and had to move outside the traditional areas and their own comfort zone to progress.

We have already seen the importance of gaining experience of different markets and cultures, and our peer group strongly promote the benefit and value of secondments or job swaps – be it in different cities, countries or regions.

We have also discussed the value of understanding the wider business and its drivers, with a focus on partnering and collaboration with the business. This points to the management accountant proactively building experience in working with other functions outside finance, in the more commercial areas of the organisation. Again, secondments and job swaps are popular, while getting involved in projects can also be effective.

Clearly these opportunities are not available in all organisations. Yet the executives we spoke to maintain that the CGMA must look outside the box and find the opportunities. This need not always mean looking for a new role or employer. Getting involved in projects or cross-border or sector initiatives with suppliers or partners can allow the CGMA to gain that experience and skill set. Proactively seeking opportunities to engage with parts of the business outside finance via commercial pitches, projects or customer visits, for example, can equally meet this development need.

The general mantra, where building capability and differentiation is concerned, is that appetite for taking a risk and working outside the comfort zone is needed. Fear of failure needs to be tempered with the reality that if you want to be in the fight to achieve your career goals, you may get a few bruises. These are part of the development journey. Part of that experience is the lessons you learn from mistakes that will provide a stronger base to progress.

“Put yourself in the shoes of someone really doing it, say sales. It is very easy to see finance talking to the sales guys, but to actually go out and do it? Then you really see how hard it is and what business issues they are facing.”

– Hetal Shah, CFO, Streamline

“If everything is easy then you’re probably not pushing yourself enough. If you do what you have always done, you are likely to get what you’ve always got. So try something different.”

– Chris Newman, Finance Director for Global Product Development, Experian

8. Relationships are key – build professional networks

People and businesses have never been so interconnected, including finance which needs to engage with a widening range of internal and external stakeholders.

Building contacts and relationships, in and out of finance, is an important area for action, whether it be with customers and investors or internal colleagues or suppliers.

“In terms of my own career and how I became a leader, I can’t emphasise enough the importance of networking and connections. I have always taken advantage of networking opportunities – whether in the form of a conference, a training class or a project.”

– Kathryn Johnson, VP Finance, Los Angeles Newspaper Group

“There is a greater expectation that the finance community should have bigger networks than ever before. Previously it was down to the front office functions but now that expectation is there for the finance professional as well. I see that with the people coming through the ranks, really trying to build their network much quicker than before.”

– Laura Alexander, Finance Director, Hays

9. Drive to become an expert

Not all management accountants are going to make it to the CFO or finance director role, and indeed most may not have this as their career goal. Our senior executive participants were adamant that management accountants can excel and have a great career path with or without the ambitions of getting into the C-suite.

The CGMA designation provides people with an array of opportunities, be it within finance specialist areas as well as more general business opportunities. Whatever the career aspirations, the advice from our peers was clear; work hard to become an expert in whatever area you chose and continue to learn and develop those skills.

“You can have a great career being a fantastic technical expert. But you have to develop and build up your knowledge to become a real expert in it. So if you are a fabulous credit controller with a niche technical skill you can have a great career and be phenomenally valuable to your organisation. Technical experts in their field, churning out great work all the time, you know those people are brilliant for the business.”

– Paul Venables, Group Finance Director, Hays

CONCLUSION – NEVER BEEN A BETTER TIME TO BE A MANAGEMENT ACCOUNTANT?

The impact of the current business landscape on the organisation is creating challenges and opportunities for the management accounting community:

- Organisations are operating in an increasingly complex business and regulatory environment as they face rising uncertainty and fast-paced change where the competitive landscape is ever more challenging.
- In many organisations, the expectations of finance and its leadership are increasing and becoming more complex to meet the demands from the board and wider business.
- This in turn is placing a greater demand on the capabilities, in terms of skills, experience and behaviours, of management to meet the needs of the business and progress their own careers.
- Equally it provides the CGMA with opportunities to progress, raise their profile and demonstrate the unique value they bring to the organisation.

CIMA's *Defining the profession: How management accounting creates sustainable success* 2012 report shows that the aims of management accountants are closely aligned with the aims of the board in an organisation.

The board leads on the long-term sustainable success of the organisation by setting the strategic direction and overseeing its implementation. To ensure that strategy is implemented, the objectives of the board need to be linked with those of the business to determine the right decisions on activities and resource allocation to be made. Management accountants have a distinctive set of skills that means they are exceptionally well placed to offer support and ensure these links are made.

How do CGMAs achieve this and work to create value for the organisation? They combine financial expertise and business acumen. CGMAs apply non-financial, qualitative information alongside the financial facts to inform decision making. They drive strong performance and are trusted to guide critical business decisions, bringing independence and objectivity.

In this context of change, there are some key areas for the CGMA to consider to fast-track their career:

- Developing a diverse set of skills and experiences, combined with a strong base of personal and professional integrity, is the key differentiator for CGMAs, bringing long-term success for their organisation as well as for their own careers.
- The CGMA designation with the accounting and business acumen, and the management and analytical and decision support capabilities, provides a great opportunity to management accountants to progress within finance. It also facilitates moves outside finance into the wider business.
- CGMAs need to take ownership of their career planning and commit to lifelong development to remain fit for purpose and retain the differentiation and value that the CGMA designation provides.

The global executives who participated in this programme felt strongly that a career in finance has always been varied and rewarding. Yet given the insights we have explored in this paper, has there ever been a better time to be a management accountant?

"If you are a new CGMA member coming in you should absolutely be excited about the different opportunities and willing to take a few risks."

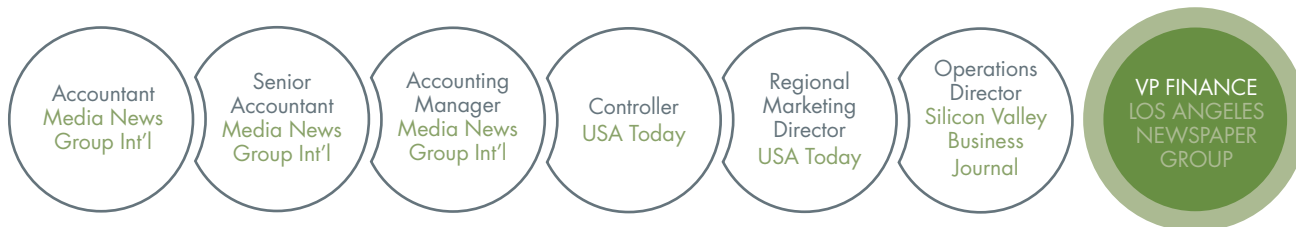
– Laura Alexander, Finance Director, Hays

LEADERSHIP LESSONS
– A VIEW FROM
THE TOP



KATHRYN JOHNSON, CGMA – VP FINANCE

LOS ANGELES NEWSPAPER GROUP



Kathryn's career path

“As finance’s role has developed and as we as a function have become more influential and a more integral part of the sustainable future of the business, so our skills as individual finance professionals have had to evolve too.

We have had to move away from being numbers-focused technical specialists with the core finance skills from when we set out in our careers, and develop far broader skills and abilities. As a finance leader today, the technical skills are presumed before you get into the job, and it’s around the other skills that the expectations are enhanced.

Gaining and then staying in touch with your professional qualification is also important. I am a CPA and having that not only helps me get in the door and ensures I am recognised for certain skills sets and knowledge, but it is also a great way of making sure I stay in touch with developments across industry.

Building a really diverse set of skills and experience is a differentiator in terms of becoming a leader. It is required to succeed in this world of increased influence. To gain that diverse set of skills, it is essential to obtain a broad understanding of other parts of the business. I have worked in finance for many years. But I have also been a director of marketing and sales. And I have also been involved with projects in the operations function. As a leader you have to understand the business fully and to do that you have to get to know other parts of the organisation closely.

That often means going to look for opportunities. You have to raise your hand. You can’t wait for the opportunities to come to you. You have to take the

initiative, seek out other areas to gain experience in and seek out people who are going to help you to achieve that.

When building your own toolkit and capabilities, there are some areas that I would say are essential to becoming a leader. Strategic planning and development is an important skill for any leader. Those are key terms that all businesses are looking for right now. Communication is also huge. You can be the brightest person in the world but if you cannot effectively communicate that then you won’t get opportunities. Commerciality and business acumen are also important.

I spend a lot of time giving my own future leaders the opportunity to develop the skills to bring the story to life – which in turn helps them to become more influential.

Telling the finance story comes with understanding the business. It’s about giving them the ability to learn about the business, become a business partner, and have the skills to show that influence.

When we are identifying future leaders there are certainly behaviours we are looking for. One is being a self-starter – people who take the initiative to step outside of their own world and go looking for new skills and abilities. It all starts with curiosity.

In terms of my own career, I couldn’t emphasise enough the importance of networking and connections. I have always taken advantage of networking opportunities – whether in the form of a conference, a training class or a project. I also value mentoring. I have had several mentors and I have been involved in mentoring others.”

HAMANT LAD, CGMA – COO & CFO PELHAM CAPITAL MANAGEMENT LLP



Hamant's career path

“In today’s business world, the finance qualification and understanding the numbers are your basic skill set. What is really needed now at a more senior level is strategic impact, understanding the mandate of the organisation going forward and understanding what’s needed to advance your business.

Today’s finance leaders help business leaders to make strategic decisions and understand the potential impact of those decisions. Finance people need to get a better understanding of the business to do that. If you are responsible for the whole finance function, you need at least an element of foresight to work with the CEO to direct the business. It puts you in a position to say: ‘The management, financial and audit reporting function is all there and it’s working, now this is where we can add value.’

I have worked with major corporations, such as American Express and JP Morgan, in my 17 years in finance. The key is the need to be dynamic and use everything you have learnt in your grounding and through your qualification, to marry those skills to influence the business.

There is a genuine skill today in telling the finance story, not just in terms of how the company has performed but also how it will perform going forwards. You need credibility to lead the team and influence the senior people.

In the early days of my career I saw that it was very difficult for people coming up, even in bigger firms, to get a clear understanding of other aspects of the organisation. Businesses were not doing as much to help or could not. You would need to do a minimum of 12 months plus in a role before you had the opportunity to move to another role to get exposure to another part

of the organisation, and then it was only if you were lucky enough to be on a graduate programme. If you were an ordinary member of the team, you really had to shine and show that you had initiative to get noticed and be given the opportunity to move.

Nowadays, firms are much more understanding and realise in order to get the most out of employees and to develop future leaders, they really need to think about grooming their employees and throwing them into other parts of the business to learn and develop. That means there are far greater opportunities than before to gain the experience needed to progress their careers and become leaders. But you still have to be willing to go out and learn parts of the business you might not feel are completely relevant to your core role.

Having a mentor or sponsor in the early part of my career really helped me to progress. From day one at American Express, my divisional head was CIMA qualified and his influence, combined with the development programme, helped me to evolve.

On the whole, when I have recruited new people or tried to identify the potential leaders of tomorrow for my team in the organisations I have worked for, I have looked for certain traits. Of course, in some roles, you are happy to have people who do not particularly want to progress or advance to leadership roles.

But for the team managers and the potential leaders of tomorrow, I am looking for people who have drive, commitment and energy. In any job, unless you have been extremely lucky and in the right place at the right time, you are going to get knocked down sometimes and face tough challenges. But any leader will have the energy, the will and the desire to get up and keep going.”

RUSSELL O'BRIEN, CGMA – VP FINANCE GLOBAL RETAIL AND ALTERNATIVE ENERGIES, ROYAL DUTCH SHELL



Russell's career path

“The finance role has evolved in recent years into a more exciting and challenging proposition. A finance professional will always have a core responsibility for accurate reporting, governance and commercial challenge. However, the increasingly competitive and complex climate we now operate in has resulted in an expansion of scope for all of us. The core role remains but there is a great deal more expected of finance that we are building on these foundations. The modern finance function is uniquely positioned to oversee the end-to-end business landscape and to use our specialist skills to help business leaders make value-based decisions. To do this effectively we have to be partners with the business; making sure that we understand the commercial drivers as well as the business leaders do. Finance professionals now need to collaborate across the whole enterprise to gather the insights that lead to better operating and strategic decisions. Of course all of this needs to be supported by flawless execution of our core finance processes.

To be a finance leader today you therefore not only have to be professional in the core financial toolkit, but in these other areas too – business partnering, commercial understanding, external outlook and continuous improvement across complex end-to-end processes. I was encouraged to sit for my CIMA exams as I started in Shell and I found that invaluable. Even today, when working with our global retail business, I am bringing some of that CIMA toolkit to the table.

Once you've done that it is important to develop and expand your experience and apply your financial knowledge in a variety of commercial contexts as you build your career. The most critical element of this development, in my view, comes from structuring someone's job in a way that allows them to develop

in a new part of the business in a safe environment, with great coaches in the form of more experienced finance managers and leaders. At Shell we believe that leaders personally develop the best people. That development is then supported by training programmes to extend financial, commercial and leadership skills. These education programmes are valuable, but cannot match the experience gained in a role, together with the networking, collaboration and commercial understanding that brings. International experience remains important, but how leaders gain that experience has evolved. At Shell, historically we had the ability to develop leaders through international placements across the world, and using that experience to the benefit of the whole organisation. But the world has changed and we now have to build and lead global teams virtually to match the new business structures. This is a leadership challenge but essential in the modern corporate structure. Another evolving leadership challenge is how we leverage our global teams more effectively. Most organisations have moved to standard systems and processes operated by finance staff in increasingly diverse locations. In addition, more of our process is being operated through partners, whether outsourcing or business partners. We now have the online and virtual tools to connect very easily. However, we haven't delivered the full value from these systems and tools yet. Finance leaders need to be better at leveraging the diverse talent found across our teams and fostering an environment of collaboration and best practice sharing. This will make our function more efficient and effective and I see this as a particular focus for finance leaders in the next three to five years. I believe the role of finance will continue to evolve and we need to relish the challenge of adapting. I think our ability to respond is why our profession is in such an influential role today. So we simply can't stand still.”

PAUL STAHLIN, CGMA – REGIONAL PRESIDENT FULTON BANK OF NEW JERSEY



Paul's career path

“Over my 35-year-plus career I have seen finance from a lot of different positions and I have seen change happen. We have absolutely moved from a numbers function to a business function, and that has required a great deal of change in the skills required to be a CFO and a leader today. It’s much more complex and the skills set is much broader.

The role that is expected of today’s finance leader is that of a business strategist – a role that is shaping the future of the business. The ‘given’ is the technical knowledge and the ‘broader’ is the understanding of business. What’s necessary, though, is taking that and understanding what’s changing technology-wise, regulation-wise, in a global sense, in terms of relationships with customers and on an inter-business level – and adjusting your business model not just on a long-term basis but on a daily basis and in a nimble way.

One of the things that’s needed to do that is network knowledge – the opportunity to talk to other CFOs and other leaders. They must step out of their own small world. The world of CFO can be quite demanding and the day-to-day activities can prevent you from getting out and meeting other people with other ideas.

So you have to make that happen, and that’s part of the value of organisations such as CIMA and AICPA.

In my career, as I looked to expand my knowledge of the business and to extend my network, I did a number of things. I went and worked a number of different lines within the business. I made sure I got put on the boards of individual companies which were outside our core business to gain diversity of

experience. That stopped me being narrow and only focused on my part of the business. I also made sure I got on boards outside the purview of the business. I got on the local board of health, a university board, a medical-centre board, and the state society of CPAs. That gave me a fantastic set of skills and a way of thinking that I could take into my business from outside. It expanded the way I would think.

Another critical skill for today’s leader is communication skills. It’s taking the numbers and being able to turn those into a story of what has happened but also what will or may happen. If you don’t have that ability then you really are not at the level you should be and will not be as successful as you should be. It is through communication that leaders will influence change.

Of course, the people around you and who influence you will also play a role in shaping the leader you become. I had a number of people in my career that I looked up to, who I saw had influence and charisma and got successful results. Although I didn’t have a one-on-one mentor, I can pick out three people in my career who really influenced me. One of those actually showed me how not to do things.

In terms of the must haves that make for a successful CFO and finance leader, there are a number. Integrity is core. Agility, adaptability and the ability to understand risk are also all crucial. And the ability to communicate as I have already set out is probably one of the areas people fall on if they cannot get themselves out of the old-style accountancy role. If you can’t communicate, I don’t think you can succeed.”

References and further reading

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FINANCE LEADERSHIP CAPABILITIES AND BEHAVIOURS – A SUGGESTED MODEL



THE CGMA ACTION PLAN – TEN STEPS TO PROGRESS YOUR CAREER:	
1	Plan your career, then be flexible and adapt
2	Own your career – take charge of making it happen
3	Maintain your finance and accounting skills
4	Develop your communication capability – both written and verbal across different communication channels
5	Collaborate and partner – be an effective team player
6	Invest in yourself – it is all about lifelong learning
7	Be proactive in getting support – look for supportive mentors
8	Move outside your comfort zone – take the unconventional route
9	Build professional networks – relationships are key
10	Drive to become an expert in your chosen field

	WHAT THE BOARD/MANAGEMENT NEEDS	HOW A CGMA DELIVERS
AIMS	Responsible for leading long-term, sustainable success of the company or organisation (irrespective of size in the private and public sector)*	Links the board objectives and the business, enabling the right decisions to be made, be appropriately funded* and correctly implemented throughout the organisation – short and long term
ROLES	<ul style="list-style-type: none"> • Determine/approve/oversee: <ul style="list-style-type: none"> – short and long-term strategy – business model – risk appetite 	<ul style="list-style-type: none"> • Manage performance, support and drive decision making • Be the ‘financially grounded business navigator’: <ul style="list-style-type: none"> – understand both the business and its finances – creating, reporting and preserving value
SKILLS	<ul style="list-style-type: none"> • Quality decision making: <ul style="list-style-type: none"> – strategic development – risk mitigation and assessment • Oversight of: <ul style="list-style-type: none"> – capital and resource allocation – strategy implementation • Enterprise risk management • Business control • Talent identification, assessment and development • Setting incentives: <ul style="list-style-type: none"> – executive pay – bonuses – results related pay 	<p>MANAGEMENT ACCOUNTING:</p> <ul style="list-style-type: none"> • Map journey – strategy to planning to execution • Align KPIs to outcomes • Business support, eg scenario planning, pricing • Quality information, analysis and evaluation – decisions and resource allocation • Cost leadership and improved productivity • Project and investment appraisal • Tax risk management and planning • Treasury and cash management • Enterprise risk management • Business control • Oversight – control and performance management • Effective management information (financial and non-financial) • External reporting <p>MANAGERIAL:</p> <ul style="list-style-type: none"> • Communication – translate complexity • Strategic change, project, relationship and operational management <p>DATA AND PROCESS:</p> <ul style="list-style-type: none"> • Transparency • Quality internal/external data (knowledge, data warehouse) • Accounting operations
BEHAVIOURS	<ul style="list-style-type: none"> • Sets appropriate tone • Articulates clear vision • Inspires and empowers • Looks forward and outward 	<ul style="list-style-type: none"> • Acts with integrity, credibility and influence • Offers constructive challenge and objective view • Is the ethical conscience of the organisation
INFLUENCE	<ul style="list-style-type: none"> • Customers • The business • Business partners • Community and environmental stakeholders • Regulators • Shareholders 	<ul style="list-style-type: none"> • The board • Senior management • Colleagues in all departments • Peers in finance function • Business partners

* The purpose of corporate governance is to facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of the company: FRC – June 2010

* Cash is king. Most businesses fail not because they don't make a profit but because they run out of cash

Africa

Office address:

1st Floor, South West Wing
198 Oxford Road, Illovo 2196
South Africa

Postal address:

PO Box 745, Northlands 2116

T: +27 (0)11 788 8723

F: +27 (0)11 788 8724

johannesburg@cimaglobal.com

Europe26 Chapter Street
London SW1P 4NP

United Kingdom

T: +44 (0)20 8849 2251

F: +44 (0)20 8849 2250

cima.contact@cimaglobal.com

**Middle East, South Asia
and North Africa**356 Elvitigala Mawatha
Colombo 5

Sri Lanka

T: +94 (0)11 250 3880

F: +94 (0)11 250 3881

colombo@cimaglobal.com

North Asia Unit

1508A, 15th floor, AZIA Center

1233 Lujiazui Ring Road

Pudong Shanghai, 200120

China

T: +86 (0)21 6160 1558

F: +86 (0)21 6160 1568

infochina@cimaglobal.com

South East Asia and Australasia

Level 1, Lot 1.05

KPMG Tower, 8 First Avenue

Bandar Utama

47800 Petaling Jaya

Selangor Darul Ehsan

Malaysia

T: +60 (0) 3 77 230 230/232

F: +60 (0) 3 77 230 231

kualalumpur@cimaglobal.com

CIMA has offices in the following locations: Australia, Bangladesh, Botswana, China, Ghana, Hong Kong SAR, India, Ireland, Malaysia, Nigeria, Pakistan, Poland, Russia, Singapore, South Africa, Sri Lanka, UAE, UK, Zambia, Zimbabwe.

American Institute of CPAs

1211 Avenue of the Americas

New York, NY 10036-8775

T. +1 2125966200

F. +1 2125966213

**Chartered Institute of
Management Accountants**

26 Chapter Street

London SW1P 4NP

United Kingdom

T. +44 (0)20 7663 5441

F. +44 (0)20 7663 5442

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www.cgma.org

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