

ANOTHER LEVEL



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How do you recognise when the FCs in your organisation are ready to make the step up to management, and how do you prepare them for the transition? Xenia Taliotis finds out what special qualities make for a good first-time FD

One might wonder how different the role of the FC and the FD can be? Richard Brooks, co-founder of FD Solutions, a specialist in flexible director services, knows the answer: “The gap between FC and an FD is huge,” he says. “It’s far bigger than that between a bookkeeper and an FC, say. You need different skills, different abilities and, most importantly, a different mindset because you’ll need to be able to make decisions based on reasonable assumptions of what factors – external as well as internal – will affect the business you’re working for in up to five years’ time.”

Brooks’s company places FDs on an as-and-when-needed basis with organisations that don’t need a full-time FD. In his time he’s seen – and appointed – the best of the best, developing a finely tuned ability to recognise those who will make the grade in the process. “I think you can tell from early on if an FC will be able to step up successfully, because you see a depth in those who’ll prove capable of making the transition. Being an FD is a complex and multi-faceted role, and you need a complex and multi-faceted set of skills to do the job well. People have to be very well-rounded. They have to be so much more than technically strong.”

The top skills Brooks highlights as essential are communication, commercial awareness, curiosity and analytical thinking. “When you’re an FC, you take a frame-by-frame (or month-by-month) view of the company, interpreting what you see through your reports. When you’re an FD, you’re responsible for making the entire film. You’ve got to be able to plan, to work out how each action relates to and influences others and to make sure all your decisions make sense when viewed as a whole.”

Karen Young, director at Hays Senior Finance and a specialist in senior accountancy and financial appointments, agrees: “FDs need panoramic, far-sighted vision. They have to be creative – visionary, almost – able to anticipate and plan so that they can steer the business

through whatever the future holds. Their job is to increase profitability, cash flow and efficiency – in bad times as well as good – and for that they not only need to have an in-depth understanding of every aspect of their business, but also an insight into how their customers and suppliers are faring and thinking, because this will influence the health of their own organisation.”

Brooks and Young both emphasise the changing remit of an FD’s job, which can encompass direct management of the HR or IT departments, especially in a smaller business.

Pure financial directing, says Brooks, can sometimes make up just one part of the job. If that’s the case, any newly appointed FD will have to know who to turn to for advice and know how to delegate to the right people.

Strong leadership skills are essential, as is an ability to manage up as well as down. When Young is recruiting FDs, she looks for candidates who’ll be able to say no, even when the person they’re saying no to is their CEO. “That’s crucial,” she says. “FDs must have the confidence to challenge

TEN TIPS FOR FDs IN WAITING

- 1 Learn to lead and to delegate. An FD role is all about leadership – upwards as well as downwards.
- 2 Be curious, questioning and trust your judgement. If you don’t have confidence in an answer you’ve been given, probe deeper until you’re satisfied. Question your actions too: before you act, ask yourself if what you’re doing is good for the business.
- 3 Get involved with the operational side of the business.
- 4 Hone your people skills so that you can speak confidently and appropriately to everyone involved with the business, from customers and suppliers to board members.
- 5 Learn to weather the storms. Making mistakes is OK as long as you own up to them and learn from them.
- 6 Read the *FT*.
- 7 Build strong relationships.
- 8 Push yourself and keep learning.
- 9 Know when to ask for advice, and from whom.
- 10 Learn how to switch off once you’re home.

authority and the diplomatic skills to know when and how to do so. Someone who is by nature unquestioning and compliant is not FD material – someone who knows when to take risks and when to hold back is.”

While there is no clear-cut path or time frame to becoming an FD, a 2013 survey by Hays highlighted that 81% of those surveyed had come from a commercial or industry background, 45% had more than 20 years’ post-qualification experience and 39% were ICAEW trained – making ACA the most popular qualification. But these are generalisations, says Brooks. FCs who become FDs don’t always follow a linear career path because the routes leading there can be varied and numerous. Equally, you can’t really set out to become an FD in two or four or six years after becoming an FC, because it doesn’t come down to that.

“If you’re an FC reading this and you’ve found yourself looking at your organisation and wondering where the business is going, how the business is generating cash, and coming up with ideas for how to help it perform better and become more profitable, then I’d say you were ready to start planning a move,” he says. ■

PREPARING FOR PROMOTION

While there is little that can fully equip an FC for the job of FD – other than doing it for themselves – ICAEW’s Network of Finance Leaders (NFL) Programme provides an excellent foundation. The six-month programme includes four full-day workshops on developing a leadership mindset, driving performance, influencing the business and mastering challenging conversation. It also includes four peer learning groups, four 90-minute one-to-one mentoring sessions and two networking events, all of which help delegates to think more strategically and commercially.

“The word leadership gets bandied about so much that it’s become almost meaningless,” says James Brace, leadership and professional development manager at ICAEW. “People think there’s a blueprint of what makes a good leader, but there isn’t. What the NFL Programme does is help finance managers to develop their own authentic leadership style.”

The course matches people with an FD mentor who’ll work closely with them throughout the programme and, in many instances, beyond. “It’s an intense six months,” says Brace, and strong friendships form – not only between the mentors and the delegates, but also between the group. People find it immensely helpful, but sometimes they’ll decide that the FD role isn’t for them, and will follow a different career path.”

For information on the programme visit tinyurl.com/ICAEW-NFL

THE BIG LEAP

Liam Conway, FD, Intercontinental Exchange. Joined Intercontinental as FC in April 2011 and was promoted to FD in May 2015

“I was promoted from FC to FD last May. It was a shock because I hadn’t expected our head of finance to resign, so I made the step – or should I say leap – overnight.

“I’d done the NFL programme in 2014, which was extremely useful, but from what I now know of the role, I see that there isn’t much you can actually do to prepare, because the FD position is so distinct from any other finance roles. Certainly there is little I did in my five years as an FC that I would consider as training for the position.

“There are too many differences between being a controller and a director to describe succinctly. One of the main ones, though, is that I now spend 99% of my time talking to non-finance people – to directors, to external consultants, to IT and HR managers – whereas when I was FC, everyone I spoke to was in finance. Also you have to delegate, delegate, delegate, which is a big step because you have to trust that your team is giving you the right information. That’s been a bit tricky too, because all of a sudden you have to stand back from the people you were really matey with.

“I do still find it hard to step back from all the number-crunching I did as an FC. Those Excel spreadsheets are like my comfort blanket – I know where I am with them – and I still want to leap back into them when things get difficult. There’s such order and sense in the numbers – a definite right or wrong answer. That’s something you’ve got to learn to live without when you’re an FD, because much of your planning is creative or even telepathic – based on what you think will happen in the future.”



MOVING ON UP

Mita Vadgama, FP&A and international finance manager, Costa Express. Joined Costa Enterprise Division in April 2013 and moved to a more senior position at Costa Express in April 2015

“There’s no real blueprint to follow when you decide to become an FD. I’m quite fortunate because the job I do now, though technically at FC level, includes a lot of more commercial thinking than many other FC roles – so I’m getting a feel for one of the most critical elements of being an FD.

“I’m at the stage in my career where everything I do is a building block that should help me climb up to my next position. My company is sponsoring me to do the NFL programme and though I’ve only just started, already I can see that it will give me more tools – not only for my next role, but also for my current position.

“I’m ambitious and keen to develop. My priority now is to gain as many skills as possible that I know I’ll be putting to good use throughout my career.”

