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Appointing the right finance director for your business

Appointing a finance director with the right skills to match the needs of the business is vital to its success. He or she will be responsible for developing successful financial strategies in pursuit of value for money, for monitoring and managing all financial flows, ensuring effective internal control and governance and compliance with financial accounting and reporting requirements. As a member of the senior management team, the finance director will provide financial leadership and direction to the strategic policy, plans and operational activities of the business.

When recruiting a new finance director it can sometimes be difficult to understand the distinction between the skills of the different accountancy qualifications. This checklist explains the qualities required of finance directors and the specialist expertise of associates and fellows of the Chartered Institute of Management Accountants (CIMA) – chartered management accountants. It has been designed to be used by senior executives during the recruitment.

Checklist

Candidate's name:	Skills ►	Yes	No
Managing financial and non-financial data			
Recording			
Analysis			
Interpretation			
Presentation			
General financial management			
<i>WORKING CAPITAL</i>			
Stock			
Debtors			
Creditors			
Cash			
<i>FUND-RAISING</i>			
Equity			
Loans			
Debentures			
A team player			
Marketing			
Sales			
Production			
Research			
Personnel			
Familiarity with management techniques			
Risk management – financial and non-financial			
Integrated planning/revenue control/capital			
Project management			
Takeovers/mergers			
Treasury			
Personal qualities			
Breadth of vision			
Mature judgement			
Good contact potential			
Acceptance of responsibilities/accountabilities			
Motivation and commitment			

Managing financial and non-financial data

RECORDING

A key role of chartered management accountants is to design, develop and implement *information systems*. They are able to advise on the selection of appropriate systems, taking into account the theory of control systems, the organisational behaviour implications, the organisation's circumstances and different management priorities and strategies. They are:

- skilled in methods of data capture;
- experienced in setting up procedures to monitor and/or regulate processes, tasks or activities;
- capable of controlling resources against measured budget, time and service objectives to ensure successful outcome.

ANALYSIS

Chartered management accountants are able to identify the information appropriate to the analysis of complex opportunities and problems which impact upon corporate success factors. They can:

- identify key issues in a problem;
- identify relationships between things or events;
- research causes of problems effectively;
- offer solutions to problems.

INTERPRETATION

Chartered management accountants use knowledge of the organisation's business objectives, and the extrapolation of statistical information to identify opportunities or issues which significantly impact upon business goals. They are trained to:

- use all relevant information;
- make logical deductions;
- reflect factual information;
- choose appropriate performance measurement tools.

PRESENTATION

Chartered management accountants are able to express ideas, facts, opinions or instructions clearly and directly either in writing, verbally or by gesture and body posture. This skill is fostered through the Institute's practical experience requirements which ensure that each member is encouraged to:

- argue persuasively and confidently ;
- make a favourable impact on others;
- listen attentively;
- use the appropriate presentation media (written, oral and presentation skills) to make complex issues critical to the success of the business understandable to a varied audience

General financial management

Core financial skills are essential in the training of any accountant. Specifically the CIMA training covers:

WORKING CAPITAL

- stock;
- debtors;
- creditors;
- cash.

FUND RAISING

- equity;
- loans;
- debentures.

A team player

Dealing with the managerial and organisational contexts of accountancy, the chartered management accountant appreciates the interactive nature of management, the dynamic processes involved in organisational change and development, and their role as a provider of information within the total organisational environment. The management accountant recognises the need to operate on a socio-political plane within organisations, fully aware of the problems of analysing and interpreting overhead cost and advising management of its control.

Familiarity with management techniques

Knowledge of a wide range of management techniques enables chartered management accountants to resolve business problems. Each is trained in:

RISK MANAGEMENT – FINANCIAL AND NON-FINANCIAL

- applying decision theory to certain and uncertain conditions.

INTEGRATED PLANNING AND REVENUE AND CAPITAL CONTROL

- the use of cash management models;
- capital investment appraisal and monitoring.

PROJECT MANAGEMENT

- assessing the feasibility of any plan, recognising all limitations;
- deciding between proposed actions which have an impact on corporate critical success factors within the constraints of time, budget and resource.

TAKE-OVERS/MERGERS

Through a combination of assertiveness, persuasive skills and a thorough knowledge of the relevant facts, chartered management accountants are able to achieve mutually agreeable conclusions in complex negotiations. They can:

- actively influence events rather than passively accepting them;
- establish, maintain and enhance trust and support from peers, seniors and subordinates.

TREASURY

CIMA members understand the viable growth of the business through the maintenance of sustainable financing, treasurership, funding management, currency management, liquidity management and investment management. More specifically they:

- are familiar with developments in corporate governance and control;
- can handle the acquisition and custody of funds;
- are able to deal confidently and competently with financial institutions/regulatory authorities;
- are skilled in the techniques to manage interest- and exchange-rate risk.

Personal qualities

The ideal candidate for the position of finance director will also possess the following, more personal, characteristics.

BREADTH OF VISION

The ability to visualise the results of actions or the effect on relationships between departments at a strategic level throughout the organisation. They should be able to:

- come up with imaginative solutions in business situations;
- innovate and have the capacity to identify radical alternatives to traditional methods and approaches.

MATURE JUDGEMENT

Candidates should have the necessary judgement, skills and experience to accurately predict, from a brief overview, the scope of an activity in terms of the required resources, associated costs and time scales. They should show readiness to:

- make decisions, render judgements, take action or commit themselves;
- choose courses of action;
- support decisions when challenged;
- develop appropriate courses of action.

GOOD CONTACT POTENTIAL

Candidates should be able to demonstrate that they can use technical and corporate knowledge, experience and contacts within the business to define effective strategies which deliver corporate objectives.

ACCEPTANCE OF RESPONSIBILITIES/ACCOUNTABILITY

Candidates should be able to tackle obstacles in a positive manner, probing to discover the real issues which affect the corporate needs, confidently proposing solutions which may be innovative and gaining support for the best solution.

MOTIVATION AND COMMITMENT

The best finance directors achieve outstanding performance from themselves and their team through a demonstrable desire to fulfil the corporate vision and goals. They:

- have energy and drive and demonstrate ambition;
- are purposeful and resolute, goal and business orientated;

- focus on key issues;
- commit to the organisation and their own self-development.

Making the selection

Choosing the right finance director for your organisation will be a difficult decision. We hope that this checklist will help you make the right decision and appoint the person who has the unique blend of skills required to take your business forward to greater success.

The CIMA qualification has been designed, developed and refined over almost 80 years to be the most practical financial training for business. Chartered management accountants understand finance – the language of business. They help managers in all functions to use it effectively and turn strategies into actions.