



MAKING THE ASCENT TO CFO

How can today's accounting talent
chart the changing career path to
finance's top table?

*Technology makes it possible...
People make it happen.*

EOH

HOW CAN TODAY'S ACCOUNTING TALENT CHART THE CHANGING CAREER PATH TO FINANCE'S TOP TABLE?

At some point in their careers, most finance professionals will have dreamed of becoming a Chief Financial Officer. But while becoming CFO remains a popular aspiration, it is not easy to achieve and the role itself is changing rapidly.

The days of the one-dimensional CFO number cruncher are long gone. CFOs are increasingly expected to possess strong analytical and communication skills to make sense of and explain complicated financial data. They are required to master areas outside finance like regulation, information technology, risk management, business transformation, supply chain management, reporting and human capital management. As the relationship between CFO and CEO continues to evolve, CFOs must play a more active leadership role, and rethink their usual approaches to overcoming cost pressures, identifying efficiencies and finding new investment opportunities. That places growing demands on their time as well as adding pressure to build new capabilities. It's perhaps no surprise then that today's CFOs are increasingly taking the lead on digitising critical business activities and relying more and more on technology to transform all the data that process creates into actionable insights.

These new responsibilities present opportunities for future finance leaders to set themselves apart, but many companies aren't fully prepared to attract the sort of talent they need. Investment in systems and processes haven't yet caught up with the evolving demands of the CFO role, and the skills required to take full advantage of data aren't always being addressed in HR priorities.

“As the CFO role expands to meet non-financial demands, ambitious finance professionals must build new skills to lead.”

Grow your own

In Deloitte's 2013 Finance Talent Survey, forty per cent of CFOs said they were pessimistic about their ability to meet talent acquisition demands in the future, despite expanding their recruiting strategies.

Since then, there has been a drive to upskill within finance and accounting departments. Given that the median annual salary for a typical Chief Financial Officer stands at £95,000 per year¹, the rewards for ambitious professionals are clear. What's less clear is the best path to securing tomorrow's CFO roles.

If being CFO means providing business insights that can shape corporate and sales strategy, the traditional trajectory from CFA, to controller & treasury roles, to FD and then finally to CFO must involve familiarity with the systems that provide those insights. The modern CFO candidate will need to be able to articulate the risks and benefits of cloud applications and the software as a service (SaaS) model, big data analysis, cybersecurity and other innovations now transforming the finance industry.

The spreadsheet culture that still permeates finance environments is a serious impediment to this. If future CFO candidates need to be au fait with the latest technology, the latest technology has to be present and in everyday use today.

Focusing minds around cloud skills

Finance teams utilising the cloud and tools like corporate performance management are in a better position to build their own future stars or recruit top talent, as ambitious finance professionals want to work with the latest technologies to build their data-driven decision-making skills.

Cloud applications are quickly becoming the norm in all business roles. Whether you are an SMB or a Fortune 500 company, the move to the cloud seems to be the direction everyone is heading in – and finance is no exception.



“The move to the cloud seems to be the direction everyone is heading in – and finance is no exception.”

There are many proven savings and productivity benefits that the cloud brings, from improved business security to better service availability, from easier compliance requirements satisfaction to IT cost reduction. Sixty-seven per cent of IT professionalsⁱⁱ use cloud services and applications, while cloud deployment is up to 40 times more cost effectiveⁱⁱⁱ for an SMB, compared to running its own IT system. Crucially, 56% of organisations across the board^{iv} are actively seeking to hire staff with cloud expertise.

Looking beyond finance

While it may not be necessary to become experts in IT, finance leaders will have acquired skills around data retrieval, interpretation and analysis. Digital nous alone however won't make you CFO material, they can only ever be an enabler. Looking beyond tools to the experience and perspective necessary to really utilise financial tech – this is where today's accountant can really prepare his or herself for the ascent to CFO.

CEOs and boards already expect CFO be strategic advisers on how best to grow the business, as well as protecting the bottom line. In five years, as that expectation increases, CFOs will need to demonstrate a more multidisciplinary skill set and broader career experiences, from holding more operational positions to working overseas.

From a career development standpoint, people whose backgrounds are primarily in finance and accounting, or are looking to move up from the controller's office, will need experience outside of finance. Aspiring CFOs should try and build a well-rounded CV, with lateral as well as progressive career experiences from across the broader spectrum of management.

Conclusion

Roles in finance are already pivoting towards performance management and data analysis, while new responsibilities in scenario planning, modelling, and simulation are on the rise. Demonstrating commercial insight fused to digital know-how is critical for aspiring CFOs, who will be expected to guide if not lead outright, wider business initiatives like process reengineering, change management and data governance.

These are the abilities that will be most in demand as finance operations continue to become more analytical. Finance teams must invest now in people with the appropriate capabilities who demonstrate the right behaviours to help the business deliver on its strategy. Part of that means supporting current teams with the tools and training to deliver this higher value, more strategically focussed insights. For aspiring CFOs, finding work environments where this is the norm will be essential to career success.

About EOH

Founded in 1996 EOH UK has been making a tangible difference to the finance function for decades. We build trusted relationships by bolting deep business know-how and proven technology capabilities to our collaborative leadership values.

At the heart of our success is the recognition that building trust with clients is critical. We go to extraordinary lengths to understand the full picture, from current challenges to future goals, while inspiring clients to become more visionary across the system landscape.

Breaking away from legacy systems and streamlining processes is a bold and increasingly necessary step. Choosing EOH UK ensures you have a partner with you at every step of that journey.

Together we deliver the optimum technology solution – grounded in pragmatism but always with an eye on innovation. The result? A faster, leaner, smarter solution delivering returns as well as improved business performance.

Technology makes it possible, people make it happen.



Kirit Patel
Regional Managing Director
UK & Europe for EOH International

ⁱ [https://www.payscale.com/research/UK/Job=Chief_Financial_Officer_\(CFO\)/Salary](https://www.payscale.com/research/UK/Job=Chief_Financial_Officer_(CFO)/Salary)

ⁱⁱ <http://blog.integratelecom.com/get-head-cloud-infographic/>

ⁱⁱⁱ <http://www.forbes.com/sites/microsoftynamics/2012/06/12/are-technology-providers-clouding-your-view-of-business/#54c9b55b4588>

^{iv} <http://www.channeltimes.com/story/vmware-specializations-enable-partners-to-make-better-profits/>