

Financial Leadership

Presented by
IMA Leadership Academy

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Moderator



Brigitte de Graaff LLM, MSc, CMA
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Member
IMA Global Board of Directors

Featured Presenter



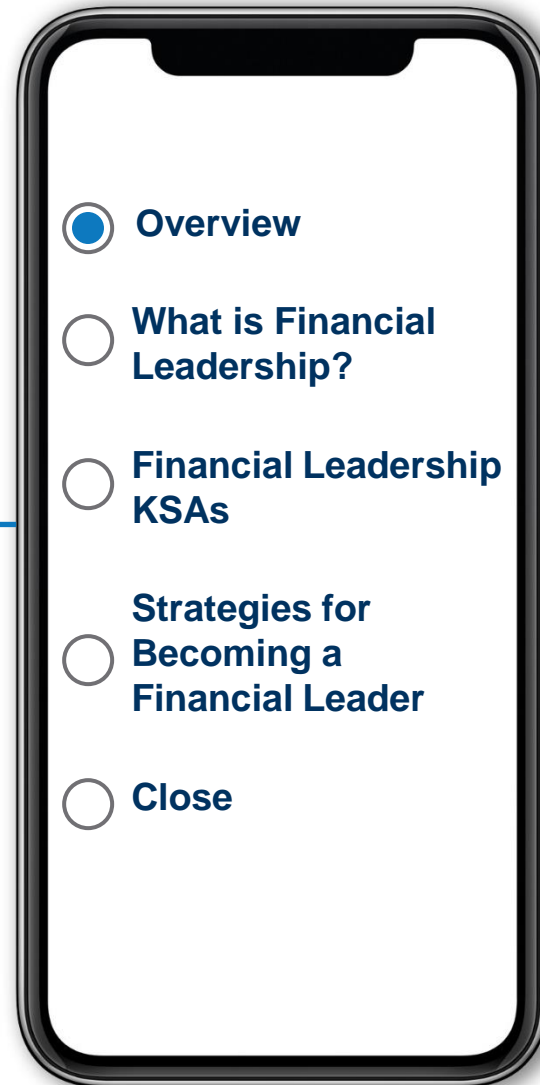
Natalia Maslova, MBA, CMA, PMP, CTP
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Natalia Maslova's Biography

- Natalia is a senior finance and technology innovation advisor and a recognized expert with extensive experience in business transformation enabled by technology (Blockchain, RPA, ERP, CPM, and others). She has been leading large scale finance transformation projects and innovation initiatives at EY in the United Kingdom, Ireland, and Oceania. With 20 years of experience in various industries, including management consulting, financial services, consumer business, energy, and life sciences sectors, Natalia has led multiple complex business transformation projects in North America, Europe, and Asia Pacific, and is a frequent speaker at international conferences and forums related to innovation, technology, and future of finance. She has been mentoring technology start-ups and enjoys being involved in development of new technology solutions and services.
- Natalia holds an MBA from the University of Toronto. She previously served on the ICMA Board of Regents. Currently, she is serving on the IMA Global Board of Directors.

Course Goal and Agenda

The **goal of this course** is to explore the evolving leadership roles of management accountants and the specific financial leadership knowledge and skill sets needed to better perform as strategic leaders.



Learning Objectives

After this session, attendees will be able to:

RECOGNIZE | the importance of financial leadership in the current and future marketplace.

DESCRIBE | the knowledge, skills, and abilities (KSAs) associated with financial leadership.

DETAIL | the steps management accountants should take to grow as financial leaders and valued business partners.

EXAMINE | real-world scenarios and applications of successful financial leadership.



WHAT IS FINANCIAL LEADERSHIP?

Management Accounting's Changing Role

Traditionally:

- Processing transactions
- Accounting for wealth

Now expanding to include:

- All of the above
- Decision support
- Creating wealth
- Influence as a business partner



An Example of Financial Leadership



A FINANCIAL ANALYST AT A SOFTWARE COMPANY noticed that one of the segments had not hit its sales plan for the month, so he dug into the data more deeply and identified specific customers who had not renewed their software licenses. He had a conference with the sales team and gave them the list of customers and soon discovered that many of the lapsing customers had simply not been contacted about their expiring licenses. These customers were revenue opportunities that had been overlooked.

The financial analyst put together a list of all of the customers that had lapsed and worked with his sales partners to ensure all of the customers were contacted to determine their status. He held weekly follow-up calls with the salespeople to check on progress and reported the progress to the sales management team.

As a result, the segment was able to capture \$10 million in incremental revenue and met its revenue goal for the quarter.

Drivers of Change

Globalization

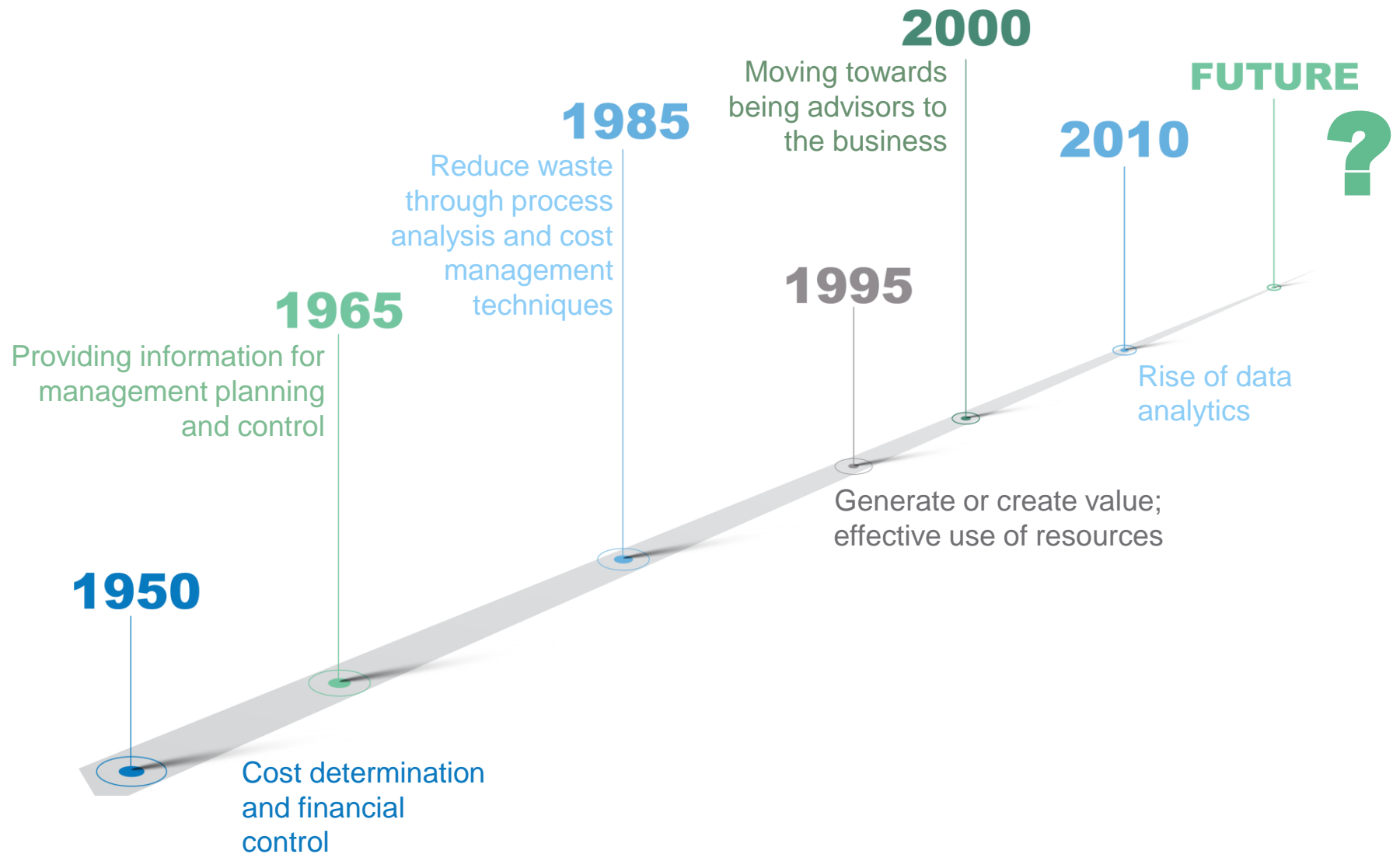
Customer
sophistication

Compliance
demands

Technology
improvements

MANAGEMENT ACCOUNTING

An Evolving Industry



Another Example

1990

CATERPILLAR REORGANIZES INTO PROFIT CENTERS

Each unit had an accountant
turned business manager

Accountants took on leadership roles
and became counselors

Each VP relied upon the business manager
to be successful

Accountants took on the burden of
educating divisions
about what the numbers meant and
how each could impact them

Businesspeople came back
and involved business managers
in running their business

Source: See Bibliography [22]

Being a Business Partner

Holds fiduciary responsibility

Focuses on running the business

Carries out traditional accounting functions

Accounting is a vehicle to improve performance and decision making

Has an overview of the organization as a whole

More emphasis on sharing and using information

Provides an understanding of the financial implications of actions

Participates in creating strategy as well as carrying out strategy



Source: See Bibliography [21]

Being a Trusted Financial Leader

- Is reliable
- Is technically competent
- Provides business insight
- Can influence outcomes
- Communicates why something happened and what will likely happen
- Decides whether or not to take action
- Has an entrepreneurial spirit with a bias toward action to seize opportunities
- Focuses on what *could* happen
- Leverages their view of the big picture of the company to drive decisions



A Third Example

- Keeping an eye on new and emerging technologies, like blockchain, to identify opportunities to solve problems and help the business succeed
- Software company adopted blockchain to improve reporting of royalties to third parties
- Reduced costs related to auditing and tracing transactions to identify errors



Source: See Bibliography [3]

Poll Question #1

Of the following areas in being a trusted financial leader, which is one that you would most like to develop more for yourself?

- a. Having an entrepreneurial spirit
- b. Focusing on what *could* happen
- c. Developing a big picture view of your business
- d. Helping others understand the financial implications of actions
- e. Participating in creating strategy

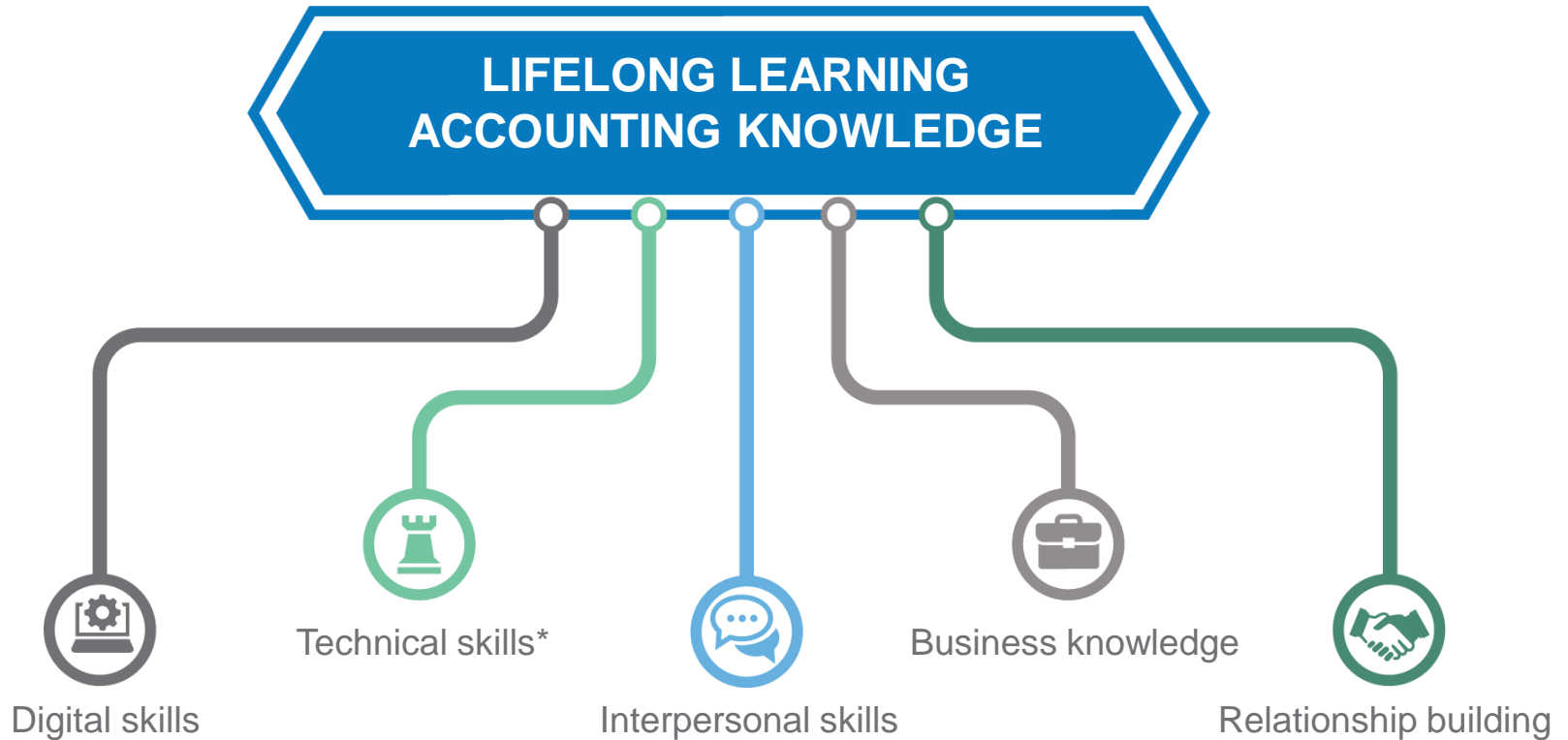


Poll Question #1 Results



FINANCIAL LEADERSHIP KSAs

Becoming a Financial Leader



Four “Lines of Sight” for Financial Leaders

- Oversight
- Hindsight
- Insight
- Foresight



Digital Competencies Needed



Source: See Bibliography [12]

IMA Competency Framework



Source: See Bibliography [4]

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Strategy, Planning & Performance

The competencies required to envision the future, lead the strategic planning process, guide decisions, manage risk, and monitor performance.

VISIONARY

- Strategic and tactical planning
- Decision analysis
- Strategic cost management
- Capital investment decisions
- Enterprise risk management
- Budgeting and forecasting
- Corporate finance
- Performance management

Reporting & Control

The competencies required to measure and report an organization's performance in compliance with relevant standards and regulations

STEWARD

- Internal control
- Financial recordkeeping
- Cost accounting
- Financial statement preparation
- Financial statement analysis
- Tax compliance and planning
- Integrated reporting



Source: See Bibliography [4]

Technology & Analytics

The competencies required to manage technology and analyze data to enhance organizational success.

CATALYST

- Information systems
- Data governance
- Data analytics
- Data visualization

Business Acumen & Operations

The competencies required to contribute as a cross-functional business partner to transform company-wide operations.

PARTNER

- Industry specific knowledge
- Operational knowledge
- Quality management and continuous improvement
- Project management

Leadership

The competencies required to collaborate with others and inspire teams to achieve organizational goals.

CHAMPION

- Communication skills
- Motivating and inspiring others
- Collaboration, teamwork, and relationship management
- Change management
- Conflict management
- Negotiation
- Talent management

Professional Ethics & Values

The competencies required to demonstrate the professional values, ethical behavior, and legal compliance essential to a sustainable business model.

GUIDE

- Professional ethical behavior
- Recognizing and resolving unethical behavior
- Legal and regulatory requirements

IMA Competency Framework



Source: See Bibliography [4]

Poll Question #2

Of the competency groups in the IMA Competency Framework, which interests you the most?

- a. Strategic Management
- b. Reporting & Control
- c. Technology & Analytics
- d. Business Acumen & Operations
- e. Leadership
- f. Professional Ethics & Values



Poll Question #2 Results



DRIVE

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1

ASSESS YOUR SKILLS

Take the guesswork out of career planning! Evaluate your technical and leadership competencies in management accounting and gain validated feedback on your strengths and areas for improvement.

2

PLAN YOUR PATH

Build a development plan with the help of more than 1,000 customized self-study courses, webinars, publications, and on-the-job activities to take you to the next level in your career.

3

SEE YOUR FUTURE

Explore your options and match your skills to 40 management accounting roles with your unique development plan as your guide.

Qualities of a Financial Leader

- Increased emphasis on foresight and insight, to complement hindsight and oversight
- Catalyst and strategist
- High ethical standards
- Strong business acumen and core business skills
- Commercially aware
- Confident decision maker
- Relationship builder
- Honesty and integrity
- Ability to interpret data
- Well-developed ideas and opinions
- Comfortable with risk
- Future-oriented
- Excellent communication and interpersonal skills
- Financial judgment and decision making





STRATEGIES FOR BECOMING A FINANCIAL LEADER

Food for Thought



What will accountants do when they're no longer doing accounting? Those accountants who are already offering the kind of high-value, high-margin services that only they can provide – business judgement, personal coaching, or brilliant insights, for example – are well-positioned to make the next leap.



– Rick Telberg, founder and CEO of CPA Trendlines



Source: See Bibliography [10]

Poll Question #3

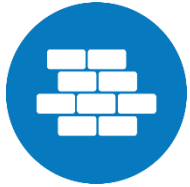
Which of the following most closely represents where you are in relation to providing high-value, high-margin services?

- a. I'm not really offering any high-value, high-margin services.
- b. I am offering some high-value, high-margin services.
- c. I am actively offering high-value, high-margin services.



Poll Question #3 Results

Preparing for the Change



BUILD the foundation



UNDERSTAND the business



DEVELOP your interpersonal skills



EDUCATE the organization



DEVELOP informal relationships across the organization

Transitioning Strategies

- Show value-added analysis
- Gain trust
- Balance financial, strategic, and operational perspectives
- Give high-quality advice
- Help users of financial information find solutions
- Help the “financially challenged” understand the information
- Understand the needs of decision makers
- Promote the value of financial advice
- Be involved in all stages of decision making
- Be persistent



What to Do to Be a Financial Leader

ATTITUDE

Adopt a leader mentality

TECHNICAL EXCELLENCE

Develop, maintain, and enhance pertinent skills

EXPERIENCE

Learn the business

PARTNERSHIP

Create collaborative and effective business relationships

LEADERSHIP

Take a proactive approach



Source: See Bibliography [9]

Disciplines of a Financial Leader

- Be trustworthy
- Be credible
- Think strategically
- Leverage technology or technical advances
- Develop a management perspective
- Advise constructively
- Anticipate
- Be courageous
- Communicate effectively



Professional Development Continuum

- Effective communication
- Time management
- Cost accounting, budget preparation, Excel analysis
- Audit, tax, external reporting



ENTRY

- Learn the business
- Cross-functional collaboration, influence
- Project management
- Forecasting, ERP evaluation
- Financial risk analysis
- Strategic personnel



YOUNG

- Cross-functional influencing skills
- Leading and managing staff/teams
- Process management
- Enterprise risk management



SEASONED

- Investor and customer relations
- Change manager/agent
- M&A, new market and product development



SENIOR

Source: See Bibliography [23]

Poll Question #4

Where are you on the professional development continuum?

- a. Entry
- b. Young
- c. Seasoned
- d. Senior



Poll Question #4 Results

Common Obstacles

Lack of:

- Time
 - Expertise
 - Top-management support
 - Operational support
-

Difficulties with:

- Culture
- Trust
- Attitudes
- Gaining access to information



Top Skills and Qualities to Develop

COMMUNICATION

Vision

Confidence

Honesty/Integrity

Business Acumen

Interpersonal

RESULTS-DRIVEN

DATA SCIENCE

TEAM-BUILDING

**ANALYTICAL
ABILITIES**



Source: See Bibliography [18,21]



CLOSE

Interactive Review

In what ways is the **management accountant** role changing?

What does it mean to be a **business partner**?

WHAT IS DRIVING THE CHANGE IN THE MANAGEMENT ACCOUNTANT ROLE?

What will accountants do when they are no longer doing accounting?

What does it mean to be a **trusted financial leader**?

WHAT **KSAs** ARE NEEDED TO BE A FINANCIAL LEADER?

What are some **STRATEGIES** for developing as a financial leader?



Learning Objectives Revisited

After this session, attendees will be able to:

RECOGNIZE | the importance of financial leadership in the current and future marketplace.

DESCRIBE | the knowledge, skills, and abilities (KSAs) associated with financial leadership.

DETAIL | the steps management accountants should take to grow as financial leaders and valued business partners.

EXAMINE | real-world scenarios and applications of successful financial leadership.

It's About You



The answer to the question “What’s financial leadership all about?” is really up to you. With leadership being defined as the ability to influence people, decisions, and outcomes, you have the ability to step out and be a financial leader in your own right even if you aren’t the financial leader at this stage of your career. Your organization’s stakeholders expect nothing less of you and the CFO team in driving business performance.



– Jeffrey C. Thomson



Source: See Bibliography [23]

Poll Question #5

Which statement most closely aligns with your own status as a financial leader?

- a. I'm still considering whether I want to step out and be a financial leader.
- b. I'm ready to step out and be a financial leader.
- c. I'm already stepping out as a financial leader.
- d. I feel confirmed in my role as a financial leader.



Poll Question #5 Results

Action Plan

My goal in relation to financial leadership is _____

The <i>Barriers</i> to my goal are...	The <i>Enablers</i> to my goal are...

ACTIONS: To deal with these barriers or secure/nurture the enablers, I will... _____.



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Questions & Answers

Use the Q & A Panel to send your questions to our panelists.



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Thank You to Our Presenter!



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Thank You to Our Moderator!



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Final Reminders

- ▶ **Complete the Evaluation poll – 2 Options**
 - On your screen
 - Click the “Evaluation Survey” icon
- ▶ **Access to your CPE Certificate – 2 Options**
 - Click the “CPE” icon at the bottom of your console
or
 - Click the “CPE Credit” link in your post-event email
- ▶ Please print a copy of the CPE certificate for your records.
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