

WHAT SKILLS DOES THE MODERN CFO NEED



CFO SKILLS

Finance leaders now see themselves playing a far more strategic role than ever before

Step back 50 years, or maybe only 20 years, and the individuals making up the C-suite would likely have a set of skills that distinctly related their role. CEOs would be leaders, COOs would be strategists, while CFOs would have technical accounting skills.

Admittedly, this is a stereotypical, narrow perspective, but businesses frequently operated within silos, and the value of individual business functions wasn't often viewed in terms of cross-organisational integration.

Times are changing, however. The C-suite is (slowly) becoming more diverse, and that in itself brings different skills and life experience to the boardroom table. What's more, there is pressure on different departments, such as the finance function, to really demonstrate their importance to the wider business. As such, leaders are expanding their roles and skills and are thinking differently.

These days, the idea of a CFO or any finance leader sitting at their desk and overseeing the numbers – and doing little else – couldn't be further from reality. The role, in many companies, has changed to one that is far more strategic and integral to the business as a whole.

While this might have been recognised anecdotally for some time, our 2020 survey [The Finance Leader of Tomorrow](#), proves just how far CFOs have shifted from the stereotypical role.

DEFINING THE MODERN CFO

As part of the survey, we asked finance leaders exactly how they perceived themselves – asking them to identify with one of the following four 'personas', each of which has a specific combination of responsibilities, skill set and attitude.

- **The technician:** An expert who focuses on and monitors financial indicators closely and regularly. Detail-oriented with a very good knowledge of internal finance tools and systems.
- **The strategist:** A long-term thinker, who always tries to get an overview beyond the finance function. Aims to take a significant part in strategic decisions to drive overall business growth.
- **The innovator:** Curious, agile and often searching for new ideas and technologies to challenge internal ways of working to improve team/company efficiency. Believes that technology will radically change their role in the future.
- **The facilitator:** Supportive and willing to help, focuses efforts on giving a clear picture of the company's financial situation in order to ease decisions. Tries to develop collaboration and discussions inside the organisation.

While the 'technician' might be seen as the more traditional CFO role, only 22% of respondents put themselves in that category. Indeed, by a big margin, the majority of finance leaders felt that the 'strategist' best described them – with 48% choosing that persona.

This very much fits with the idea that business functions don't operate in isolation. Central to being a strategist is the ability to work across the organisation, crossing views and indicators with other business ones.

CFOs IN TIMES OF CRISIS

No matter how the role of the CFO changes, becoming more strategic and increasingly involved in innovation, they aren't going to want to lose sight of the core skill of digging into the details of the business's financial performance.

This is particularly important in challenging environments such as during the Covid-19 pandemic, where an eye for detail and technical knowledge is essential.

Having originally conducted the survey prior to Covid-19, we re-surveyed participants in May to measure their response to the crisis. Tellingly, 18% of those who defined themselves as 'technicians' said they were finding the crisis 'very easy' to deal with as opposed to only 3% who said this from across the other categories. It is clear, particularly when challenges become extreme, that the balance needs to be struck between the science and the art – the technical and the strategy.

The role of the modern finance leader has been changing and will continue to change – arguably the CFO needs to embrace a mix of all four personas.

Or at the very least, the finance function as a whole needs to achieve this. This will only further serve to prove the fundamental importance of the finance function itself and of its pivotal role in the business as a whole.



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