

Making Priorities a Priority

Don't leave your finance team guessing as to what they need to focus on first.

Bud Kulesza

Financial staffs face many issues that seemingly need to be addressed simultaneously but don't in fact have the same priority or urgency. Since everything can't be accomplished at once anyway, it is important for CFOs to differentiate between an issue's priority (importance) and the sense of urgency (timing) necessary to resolve it.

For example, closing the books is a high-priority item that has a clear sense of urgency for most because it has a firm deadline. On the other hand, preparing a business proposal may have a high priority but may or may not be highly urgent.

If staff does not have a clear understanding of priorities and urgency, they often follow the LIFO method: the last thing you talked about is what they now plan to get done first. That happens because finance executives often provide little or no direction on where new issues fit in terms of priority.

As a CFO, I became aware that simply asking questions could redirect the focus and resources of my staff, because they interpreted my curiosity as a change in priority. Without being clear about whether I was "just asking," I influenced the staff to adopt a new priority they may have seen as unjustified. That certainly wasn't my intention.

It is important for CFOs to provide guidance and rank the importance of every item the team is expected to work on. A mutual understanding of priorities allows the staff to focus and meet expectations in a timely fashion and lets the CFO avoid surprises and unexpected disappointment.

Where to Begin?

CFOs should not micromanage their staff, but they must give employees the tools to focus their sense of urgency on the right issues by clearly defining and communicating the tasks at hand. Asking your direct reports for a periodic summary of the issues they are working on — including the priorities they have been assigned — is a great way to begin. A brief review and discussion can ensure that you share the same perspectives.

Don't send conflicting signals between these reviews by creating a sense of urgency that can be misinterpreted as a change in priority. When you do make changes in priority, be clear and direct to prevent misunderstanding. Don't make new requests without some discussion as to where they fit in.

Having a clear understanding of the issues being handled and the priorities assigned will help you and your staff determine resource capabilities and utilization. It will also keep morale at a higher level, as people know they can follow a focused, planned approach to handling their tasks. Certainly there will always be changes, but staff will come to expect them and process them in a disciplined fashion.

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

<http://www.budkulesza.com>

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