

The Leadership Continuum of Finance

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ill lead all financial strategy and drive P&L” ... “Partner with senior management” ... “Scale the business” ... “Drive significant growth” ... “Develop the highest caliber talent” ... “Drive accountability throughout the organization” ... “Work collaboratively with external constituents to optimize capital structure, liquidity options and explore acquisitions” ... “Instill a mindset across the company to deliver results” ... “Drive improvement initiatives” ... “Be a trusted partner” ... “Create a self-motivated culture” ... “Confidant” ... “Communicator.”

These words help describe the Wonder Woman or Superman in business, but they are true excerpts from position specifications describing what is being required of leaders in finance today. This is *quite* the change from finance executives who began their careers as bean counters, crunching numbers, preparing financial statements and managing budgets! These roles are becoming harder, more difficult to prepare for, with more responsibility, carrying a highly visible profile and a greater level of risk.

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Global economic challenges, financial crises and technological innovations over many years have been instrumental in reshaping these roles. As examples, during the 1990s, companies recruited finance leaders who excelled in strategic vision. This thinking lasted until the Enron situation in 2001, which then added a premium of integrity. The collapse of global financial markets in 2008 caused another shift, keying on specific qualities of restructuring, turnarounds and cost cutting. This resulted in divestitures of non-core assets, reductions of debt burdens and improved efficiencies, leading to lean companies with cash-rich balance sheets paving the way toward improving top-line growth. And traditional finance work that was transactional in

nature became automated, outsourced or moved offshore, creating opportunities for professionals in finance to change focus to newer, critical areas of the business. The transformational success resulted in influential roles that are here to stay.

It is clear that the complexity and rapidly evolving nature of the global economy have created enormous demand for new leadership mindsets, capabilities and skills. But finding those motivated individuals who can operate at these levels has been a challenge for many. Poor choices of leadership have led to casualties. Those who have been successful in these roles are well compensated and difficult to pry away, as these individuals are also in jobs that challenge and satisfy them. They feel they are making meaningful contributions and working in tandem with the CEO to keep their organizations moving forward.

A robust pipeline of leaders is critical to driving strategy and growth so that companies may achieve their goals. However, few are ready to take on greater responsibilities and challenges, as there is a stark gap between the current states of reality versus the future state of aspirations toward driving performance. Plenty of resources have been allocated for developing leaders of the future, but many have fallen short due to “cookie cutter,” one-size-fits-all programs or because those curriculums are not keeping pace with present-day business complexities.

Today, many have found that the traditional path of starting individuals in a transactional role with the goal of progressing them through the ranks is not an optimal strategy. It is no longer enough to be able to account for wealth; it is important to also have skills to create it. As a result, companies have taken radical approaches to developing their leadership pipeline. Many have invested in technology and automated time-consuming manual tasks to help free finance teams to play a more forward-looking role in the company by gathering and analyzing vital information for executives sooner. Some have future leaders moving in and out of the finance function and into line operations and different geographies, “walking in others’ shoes” and exposing them to the stark realities of the front lines. Others are developing talent by training, encouraging and challenging their young superstars by giving them critical projects and the opportunity to learn by successes and failures. There are those working with executives on a one-on-one basis in areas such as information technology, human resources or in leadership, which typically fall outside of academic and professional training.

This pent-up demand provides a leadership opportunity for those who seek experiences beyond their technical finance duties. The horizon is unlimited for those who have the innate desire to learn, love challenges, and have the passion and energy to succeed. It also provides us with abilities to influence others for the greater good. Instead of waiting for others to help shape our way forward, we need to step forward and lead the way! ■

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