



Education for Accountants

Mapping the path from CA to CFO

By SUSAN GIMBLETT

Since almost 60 per cent of the companies on the *Globe and Mail's Report on Business Top 1,000 Companies* already employ a chartered accountant as the chief financial officer, it's obvious that CAs have been making their way to that C-suite position for a long time.

But, until a recent Queen's University School of Business study, sponsored by the Institute of Chartered Accountants of Ontario, little research had been conducted to find out what skills and knowledge CAs need to first become CFOs, and then succeed in that role.

The report — *Moving from CA to CFO: A Competency Framework* — was produced by Dr. Pam Murphy and a team of Queen's researchers. Their goal was to identify and examine the necessary skills and knowledge required to take a new CA on an upward career trajectory culminating in becoming a CFO, or even a chief executive officer.

"It's important to note that the path we've charted — a competency map — begins with the assumption" that the person in question has the "technical and social skills required to be a chartered accountant, a firm knowledge of accounting, reporting, inter-personal communications and other technical skills," says Murphy.

"However, while technical skills continue to be essential, as a person moves to more senior roles, we saw an increasing need for what people characterize as 'soft skills.'

For example, critical and strategic thinking, communication and presentation skills, leadership, and personal integrity and ethics."

Prior literature had identified

four key roles played by a CFO: steward, operator, catalyst and strategist. As steward, a CFO is responsible for accounting, control, risk management and other purely financial issues. As operator, he or she balances costs and service levels to achieve maximum organizational efficiency. When acting as a catalyst, a CFO must become a change agent to identify, evaluate and execute strategies, while acting as a partner to other organizational

increasingly important for a CFO and are even more important for any prospective CEO."

The increasing complexity of the global business environment requires people who think critically and holistically. There has been an increase in the depth and breadth of risks and, conversely, opportunities for organizations, which calls for financial leaders who are flexible and innovative.

However, the consensus of much of the current research is

"Becoming a CFO is not for everyone, but for those CAs who aspire to become one, the competency map we've developed is a valuable guide for achieving that goal."

Pam Murphy, Queen's University

business leaders and their teams.

A CFO's work as a catalyst is linked to their fourth role — strategist — that requires focus on the longer-term strategic issues that will affect business performance.

To succeed in the roles of steward, operator, catalyst and strategist, the Queen's study identified 38 competencies that a person should ideally master on their journey to becoming a CFO.

"Acting in the steward and operator roles has long been seen as key to success as a CFO, it's the ticket to get into that role in the first place," says Murphy.

"That will likely never change, as being able to handle the many responsibilities that come with those roles is really the minimum standard for becoming a CFO. However, our research shows that the catalyst and strategist roles are becoming

that, while the people who become CFOs are usually competent to fulfill the steward and operator functions, the more successful CFOs tend to focus more on people issues and use their interpersonal skills to develop relationships that help them make better decisions.

As the report states, these CFOs tend to use "a participative style of leadership that is highly interactive, social and consensus-oriented," as opposed to the more traditional "methodical/analytical" approach that focuses more on the numbers.

Going a step further, the "best in class" CFOs master not only the people skills, but they also think strategically, creatively, and holistically. They assist the CEO in setting the future direction for the organization.

"Based on feedback received from people who are currently CFOs, we identified a number of

competencies that are required for each of the four CFO roles," said Murphy. "And, while the list can look a bit daunting for someone starting out on their career, we've also been able to identify strategies to help CAs acquire these skills through a combination of experience, education and, in many cases, the help of a mentor."

The CFOs surveyed by the Queen's researchers were asked to judge when CAs eyeing a

For many CAs, achieving the technical skills and knowledge that are part and parcel of the steward and operator roles will happen naturally through education, professional development and experience.

However, Murphy believes it really helps if a CA pays particular attention to developing the soft skills required to be a successful catalyst and strategist. This can be accomplished through identifying personal weaknesses and taking courses to bolster them.

She also believes future leaders benefit greatly from widening their horizons, through experience in other industries, by working in other countries or in non-finance functions within an organization. Personal volunteerism is another great way to develop soft competencies while growing as an individual.

"If you are the right person, if you're willing to be open to developing yourself, I believe that people can learn and overcome even the most ingrained behaviours," says Murphy. "As a bonus, our research will help the Institute of Chartered Accountants of Ontario and Queen's University identify areas where we can provide additional or extended training for CAs and other business leaders.

"So there's plenty of help out there now and there should be even better resources for motivated people to draw upon in the future."

Susan Gimblett, CA, is director of professional development at the Institute of Chartered Accountants of Ontario. Moving from CA to CFO: A Competency Framework is available on the Institute of Chartered Accountants of Ontario website at: www.icao.on.ca/PDExec.



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