



Pro-*fresh*-ional Development | Strategic Advice | Thought Leadership

TGIF

***Transform, Grow,
Innovative in Finance***

WORKBOOK EXERCISES

EXERCISE #1: ASSESS YOUR PROFESSIONAL AND EXECUTIVE COMPETENCIES

Great “financial professionals” embody many of the competencies which can be broken down between “Technical” and “Enabling” competencies.

Instructions: Self-evaluate you own level of confidence with each competency described.

SECTION 1:

PROFESSIONAL COMPETENCIES

I know I can do this...

Because I've done these sorts of things in the past...

Special expertise	Been there, done that	Developing	No competency, never done	Document evidence of Proficiency
<i>Are you a recognized innovator in this field?</i>	<i>You know the general ins and outs and feel comfortable taking on responsibilities that utilize this competency</i>	<i>An area that you are less comfortable with and perhaps have less exposure to</i>	<i>Something that you are completely uncomfortable with or lack exposure to</i>	

Technical competencies

Short description

Types of experiential indicators of competency

Short description	Types of experiential indicators of competency	Special expertise	Been there, done that	Developing	No competency, never done	Document evidence of Proficiency
Prepare financial statements	Bookkeeping, posting journal entries, transaction processing, financial statements					
Analyze accounting issues	Note disclosure, research GAAP issues (IFRS, ASPE, FASB)					
Prepare management reports	Month end reporting, management accounting, key financial indicators, management discussion and analysis, executive dashboards					
Implement Internal control and fraud prevention	Design and implementation of a system of internal control using manual and electronic controls; fraud prevention and detection					
Manage treasury	Cash management, cash forecasting/budgeting, bank management, receipts and disbursement processes, line of credit management, debt maintenance, equity transactions					
Proficiency using information systems and finance applications	Use of IT applications to process transaction, gather data, and report activities with system integrity					
Implement process execution efficiency	Financial close process, sales process, procurement process, payroll process, capital expenditure process					
Oversee tax compliance, planning, and advisory	Commodity taxes, payroll taxes, corporate taxes, tax filings, tax planning/structuring awareness					
Perform financial planning and analysis	Budgeting, forecasting, profitability analysis, revenue/cost analysis					
Perform expense/cost management	Cost structure (fixed, variable, mixed), approaches to cost cutting, product costing, life-cycle costing					
Perform corporate finance analysis	Capital budgeting, net present value, IRR, due diligence, return on capital, valuation					
Manage working capital	Receivable policies, collection procedures, credit granting, inventory management, supplier terms and discounts					
Evaluate and execute hedging instruments	Foreign currency instruments (forwards, options, collars), commodity instruments (futures, forwards)					

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Enabling competencies are the softer areas that make for great “financial professionals:”

SECTION 2:

PROFESSIONAL COMPETENCIES		Special expertise	Been there, done that	Developing	No competency, never done	Document evidence of Proficiency
Enabling competencies						
Short description	Types of experiential indicators of competency					
Proficiency using excel and spreadsheets	Functions, pivot tables, pivot charts, formulas, conditional formatting, Excel standards					
Ability to supervise and manage people	Staff supervision, staff evaluation, review of work products, delegation, direction, task delivery					
Proficiency in written communication skills	Memos, emails, reports, grammatical accuracy, tone, message, conciseness, clarity, professionalism					
Manage large projects	Project management, work breakdown charts, project charters, gantt charts, project schedules, project budgets					
Embodies personal ethical intelligence	Ethical decision making principles, ethical decision making frameworks, ethical decay, ethical dilemmas					
Design performance measurement	Key performance indicators, executive dashboards, balance scorecard, accountability reporting, strategy execution					
Self-management of career	Professional development, career planning, competency assessment, self-awareness of strengths/weaknesses					
Performs data analysis	Interpretation and analysis of data to create insight and actionable findings					
Embodies personal leadership and self-direction	Living personal and corporate values, being a strong example, self-motivated, initiative					

Are there any gaps left in your PROFESSIONAL COMPETENCIES for which you would seek further development?

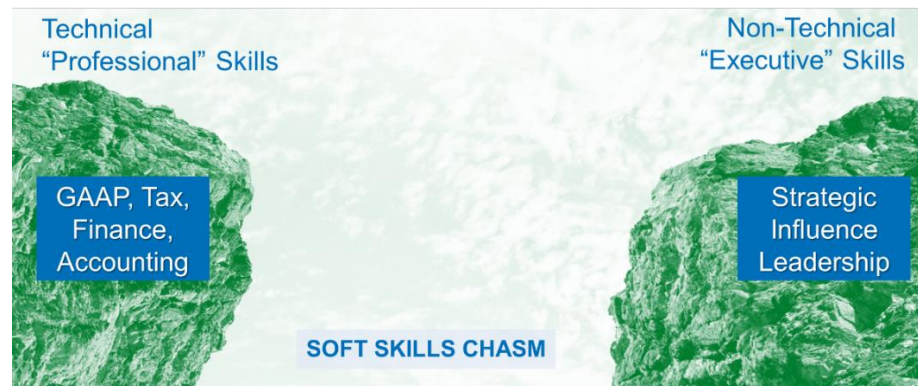
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Part 2: Now, let's look at your "Executive Competencies." Begin with a shorter list of technical competencies that are most often developed once you reach the corner office:

SECTION 3:

EXECUTIVE COMPETENCIES		Special expertise	Been there, done that	Developing	No competency, never done	Document evidence of Proficiency
Technical competencies						
Short description	Types of experiential indicators of competency					
Manages the strategic planning process	Strategic management, SWOT Analysis, Mission, Vision, Values					
Manages insurance coverage	Property and casualty, directors and officers, commercial liability, group plans					
Structures and supports governance systems and internal audit	Board of directors, governance responsibilities, internal audit mandate					
Performs enterprise risk management	COSO/ISO ERM framework, risk identification, risk assessment, risk mitigation, risk control, risk measurement, risk tolerance					
Advises on merger and acquisitions and other corporate transactions	Purchase and sale agreements, structuring M&A deals, negotiating terms, assessing fit, divestitures					
Identifies and executes business process improvement	Process mapping, activity analysis, process redesign, change management					
Develops financing strategy and facilitates capital raises	Capital markets, equity instruments (common, warrants, options), debt instruments (debentures, bonds, mortgages, line of credit, asset based lending), mezzanine financing (convertible instruments), government financing and programs					

Section 4: Now it's time to cross the soft skills chasm:



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These are the competencies that truly make for great “Financial Executives:”

EXECUTIVE COMPETENCIES		Special expertise	Been there, done that	Developing	No competency, never done	Document evidence of Proficiency
Enabling competencies						
Cultivate own personal brand proactively	Creating a compelling personal brand, communicating it, and living it					
Demonstrates confidence with poise under pressure	Being the best version of yourself in high pressure situations, calming voice, persuasive style					
Demonstrate resilience in the face of adversity	Perseverance, seeing things through, coming back from hardship, focusing on the long-term objectives, growth mindset					
Cultivate strong personal relationships	Contact management, personal followup, networking, managing office politics					
Plans staffing needs and manages talent	Designing the financing organization, share-service models, staff training and development, promotion, succession planning					
Demonstrates leadership qualities	Establishing a compelling vision for finance, leadership beyond management, cultivating a pool of leaders, credibility					
Coaches and mentors others	One-on-one interactions with individuals to achieve long-term performance improvements and career objectives					
Demonstrates emotional intelligences	Reading people, showing empathy, controlling one's own emotions, responding appropriately depending on the circumstance					
Cultivates ethical intelligence across the enterprise	Corporate culture, changing corporate culture, reinforcing corporate culture, embedding ethics in culture					
Delivers strong presentations to stakeholders	Persuasively presenting financial results, ideas, and actions to garner support and action; non-verbal communication					
Communicates persuassively	Storytelling, spin, writing persuassively, proposals, contracts					
Demonstrates strategic thinking and innovation in problem solving situations	Creative thinking, creation and evaluation of alternatives, finding ways to always do things better					
Possesses strong business acumen	Knowledge of business model, operations, sales and marketing, supply chain					
Possesses strong industry acumen	Knowledge of competition, products					
Design and integrates change management into major corporate initiatives	Dealing with the human implications of major change initiatives such as acquisitions, mergers, new systems, layoffs or downsizing, corporate restructuring					
Negotiates arrangements that maximize stakeholder value	Negotiation styles (forcing, cooperative), negotiation frameworks, tactics and strategies					
Strong awareness of legal principles	Contracts, agreements, directors/executive liability, reps and warranties, shareholder agreements, credit facilities, term sheets					
Conversant in securities regulations	Ontario Securities Commission regulations, Securities and Exchange Commission regulations, Stock Exchange Rules					
Strong awareness of technology trends and adoption strategies	Awareness of emerging technologies, adoption of new technology, automation of business processes					

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EXERCISE #2: PERSONAL SWOT ANALYSIS "YOUR NAME INC."

Key Areas of Personal Strength	Key Areas of Personal Weakness
Key Areas of Personal Opportunity/Growth	Key Threats and Barriers to Overcome

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EXERCISE #3: ASSESS THE MATURITY STAGE OF YOUR FINANCE FUNCTION

STAGE 1
Compliance

STAGE 2
Center of Excellence

STAGE 3
World Class

Instructions: review each of the following areas of the finance mandate and self-select which of the three statements best reflects what is happening in your finance organization today.

AREA	SUB-AREA	Common characteristics:	Common characteristics:	Common characteristics:
People of Finance				
1	Sufficiency of resources	Always stretched with not enough hours in the day to tackle the issues	Well balanced team that is capable of tackling issues as they arise, which may include relying on external advisors when necessary	Finance has resources to cover the 8 areas of financial responsibility: FP&A, Controller office, tax, internal audit, treasury, corporate development/strategy, risk management, investor relations
	Competency of resources	Heavy reliance on one or two key people to keep up. Presence of a weak or new team lacking necessary competency in one or more key areas.	Fully competent team in each responsibility area.	Highly competent people who can think creatively and innovatively to continuously improve the finance function.
Processes of Finance				
3	Close process	No defined close process often lasting more than 2 weeks or longer.	Well-defined close process with defined timelines, allocation of responsibility and standardization. Closes the books in 8 days or less.	Embedded in routines throughout the month enabling a fast and well controlled close. Closes the books in 5 days or less.
4	Excel	Spreadsheet hell - much reliance on Excel for transaction processing and databases	Excel use as a tool for documentation and analysis and less as a tool for processing and databases	Analytics and documentation are embedded in the process limiting the use of Excel to supplementary analysis.
5	Files (electronic and paper)	Disorganized with poor centralization of files	Standardized electronic directories and paper files are curated and at the finger-tips of everyone on the finance team.	Paper-less systems that embed files right into the systems and conversations that accompany the financial processes.
6	Transaction processes	Manual and ad hoc leading to inconsistencies in application and lags in processing	Disparate systems that are tied together with a mixture of manual and electronic interfaces.	Straight-through processing/AI automation that eliminates or minimizes the use of human resources in transaction processing.

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Information Systems

7	Integration	Limited or no integration, many disparate systems	Some integration of key systems with well defined manual workarounds only when necessary.	Full integration
8	Financial system	Likely an old system with limited capabilities.	Adequate financial system that meets the needs of the business.	Modern financial system with robust capabilities to grow with the business.
9	Deployment	Likely on-premise or limited cloud-based accounting package	Likely on-premise with integration to other system.	Cloud-based integrated financial system or ERP

Financing Arrangements

10	Cost of capital	Limited understanding of the cost of capital or its relevance in making investment decisions.	Conceptual understanding of cost of capital and ensures all material decisions are supported with appropriate financial analysis.	Constant focus on minimizing and optimizing the cost of capital and looking at the broadest universe of investment opportunities.
11	Financing instruments	Traditional sources of financing (equity and debt) with no real expertise in looking beyond that.	Able to seek out the best sources of financing to match the needs of the business.	Strong investor relations component and able to source funds from capital markets to support the growth mandate of the company.

		STAGE 1 Compliance	STAGE 2 Center of Excellence	STAGE 3 World Class
12	Risk management	Blind reliance on intuition and hunches.	Finance plays the role of enterprise risk manager and identifies and mitigate critical risks as required.	Enterprise risk management is embedded throughout the organization and risks are well understood and appropriate mitigation/monitoring strategies implemented.
13	Budgeting	Absent or only focuses on income statement	Robust budgeting process including income statement, balance sheet, and cash flow using a system/Excel template. Enabling tool for measuring variance and triggering management response.	Budget is fully integrated with the general ledger. Full automation of variance analysis and drill down capabilities into areas requiring management attention.
14	Forecasting	Absent or only roughly calculates the income statement impact.	Updated periodically as material changes to the budget occur providing an early warning for material issues.	Using predictive analytics maintains an accurate view of the expected forecast and enables scenario planning.

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Financial and Management Reporting

15	Financial	Primarily limited to statutory reporting	Robust monthly reporting with some weekly financial reports on key financial accounts	Real-time reporting a key financial accounts.
16	Operating data	No integration of operating data in reports	Integration of key operating statistics into financial reports using manual retrieval	Robust measures operating and financial statistics to pinpoint areas for attention which are automatically integrated to various operating systems.
17	KPIs	Unlikely to be well developed KPIs	Well developed KPIs that are monitored weekly, monthly	Well developed KPIs that are monitored daily, weekly, monthly
18	Key users	Meets legal and statutory requirements, not much value for managing the business	Meets the needs of all users	Relied upon by management to make better decisions everyday.
19	Format	Traditional financial statements	Traditional financial statement, statements broken out by line of business, integration of operating data to generate KPIs, manually updated dashboards	Electronic interactive dashboards and financial statements available on demand to any users.

Perceptions of the Finance Function

20	Continuous improvement	No time, no resource, no inclination for continuous improvement.	Self-initiated continuous improvement projects are undertaken to address gaps which may be triggered by internal audits or management letters.	Constant attention and a strong desire for continuous improvement. Implementation of monitoring and audit mechanisms to foster a strong culture of achievement and improvement.
21	Others perception of finance	"back office" "cost centre"	"partner in business" "profit manager"	"trusted advisor" "value creation partner"
22	"FEEL" of finance	Limited control and visibility Constant surprises and limited ability to articulate what has happened Crisis management all the time	Strong control over the business with good explanations of past deviations from plan Good visibility for the near future Well organized and disciplined to approach and deal with issues without panic	Real-time and predictive flagging of issues Adding value to every conversation by challenging managers, being objective, thinking integratively, considering fundability Confident and with poise in any situation

Total up the number of responses you had in each of the three columns

X 1 =	X 2 =	X 3 =
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Your maturity score

Answer all question

Value between 22 - 96

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EXERCISE #4: FUNCTIONAL SWOT ANALYSIS

Key Areas of FUNCTIONAL Strength	Key Areas of FUINCTIONAL Weakness
Key Areas of FUNCTIONAL Opportunity/Growth	Key Threats and Barriers to Overcome

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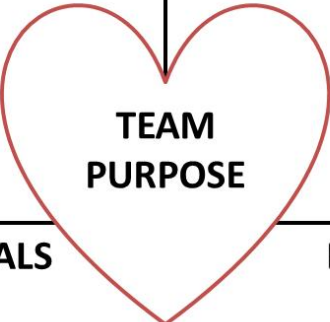
EXERCISE #5: WHAT HOLDS BACK TEAMS FROM BEING EFFECTIVE

EXERCISE #6: WHAT DIFFERENTIATES GREAT TEAMS

WORKBOOK EXERCISES

HOMEWORK EXERCISE #7: PREPARE YOUR TEAM CANVAS

PEOPLE & ROLES	COMMON GOALS	OUR VALUES	TEAM RULES
	PERSONAL GOALS	EXPECTATIONS	
STRENGTHS & ASSETS		WEAKNESSES & THREATS	



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EXERCISE #8: WHAT SLOWS DOWN YOUR CLOSE PROCESS

EXERCISE #9: LOW HANGING FRUIT FOR FURTHER IMPROVING YOUR CLOSE PROCESS

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EXERCISE #10: EVALUATE YOUR IT SYSTEMS

- Captures all your transaction streams without Excel or paper workarounds?
- Enables business process automation?
- Comes with embedded fraud controls?
- Houses all your working papers and invoices allowing you to go paperless?
- Automates approvals and reviews at all levels, across the organization?
- Tags transactions to different “elements” to facilitate data analysis (customer, supplier, division...)?
- Work flow management capabilities to document and manage the close process?
- Enables team collaboration and “chat”?
- Enables customization of reports without the need to “pretty” them up in Excel?
- Pushes out reports automatically to users?
- Presents an executive dashboard?
- Presents a “drillable” executive dashboard?
- Has embedded data analytics to facilitate predictive forecasting?
- Is easily scalable through replication of the chart of accounts and cloud deployment?
- Does it bring in operational data to facilitate performance management reporting?
- Comes with mobile access and reporting?

YOUR ASSESSMENT:

WORKBOOK EXERCISES

EXERCISE #11 DESIGN YOUR ONE PAGE SCORECARD

What metrics drive your organization and are readily available on a weekly or monthly basis?

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