

Year-End Business Reviews: Why Wait Until Then?

An ongoing approach to evaluating business strategies, successes, and weaknesses will keep you sharp and help avoid missing opportunities.

[Bud Kulesza](#)

One calendar year closes; another must be prepared for. You and your staff would be most efficient and effective throughout the year by evaluating your company's successes and weaknesses on a continual basis, but most finance organizations don't take the time to do it.

Most companies enforce an intensive year-end process in which CFOs and senior staff rigorously evaluate financial performance and discuss the best new practices and revenue-growth ideas for the upcoming year. Complex planning/process documents are developed in support of these initiatives but often forgotten until the following year's review. In short, most strategic plans have little influence on day-to-day decisions.

Even monthly status reports may fail to trigger the reflective thought necessary to reconsider whether objectives of a project remain aligned with changing business strategies. I remember a major customer-profitability reporting project for which I was responsible. It was reviewed and reported upon monthly to ensure that critical milestones were met. But the reviews failed to disclose that the project was no longer meeting our strategic objectives. It was during year-end reflection that we became painfully aware we were putting into place a system that no longer met our needs. The problem was that our customer's distribution channels were changing. Had we taken a more engaged approach all along, we could have avoided the year-end surprise.

I found that it helps, as a supplement to ongoing milestone reviews, to ask your direct reports to monitor their experiences and provide continual feedback on processes. At year-end, each person prepares a list of their accomplishments, compares them to objectives discussed throughout the year, and shares

comments about what they learned, what they did well, what they could have done differently, what unexpected items arose, and how they handled those.

These documents provided us with great insight. We were better able to assess planned activities to ensure they were aligned with strategic objectives. We got a sense of how well we had anticipated business challenges and our ability to handle them quickly and appropriately. And we were better able to handle unexpected challenges.

While you can't anticipate every detail, you can anticipate that not everything will go as planned.

During the past year in writing for *CFO*, I have discussed a variety of leadership skills that can increase the efficiency of CFOs. They sometimes view leadership as a "soft skill," underestimating its importance and overestimating their mastery of it. But a majority of business failures have more to do with a lack of financial leadership than professional incompetency.

As you prepare for the new year, ask yourself the following questions: Am I reviewing strategic objectives on an ongoing basis? What am I doing at year-end to ensure we haven't missed any opportunities? And, am I effectively working to develop my team into financial leaders?

Bud Kulesza, CMA, CFM, is dean emeritus of the IMA Leadership Academy and former chairman of the IMA. He is also the former chairman of ITT Industries Canada and CFO of ITT Automotive, a multibillion-dollar company. For more information about Bud, visit www.Budkulesza.com.

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