

# More than just a number cruncher

ACCOUNTANTS who can show commercial savvy, strong communication skills and leadership are increasingly in demand in the wake of the financial upheaval of the past 18 months, according to research by Badenoch and Clark.

Its survey of 2,434 accounting and finance professionals found that there is disparity between what employers and employees believe are the skills needed, with accountants more focused on improving their technical skills and employers looking for people who can work more closely with the wider business.

"I've noticed the role of finance director is more focused on short-term planning and candidates need to be more tactical than strategic at the moment," says Ben Searls, manager, accounting and finance at Badenoch and Clark.

Increased regulation and a sense that the business environment is increasingly unpredictable are also impacting the finance function. Carolyn Bresh, partner in Everymind Consultancy and chair of the Institute of Chartered Accountants of England and Wales'

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finance and management faculty, says: "The key demand is for rapid financial information. There is a danger of spending too long analysing when the business needs quick, clear and precise data. Finance directors may derail if they are not decisive enough or able to take tough decisions very quickly."

Neil Owen, director of London operations at Robert Half International, agrees: "In the past six months there has been a much greater emphasis on ensuring cash is coming into the business but, with the sands shifting under your feet, being able to forecast sales and then budget is becoming more difficult."

"Finance directors who have been positive about risk and put five-year strategic plans in place with sufficient contingency for these times are likely to do well," says Searls. "For example, the leading retailers are doing better than expected as good finance directors will not have put all their eggs in one basket. Equally anyone with rigid strategic plans is likely to be at risk."

Robert Half recently produced a report about the post-credit crunch finance team following a series of

The credit crunch and recession have changed the role of finance professionals. However, many jobseekers are failing to adapt to the new requirements, as **Jackie Switzer** finds

round-table discussions with finance and business leaders. It found that the finance function has become more central to many companies, with finance professionals taking a greater role in strategic decision making.

Robert Half's Owen says: "Senior finance staff are seen as more of a commercial resource than before when they may have been seen more as number crunchers. Also they are increasingly involved in strategic decisions and making changes to improve the process."

Bresh agrees: "The finance director on the board can be objective and independent as other directors may have vested interests in promoting their own departments and projects. And the finance director is often best placed to help the chief executive make a decision."

When it comes to job-seeking it is vital that senior finance staff show how commercially minded they are.

"Good finance directors can show achievement after achievement after achievement and they are able to articulate this on a CV and in the interview," says Searls. "These are tough times so being able to show how they have bolstered finances and reduced risk are key. It is all about their commerciality and their ability to work very closely with the business; particularly being able to challenge strongly and make tough financial decisions."

Rising to the challenge of the current economic environment is also vital. "Most finance directors are competent at the budget and end-of-year accounts but now they must be able to do these standard functions but also step up and partner with the chief executive," says Bresh. "They need to be a sounding board but also able to point out that a pet department needs to be axed."

This increasingly means finance staff must develop better working relationships with other senior staff outside their department.



**Trapped:** like Patrick McGoohan in cult Sixties TV series *The Prisoner*, many workers now find themselves unable to escape

## Are you a corporate prisoner?

**THE recession is turning UK workers into corporate prisoners, stuck in jobs they would otherwise leave, warns talent consultancy Chiumento, which says this is bad for business damaging both morale and productivity.**

The paper's author, Chiumento director Ian Gooden, describes six kinds of corporate prisoner:

**The escaper:** One in five employees fall into this, the largest group – they are the ones planning to leave as soon as there is another job to go to, threatening business continuity and driving up costs.

**The visiting star:** Someone who is riding out the economic storm or climbing the career ladder. They are often too-good-to-be-true candidates and employers are advised to get the optimum benefit from them while they can. Around 12 per cent of workers fit into this category.

**The economic prisoner:** One in 10 workers can't afford to move because their pre-recession salary could never be matched elsewhere. This can hold back potentially more able employees from promotion.

**Prisoners of circumstances:** A further one in 10 fit this category

– stuck with a poor leader, a need to work locally or to work limited hours, they have no choice but to stick with their jobs. But this can lead to alienation and a decline in performance.

**Prisoners of conscience:** Only four per cent fit this category – they stay because they are committed and loyal but may have reached the limits of their abilities.

**The lifer:** Just three per cent fit this category – they provide stability to an organisation but are unlikely to be open to the mind of change needed to overcome the challenges UK plc faces over the coming months.

"Being able to develop business and work with sales teams is likely to be important," adds Searls. "Also the ability to negotiate hard with suppliers and build leverage with banks is critical along with being able to negotiate strongly with other directors."

Robert Half's report found while the finance role has been enhanced by the credit crunch there have still been staff cuts resulting in rising workloads and little chance of financial remuneration.

Searls says: "People are concentrating on reducing costs, not just labour costs but more widely as companies are aware that when the market picks

up they want to be able to take advantage.

"Over the past 18 months companies may have stripped out finance managers and controllers so now the finance director is likely to be managing larger teams and have a lot more management responsibility, especially as the role is getting more operationally focused."

The sought-after finance director now is different to that required during the boom. Searls says: "In the last 18 months senior finance leaders have learnt to understand the business better and fulfil a far more rounded role in managing and leading the business.

Now the ability to motivate people to work towards hard objectives and keep morale high is sought after."

Have there been any gains for finance professionals in this downturn? Bresh argues that there have: "Too many finance teams are focused on the numbers and now there is a real spotlight on finance teams in an increasingly tough market. It's a real opportunity for strong finance people to be focused and become pivotal in the business. When times are good it is easy to be profitable but as a finance person your voice isn't heard. Now if you are good enough your voice is going to be heard."

## CASE STUDY - SEEING THE BIG PICTURE



Carolyn Bresh: "Companies can miss the big picture"

CAROLYN Bresh, formerly global head of finance at Reuters, now partner in Everymind, a consultancy that specialises in helping companies enhance the effectiveness of their finance teams, says: "I worked for Reuters for 12 years and I wanted to take that experience and leverage it across different businesses and I wanted more variety at work."

"I go into companies to carry out short diagnostic assignments for one or two weeks but sometimes this turns into a long-term association of six months covering a number of projects."

"I see my role as ensuring that finance is a support and an enabler rather than a hindrance and to

ensure that finance teams become more proactive. I really like making a difference and decided I never wanted to be a consultant who just leaves behind a PowerPoint collecting dust."

"Companies get caught up in the day-to-day work and miss the big picture so it is useful to have someone independent come in. I find I can provide an objective challenge and be constructive as I am not linked to the politics or tied to share options."

"I get satisfaction from knowing that the board feels the company's financial support has improved or we have actively helped improve their cash position or profitability."

**One in five Britons believes they will have to work an extra six years as a result of the recession**

## Still working when I'm 64 ...

RETIRING at 65 may soon be a thing of the past following a ruling that while the default retirement age is not unlawful it should be scrapped.

Mr Justice Blake's ruling in the long-running Heyday legal case comes ahead of the Government's review of the default retirement age and at a time when many workers fear they will have to work beyond retirement age to make up for pension shortfalls.

One in five Britons believes they will have to work an extra six years and two-thirds believe they will have to delay their retirement plans as a result of the recession, according to Aon Consulting's Employee Omnibus Survey.