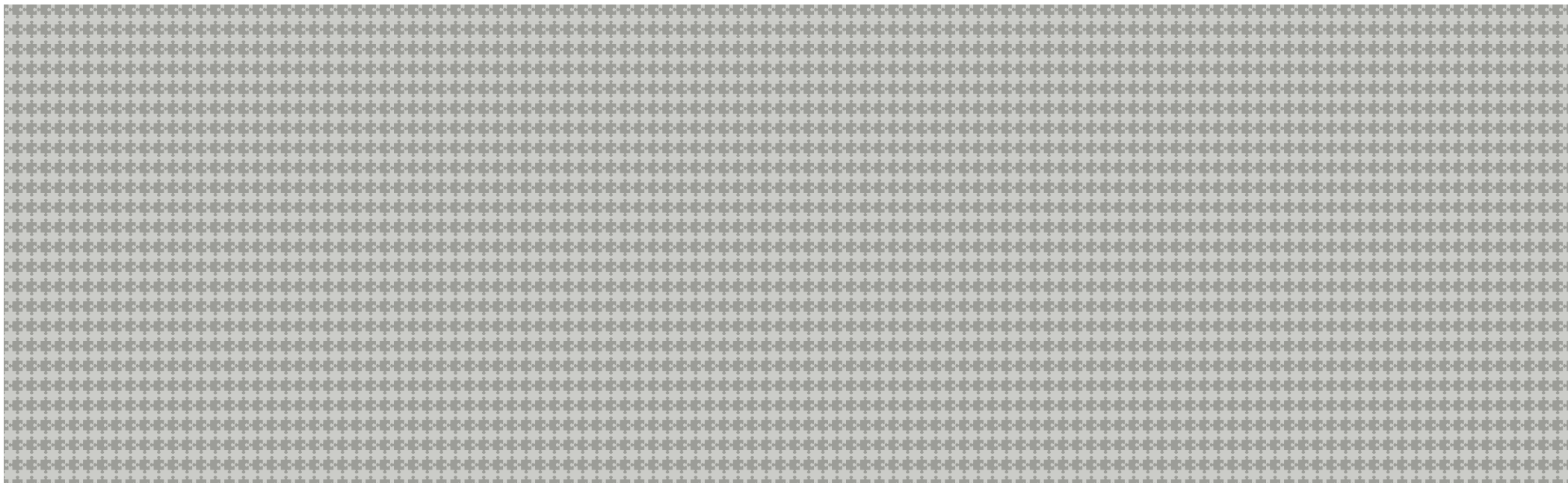


Accountants for Business

The complete finance professional 2013

Why breadth and depth of finance capability matter in today's finance function



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Abstract

This report discusses the future of the finance function and outlines why broad-based finance qualifications remain valuable and why businesses need finance skills and capabilities across the entire finance value chain.

ACCA and Accountants for Business

About ACCA

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

Founded in 1904, ACCA has consistently held unique core values: opportunity, diversity, innovation, integrity and accountability. We believe that accountants bring value to economies in all stages of development. We aim to develop capacity in the profession and encourage the adoption of consistent global standards. Our values are aligned to the needs of employers in all sectors and we ensure that, through our qualifications, we prepare accountants for business. We work to open up the profession to people of all backgrounds and remove artificial barriers to entry, ensuring that our qualifications and their delivery meet the diverse needs of trainee professionals and their employers.

We support our 154,000 members and 432,000 students in 170 countries, helping them to develop successful careers in accounting and business, with the skills needed by employers. We work through a network of over 80 offices and centres and more than 8,400 Approved Employers worldwide, who provide high standards of employee learning and development.

About Accountants for Business

ACCA's global programme, Accountants for Business, champions the role of finance professionals in all sectors as true value creators in organisations. Through people, process and professionalism, accountants are central to great performance. They shape business strategy through a deep understanding of financial drivers and seek opportunities for long-term success. By focusing on the critical role professional accountants play in economies at all stages of development around the world, and in diverse organisations, ACCA seeks to highlight and enhance the role the accountancy profession plays in supporting a healthy global economy.

www.accaglobal.com/ri

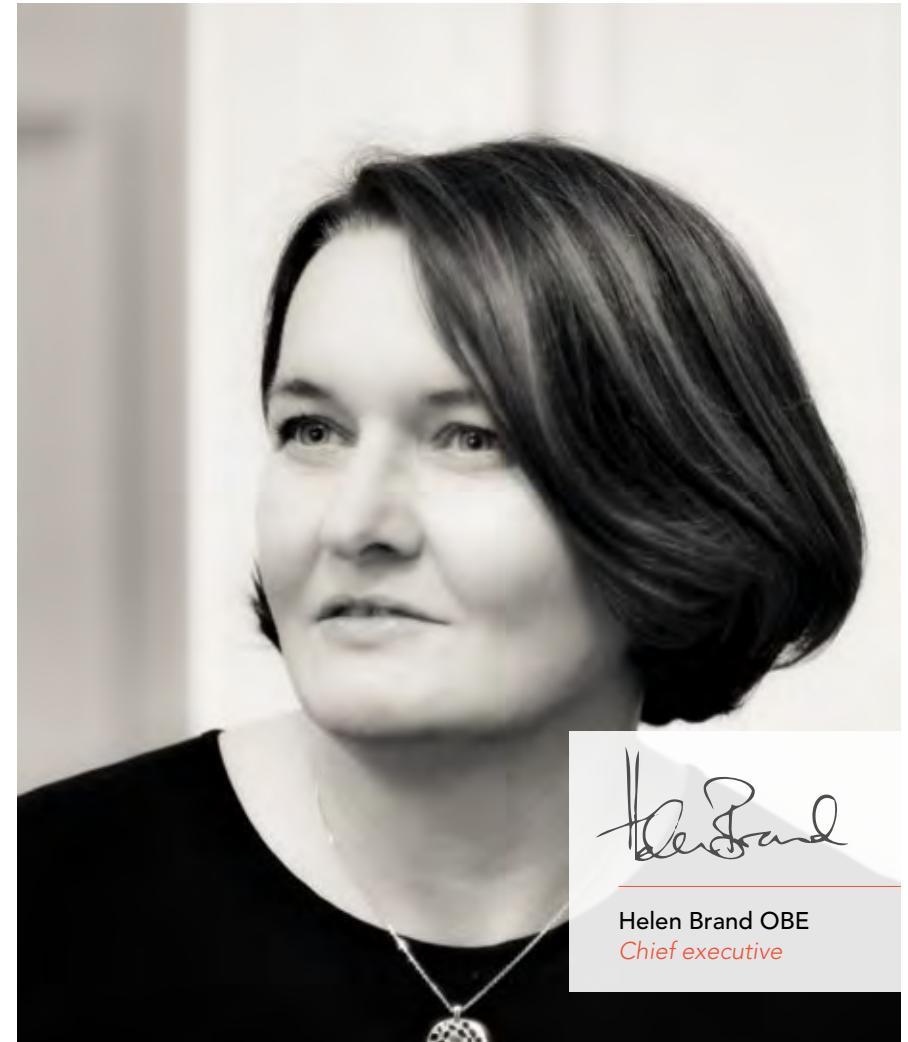
Foreword by Helen Brand

As the global body for professional accountants with almost 600,000 students and members, ACCA recognises the important role finance professionals play in the worldwide economy. In a period of sustained volatility and growth challenges, ACCA will continue to champion the skills accountants bring to support businesses in wealth creation.

We also recognise that this new environment requires finance professionals to bring a much broader range of finance skills to the table. The challenges faced by finance functions in supporting businesses are not constrained to a particular accounting or finance discipline. To strive to become world class, finance functions must excel in a broad range of capabilities, from supporting businesses to manage risk, developing effective strategies for growth, driving financial insight, continuing to maintain appropriate levels of control across the organisation as well as ensuring its statutory and regulatory responsibilities are met.

Through the ACCA Qualification, our goal is to ensure we support organisations across the world in developing finance professionals who can bring the requisite breadth and depth of finance and business capabilities needed. From corporate reporting, financial management and management accounting through to law, tax, audit, governance, risk and financial control the ACCA Qualification is uniquely designed to provide the breadth and depth of fundamental finance and management skills required.

This report brings together insights from existing ACCA research, and launches new findings from a recent global survey with CFOs on the skills and capabilities they see as most relevant. *The complete finance professional 2013* summarises our thinking on why businesses need finance skills and capabilities across the entire finance value chain.



The ACCA Competency Framework

The ACCA Qualification has been uniquely designed to develop the full range of competencies finance professionals need in the corporate sector today. Here is a summary of those competencies.

Corporate reporting	Preparing high quality business reports to support stakeholder understanding and decision making.
Leadership and management	Managing resources and leading organisations effectively and ethically, understanding stakeholder needs and priorities.
Strategy and innovation	Assessing and evaluating strategic position and identifying imaginative options to improve performance and position; implementing strategies to ensure cost effective and innovative business process improvement and change management.
Financial management	Implementing effective investment and financing decisions within the business environment in areas such as investment appraisal, business re-organisations, tax and risk management, treasury and working capital management, to ensure value creation.
Sustainable management accounting	Assessing, evaluating and implementing management accounting and performance management systems for planning, measuring, controlling and monitoring business performance to ensure sustainable value creation.
Law and taxation	Understanding laws and regulation relating to business; understanding taxation, regulation and systems, to establish tax liabilities for individuals and companies, and minimising these liabilities using tax planning.
Audit and assurance	Providing high quality external audits; evaluating information systems and internal controls, and gathering evidence and performing procedures to meet the objectives of audit and assurance engagements.
Governance, risk and control	Ensuring effective and appropriate governance; evaluating, monitoring and implementing appropriate risk identification procedures; designing and implementing appropriate and effective internal audit and control systems.
Stakeholder relationship management	Managing stakeholder expectations and needs; aligning the organisation to their requirements; engaging stakeholders effectively and communicating relevant information.
Professionalism and ethics	Understanding and behaving in accordance with fundamental principles of ethical behaviour and personal ethics; ensuring implementation of appropriate corporate ethical frameworks.

Executive summary

In today's finance function, ensuring a balance of skills across the entire finance value chain is essential. Broad-based professional finance qualifications such as the ACCA Qualification, which provide an entire understanding across financial and management accounting disciplines, as well as more specialised learning in audit, tax and law, provide a vital grounding in developing the skills that businesses need. There are a number of specific reasons why.

1. The importance of understanding the entire value chain of finance in the corporate sector

The reality of finance roles in the corporate sector today is that breadth of understanding across the finance value chain remains very relevant. It's difficult to conceive of finance professionals with statutory reporting responsibilities not having an appreciation or understanding of external auditing principles; competent management accountants and financial analysts should have an understanding of risk issues; those supporting finance decision-making or investment appraisal should be conversant with basic tax or regulatory issues that may impact on the viability and attraction of projects; an understanding of basic financial control and reporting principles permeates across so many different finance roles which is why external audit training continues to be

a popular entry route into the corporate sector. Consequently, breadth of financial understanding across core financial and management accounting areas, as well as an appreciation of more specialised areas continues to matter; in practice this understanding and context is routinely called into play across so many different finance roles in the function. In our survey of CFO's, 80% agreed it was important for newly qualified finance professionals to understand the finance value chain.

2. The ascent of balanced finance leadership to achieve sustainable growth

The call for sustainable value creation in the wake of the global economic crisis is significantly shaping the role of today's CFO. On the one hand, finance leaders must continue to partner with the business and ensure collaboration with the CEO

and executive team to help drive the organisations' strategy. But this must be balanced with their need to exercise independence as the gatekeeper of the organisation – CFOs recognise that long-term value cannot be created or sustained unless the business is appropriately controlled, its risks managed effectively, its funds protected and maximised, and its core fiduciary responsibilities met. The need for balanced finance leadership requires a breadth of financial and business understanding. This is the hallmark of today's CFO role.

3. The growth in finance priorities

The breadth of financial priorities post-crisis for the finance function is significant and challenging. Effective cost management, better forecasting, more insight, strengthening the control environment, ensuring appropriate levels of working capital and managing risk have all recently been identified in ACCA research as key priorities for the function. With the focus on sustainable value creation, and the drive for transparency, the finance function may also be expected to play an increasingly important role in reporting on the social and environmental performance of organisations, and assessing business investments that have environmental and social, as well as financial, outcomes. These priorities call into play an understanding of finance

across the value chain, and the application of finance principles in a much broader business context. They demonstrate the value complete finance professionals, who hold a broad range of finance and business skills, can bring to today's finance function.

4. The changing face of finance operations

Transformation of the finance function continues to be a priority for many businesses and is testimony to the desire for greater efficiency and effectiveness across global finance functions through balanced finance knowledge and expertise. The construct of today's global finance function is designed to drive improved capability across the entire finance value chain; transactional finance mastery in shared services; specialist finance expertise in centres of excellence such as tax and corporate finance knowledge; and business partnering activities to drive more effective financial insight in the retained finance organisation. Transformation of the finance function is also designed to ensure a more joined-up and consistent, non-duplicated service from the finance function to the business. Professional finance qualifications that provide the appropriate breadth of finance skills are of significant value in developing the competencies needed across all areas of the transformed function. They help knowledge transfer and provide an understanding of the bigger finance picture. >

5. Earning the partnering mandate

The internal and external reputation of the finance function is increasingly important. To become a trusted commercial partner to the business, the finance function must recognise its reputation is built on its capability in its traditional fiduciary responsibilities because these remain fundamental to creating a platform for growth. Failure to meet these responsibilities also has significant reputational consequences for the business. If the business has assurance that its assets are effectively controlled, the capacity is created for the finance function to devote more resources and support to commercial partnering activities. With the growing interest in areas such as analytical insight, the finance function is presented with a significant opportunity to further its influence across the business, but it cannot de-prioritise its core finance obligations. Complete finance professionals who can bring a breadth of finance skills to the organisation are important; they give the function flexibility in the deployment of its resources to achieving this duality of goals and ensure its fundamental responsibilities remain taken care of.

6. The future of 'finance' careers

Career paths in the finance function are changing. According to ACCA research, over half of the younger generation in the finance workforce are seeking wider business careers whilst some continue to want to pursue classic finance careers. For individuals, broad-based finance qualifications such as ACCA help keep career doors open to pursue a wide range of finance and business careers, as well as providing insights into future career options. From an organisational perspective, it is recognised that the CFO role is changing. With increasing breadth of responsibility, aside from the requirement for a strong technical finance understanding across a wide range of finance disciplines, businesses also need finance leaders with broader leadership capabilities. As the role changes, so too will the career paths that finance leaders follow; we can expect much greater career mobility across the function, secondments across international markets, and career moves into and back from the business. In this respect, professional qualifications which provide a complete breadth of financial understanding provide a strong platform for organisations in developing and rotating their future finance talent.



BROAD-BASED FINANCE
QUALIFICATIONS SUCH AS
ACCA HELP KEEP CAREER
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AND BUSINESS CAREERS

1. The importance of understanding the entire value chain of finance in the corporate sector

In finance roles today in the corporate sector, an appreciation of finance concepts across the entire value chain continues to remain very relevant. Until the most senior levels of responsibility are reached in the finance function, in larger organisations in practice most finance professionals will of course specialise to a lesser or greater extent in different areas of finance, for example internal auditors, management accountants, financial accountants or risk management professionals.

However, a broader understanding remains beneficial. There are some simple examples (and there are many more):

- > financial analysts benefit from having a strong understanding of risk issues in helping businesses make the right decisions based on analysis
- > an understanding of auditing principles is relevant for financial accountants preparing statutory information and for understanding the role of assurance in good governance
- > internal auditors should have a breadth of understanding across financial and management accounting disciplines to properly understand financial controls and the risks present
- > those involved in investment appraisals should understand the tax, regulatory and increasingly social and environment consequences in ranking investment projects.

The broader need for understanding of basic financial accounting and control principles should also be recognised as this underpins so many different finance roles. Different finance disciplines cannot be practiced in isolation; this is why broad-based professional finance qualifications are of such value – they provide the essential grounding and knowledge development that is needed across many different finance roles in today's finance function. This is also why we continue to see the attraction of newly qualified finance professionals who have trained in an external audit environment moving, upon qualification, into industry and corporate sector roles; the corporate sector has always recognised the value that external audit training provides in giving an excellent grounding and platform for a wide range of finance roles in business because of its focus on financial accounting, reporting, auditing and control. >

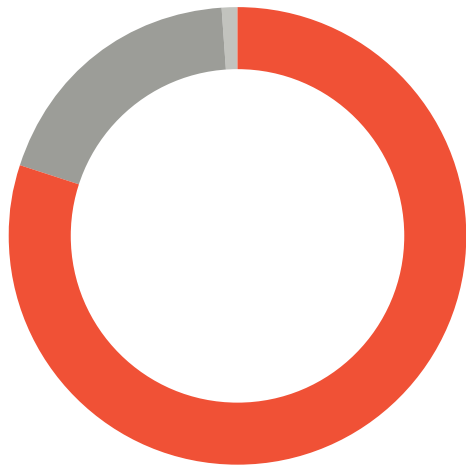
DIFFERENT FINANCE
DISCIPLINES CANNOT BE
PRACTICED IN ISOLATION;
THIS IS WHY BROAD-BASED
PROFESSIONAL FINANCE
QUALIFICATIONS ARE OF
SUCH VALUE

Recent research by ACCA¹ confirms Chief Financial Officers themselves also see the importance of developing this financial understanding right across the finance value chain, particularly for newly-qualified finance professionals (figure 1 on page 9). Finance leaders also see a breadth of finance understanding as being valuable in helping businesses grow (figure 2 on page 9). >

1. *The Complete Finance Professional: CFO Research ACCA 2012*

> Continued

Figure 1: Importance for newly qualified finance professionals to understand finance value chain



% of respondents indicating the importance of understanding the finance value chain

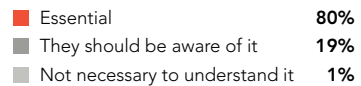
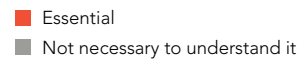


Figure 2: The importance of newly qualified finance professionals having a good working knowledge of different finance areas



2. The ascent of balanced finance leadership to achieve sustainable growth

Today's business environment is particularly challenging; public debt, currency instability, emerging market growth, commodity price rises, on-going funding challenges and a broadening risk exposure present an uncertain climate.

Managing the multitude of risks faced, supporting strategic decision-making that drives *sustainable* long-term value, and simply controlling the organisation effectively are difficult but ever more important finance priorities for finance leaders.

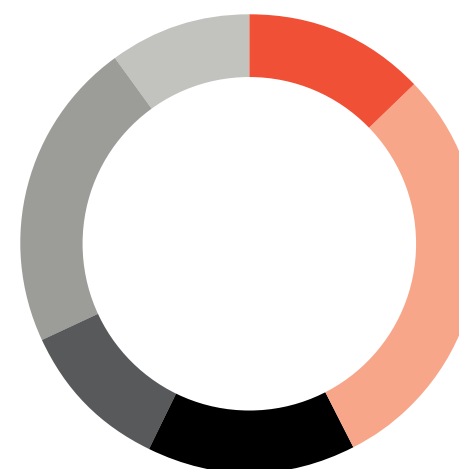
For Chief Financial Officers and the finance functions they lead, the rules of the game have changed. The finance journey has seen the role of the function evolve from back office to centre stage in supporting organisations create and protect value. It has taken place against the backdrop of a global economy which is increasingly volatile and complex, more competitive, higher risk and rebalancing between west and east.

Many of the challenges and priorities that face the finance function are very evident in the aftermath of the financial and economic crisis in 2008–2009; in particular, the desire for sustainable wealth creation. The finance function has a critical role to play in helping deliver this ambition but it necessitates a subtly different type of finance leadership that is needed in global finance functions today.

A defining hallmark of finance leadership post-crisis has been the need for balance between the pursuit of growth and appropriate control of the organisation; in essence supporting the business to drive *sustainable* growth. Today's CFOs must bring a wealth of capabilities to the top finance job, and they must demonstrate a balanced finance understanding.

In practical terms, what do we mean by balanced finance leadership? Finance leaders have an important role to play in supporting the organisations strategy and partnering with the business effectively, but to do this sustainably the business first and foremost must be effectively controlled. Sustainable value creation requires effective risk management processes because poor risk management approaches are counter to creating longer term value; it requires strong financial management of the organisation because the inability to protect and maximise the funds the business creates is not consistent with long-term wealth creation; it requires CFOs to develop financial strategies that are beneficial in the longer term, knowing that most eyes >

Figure 3: How finance leaders apportion their time across finance activities



% of respondents indicating skills is important

Strategy development	13%
Business analysis	30%
Statutory reporting	15%
Risk management	11%
Finance operations	22%
Business financing	10%

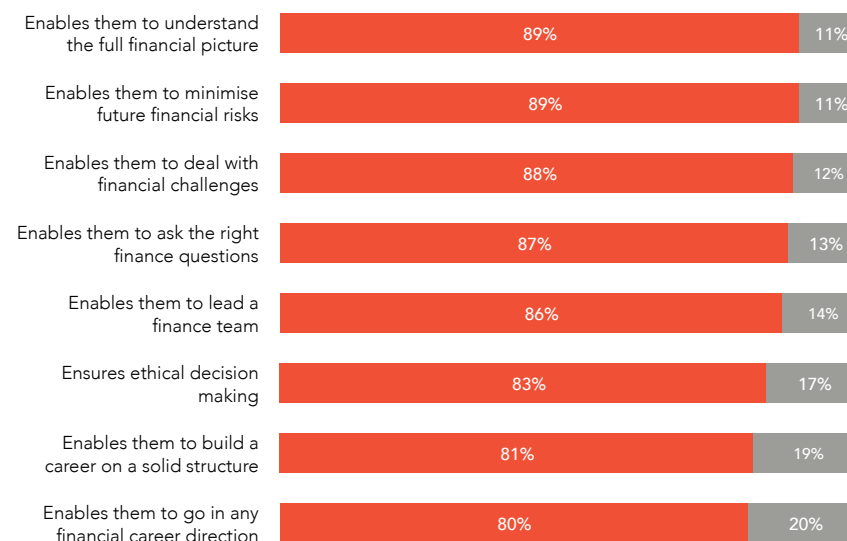
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will be on quarter-by-quarter results; it calls into play an adept understanding of the implications of poor investment decision-making in a complex investment landscape; it necessitates a clear understanding of past and possible future performance through appropriate performance measurement; it mandates the need for strong governance of the organisation, and of course ensuring its regulatory responsibilities are met. This balanced finance stewardship is the building block of sustainable value creation in today's competitive business environment.

Recent research² supports these assertions and lends credibility to the view that the application of a balanced understanding across the finance value chain is important for finance leaders. A recent survey by ACCA and the Institute of Management Accountants (IMA) polled finance leaders on how they apportioned their time (figure 3 on page 10). The results demonstrate the breadth of financial activities that finance leaders are engaged in.

It is, of course, almost impossible for CFOs to be complete experts in all the different finance disciplines which they are responsible for, which is why effective leadership in building a team with a full range of finance capabilities is so essential for finance leaders to master. However, a core grounding across the entire finance value chain remains the ticket of entry for the top finance role and gives finance leaders insight to be able to ask the right questions across the function; broad-based finance qualifications for those aspiring to become CFOs therefore remain highly relevant, particularly in an age where balanced finance leadership matters. According to CFOs, coverage of areas from corporate reporting, through to risk and stakeholder management help prepare newly qualified finance professionals to become future business leaders too (figure 4). This will be attractive to talented people embarking on their careers.

Figure 4: How coverage of areas from corporate reporting through to risk and stakeholder management help prepare newly qualified finance professionals to become future business leaders, according to CFOs



■ Yes – provides a clear link
■ No – not especially related

2. Finance leaders survey report: December 2012, ACCA and IMA

3. The growth in finance priorities

Recent history suggests finance functions are most effective when they can call on a broad range of financial and management capabilities in their workforce. Prior to the crisis of 2008-2009, there was growing interest in the role of the finance department as a business partner.

Sustained economic growth over the previous decade, combined with technology advances presented finance functions with the opportunity to better partner with their organisations in providing insight to support decision-making. A greater shift to business partnering was deemed the hallmark of progressive finance functions.

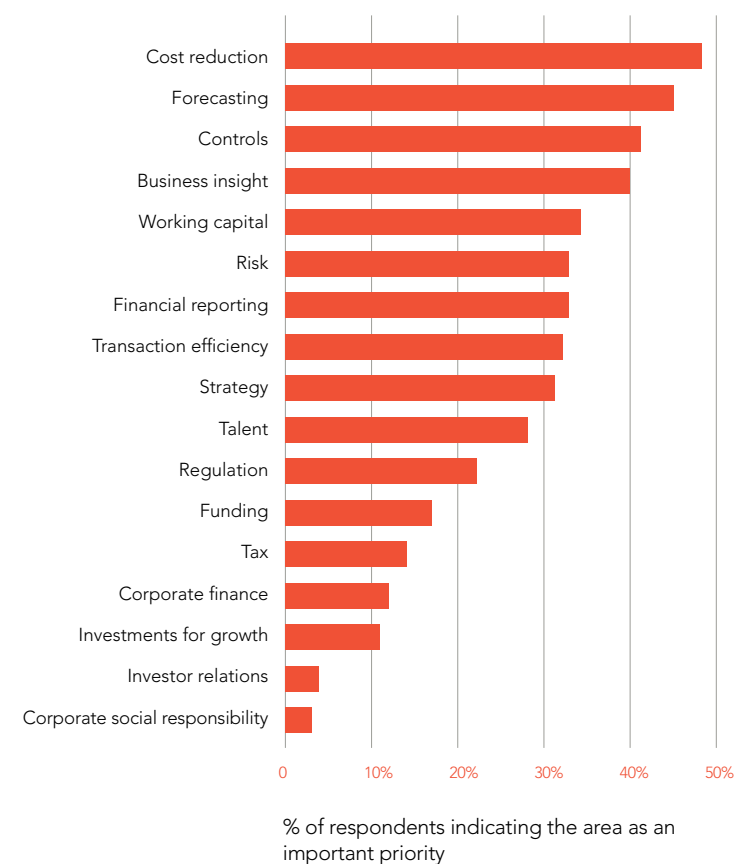
The economic crisis, however, created a re-adjustment on the financial radar – a rebalancing from supporting expansive growth to financial survival. It highlighted the on-going importance of traditional finance activities such as effective cash management, cost control and risk management, as well as the shortcomings in prevailing financial forecasting approaches.

In the aftermath of the crisis, today's finance function is having to excel in all areas, particularly balancing its commercial partnering activities with mastery in its more traditional fiduciary stewardship responsibilities such as cost management, shoring up the control environment, ensuring appropriate levels of working capital and

managing risk. Recent research³ on the priorities of the finance function according to finance leaders provides significant evidence of the multitude of priorities across the finance value chain (figure 5).

The drive for sustainability in value creation will also have other consequences for the function moving forward. Business wealth creation is only sustainable if it is consistent with social and environmental aspirations too so we can expect finance professionals to be increasingly involved in activities such as triple-bottom line reporting⁴, developing performance measures or validating and ranking investment decisions that have environmental and social impacts, and helping the organisation develop more appropriate risk and financial assessments linked to changing business models, products and technologies which are needed in the face of growing competition. These developments will call into play the application of a wide range of financial understanding and techniques in a much broader business context.

Figure 5: The current priorities of the finance function



3. Finance leaders survey report: December 2012, ACCA and IMA

4. Reporting on financial, social and environmental measures

4. The changing face of finance operations

In recent years transformation of the finance function has been a priority for Chief Financial Officers seeking to drive effectiveness and efficiency in finance activities. This reworking of the finance function has typically resulted in:

- > a corporate finance function, sometimes labelled centre of expertise which houses specialist finance functions that may include tax, treasury, audit, corporate finance expertise and financial planning
- > a service delivery arm responsible for core transactional finance activities and sometimes control and compliance function
- > finance business partnering activities that support the organisation to drive business insight.

Transforming the finance function has made sense. The cost of finance operations has been reduced, as finance leaders have sought to deploy shared services or outsourced transactional finance activities to tap into offshore

labour arbitrage, cheaper operating locations and flatter operating structures. Greater standardisation and process consolidation has taken place, and common finance systems and platforms have also helped drive greater control transparency. Scalability to flex up or down finance operations has also been a key benefit. But the construct of today's global finance function has also been designed to drive improved capability across the entire finance value chain. In achieving these goals, professional finance qualifications that develop the appropriate breadth of finance skills are of significant value.

Transformation of the finance function also seeks to drive transparency over who does what in the finance organisation, to remove unnecessary duplication, and to ensure a better service is provided internally within the finance function, and to the wider business collectively from finance: in short, to ensure a more 'connected' finance offering. It helps if finance professionals across the function have a clear understanding of the role each part of finance plays, their own role within the broader finance construct, and the value the function collectively brings to the business; professional finance qualifications which provide this breadth of financial knowledge help drive that broader understanding.

Transformation of the finance function also has implications for the broader business and management capabilities that must be demonstrated across the function to make the new 'model' work effectively. For the retained finance function, skills in governance and relationship management become very important as their role typically shifts from in depth control finance processes to oversight of the environment and managing the relationship with the shared service or outsource provider. Similarly, those finance professionals in the service delivery centres need to develop useful capabilities such as dealing with change, gaining a better understanding of the business context, and of course fostering a customer service orientation. Developing this rapport with the rest of the business or client is essential for finance shared service and outsourcing operations and goes well beyond simply meeting service level agreements. Broad based finance qualifications that help provide this contextual understanding to develop the requisite behaviours in all parts of the finance function are particularly relevant here.



TRANSFORMING THE FINANCE FUNCTION HAS MADE SENSE BUT IT HAS BROUGHT INTO PLAY THE NEED FOR NEW MANAGEMENT CAPABILITIES TO MAKE THE NEW FINANCE MODEL WORK EFFECTIVELY

5. Earning the partnering mandate

The internal and external reputation of the finance function is increasingly important, but what determines this reputation? Post-crisis, with greater risk and complexity in the business environment, and more stakeholder scrutiny, a key priority of the finance function continues to be its fiduciary responsibilities because financial control of the organisation remains fundamental to creating a platform for sustainable business growth.

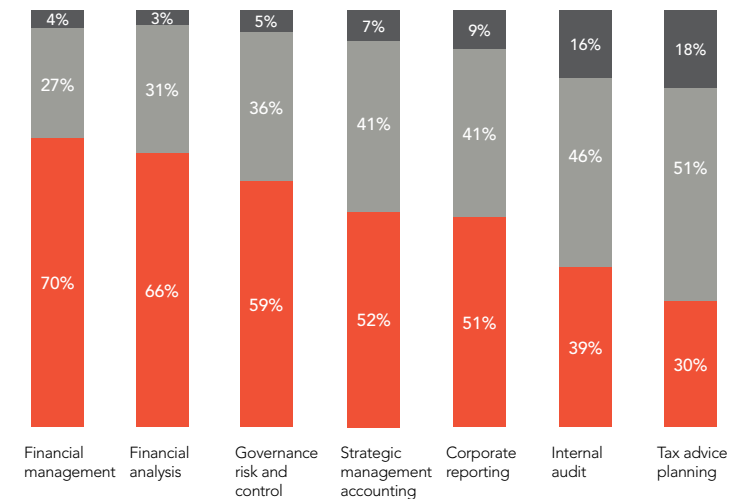
Recent research⁵ suggests CFOs see financial management, financial analysis, governance risk and control in the current environment as high on the priority list in supporting the strategic direction of the business (figure 6).

Strong finance functions earn their business partnering mandate on the basis of effective financial stewardship of the organisation. If the business has assurance that its assets are effectively controlled, the capacity is created for the finance function to devote more resources and support to commercial partnering activities. However, it must earn that mandate and not take its eye off the ball. It must demonstrate its credibility in bringing value and insight to business strategies, but it also cannot lose sight of its traditional role and responsibility as the financial gatekeeper of the organisation. This is why complete finance professionals who can bring a breadth of finance skills to the

organisation are important; they give the function flexibility in the deployment of its resources to achieving this duality of goals.

Having a broad range of capabilities across the finance function matters too because there are emerging challenges to the role and reputation of the function. A classic example is the growing interest in analytics, as organisations have sought to shift from retrospective to forward looking analysis, regressing, correlating, modelling and forecasting data to drive quicker and more accurate decision-making in the organisation. The key question is who leads on driving the analytics agenda within the business? It presents a significant opportunity for the finance function to establish its credentials in taking commercial insight to the 'next level'. To do this successfully requires 'analytical' skills in understanding what the data is telling you, but it also calls into play the application of financial understanding in the broader >

Figure 6: Impact of key financial areas on delivering overall strategic business direction



Governance risk & control seen as less important (45%) at smaller companies (turnover US\$50 to US\$100)

■ Low Impact
 ■ Medium Impact
 ■ High Impact

business context; an awareness or appreciation of financial consequences that may result from a particular business decision based on the analysis – tax implications, cashflow impacts, and so on; here again we see the value of broad-based professional finance qualifications in developing this basic understanding.

6. The future of finance careers

Career routes within the finance function are changing. As finance models evolve, we will see more finance roles in shared services or global business service operations and new types of finance roles emerging; the changing needs of the business will necessitate a need for finance professionals to bring a broader range of skills to the table; globalisation and the growth of emerging markets will drive the mobility of finance careers; more regulation will continue to create specialised finance roles; emerging technology will shape the future role of many accountants; and the aspirations of the younger generation will map out new career paths.

One of the largest ever surveys⁶ of the youngest generation in the global accountancy profession provides their view on their own future careers. Two stand-out data points were revealed – firstly, the majority wish to pursue careers ultimately outside of mainstream finance roles and see a finance qualification as a strong basis for a broad range of future careers (figure 7); secondly, the mobility aspirations of the youngest generation in the profession are significant; they want it to happen quickly (figure 8).

The findings imply that many finance professionals in the early stages of their career wish to keep their career options

open. They see a professional finance qualification as a strong basis for a future career. Qualifications that provide learning across traditional financial and management accounting areas, as well as the more specialist finance areas provide insights into future career options as well as keeping career doors open.

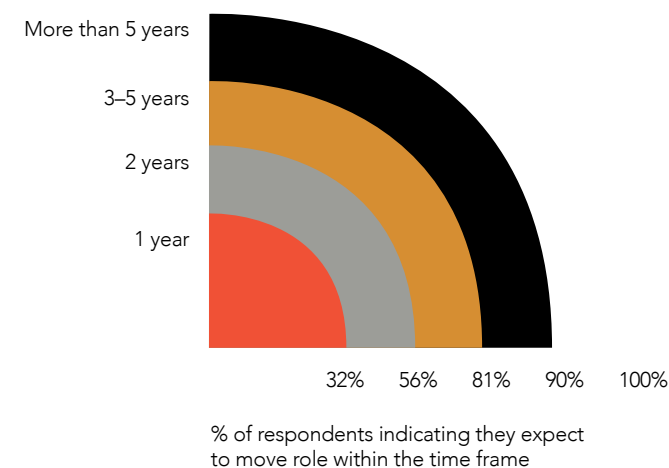
These aspirations are already reflected in the career paths that finance professionals are taking – growing regulation and the growth of emerging markets is driving a need for specialised finance skills; the competitive and volatile business environment continues to create demand for commercially astute accountants. >

6. *Generation Y Realising the Potential*: ACCA and Mercer 2010

Figure 7: Future finance career paths

The classic finance career 40%	The new career pathway 60%
Traditional finance roles	Broader business roles
Depth of finance knowledge	Breadth of knowledge outside of finance
Career paths within finance roles	Career paths outside of finance roles
Quick vertical progression early in career	Slow vertical progression early in career

Figure 8: High Mobility aspirations



> Continued

The challenge for progressive finance functions is two-fold; ensuring the appropriate balance of skills and capabilities across this bifurcation of finance roles, but also ensuring the development of a talent pipeline of future finance leaders that have a breadth of exposure and understanding across finance activities required for leadership roles in global finance functions.

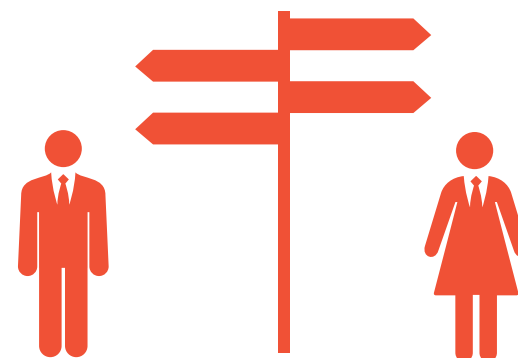
On the former, recent research⁷ suggests finance leaders recognise the importance of finance qualifications that provide a breadth of understanding across financial and management accounting for recruitment purposes. This is about leaders' confidence in building breadth of capability in the function (figure 9 on page 17).

Finance leaders⁸ also recognise the value of finance qualifications that lead to a full understanding of financial and management accounting in developing potential leaders of the function (Figure 10 on page 17).

The challenge of developing the finance leadership talent pipeline is significant. Aside from the requirement for strong technical finance capabilities, businesses also need finance leaders with broader leadership capabilities. Finance leaders who can lead global finance functions

that cross cultures, working practices, languages, and operating markets; finance leaders who understand the dynamics of both fast-growing emerging markets and more mature/slow growth markets and who can understand the relevance of different business models. This is finance leadership capability on the global stage.

Consequently we may expect the career paths of future CFOs to look quite different to those today – more mandated rotation through different parts of the function from 'retained finance' through to shared services or global business services (some organisations are already starting to do this); international secondments on the CV particularly in emerging markets carrying greater value; the encouragement of taking roles outside of the finance function. A recent Ernst & Young study⁹ on the future of finance leadership supports these conclusions, citing, amongst others, breadth of finance experience, the development of commercial insight, a balance of traditional and non-traditional finance skills, leadership skill development to manage diverse teams and international exposure as some of the key requirements to developing the future capabilities CFOs will need. Broad-based professional finance qualifications offer a great starting point for the journey. >



WE MAY EXPECT THE CAREER
PATHS OF FUTURE CFOs TO
LOOK QUITE DIFFERENT TO
THOSE TODAY

7. *Complete Finance Professional: CFO Research ACCA 2012*

8. *Complete Finance Professional: CFO research ACCA 2012*

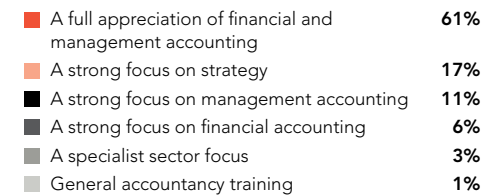
9. *Finance forte: the future of finance leadership*, Ernst & Young 2011

> Continued

Figure 9: Factors providing highest level of confidence in hiring best qualified recruits



Figure 10: The most beneficial grounding to help newly qualified finance professionals on the path to being potential leaders, according to CFOs



Conclusion

The challenges facing today's Chief Financial Officers and the functions they lead are significant. Supporting the business to chart a path to growth is difficult – especially, in a new environment which is calling out for stability and a sustainable approach to wealth creation and shareholder return.

This is difficult, not just because of the on-going challenges in the economy, but also because of broader pressures facing organisations; a more complex environment for decision making, the rate of technological change, the proliferation of risk.

From supporting strategic decision making through to strong financial stewardship, these developments have called into play a need for effective balanced finance leadership, and have created a renewed relevance to the finance function in its traditional, custodial role; value creation cannot be sustained if the business is not effectively controlled and its core fiduciary responsibilities met. Reputationally too, the finance function still lives or dies on meeting these traditional responsibilities. This is why broad based finance qualifications that help develop the breadth of finance capabilities needed continue to be of value.

Broad-based finance qualifications matter for the future too. If the career aspirations of the youngest generation in the finance functions are met, more people with a professional finance training will be exported outside of the function into the rest of the organisation, providing an opportunity for the function to naturally extend its influence. For those aspiring to become the next generation of CFOs running global finance functions, we can expect career development paths to look different to traditional routes; breadth of experience will be key. Organisations, in developing talent in the future finance function themselves will be mindful of the evolving needs of the business and the breadth of capabilities now required. In the achievement of all of these aims, broad-based professional finance qualifications will provide the essential platform of breadth and depth of financial understanding.

The story of today's finance function, and the function in the future, is a broader set of responsibilities and the need for balanced capability.

Finance leaders need to have broad knowledge across all areas of the finance value chain, from strategy to performance measurement, reporting, risk, assurance and compliance in order to be able to ask the right question and ensure performance is on track. This will ensure an integrated approach to financial management across their teams and is important in helping them ensure no area of compliance or risk is left unaddressed. In other words, finance leaders need to be able to drive performance but also assure themselves that their organisations manage fully their risks and compliance.

When we consider individual finance roles in the function, a breadth of finance understanding will always be necessary. Finance professionals cannot be effective if they bring only an isolated and narrow finance knowledge to the role because finance is, and always will be, an interconnected discipline. Some things haven't changed that much.

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About the CFO survey

To support this project, ACCA recently undertook a survey of CFO's, Finance Directors and other senior finance decision makers in the UK, United Arab Emirates, Russia, China and Malaysia to assess their views on the skills and capabilities needed by today's finance professional in the corporate sector. Almost 500 finance leaders participated in the survey. ACCA would like to express its gratitude to all survey respondents.



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