

# Global Finance Leadership Development - Transforming the Culture of Finance

CFO's invest in their staff's global leadership capabilities to leverage the benefits of existing investments in process and system transformations. Investments in processes and systems do not deliver on their potential without leaders with a strategic perspective, business savvy, and partnership skills. CFO's invest in global leadership to avoid the following problems:

- Responsibilities remain transactional, rather than strategic
- Leaders lack a global perspective, and do not work effectively across markets and business cultures.
- Analysis is restricted to historical data, and fails to address future opportunities
- Interaction with the other lines of business creates unproductive conflict and competition
- Process and system transformations have not yielded the intended results

While there are no quick fixes or cookbook strategies to develop global leadership within the finance function, ITAP can help expand finance's global leadership capabilities by adapting proven tools and methods to fit each unique organization. Depending on the client's needs, ITAP's level of involvement varies from consulting, to providing proprietary tools, to implementation. ITAP reviews with the client the state of their business, the extent to which finance has transformed its processes and systems, and the resources and capabilities that are available internally for leadership development.

There are various circumstances under which CFO's turn to ITAP to develop their staff's leadership capabilities:

| <b><u>The Business is:</u></b>  | <b><u>The process and system transformations:</u></b>  | <b><u>Internal Leadership Development Capabilities:</u></b>   |
|---|--|---|
| Expanding, and finance needs to take on more responsibilities in order to serve the business  | Require further refinement before the starting the implementation phase                                      | A competency model is in place, but it needs to be assessed for culture bias, and aligned with the global reach of finance leaders. |
| OR  | OR   |   |
| Contracting, and finance and perhaps other functions have been downsized. Finance has fewer resources, yet many of its services remain essential to the business. | Meet expectations, and the implementation work is underway   | OR  |
| OR  | OR   | There are not enough internal resources to use the existing model to:   |
| Merging with another business and the finance function is expected to integrate.  | Need more input from the leadership to overcome obstacles  | Assess finance leadership potential   |
|   | OR   | Hire and promote finance leaders  |
|   | Compel finance leaders to develop new capabilities necessary to leverage the upgraded processes and systems. | Manage performance and learning   |
|   |  | OR  |
|   |  | There is no competency model in place   |



The outcome of ITAP's involvement is a finance team that supports the CFO's efforts to integrate the business. The organization successfully meets the challenge of fragmented management practices, drawing planning and measurement systems together to achieve savings across the lines of business. Customized to the unique circumstances of each client, ITAP designs solutions that enable global finance leaders to:

- Understand the difference between local approaches and corporate ones
- Help the local organization understand and comply with what is in the best interests of the organization (e.g. asset management, esp. cash)
- Support the local business leader in making sound, fact-based decisions and in anticipating their need for information to make decisions
- Provide a balanced perspective on what is possible as well as the potential outcomes of certain decisions (e.g. understanding price point from both a marketing and a finance perspective)
- Provide a local, regional and global perspective on local decision options (e.g. tax, and foreign exchange implications)

Here are two examples of recent ITAP projects:

#### **Case #1 - A Global Financial Institution**

A global financial institution approached ITAP for support in a Global Financial Transformation Project. ITAP was tasked with identifying the behavioral competencies required to be an effective financial business partner while retaining the best practice of financial risk management, for which this organization is well-known. ITAP focused on the strategic intent of the organization and, using proven research techniques, uncovered/defined the behaviors necessary to the financial work of today and of the future. Using the defined competency model, the client:

- Performed a gap analysis to identify organizational needs
- Assessed/identified which employees had the capabilities and how much they had
- Used that to data to develop or select those who would succeed and stay

In this case, the competency model included multiple levels of the finance function starting at the CFO level and down to offshore financial call center and internal support positions.

#### **Case #2 - A Global Consumer Products Company**

A global consumer products company tasked ITAP with defining how to develop financial talent following an organizational restructuring that reduced silos and installed a matrixed management structure. The scope was to build a finance curriculum around existing development processes focusing on both talent and the rest of the global finance function (5,000 people worldwide). ITAP designed a 5-day offsite that included deeply challenging sessions on topics such as pricing, product costing, margin management, inventory control, tax/treasury and other topics specific to this business. ITAP partnered with finance and other business functions (marketing, supply chain, operations) to build company-specific cases which required demonstration of business partnering skills. As business partnering was a central theme of the program, ITAP leveraged its Culture in the Workplace Questionnaire™ to bring a truly global perspective to the meaning of partnership in this organization.

ITAP also wrote Instructor Guides, Participant Guides and collected support materials so that the talent development program would be repeatable.

In addition, ITAP created a virtual training portal for webinar-style training. This capability allows the organization to trickle-down important functional learning lessons in a cost effective way throughout finance and beyond.