

Leaning on the Staff

CFOs would be well served to delegate authority for rectifying disruptions to financial schedules and routines.

Bud Kulesza

***Editor's note:** This is the first in a series of monthly columns on the topic of finance leadership by Bud Kulesza, dean emeritus of the Institute of Management Accountants's Leadership Academy and a former CFO.*

While delayed at an airport recently, I noticed that airlines handled schedule disruptions in different ways. Some airlines took them in stride, while others had great difficulty. It made me think about CFOs and the different ways they handle exceptions to routine procedures.

At the airport, it was clear that one airline's gate agents required supervisory approval before resolving passengers' issues. The supervisors were easily identified by the color of their coat, and so many passengers bypassed the gate agents entirely, making the agents ineffective and the supervisors overloaded.

At another airline, gate agents had both the knowledge and the authority to resolve passenger issues beyond limited directives without their superiors' approval. Their understanding of the intent behind the policies and the authority they had been given allowed them to resolve most exceptions effectively and efficiently, with less stress for all parties involved and increased customer satisfaction.

What Does This Mean for CFOs?

Similar to airlines, corporate finance organizations sometimes face disruptions to financial schedules and routines. When such events occur, how the CFOs and their staffs handle them can have a tremendous impact on performance, profitability, and morale. Well-educated staffs that know what must be done and have the authority to act are the most effective and efficient at resolving issues. Those that must follow limited, strict procedures and directives with limited understanding and authority are frequently ineffective.

As CFOs, we often create policies we believe will handle the vast majority of issues — but mistakenly so, if we don't articulate to staffers the purposes behind the policies and give them the authority to act

as needed given the facts at play in particular scenarios. In today's complex business environment, CFOs would better serve by encouraging staffs to take ownership of the process and embrace disruptions as normal occurrences.

CFOs have a fiduciary responsibility to make certain that resources are used as effectively as possible. Without an understanding of the reasons behind directives, empowerment to handle exceptions at their working levels, and training in both technical and soft skills, staffers won't be able to maximize their performance.

One of the most important things CFOs can do for their organization is to provide solid professional support to those who report to them. If finance and accounting staffs are both technically competent and empowered, there will be less stress for all parties — CFOs, their staffs, and customers.

Bud Kulesza, CMA, CFM, is a former chairman of the Institute of Management Accountants and dean emeritus of the IMA Leadership Academy. He was also CFO of ITT Automotive, a multibillion-dollar company, and chairman of ITT Industries Canada.

<http://www.budkulesza.com>

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