



*To become a leader, move from having all the answers to seeking the answers.*

# Beyond the Numbers

## Techniques to Achieving a CFO Role

**Y**ou graduated from one of the finest business schools. You have an undergraduate degree from a first-rate university. You may even have earned a financial certification. But if you hope to become a financial leader, stellar qualifications like those are just the beginning.

Reality check: To get to the next level — and transform from a financially trained individual into a true financial leader — requires enormous effort. The journey is a stimulating one, and usually has its share of ups and downs. To become the kind of leader who can handle a job such as CFO or even CEO successfully, you must undergo tremendous personal growth, and acquire new leadership and managerial skills.

### **What Makes a Financial Leader?**

Leaders — whether political, business or civic — are most effective when they are able to paint pictures that make their vision come to life, perhaps illustrating where the organization is headed. Great financial leaders paint pictures, as well. They do so for their shareholders, not only communicating numbers, but also placing company financial information in the context of the larger world.

Think about it. The mind processes and absorbs information quickly, yet retention is best when data is converted into images or pictures. Financial professionals who can do this with their internal colleagues or external stakeholders will be far more effective in their jobs and will earn their colleagues' respect.

Companies that announce earnings increases in the face of a declining economy, for example, and provide lucid explanations


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## Ethics is the Cornerstone for Every Good Financial Leader

**W**e all recognize the name Andrew Fastow, Enron's infamous former CFO. Fastow had a fine education, graduating from Tufts University in Boston and obtaining an M.B.A. at Northwestern University. Early in his career, he worked at Continental Illinois Bank. He was also ambitious and confident. But today, Fastow stands indicted for 78 counts of fraud, money laundering, conspiracy and obstruction of justice.

Meanwhile, WorldCom's former CFO Scott Sullivan was indicted by a federal grand jury on charges of securities fraud, conspiracy to commit securities fraud and making false filings with the U.S. Securities and Exchange Commission.

While trials remain ahead and in our system of justice defendants are innocent until proven guilty, each of these former financial leaders lost his reputation, and their respective companies filed for reorganization under bankruptcy laws while losing billions of dollars of market value.

What is the lesson for aspiring financial leaders? Integrity must be the cornerstone of all business actions. As a leader, step back and be sure to balance an ambition to build importance and value with the needs of all stakeholders and sound business ethics. 

as to what that means competitively, are providing an image of what the company is accomplishing. This is the "color commentary" to the earnings release.

Along with word pictures comes inspiration. A key objective for financial professionals is to inspire confidence in their constituents, whether they be members of the board of directors, senior management, shareholders, customers, vendors or fellow employees. If constituents have a sense that financial records are in a state of disarray, their confidence dwindles. Financial professionals can never maintain their positions in the executive suite with a poor confidence quotient.

One confidence builder is continual improvement in quality of the work product, be they internal or external financial statements; systems of internal controls; budgeting or planning systems; cash management capabilities; or analytical tools to help other operating managers do their jobs more effectively.

Not only is it important to improve the quality of technical work products, but also the quality of oral and written communication skills, and people skills. After all, leadership is about being effective, rather than just efficient.

### How do I get There?

Once you understand the characteristics of successful financial leaders, the next step is to determine a path to attain that top position. Transitioning from that freshly minted degree to the coveted CFO title requires many steps, each helping develop the requisite technical and leadership skills of a CFO. While some may arrive at their destination before others, when you make the most of each step along the way, you'll be better prepared for the next one.

### Four Keys to Leadership Success

Here are proven techniques you can apply to achieve the personal growth necessary to progress to a leadership role:

#### 1) Improve Teamwork Skills

Building successful leadership skills inevitably involves working in teams. Find opportunities to work within the department or with financial professionals in other parts of the organization. While on the team, develop the skill of *seeking* answers — as opposed to *knowing* the answers.

Effective team members eventually may be asked to head a team. Here's another opportunity to develop skills firsthand. Examples: Facilitating meetings (watch for the nuances of working with diverse team members, each with a special set of capabilities, motivations and willingness to contribute), decision-making, consensus building and coaching team members on their performance.

An alternative laboratory for developing these skills is a volunteer organization. Learning to convince fellow volunteers heightens one's sensitivity to others' motivations and develops a far deeper understanding of the human makeup.

When you work in and around teams you increase your self-confidence and are better positioned to participate on other teams with a broader business or organizational mandate. Participating on such teams will help expand your business skills beyond financial training into such areas as engineering, production, operations, sales or marketing.

This experience develops an appreciation for the pressures and issues other managers face day-to-day. Another payoff: Learning from others, and working together to solve specific business issues, helps financial leaders gain the support and respect of their peers. Each assignment will expand your business acumen and people skills, and position you for a larger finance role in the organization.

#### 2) Learn About Leadership

As you continue to develop leadership skills, strive to understand the concepts and theory of organizational development and

dynamics — what makes a company “tick” and the key drivers. After all, achieving great goals in business requires a strong and mobile organization.

Leadership responsibilities extend to developing others and helping to build leading organizations. Learn these practices and principles in academic settings or from organizations that specialize in leadership development.

### 3) *Seek Mentors*

Mentoring resources can help guide one’s career. Find successful role models — and find more than one. Why reinvent the wheel when others can share and teach from their experiences? Mentors within the finance organization are good for individuals who are early in their careers. Later, seek mentors in other components of the business. Always look for champions and build a network of individuals who will help the most during the development years.

### 4) *Develop Effective Communication Skills*

Honing communication skills is a superior investment for financial professionals to make. Many otherwise promising executives shoot themselves in the foot by speaking before they think — blurting out a comment or observation, sometimes even before the other individual finishes her statement.

Constituents also want to be motivated to follow, and providing them with a vivid image of achieving a goal will help. For example, if there will be a recognition ceremony for achieving an objective, painting a word picture of what that might look like and how team members will feel may help inspire all to work toward that goal.

### **Are Leaders Born or Developed?**

Students in my leadership classes at Brandeis University often ask, “Are leaders born or are they developed?” I’ve concluded that leaders are like athletes; some have more natural talent than others, but all improve with practice.

For example, it is widely reported that as a kid, Michael Jordan had average talent for basketball and was unable to make his Wilmington, NC high school’s varsity team. After that experience, the young Jordan practiced tirelessly and made the varsity squad the following year. He was recruited to the University of North Carolina and went on to achieve great success in the NBA.

Like athletes, leaders need to practice their leadership craft. Reading and participating in seminars can teach financial professionals leadership concepts, but the real learning takes place in practice with those individuals they interact with, each and every day. Step up to the challenge and go beyond the numbers to become a financial leader. You’ll be glad you did. 🚩



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