

Business advisors of the future

Kerry Dimmer, Freelance writer



When an enterprise hires a Professional Accountant, or appoints a consultancy, it is looking to fulfil a wide variety of responsibilities far beyond the finance and accounting discipline. Highly diverse competencies are crucial to the influence that modern day Professional Accountants have on strategic business operations.

When Thomas Friedman released his book, *The World is Flat*, in 2005, he presented the concept that the world has become a level playing field, where all competitors have an equal opportunity; that globalisation has created a market where historical and geographical divisions are becoming increasingly irrelevant. The same is true for Professional Accountants.

Historically the Professional Accountant was just the man with a calculator; or a math genius who made the books look good, the

proverbial bean counter. Geographically he was designated to the quiet part of the building, with a library-like atmosphere that hardly pumped with excitement. You rarely met him at office functions, and when you did you might have seen him dusting from his shouldered suit, the cobwebs of his hallowed cell.

He was, in other words, hardly visible or charismatic, but that dynamic has changed radically, especially given the 'flattening' of the corporate world. Let us state the obvious: 'Professional Accountants contribute directly to the success of an organisation.'

How they do that may not be understood entirely by those who count on their fingers, but what is acknowledged and respected today, is that Professional Accountants are enablers of value.

Such value is played out in all areas of economic activity, be that as an employee, consultant, self-employed owner-manager or advisor; and you'll find them in every imaginable sector of business from commerce, industry, financial services, public domain, education, and even not-for-profit organisations.

Their titles also vary in accordance with the changing business environment: chief financial officer/director; treasury manager/executive; governance director; operations controller; cost controller, to name a few. What we're seeing is the way that modern Professional Accountants have evolved, and will continue to evolve, as business advisors of the future.

It is interesting that KPMG is not the only study to point out that it is important to retain and develop existing financial talent rather than replacing them because they lack additional skills.

"What the trends indicate," says South African Institute of Professional Accountants CE Shahied Daniels, "is that Professional Accountants play a crucial role in advising management and influencing operational decisions. A business that does not use a Professional Accountant to guide and help institute strategic policies is limiting its vision and potential growth."

And growth is key right now. Africa is the next frontier for international investment. It weathered the global economic crisis comparatively well and the BRICS especially are looking at the potential and vast array of opportunities on the continent. Many local businesses, even SMMEs, apart from seeking fresh investment, will be looking to expand into other African nations, and asking the important question of whether it is a viable consideration.

The Professional Accountant knows this, he's been watching the global charts from an economic perspective, and he is therefore in a position to be a functional, and valuable, leader/contributor.

So what is the impact of the Professional Accountant on business growth today? "A very loaded question," says Daniels. "But if we

consider just the wide range of roles combined with the sheer number of Professional Accountants at executive and management level, the impact must be significant. However we must remember that ultimately it is the individual who will determine their own success in how they support their organisation."

Accounting professionals have a reputation for being trustworthy, competent and responsive. Business knows this but SAIPA takes these values a step further by requiring that its members, the Professional Accountant (SA), to adhere to the fundamental principles of professional ethics such as integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Working within these parameters the Professional Accountant, who typically deals exclusively with small to medium-sized businesses, has begun to acquire new skills that fall outside their area of expertise, and, in fact, these enterprises are beginning to demand broader talents.

A KPMG study three years ago showed that financial departments who have the ability to influence business leaders, is the main driver of high performance. The study cites two key components as imperatives: better business intelligence – the right information at the right time; and better business skills – the right people.

Business intelligence is a collection of insightful information that helps business leaders make better decisions to enhance value. The study showed that in many cases the provision of robust business intelligence differentiates top performers from the rest.

Having the right business skills enables financial professionals to give life to business intelligence and the implication is that unless there are high performing individuals who understand this symbiosis, business information will lose its impact.

How accountants can evolve into influencers of business, suggests the report, is by understanding economic trends, the industry, and the competitive landscape in which the organisation operates.

It is interesting that KPMG is not the only study to point out that it is important to retain and develop existing financial talent rather than replacing them because they lack additional skills. Giving them access to global thought leadership, research studies, white papers, online seminars and webcasts from external providers enhances existing knowledge and if the accountant avails himself of these tools, a business will be driving performance.

"The only way that a business can sustain long-term success," confirms Daniels, "is by indulging a demand-driven approach pushed for by Professional Accountants. Post-qualifications, combined with existing experience can only generate more value for stakeholders."

Acquiring a new set of business skills, the list of which could be exhaustive, does not mean however, that a Professional Accountant needs to develop them to qualification level, it simply means that

PROFESSIONAL ACCOUNTANTS

a good understanding is required. For instance business today is largely driven by technology and advocacy; it therefore makes sense that a Professional Accountant has some insight into, for example, IT, banking and legal practices.

"This does not mean that the accountant is required to undertake a course in computer science," says Daniels, "but it does mean that he needs to have some knowledge of the latest trends in software packages, or be able to interpret new legislation that may have an influence on business operations.

"One of the most effective ways to remain informed and current in an ever-changing economic landscape, lies in forming relationships with professionals engaged in other practices, and this is precisely what the most successful Professional Accountants have been doing for years. In this way they can call upon a variety of experts either to enhance their own knowledge or to consult with them and the business executive, on aspects that need attention."

Another way that Professional Accountants can make themselves invaluable to a business or the company executive is to acquire a broad understanding of operational procedures. This means that they may have to juggle a number of different balls, even venturing into the ground level operations of a business in order to understand its organic core, but ultimately in true accountant manner, they will be able to define them in a way that they understand, in facts and figures. And that is the true beauty of an accountant, they generally never works on assumptions.

Upgrading of existing competency sets on an annual basis is also important. Environmental factors like governance, regulatory, advocacy, public interest, even political issues, need to be understood and business adapted accordingly. In some cases business owners and operators don't clearly see the impact of such external factors and why they are depending more and more on the accountants attaching 'numbers' to the analysis. A Professional Accountant that belongs to an institute (such as SAIPA) where continuous professional development is compulsory, is enhancing the skills of accountants and empowers them to make valuable contributions to the economy and business success.

High among the list of 'newer' skills for Professional Accountants is the ability to communicate and that of

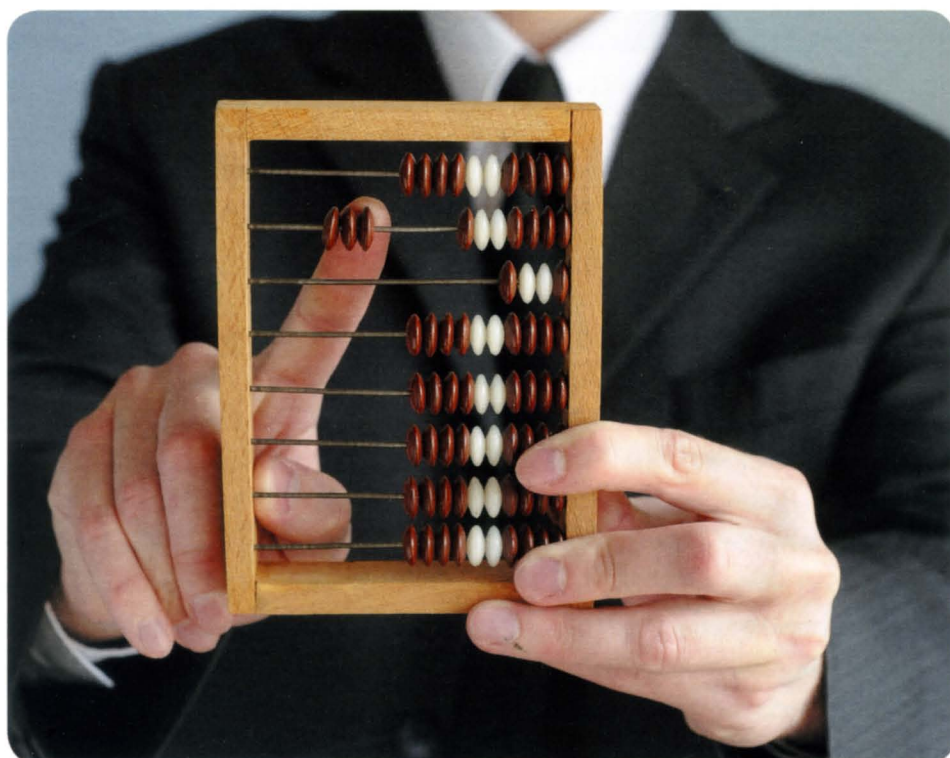
course means that it is up to the individual to raise his/her own profile and goes to what Daniels says about being individually successful.

"We aren't all born with the ability to standout, but the good news is that we can learn self-promotion skills," Daniels advises. "If you are able to identify your strengths and your weaknesses, play to the one and negate the other through sound and trusted relationships, you're well on your way to becoming an indispensable member of a team."

Further, and importantly, Professional Accountants have to have good managerial skills that, when combined with a positive mindset and attitude towards personal growth, improves the versatility of the individual. Having the right mindset complements existing skills and includes being committed not just to the person, but to those depending on him for quality advice and performance improvements.

This goes hand-in-hand with how the accountant conducts himself. Professionalism and trust is top of the list, as well as (in no particular order) the qualities of adaptability, confidence, patience and consistency. There are of course innumerable other traits that will enhance the profile of a Professional Accountant but in combination, results are improved dramatically.

The range of roles that Professional Accountants can play, particularly within SMMEs, is, as stated, extremely diverse but as Daniels points out, those who have integrity with a can-do attitude will be the driving force behind growth and business success. "Figures must be the glue in every level of strategic decision processes. In order to sustain value creation within an organisation the Professional Accountant will be the one to set the tone and anchor such decisions in facts." □





Lead or lose?

Kerry Dimmer, Freelance writer

In the same way that the Professional Accountant (SA) exists to serve an organisation, a leader is there to serve the internal and external needs of clients and employees. If the does not have the qualities of a leader, value is lost and this will stump any personal and career growth.

Due to the nature of the business of a Professional Accountant, they are at most times placed in the position to develop lasting relationships with clients. Their success depends on how hard they work on nurturing the strong relationships with their SME clients based on common interests.

As such they end up sharing a deep appreciation of the clients' business, its strengths, weaknesses, opportunities and challenges. With a new skill set Professional Accountants are able to offer advice that is tailored for the business and its needs, address challenges as well as anticipate and create opportunities for business success. With today's rapidly changing economic landscape, small and medium businesses are also seeking specialised accounting-related services.

It is becoming commonplace to read job advertisements for accountants that include the potential for them to become leaders within an organisation. A typical accountancy position being advertised might suggest that communication and interpersonal skills with high levels of leadership and initiative are required. Organisations are also

seeking those who like to be challenged, are mobile and technology-savvy, and any number of diverse competencies could be highlighted in addition to relevant qualifications.

This is encouraging for Professional Accountants, as it means companies are prepared to skill up their employees, preparing them for a long-term future within their organisation. Such employers acknowledge the value of an employee who understands their business, and instead of losing them to a competitor they want to stimulate their potential growth and reap the benefits of that investment.

It is widely accepted that not everyone is a born leader and that while a professional accountancy degree may qualify you to do a job, it generally does not provide the skills to lead a department, manage people or even advise senior management. Accountants have long been stereotyped as single-minded individuals but perceptions such as these are rapidly changing.

Freda Evans, the chief financial officer of the Johannesburg Stock Exchange, says that the role of the accountant is changing constantly.

"In some organisations all of the functions such as human resources, finance, IT, secretariat and strategy, fall under the chief financial officer (CFO), while in others only the finance portion is the CFO's responsibility. To take on a bigger role and become a leader within any organisation requires, in my opinion, the skilful ability to be a co-ordinator and guide.

"To do this effectively," Evans continues, "the Professional Accountant needs to gain a deep understanding of the business and in so doing, they will have to broaden their exposure to assessing and implementing internal controls. Further, and considering that the senior accountant is most often the second point of reference for stakeholders after the CEO, presentation and communication skills need to be fine-tuned."

The accountants employed by the JSE are in varied positions. Some perform traditional accounting roles within the finance division; others perform corporate financial duties within the Issuer Services department; and still more in the Surveillance Division, assessing the financial elements of market regulation. Evans explains that each of these areas would have a different view of the career paths of the accountants. "In finance I expose the accountants to large portions of the work that I perform, as well as encouraging attendance at relevant courses in order to ensure a stable succession plan. We also run internally, a mentoring course, which even our senior financial manager has completed."

In Evan's opinion the profile of an accountant has changed significantly in recent times. "We are no longer seen as a bean-counter but more as an advisor, strategist and outrigger for the CEO or executive."

SAIPA member, Bill Shellard concurs. He is the education and training manager at the Institute of Internal Auditors SA. "Professional Accountants have a tendency to be narrow in their thinking and focused purely on their qualification. What they need to do is widen their scope more than they are inclined to, which will mean looking at disciplines outside of the usual number crunching, especially managerial and softer skills."

In this vein Shellard highlights two in particular: advanced knowledge of IT skills, inclusive of an understanding of how IT impacts on a business; and presentation skills, both personal and those needed to effectively represent a company. In Shellard's case, outside of his tax, accounting and internal auditing skills, he has had to adapt to the role of educator and trainer.

'I have certainly benefited and so too has the organisation I work for,' says Shellard, 'mostly because I have a much larger skill set that you would normally find in a newly-qualified accountant.'

Shellard also points out that the revision of the Companies Act has widened the scope for practicing accountants. 'Not necessarily those who work for a big corporation,' he says, 'but certainly those that work

for SMEs. Audit's are no longer confined to just chartered accountants, so this has really opened new doors for Professional Accountants.'

Koeloe Landman, chief executive of Group Projects and also a SAIPA member, says that for too long the accountant has been seen as the report of what has happened in a business. 'The Professional Accountant should assume the role of translating his information into a powerful tool for dynamic business decisions for the future, which in turn enhances growth and the success of the organisation. You have to understand that no business can function, report or take decisions without management information, which is of course, mainly financial information.

'Financial information is the language of communication with all role players, both internally and externally;'

'Financial information is the language of communication with all role players, both internally and externally,' Landman continues. 'This puts the Professional Accountant on centre stage hence the reason why they play key roles on the boards and executive committees.'

Landman also highlights the skills that Shellard has put forward, adding to that list with the inclusion of being well informed about world events. 'I may be old school,' he jokes, 'but seriously radio has always been, and still is, an invaluable tool. It is a practical time effective manner to expose yourself to quality up-to-date information over a broad range of topics. Also imperative is general knowledge of the various macro matters that influence economies and business in general, as well as detailed understanding of the trends and actions within the industry that you are involved in.'

Another SAIPA member, Robin Dixie, says that because accountants are, and perceived as, quiet conservative individuals, they need to learn how to address meetings and issues. 'Communication is a skill that is absolutely essential for today's Professional Accountant especially if they want to position themselves in a leadership role.

'This is a skill that can easily be acquired by volunteering to serve on committees of clubs and institutions, and not necessarily those aligned to the industry.' Dixie, for instance, aligned himself to Lions International and made sure he was available for roles such as council treasurer.

'What the Professional Accountant really needs to do today is train up. They need to move past issues of legislation, taxation and such like,' he says. "This may require a gentle push towards training courses, but unless they start thinking outside of the number box, they will forever remain in a little square office at the back of the building.' □