

2015: THE YEAR FINANCE ADDED NEW SKILLS TO THE MIX

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No-one can reliably predict the future, but there are certainly signs that can give us some indication of where we are all headed. Some of them are fairly unscientific – such as the Skyscraper Index, the semi-serious observation that someone finishes constructing the world's tallest building on the very eve of a recession.



At the more reliable end of the spectrum, seeing businesses turn from retrenchment towards investment is an indicator of economic health. The good news from the past 12 months is that we've seen a significant number of businesses focus their investment on growth, not least in finance departments. Until very recently, the focus of most large businesses has been towards reducing costs as opposed to investing in growth.



But this welcome return to investment is not just about a rise in confidence: it's also a reflection that many firms are feeling pressured by young, hungry start-ups gaining a significant share of the market and by competitors that have optimized their internal finance processes. Under these conditions established businesses have realised they

need to think much more strategically – underpinned by a new approach to back office operations and the development of new skills across their workforce.

Finance professionals are certainly expected to deliver a broader skillset than ever, one that includes data analytics, programming expertise and managerial capabilities on top of their finance experience. Those individuals who can deliver all these abilities are still a rare breed, however, perhaps even rarer than the fabled “unicorns” of the start-up world.

David Leinweber, former Haas Fellow in Finance at the University of California at Berkeley, perhaps put it best, saying **“The skill sets of future CFOs must include, at least in some measure, the head of a programmer, the body of a statistician, the arms of an exploratory visual data analyst and the tail of a machine-learning expert”**.

As we head into 2016, one of the biggest challenges facing the finance department will therefore be to build and retain a workforce with the right mix of talent and skills. Increasingly, finance professionals are expected to have strong managerial capabilities – strategic thinking, the ability to mentor and lead their colleagues – as organizations evolve their back office processes and business insights become more critical to executive level decision-making. A practical understanding of technology and of how to maximise its impact on the business is equally crucial, as is a firm grasp on data analysis.

As part of this we’re also seeing a change in the way organisations foster their employees’ development. New entrants into the workplace, especially young professionals, have grown up closer to the technologies driving today’s digital transformation than many of their more seasoned colleagues, and therefore have as much to teach as they do to learn.

Companies that have recognised this are rethinking their traditional one-way model of mentoring junior employees and complementing these with “inverse mentoring” programmes through which younger tech-savvy employees spread their own wealth of knowledge with more senior members of the team.

This is certainly an effective way to tackle our current skills shortage while keeping up with ever-more complex technological landscape. To add to this, young workers want to work in an environment with cutting-edge tools that match their expertise and abilities and this approach helps companies deliver on employees’ expectations so they can make the most of the technologies available to them.

The way businesses have evolved in 2015 is a strong indicator that finance continues to play a bigger part in shaping the company’s strategies. Looking ahead to 2016, this trend will only pick up steam as the back office broadens its expertise with new talent and technologies. Expect the new leaders of finance to not just be number-crunching machines, but rather multi-talented individuals with a strong mix of technical, leadership, and communication skills that are ready to step up to any challenge.

