The CFO Leadership Council
a Chief Executive Group community

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CFO Skills Worksheet

This "self-test" can show CFOs how to gauge the strengths and weaknesses of their skills set.

How many of these skills do you possess?

The job description of the modern CFO has certainly changed in recent years. A chief financial officer no longer just crunches numbers and looks at financial statements all day. As traditional finance work continues to make the rapid shift to digital, transactional roles are slowly disappearing. Previously The CFO Leadership Council discussed heightened innovation, globalization, and the emergence of new competitors as other variables that have added layers of complexity to senior management titles. Progressing through the ranks no longer works if you are unwilling to adapt to the changing landscape. To be a successful CFO, one must be prepared to wear many hats — including more strategic and analytical approaches, and succession planning beyond financial functions.

What new skills do finance leaders need to help organizations move forward and empower their teams?

Leadership

A successful CFO should possess the intellectual and emotional propensity to take full ownership of projects and see them through — from inception down to completion. It's no longer enough to just wait on the sidelines, keeping sight of financial markets, providing transaction reports, and handling audits.

Synthesize Information for decisions making

In truth, great leaders must not just understand information, but also synthesize different pieces of information well enough to make a sound decision that the entire team can benefit from. Because of the gravity of this decision-making, many leaders are, quite understandably, wary of making big decisions, especially if it entails a bold move for the entire company. Often, this daunting task is left to the CEO, but CFOs should rightfully play just as significant a role in this regard.

Use data to establish key objectives

CFOs shouldn't just deliver data, they should help establish the foundation and objectives based on it. A study done by Epicor highlights six main leadership and decision-making styles of CFOs, mainly: politicians, revolutionaries, conductors, traditionalists, and visionaries. Unsurprisingly, it is the revolutionary CFOs who are linked to the companies with the highest profit growth in this volatile world. Among some of their notable traits are willingness to set tough goals, take risks, and embrace the modern corporate culture.

Strategy and Innovation

Create opportunities that drive growth

It is said that robots, automation, and AI will replace 5 million jobs. While improved analytics can undoubtedly enhance workplace efficiency, finance's core functions aren't exempt from the threats of automation. However, CFOs don't have to panic over their jobs just yet. In truth, these advancements actually present CFOs with a chance to redefine the finance function and make room for new opportunities that drive revenue and career growth.

Make optimal use of new software, move from manual to strategic

Moving beyond traditional practices, leveraging technology allows finance leaders to more easily understand business complications. Today, there is a wide range of tools available that can help maximize big data. Some of these software programs can take care of rote work like processing transactions and integrating data, so that CFOs can channel their energy into more complex managerial tasks.

Make risk management a priority, especially in cybersecurity arena

If unable to understand these emerging technologies and how they play into the bigger picture, an organization may become vulnerable to new threats that have come with these advancements. On Maryville University's Cyber Security degree page they warn against mass-scale data breaches that beset companies both big and small. Reports reveal that the attack compromised sensitive information of over 143 million American consumers, including Social Security numbers and driver's license numbers. Such assaults on security can not only harm consumers, but they can also do serious damage to an organization's reputation. In response, more organizations have been devoting more attention to data protection and cyber security. As the CFO, it is integral to acknowledge these potential attacks. With a combination of technical and business expertise, one must stand against these obstacles to ensure smooth sailing ahead.

Use technology to maintain competitive edge

Organizations that do not adapt to innovation run the risk of losing their competitive edge and becoming stagnant. Accenture Strategy's CFO & Enterprise Value group, David Axson, stated that it is now impossible to separate the technology conversation from the business conversation. "In the old days, you could, because the software sat on mainframes in a data center. You could draw a line between where the computers stopped and the business started. Now you can't. True enough, the influence of technology has proven inevitable not just in finance, but in other industries who have taken on an "evolve-or-die" stance, such as retail and education.

People Skills

Provide perspective on what data means to multiple stakeholders

Despite this crucial digitization, effective people skills are as important as ever. CFOs must be able to use technical skills in the context of business to lead change, which extends well beyond an organization. CFOs are not only tasked to deliver data, they must also be able to provide meaningful context for what it means to multiple stakeholders. This is especially crucial for those without finance backgrounds. While they need to learn how to effectively convey their message to the investment community and its shareholders, a different approach must be taken internally.

As Middle Market Media's Jack Sweeney notes, "The finance leader is sitting down in a conference room that two years ago they never stepped foot in, and they're dealing with people around a table." This skill is one that the traditional finance leadership path does not offer.

Develop key relationships and networks

Fostering relationships beyond operational connections within your company ensures you develop an understanding of the strategic guidance that finance entails. This expands your network and improves integration between finance and other units, making the finance department that much more valuable and you, a trusted CFO.

Enhance credibility through communication of complex information

The key to credibility starts with clear communication. You should be able to relay complex information clearly and field challenging questions concisely and persuasively. Take initiative with critical business decisions, presentations, and negotiations so that it can also inspire other colleagues to take on more active roles.

Make ethics a priority

It is not always easy determining which role or approach is the “right” one. Throughout the course of a CFO’s job, it is likely that you will be faced with situations that threaten to push against their ethical limits and compromise the people. This is why it is important to have a strong ethical backbone that puts the utmost importance on the organization’s welfare and the achievement of its goals.

Influence conflicts constructively

CFOs are in the position to be the moral compass of an organization, as they have the ability to influence the conflicts in a positive and constructive manner. Sales teams might push on revenue recognition criteria in order to try and close a deal, or a CEO might want to embellish key facts in an investor presentation. It is during these incidents when the CFO must put their foot down and find a balanced solution that will fulfil those goals.

(Source: CFOLC)