



The Changing Role of the CFO

Leadership is now a key skill for any successful Chief Financial Officer. Criticleye, in association with Accenture, speaks to a range of CFOs to glean their views on why the role is now more complex and how to perform to the highest level

By necessity, chief financial officers have to be able to see the bigger picture. With rising commodity prices, fluctuating currencies, greater oversight and regulation, cost cutting and the emergence of new economic powerhouses, it's essential that a CFO has a firm grip on risk and controls but is also able to have a strategic overview of where an organisation needs to be heading.

Those who are successful in the role must have the ability to communicate clearly

with investors and stakeholders, while also demonstrating strong leadership qualities in the finance function and across the business. [As part of Criticleye's latest filmed series, *The Changing Role of the CFO*, in association with Accenture](#), we spoke to a variety of CFOs to find out how this key position in the executive team is evolving.

Alan Stewart, CFO at retailer Marks & Spencer, says that "the emphasis has really shifted from getting the

numbers right to forward planning, to understanding what forces are impacting on the business itself – whether that's customers, competitors, technology or different aspects of marketing."

A similar point is made by **Chris Wright**, Managing Director at Accenture, who observes that "the CFO is now a co-partner to the CEO and is getting much more involved in the strategy of the business", while simultaneously being close to the operations of an organisation. He ►

adds that this is possible because both the training and experience of CFOs is much broader than it used to be.

Patrick Butcher, CFO at Network Rail, says: “CFOs are expected to engage with the business and across it in much broader ways than they were in the past. This has become [customary] as accounting standards have become more complex and, to some extent, the accounting profession has lost its way. Therefore, the financial accounts are of no use to anybody trying to make decisions about a business and the role of the CFO is to interpret the numbers and use them to tell a story about business performance.

“So it’s about business partnering and storytelling, rather than about simply producing a high quality set of accounts, which is not to say that we don’t still have to produce really high quality accounts.”

WHOLE NUMBERS

There was general agreement among those interviewed that if a CFO had any hope of performing to the required level, aside from a basic grounding in operational finance, management accounting, budgeting, treasury and so on, there had to be experience outside of the finance and accounting department.

Deirdre Mahlan, CFO of drinks business Diageo, says: “You need to be able to influence without authority. There are many occasions in the life of the CFO when you really need to be able to encourage or influence your business partners, whatever function they happen to be in, to rethink a particular strategy or to consider one that they hadn’t thought of and you are rarely doing that with direct influence.”

“*The role of the chief financial officer will be less of a technician and more of a strategist*”

At a time when change is the norm, the CFO, working closely with the CEO, is perfectly placed to keep business goals aligned. For **Patrick**, that ability to articulate where the business is at in its journey is incredibly important. “The numbers we use are not just the financial or reported accounting numbers but the business metrics,” he says.

“They’re quantitative numbers and I think another key skill is to be able to translate a raw set of data and metrics into a story that comes alive, whether it’s for employees, customers, suppliers or investors.”

For **Chris**, although awareness is improving, many organisations continue to sit “on mountains of data around their customers and products and they are just not harvesting the value that can be gained from proper analytics”.

There are plenty of elements to the CFO’s role that remain the same as they ever were, such as a healthy approach to risk, corporate governance, clear processes and controls and timely reporting. But the complexity is increasing, particularly for global organisations.

Nic Nicandrou, Chief Financial Officer at insurance and financial services provider Prudential, says: “The more options you have, the more stakeholders, the more things you have to worry about... In very practical terms, it makes a lot of our jobs 24-7 and, in a way, that probably reduces the tenure of a CFO as a result, because there is only so long you can do a 24-7 job. But, in my role, it also makes it much more enjoyable.”

This is why CFOs must have a strong team around them who can be trusted to provide quality information. According to **Nic**, to be a success means being “able to scan the horizon, read and analyse at a macro level the signs, trends and the data points, then translate them into a vision for the organisation”.

It’s number crunching, but not as we know it. ■

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Featuring Commentary From:



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