

STAY FOCUSED THIS YEAR

By Carolyn Bresh

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MESSAGE FROM CHRIS JACKSON, HEAD OF THE FINANCE AND MANAGEMENT FACULTY, ICAEW

I hope you enjoy this article. Throughout the year, the faculty publishes similar material to help you do business with confidence.

To find out more, please contact Caroline Wigham on +44 (0)20 7920 8508 or join online at www.icaew.com/fmjoin

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FROM THE FACULTY CHAIRMAN

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Only the very brave would hazard a view of what the coming year holds for business. Is recovery in prospect, with the beginnings of an upward curve? Will we bump along the bottom for another difficult 12 months? Or will there be another dip, heralding the much-feared W-shaped recession? So I will not attempt predictions.

However, the major concern for FDs should be what they must do to give their businesses the very best chance of success. I do have some ideas on how this might be addressed in this economic uncertainty.

The past year has been all about survival, taking out people and costs and becoming as efficient as possible. The focus has been on working capital discipline, careful management of cash, taking out the fat. It has, in other words, been all about battening down the hatches.

Of course, such housekeeping should not be abandoned in 2010, but I would suggest that it needs to be pursued in tandem with attention on plans for growing again – where appropriate.

Hence there is now a real need for FDs to take soundings from their peers. Only by getting out of the office, and gaining feedback on how others view the state of their respective industries and the economy in general, will they have the breadth of data from which to generate realistic scenarios, make accurate forecasts, and take critical decisions.

In full expectation of a Mandy Rice-Davies-like response of “She would say that, wouldn’t she?”, I would like, here, to point out the relevance of the faculty with regard to such information gathering and decision making. Our events provide the opportunity to discuss prevailing business conditions and dilemmas with like-minded people, as well as to be informed by the speakers themselves. Faculty membership offers increasingly good value, since the subscription charge has this year been held flat – surely a draw for those of you focused on your own bottom line!

My final advice for members, in addition to ensuring they are well – and widely – informed, is to concentrate on three specific qualities during 2010: flexibility, judgement and integrity. For example, during 2009 businesses will, in all likelihood, have shed employees to cut costs. They may therefore now (or in the near future) need to recruit to regain talents that were lost in that cull, and a polishing-up of rusty recruitment skills may be required.

As to integrity, during 2010 finance should be up there with the CEO, acting as a genuine business partner – but never at the risk of being a pushover when they should be rejecting a proposed decision as the wrong one, either strategically or ethically.

Whatever the New Year holds, members can be confident that the Institute will continue to be a bedrock of professional standards and integrity, and that the faculty will continue to provide them with valuable, high quality and practical business information and advice.

Happy New Year!

CAROLYN BRESH