

WHY FINANCE NEEDS 'SOFT' SKILLS

High-value, experienced finance staff are nowadays expected to operate in a range of different environments, adopting a multi-faceted business partner role. **Neil Wolstenholme** and **Simon Bennett** explain the softer skills they need to do so successfully... and how to acquire them.

Judging the finance function solely on its technical expertise, analytical skills, independence and integrity is no longer enough. Although these traditional accounting-based strengths remain its bedrock, the environment in which finance operates has changed rapidly. Moreover, it will continue to evolve faster as companies seek to respond to increasingly dynamic marketplaces.

Today, competence in the 'softer' skills more common to HR or marketing – influencing, negotiating, communicating, visioning, people management and coaching – is a prerequisite for finance professionals if they are to be effective in roles that nowadays can range from scorekeeper through to steward, analyst, adviser and partner. They also need to manage the interdependencies and potential conflicts between these different roles.

However, cultivating soft skills without sacrificing the core technical and analytical skills of finance can be a significant challenge for both individuals and finance functions. To meet that challenge, major companies such as BP and Unilever, and some individuals, are employing a range of mechanisms, which we will come to shortly. First, some context.

How is the environment changing?

Finance has become geographically and functionally fragmented with the development of shared services and outsourced business centres, often offshore. Traditionally, these have focused on transaction processing but increasingly organisations are pooling other capabilities into 'centres of expertise', such as management information and reporting, or technical specialisms like tax, treasury and audit.

Finance people will naturally often staff these roles, but some businesses also deploy non-finance resources. Reasons given for deploying non-finance staff include the view that they have a better understanding of the information produced and its uses. Some also believe that they are better equipped culturally and behaviourally to interact with diverse and geographically remote multi-national customers.



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It is clear that most businesses cannot afford the high overhead associated with rigid segregation of finance roles. They are combining different aspects of the finance role within complex and highly visible 'business partner' roles. In some instances even these roles are staffed by outsiders. If finance professionals are not right for certain positions, businesses are becoming increasingly creative and assertive in seeking different solutions.

How has finance responded?

Behaviour and culture change is perhaps the most difficult management challenge and some finance heads undoubtedly failed to recognise the scale of the task involved. Consequently, they responded with solutions designed for technical skills, which can be learnt and remembered, but not geared for behaviour changes, which must often be practised and reinforced daily. They failed to consult with the business or leverage HR help, and over-relied on a single mechanism for personal development, normally formal training. For these people, the desired self-starting, open-minded culture of change within the finance team remains as elusive as ever.

More positively, we now see more and more finance functions actively seeking input from the business to define their overall structure, job descriptions for key roles and the overall 'competency profile' for the function itself. Some do this informally, some undertake periodic 'projects', and more are looking to implement structured, regularly-used systems for sharing information and developing the 'finance strategy'.

Of the leading finance functions, most work very closely with HR to help develop the service as a whole, and the individuals within it. It is commonplace to see a diverse range of techniques and processes used to manage team development, including organisation-wide competency profiling, succession planning (eg within the finance function), 'talent' management and personal development programmes.

Formal training is still important, with more emphasis placed on developing the softer skills now recognised as critical building blocks. However, it is often difficult to make such training directly relevant to individual roles, and the benefits diminish fast if people find that they cannot put learning into practice immediately.

Partly because of this, other techniques are routinely deployed, such as:

- mentoring and personal coaches – where outsiders work alongside key finance staff, helping them make the right decisions both from work and personal development viewpoints;
 - self-directed learning – eg 'e-training' (which has been around for years but is often not used effectively).
- Companies look to individuals to use a variety of self-accessed learning materials, internally and externally, to

BEHAVIOURS REQUIRED OF A FINANCE BUSINESS PARTNER

Be proactive	Constantly identify opportunities and generate ideas to drive value for the business
Anticipate risks and opportunities	Balance short-term demands with longer-term growth consideration
Challenge the business	Engage senior management to ensure options are evaluated and business decisions are robust
Be accountable	Be willing to stand by decisions made
Provide insight	Constantly identify opportunities and generate ideas to drive value for the business
Be analytical	Bring evidence-based rigour to decision-making and the tools/methodologies to support the key business processes
Be flexible	Always look for the simple, practical solution to issues
Be pragmatic	Again, always look for the practical solution to issues
Be control-orientated	Understand the stewardship role of finance and that the business partner role enables the development of preventative controls

- develop themselves, and also, importantly, to reflect that development in their career planning as well as validating the learning during performance reviews;
- rotation and on-the-job development – where finance people are moved into different roles inside and outside finance as part of a multi-year development plan. By gaining exposure to sales, marketing, operations, etc, individuals develop a broader business appreciation, expand their network, develop communication skills and increase their business value; and
 - targeted recruitment – which remains an important way to add new skills. Increasingly, companies are moving away from simply employing bright young accountants in more commercially-focused finance business partner roles, and hiring those who have more ‘grey hair’ through wider exposure to different roles and businesses. Recruitment firms are also now better attuned to the broader skills expected from candidates.

What can the finance professional do?

‘Behaviours required of a finance business partner’ (below) shows the behavioural traits and skills of today’s typical finance business partner. There are numerous things you can do to obtain them and ensure you thrive in this fast-changing environment. Here are just five:

Network effectively

Cultivate relationships within the organisation, as well as former colleagues and contacts, and seek advice when you encounter ‘difficult’ situations. Typically finance professionals can feel uncomfortable when faced with emotional arguments, conflict or demands for ‘certainty’ from colleagues. Actively seek advice, at the time and afterwards. Reciprocate by sharing your own experiences and offering advice.

Look and learn

Watch, speak to and learn from those outside finance. Individuals in operations or sales and marketing will often adopt different approaches and tackle issues in different ways. Open your eyes and be aware of the benefits of adopting different strategies in particular circumstances. For example, people who work in sales and marketing often naturally focus quickly on ‘visioning’ desired outcomes and this can open up totally different perspectives than those gained from a detailed, analytical approach.

Take time to invest in yourself

Participate in web seminars, join communities of practice, read widely, and increase your own intellectual capital. Make structured and targeted use of the self-directed learning from your company, the Finance and Management Faculty of ICAEW and others.

Have a skills-focused development plan

Reflect your objectives in your personal development plan (create your own if your company does not use them). Decide where you need to develop, agree specific actions with your management and make sure you follow them through. Demonstrate what you have done and how you have transferred what you have learned into practice, and ensure this is recorded in appraisals.

Embrace change

Actively seek opportunities to broaden your horizons, take on fresh responsibilities outside your comfort zone, get involved in projects and move through different roles within the organisation as part of a structured career development plan agreed with the company.

Summary

Businesses today need their high-value, experienced finance staff to operate in a range of different environments, effectively executing the many different facets of increasingly complex and diverse business partner roles.

An individual career journey might now embrace shared services, centres of excellence, technical specialist and business facing roles. It is a significant opportunity. Using the advice offered here, an individual will develop the business knowledge, technical and behavioural skills required for a rich and rewarding career; with their value fully recognised by employers.

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