



UNIVERSITY OF WALES
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BMSW4001 - Academic And Employability Skills

CFO or Accounting Practice – pros and cons

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Chief Financial Officer (CFO) – roles and responsibilities

- According to Bill Tobia, LLR Partners' Managing Director of Strategic Finance: "People used to think the CFO was there to tell you there isn't enough budget when you needed something or to simply report financial results after the fact. Today's CFOs must break away from the number-cruncher stereotype and think of themselves as more of a strategic player in the company. CFOs today need to be creative, understand best practices, and know how to create more value for the company. There will always be a need for someone to balance the books, crunch the numbers, and perform critical routine tasks but the CFO role is much more dynamic today."

Chief Financial Officer (CFO) – roles and responsibilities

- Ainsowth notes that there is a dynamics of the role of a Chief financial officer. From the minimum requirements, such as: management reporting, controllership and compliance, investor relations, the role itself expands into becoming a business partner with strategic and operational focus, leading a low cost finance organization. Therefore, in front of the individuals aiming to such a position, new challenges will be presented. They need to use financial data to challenge the business and contribute to operational decision making, the person in question also has to be a catalyst for driving business transformation, and last, but not least, he/she has to link strategic objectives with the financial goal of the business.

Summary of Accounting Practice

- In the views of Madhuri Thakur: “Accounting practice is a systematic procedure and controls that are used by entity’s accounting department to control over the accounting records & entries as on the basis of accounting records other reports are prepared like financial statements, cash flow statement, fund flow statement, payroll, tax workings, payment and receipts statement, etc. and they are basis of reliance by auditor while auditing the financial statements.”

Summary of Accounting Practice

- Thakuri also supports the idea that accounting practice exists as a daily recording of accounting and financial data. It is control over recording and access to accounting records as accounting is a significant part of any organization, and it should not be manipulated and misused by others. Hence, apart from recording, organization has to look after the authorization part. For example, employees for data entry should not have access to bank statement views or other reports so that data cannot be misused. There should be proper practice by every organization as it is a basis for many external and internal reporting and decisions.

Main Differences

- From the aforementioned introduction it becomes clear that there are few differences between a CFO and accounting practice
 - Whereas the CFO is usually a person, employed by an organization, the accounting practice is a group/team
 - The CFO on his/hers own has to possess certain skills for the specific role: good time management, man management skills, analytical skills, strong leadership skills, strong understanding of the relevant company's business model, applying controlling, using different strategies to achieve the company's targets.

Main Differences

- The skills which one CFO possesses can be divided between the members of the accounting practice. What's more, the practice usually does certain tasks, described usually as: maintaining employee records, maintaining fixed assets register, record bills of purchases and sales, calculating depreciation, recording of payments to creditors and receipts from debtors.
- In a few words, the practice itself executes operational tasks, whereas the CFO is challenged with the creation of the overall financial strategy of an enterprise.

The role of PDP

- The Professional or personal development plan is a formal approach through which an individual who generally works with the supervisor, mentor, or teacher prepares the outcomes, strategies, and goals of the training and learning. As described by Patton, Parker & Tannehill (2015), this development plan is the list of the actionable activities for achieving the career goals through the gaining of particular insights of reaching towards the career aspirations. Drafting of a professional development plan is helpful for the candidates, who are in search of jobs as defining of the goals in the plan provide the proper understanding of individual navigation towards the job interview and searching procedures (Olsen, 2015)

Personal PDP

- As outlined before, the Personal/Professional Development plan is a list, agenda. Some professionals comment that the best use of such a plan is to divide it into three main categories: long term, medium term and short term.
- In personal perspective (achieving qualifications in Finance and job as a CFO) that would be :
 - short term goals – improving communication skills, better time management, developing problem solving skills, understanding the role of the strategy in any given business model

Personal PDP

- Medium term goals – improving public speaking skills, finishing the level 4 Certificate of High Education and enrolling in BA Hons in Finance, attending various workshops and webinars on the subject
- Long term goals – Completing BA hons, becoming expert in writing and developing different financial strategies, becoming a successful CFO

Personal SWOT Analysis

Making a personal SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats) helps any individual to make a right decision in every chapter of his/hers life. Relating to professional advancement and possible positive outcomes such as: satisfying job, good working environment, contribution to the communities, etc., the SWOT analysis is an essential tool of helping anyone achieving these goals. For the purpose of personal view on the subject of whether to take a role as a CFO in the future, an individual has to have a grasp of certain skills, soft and hard, he/she has to outperform on numerous occasions, he/she has to have good practical experience on the field and to demonstrate great insight of the world of finance and accountancy.

SWOT Analysis

Strengths

- Good Analytical skills
- Good team management
- Excellent problem solving skills

Weaknesses

- Lack of knowledge of financial /accounting principles in UK
- Little practical experience in the UK

Opportunities

- Deficiency in the labour market following BREXIT
- And Covid 19 Pandemic
- The Appearance of new start up companies

Threats

- Increased competition of local and overseas students
- Closure of numerous business due to the COVID

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