

# Becoming a Trusted Leader

We in accounting and finance should aim for the role of trusted leader in our organizations. Then we can really demonstrate our impact.

It's no secret that the role of the CFO has changed dramatically over the past few decades as the finance leader has evolved from managing the accounting and finance functions to driving process improvement efforts and executing strategy set by the CEO to shaping the strategy of the company. Though the CFO is the most visible financial leader at a company, the levels deeper in the finance organization have also been going through an evolution of their own. Many of the transactional tasks in today's accounting and finance organizations are outsourced or have been reduced to a minimum through years of process improvements and information system upgrades. As a result, many finance professionals have been freed from the mundane tasks that used to dominate their role and have had the opportunity to increase their impact at their company. (When I use the term "finance," I'm referring to accountants and financial professionals and accounting and finance functions. I'm being all-inclusive with the word.)

In general, this renewed sense of purpose has many finance professionals seeking to become trusted advisors to their business partners. With data at their fingertips and a broad view of their company's business, they are very suitable to be trusted advisors. The ability to turn data into useful information and provide pertinent insights lies in the typical finance professional's wheelhouse, which helps them gain credibility with their business partners and earn the trust necessary to become an indispensable advisor. Most finance professionals would consider a trusted advisor status to be the pinnacle of their profession, but it doesn't end there.

## Trusted Leader or Trusted Advisor?

Continuing the trend to ever-greater influence, the "Trusted Leader" represents the next step in the evolution of the finance professional. What is a trusted leader? It's someone who:

- ◆ Is reliable,
- ◆ Is technically competent,
- ◆ Provides business insight,
- ◆ Can influence outcomes,
- ◆ Communicates why something happened and what will likely happen, and

- ◆ Decides whether or not to take action.

In other words, a trusted leader in finance uses his or her broad understanding of the company to proactively drive an organization to success.

While this may sound very much like what a trusted advisor does, there are some important distinctions. A trusted *leader* has an entrepreneurial spirit with a bias toward action to seize opportunities. A trusted *advisor* demonstrates a personal ownership of results that have already happened. In other words, a trusted leader focuses on what *could* happen vs. what *has* happened. A trusted leader builds his or her capabilities as a broad business thinker, including a keen understanding of the competitive dynamics and economics of the market, but a trusted advisor tends to focus more narrowly on the external forces affecting the current results. Finally, while a trusted advisor provides options from which his or her business partners can choose to make the necessary decision, a trusted leader leverages his or her view of the big picture at the company to drive decisions. In essence, a trusted



leader is proactive, and a trusted advisor is reactive. The distinctions may be subtle, but the results can be the difference between success and failure in today's environment.

Despite the differences, the trusted advisor status may sound enviable to many, so why isn't that enough? Why do we want or need to become trusted leaders? The crux of the answer lies in the special perspective of finance. In every company, finance sits at the nexus of functional and business leadership. Finance professionals often have a "big picture" view of the company, or they have access to a level of understanding that may not transcend the organization in other areas, so they have many opportunities for impact that simply don't exist elsewhere in the organization outside the senior leadership team. Beyond that, the competitive, rapidly changing business environment demands that every company has all its hands on deck to help it succeed in its market. All companies face unprecedented challenges that arise regularly and that offer an opportunity. As a trusted leader, the finance organization can use its collective strength—not just to react to these challenges but to lead the way to addressing them successfully. Who wouldn't want the opportunity to have an impact of this magnitude?

With every exciting opportunity comes the challenge of taking advantage of it. Even if a finance organization has a reputation as a trusted advisor across the company, becoming a trusted leader isn't a matter of making an announce-

ment or flipping a switch. Reputations are earned based on tangible, observed results that reinforce the notion among business partners. Even the best trusted advisors can't walk into a meeting with business partners and declare that they are going to be trusted leaders going forward. There will probably be resistance because

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driving decisions vs. supporting decisions requires a shift in the mind-set of all people involved, but resistance subsides once the benefits are clear to everyone in an organization.

### The First Step

Regardless of the level of resistance the finance organization may face in its transition to trusted leader, the first step to achieve this goal focuses inward, not outward. The organization and all of its individual members must be prepared to assume the trusted leader role. The entire organization must shift its own mind-set and develop the skills necessary to be successful as a

trusted leader. Needless to say, this takes time and relentless focus, and it's imperative to have the CFO's support.

With that in mind, the first step toward becoming a trusted leader requires the CFO to communicate the vision of finance as a trusted leader at the company. Using the comparative definition and the rationale noted above, the CFO can frame the discussion and set the stage for the organization to move toward that vision. But the hardest part lies in the execution.

Many finance professionals may understand and agree with the concept and rationale behind the trusted leader, but it's difficult to explain what a person needs to become a trusted leader and how they can achieve the goal. There are five components to the trusted leader role:

- ◆ **Attitude**—Have the right level of courage and confidence, and own the results.
- ◆ **Technical Excellence**—Improve key skills constantly, and develop new ones.
- ◆ **Experience**—Gain experiences that build perspective and help the person understand the business.
- ◆ **Partnership**—Learn the business, and actively engage business partners.
- ◆ **Leadership**—Gain the trust of business partners, and lead with the solution.

Though these components are admittedly high level, a wealth of opportunities exists within each one for personal and professional development. Everyone in the finance organization, including

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- ◆ Coaching,
- ◆ Conflict Management, and
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the leaders, will be at different levels of competency in each of these areas. Understanding where you are and working to fill the gaps can pay tremendous dividends to the organization.

### Eight Disciplines

To that end, the trusted leader disciplines provide a deeper dive into gaps that may exist. They are practices that every trusted leader must embrace to be successful and reap the benefits of being a trusted leader. An honest assessment of current skills in these disciplines leads to areas where improvement is needed to cross the threshold into trusted leader status. The

eight disciplines are:

- ◆ **Be Trustworthy**—Be transparent and loyal, and demonstrate integrity.
- ◆ **Be Credible**—Provide expertise, and demonstrate knowledge.
- ◆ **Think Strategically**—Understand the big picture, and be a visionary.
- ◆ **Develop a Management Perspective**—Understand the world from a business management perspective.
- ◆ **Advise Constructively**—Provide practical advice that's logical and actionable.
- ◆ **Anticipate**—Be proactive and ready to answer questions.
- ◆ **Be Courageous**—Ask hard

questions.

- ◆ **Communicate Effectively**—Tell the story in a language that the business partner appreciates and understands.

Trusted leaders are the physical embodiment of these disciplines, which must be practiced as a matter of course in the daily routine of any finance role. As with the components, everyone in a finance organization is at a different competency level for each of the disciplines, but those differences are opportunities for personal and professional development.

Given the rapidly changing competitive and economic environment, finance has an opportunity to step up and leverage its unique position in the company to become a trusted leader. This opportunity isn't without its challenges, but the rewards are great for both the company and the finance organization. To take on this challenge, the finance organization must first focus on itself by setting the vision and honing the skills necessary to be a trusted leader. The journey begins from within, but the results can have a lasting and exceptional impact on the company. **SF**

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*Special thanks go to Brian Platteter and Claude Brun for their work on developing the Trusted Leader components and disciplines. The Trusted Leader Disciplines are based on James Lukazewski's book Why Should the Boss Listen to You?*