FEATURE

How to become a CFO in professional services

If you're thinking of taking your career to the next level and progress to Chief Financial Officer, Dee Deol at Totum offers some insights into what the role entails.

What are the intangible traits that financial leaders have beyond core skills like financial experience, strategic business skills and leadership style? And what does a career pathway to the top in professional services look like? Totum's Dee Deol reports.

A recent Totum event brought together four experienced financial leaders from across professional services to share their experiences on how to get to the top: Steve Rowan, ex-CFO at RPC; Hamedeh Ghobadian, CFO at Stephenson Harwood; Matt Chandler, FD at Kilburn & Strode; and Fiona Scott, CFO at Systemiq.

The discussion started with a look at how technology is changing senior financial roles. While processes are always evolving – from practice management systems through to workflow dashboards – one major impact of technology is expectations around an immediate response. With technology automating some parts of the job, stakeholders expect ever quicker responses.

Despite this, the core requirements of a CFO remain, according to our panellists.

"The basics of the CFO role haven't changed that much. Cash is still king, you still need to get bills out and you must know your numbers," said one.

"You have to be savvy and aware of how technology can help you, but it's important to know what you're good at and lean on others if they have stronger expertise," they added.

Skills of a CFO

Next, participants examined the skills they believed had helped them to progress. While the majority of CFOs will have a background in finance, business or economics, alongside professional accounting qualifications, its often the softer skills that set those at the very top apart from their peers.

Post-COVID, professional services firms have had to deal with hybrid working, generational differences in the workplace and increased competition for talent. It's no surprise then that a report by McKinsey & Co[1] found that the proportion of companies addressing empathy and interpersonal skills doubled around 2020, while a LinkedIn[2] report found that nearly half of all jobs posted on the site mentioned the importance of communication skills. As the report says: "Hard skills can help you get a recruiter's attention, but soft skills land you the job."

"Building networks and rapport with people internally and externally is vital and can help you overcome that imposter syndrome," said one financial leader.

Another panellist agreed that emotional intelligence and the ability to adapt to change are key ingredients in a successful CFO.

"Prioritisation is a huge challenge for CFOs. I fully expect to turn up every day with a to-do list that I struggle to touch. That's why soft skills are so important – and are even more important than technical skills in terms of career progression. You can always work with people with technical skills, but not everyone can build connections quickly. That can be vital in a job interview," they cautioned.

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1 https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/building-workforce-skills-at-scale-to-thrive-during-and-after-the-covid-19-crisis

2 https://www.linkedin.com/business/learning/blog/top-skills-and-courses/learn-top-skills-to-future-proof-your-career

Relationship management

One way to develop such softer skills is to take the time and space to reflect on the challenges you face as your career progresses. Having an individual or team that you can rely on for honest feedback is vital.

Our leaders agreed that having a network you can turn to is important as your career develops. One urged the audience to find mentors, whether at work or externally.

"Being the CFO in a professional services firm can be a lonely place. Partners are in a club you are not in, so you need a network and a team that you can be a part of. A mentor could be someone in your family, at work, or someone you used to work with. You're going to need that support," they said.

Taking the top job is often as much about managing teams, personalities and competing aims as it is technical financial knowledge. Finding, employing and then motivating experts to do the jobs you can't is key to success, with one quipping "sometimes I wonder what my expertise actually is, but I do know I'm very good at finding expertise in others".

Another panellist agreed that the CFO role is much more about relationship management and that you have to approach different stakeholders differently. They gave the example of the importance of secretaries in professional services, with them often being the individual who controls a Partner's or executive's diary – and someone who can ensure things get done.

Landing the top job

Making the step up to CFO or FD is a challenge, so how do you know when you're ready? One attendee asked our panellists for their take on how to stand out in a senior job interview.

"First of all, your CV goes a long way. You wouldn't be in the room if your CV wasn't good enough, so trust in yourself," one said.

Another described interviews as a two-way process, with both interviewees and employees seeing if they are the right fit. They also advised attendees to think more about how they would approach the job.

"If you're trying to make the step up, you don't need a 100-day plan. Talk about how you would approach the role – that allows me to know if you're going to come in and ruffle feathers, or get the lay of the land first," they said.

Another CFO agreed that individuals should demonstrate how they would approach the role, but also highlighted the importance of doing research on the business and the people interviewing you.

Finally, our panellists highlighted one attribute that no one can control – luck.

"Someone in your career is going to give you a lucky break to reach the top – I certainly had that. When you get into that leadership position, I hope you return it and give someone else a chance – we all need someone to give us that first opportunity," said one.