

# Routes to the top

Insight & knowledge  
from today's  
finance leaders

2023

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## CHRIS GOULDING Managing Director

Chris joined Wade Macdonald as Managing Director in January 2018.

Starting out in recruitment in 1999, Chris spent just under 20 years with a corporate recruiter. To start with he recruited accounting professionals for organisations across the Thames Valley before quickly moving into a management position. For the last 10 years with the organisation, he held a number of different directorship roles, running teams of finance and HR recruiters across wide regions. He also spent many evenings presenting for professional institutes including ACCA, CIMA, CIPD, CIPP and CICM.

Chris' main passion at work is changing the 'status quo' of how recruitment companies are run. He has a strong belief that work-life balance is both achievable and essential in order for people to both perform at their best and provide the best possible service to clients and candidates. He enjoys seeing people progress and takes a lead role in the training and development of consultants.

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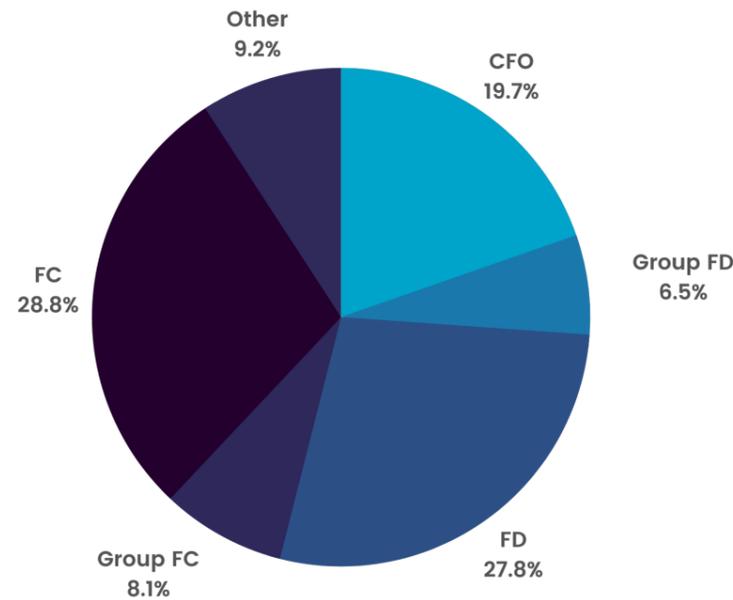
# INTRO

One of the most common questions we get asked by finance professionals when they are starting a job search, is what skills they need to gain in order to reach the top.

In February 2023, we decided to survey finance leaders to gain an understanding of the route they took in their careers, but also to learn whether they think the experiences and skills to get to the top have changed over the years.

We have used these results to produce a report that we hope will be useful to finance professionals as they navigate through their careers.

Around 250 finance leaders contributed to our report with just over two-thirds of respondents categorising themselves as Financial Directors, Group Financial Directors, or CFO's. A further 18% of respondents categorised as Financial Controllers or Group Financial Controllers, and 14% were in other Finance Leadership roles which included titles such as Director of Shared Services, Head of Treasury and Internal Audit Directors. The professionals that took part were from a good cross section of organisations from smaller owner managed organisations through SME (39%), mid-tier (45%) and FTSE 250's (11%).

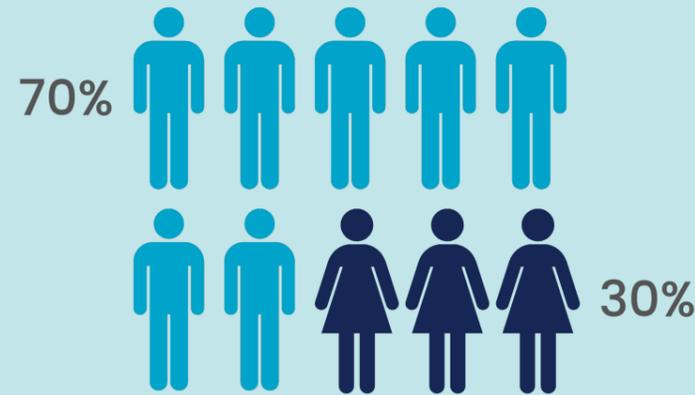


Q: What position have you reached in your career?

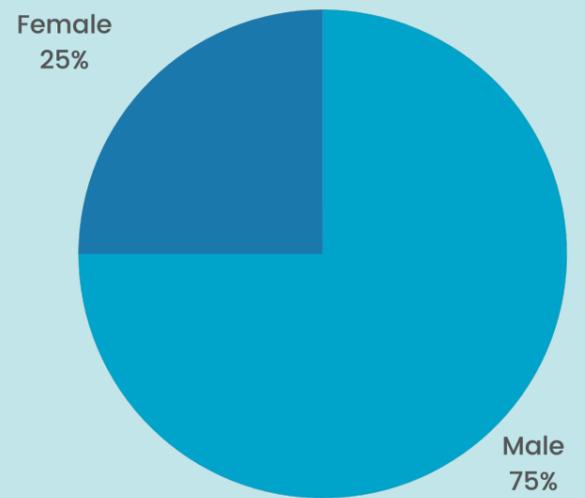
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# THE DEMOGRAPHICS



Q: What gender do you identify as?

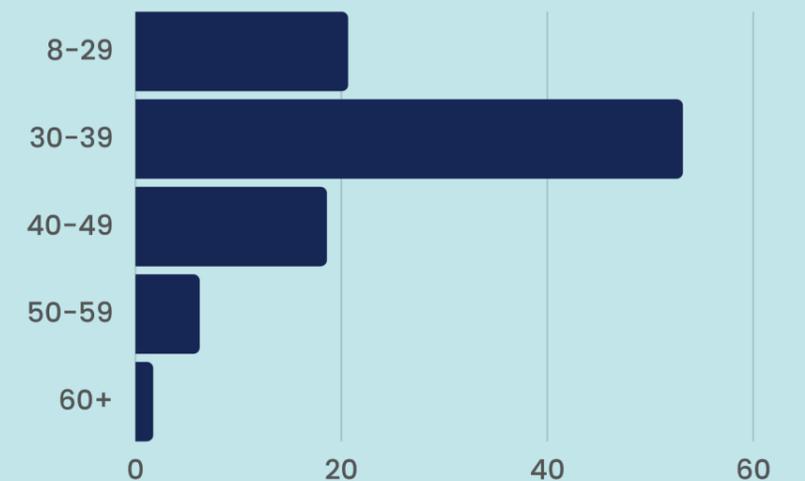


Gender division of respondents in CFO & Director positions

70% of respondents identified as male, with 30% identifying as female. Worryingly, when we looked into the results more closely, we see that only 25% of those in Director and CFO roles were women, which is roughly the same figure as a Deloitte report found in 2021. We will examine reasons for this as we move through the report.

We decided not to ask the current ages, but instead we focused on the age they first progressed to a leadership role. The results demonstrated

that in finance, age was not a barrier to entering leadership, with over 20% acquiring a management role before they were 30. The majority (53%) entered leadership in their 30's, however, we also see that 25% of those didn't move into leadership until at least their 40's, with a smaller percentage in their 50's or 60's. These results show that the route to the top is a very varied journey and we examine many of the reasons for this as we move through the research.



Q: What age did you first reach a leadership role?

3.

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# QUALIFICATIONS

It will not be hugely surprising to note that a large majority of finance leaders are at least degree educated given we see this requirement on a large volume of job advertisements. Over two thirds of respondents had gained a degree. This figure becomes much higher when we look at the community of our FD/ CFO's, where the percentage jumps to **well over 80%**.

37% of the total pool of finance leaders had studied CIMA, 31% ACA and 20% ACCA. Only 8% were qualified by experience and 10% had studied other qualifications which included MBA's, CICM, AAT or professional qualifications from abroad. This indicates that a qualification puts you at an advantage if you want to progress.

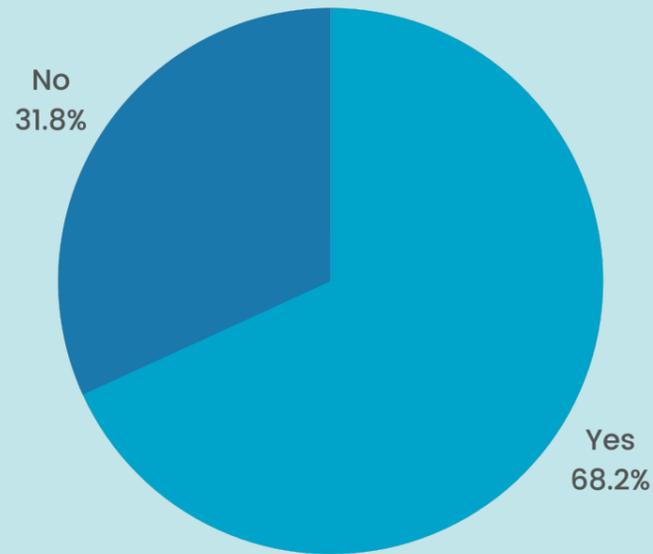
The need for a professional qualification becomes even more evident when we look at the pool of FD's and CFO's that took part in our research. The top studied qualification was ACA when we look at this group. 39% have ACA, 37% CIMA and 21% ACCA. Only 3% made it to FD without qualifications (or an international equivalent). This suggests that having a qualification is almost a 'must have' if you want to make it all the way to the top.

When we dig deeper into the FD's / CFO's responses, we see

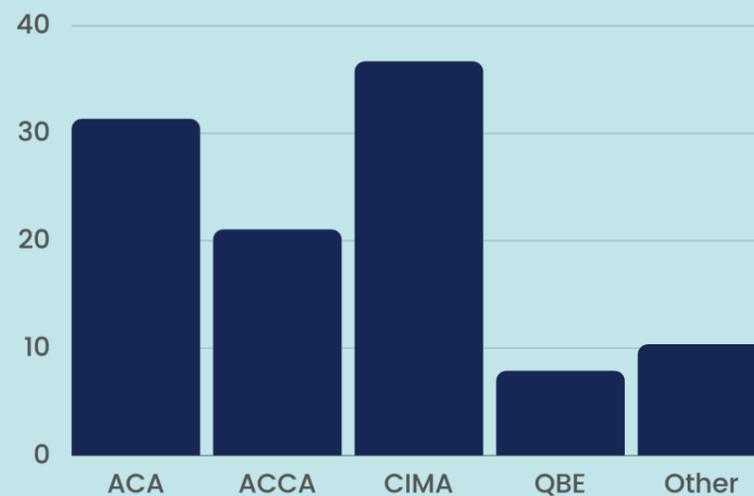
that 53% said they had spent some time working within an accountancy practice and that the vast majority had come from larger practices. Of those that spent time working within practice, The Big 4 (EY, PWC, Deloitte and KPMG) accounted for 65%, with the Top 10 adding a further 15%. This shows that currently the more 'traditional' training seems to be looked upon favourably when it comes to progressing through finance leadership roles.

I remember reading research from a major PLC in 2013, which looked into the qualification of FD's. Although the percentage of ACA's was roughly the same, at that time the percentage with CIMA was around 10% less than now. This may suggest that the role of the FD / CFO is becoming more commercial and 'value add'. Later in our research you will see further evidence of this. It will be interesting to see in a further 10 years if ACA qualified and Big 4 experience are still the dominant backgrounds at the top of finance, or whether CIMA will have taken over.

Finance leaders also seem to have a thirst for learning more after their professional qualifications. As you can see 25% of the pool went on to study post qualifying.



Q: Did you gain a degree before starting in Finance?



Studies undertaken

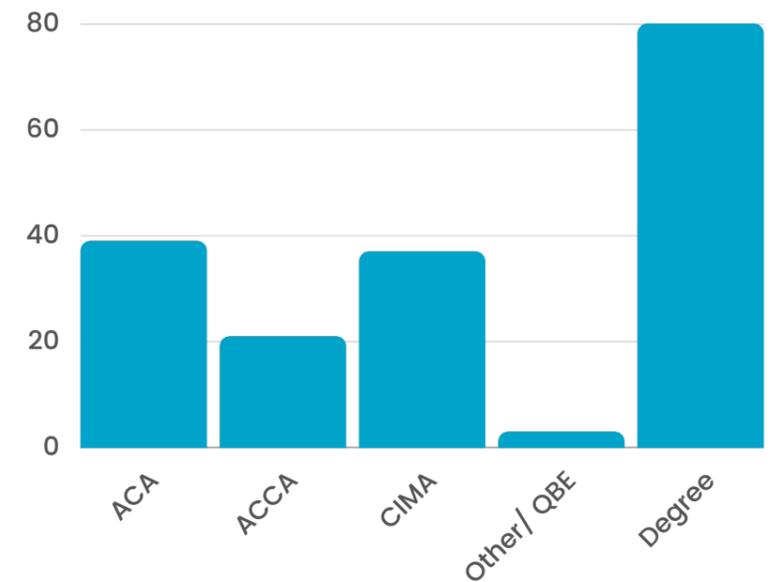


24.79%

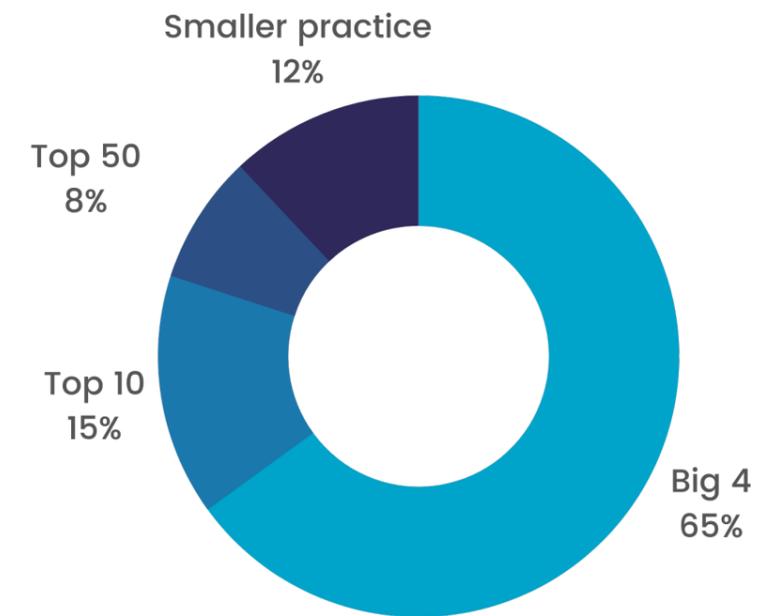


75.21%

Studies post qualification?



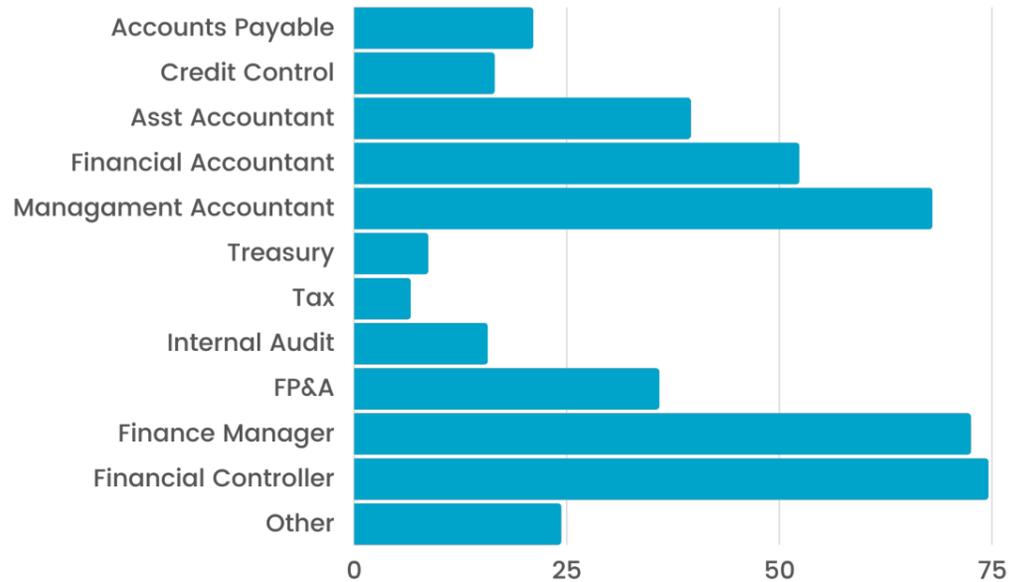
Education undertaken by FD/ CFO's



53% of CFO's and FD's we asked, said they had worked in an accountancy practice. This graph shows the breakdown of which sized practices.

career paths  
up next...

# CAREER PATHS



Q: What roles have you held during your career?

We were also interested to see if working abroad was common within finance leaders. As you will see, nearly half of those who responded had. There was huge variety in where they had worked, but a large number had spent time in the USA, Japan or mainland Europe.

Whether this helped in their progression could be a point for debate, but in a world where we do business with people in different countries, work across territories and manage people from different cultures, it certainly will not hurt. As a result of working abroad you can develop a more global and open mindset, and cultivate a diverse perspective of the world around you.

As mentioned, our research shows that there is no exact career route to the top of finance, with a broad spectrum of routes taken by our respondents along the way. Many of the candidates we meet who are about to embark on their finance career worry that starting in a transactional role may harm their progress. However, 20% had worked in Accounts Payable, 16% in Credit Control and 39% in Accounts Assistants positions in their early careers. This would indicate that as long as you don't get yourself pigeonholed in these areas and study towards a professional qualification, that your start point does not put you at a disadvantage in the long term.

Over 50% of senior leaders had worked in financial accounting roles along the way, with over 60% having worked in management accounting. 37% of leaders had worked in FP&A at some point. This is another indicator that commercial finance, business partnering, and analytical expertise are skill sets that are becoming more important to progressing through the ranks.

Our research showed that some professionals had taken time to work in specific Tax, Treasury or Internal Audit roles on the way through their career.



49.79%

Q: Have you ever worked abroad?



50.21%

Moreover, working abroad can help you become more respectful within an office setting. After all, business is not conducted in the same manner across the world, and you will equip yourself with the knowledge required to cater to different audiences, clients, and employer expectations.

We also discovered that a third of respondents had spent some time working outside of finance in their career. However, when digging deeper it was clear that over half of these roles were either whilst studying at university, travelling (on a gap year) or a first job before settling into finance.

Some had taken time out of finance during their career to experience areas such as procurement, marketing, sales or IT. This shows how the role of the finance leader can vary. In many organisations you may wear more than one hat as a finance leader and so gaining exposure in other areas could be an advantage to you.



36.63%



63.37%

Q: Have you worked outside of finance in your career?

As long as you don't get yourself pigeonholed in a transactional role and preferably study towards a professional qualification, your start point does not put you at a disadvantage in the long term.

# FACTORS SLOWING PROGRESSION

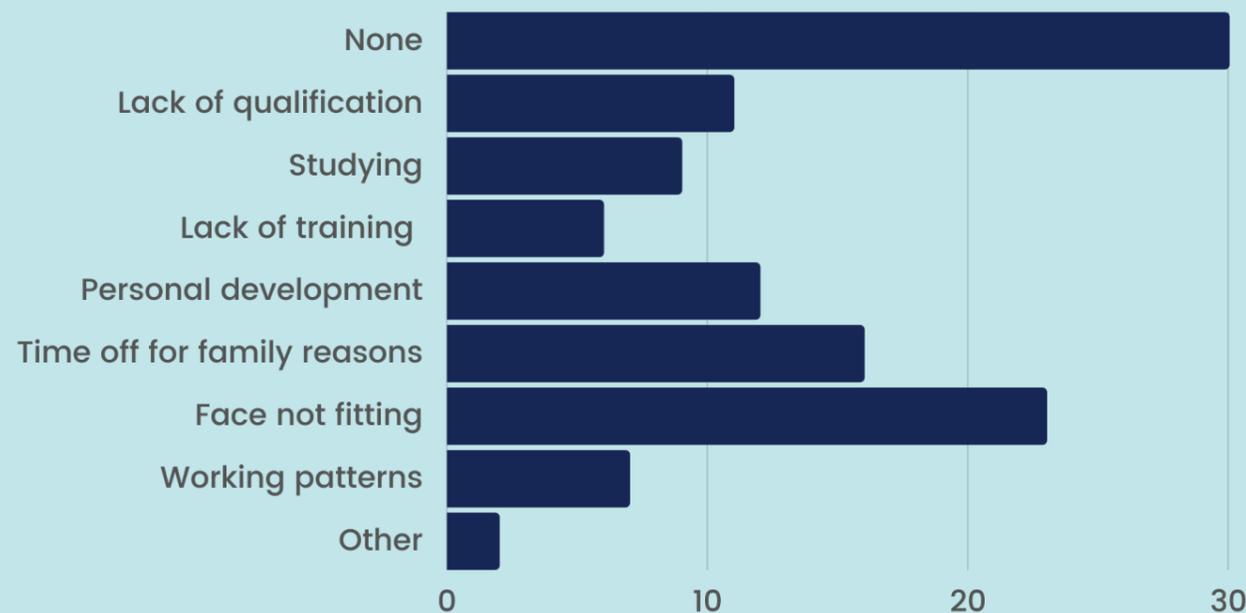
Despite being leaders in their field, it does not mean that those taking our survey had not also had knock backs in their career. Nearly two thirds of people felt that during their career there had been occasions where their progress had been slowed.

There is further evidence to suggest that a professional qualification is a major advantage in finance as 11% of those that responded felt that not having a qualification was a hindrance in their own career. The importance of a manager that you respect and get along with was also highlighted, as 25% felt their 'face not fitting' was a problem.

There was a worrying trend when we

analysed answers from women. A large number highlighted maternity leave, taking time off to raise children or the need to work part-time to care for a young family, slowed progression.

When we consider that only 25% of the respondents were women who made FD or CFO, this must be seen as a major issue that despite many changes in legislation (such as shared parental leave) has still not been resolved. We can only hope that over the coming years that more flexible working, hybrid working and the advent of the 4-day week (in some organisations) will have a positive impact on the careers of women and start levelling things out.



Q: Are there any factors that might have slowed your progression at any point in your career?

8.

We were keen to identify the soft skills that finance leaders felt were the most important for future generations to develop, and whether these skills had changed in recent years. However, first we wanted to understand what our respondents felt had been the most important personal attribute that led to their rise to the top.

The answers to this were wide and varied, however, the major five were:

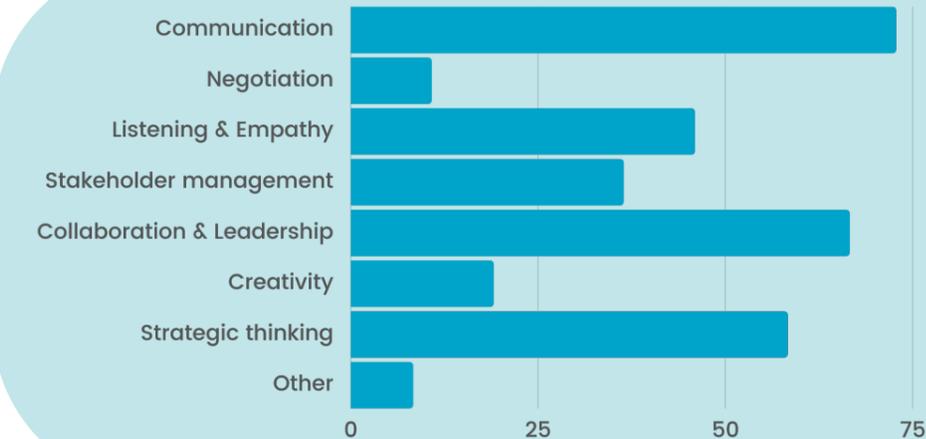
- An inquisitive nature
- Strong communication skills
- The ability to listen
- Resilience

and unsurprisingly a strong work ethic.

Sticking to soft skills, the three most listed answers were communication, strategic thinking and collaboration, with listening and empathy just behind. This may not be a huge surprise, but it is perhaps surprising that a huge 48% of leaders felt that the emphasis on some of these skills has changed in recent times.

When we dived more into the reasons for these changes there seemed to be two main drivers: **the pandemic & technology.**

The pandemic seems to be a major reason for the rise in the need for collaborative and empathetic workers. Many pointed to the fact that future



Q: Which 3 soft skills do you think will be needed for future generations?

9.

# SKILLS NEEDED FOR FUTURE PROGRESS

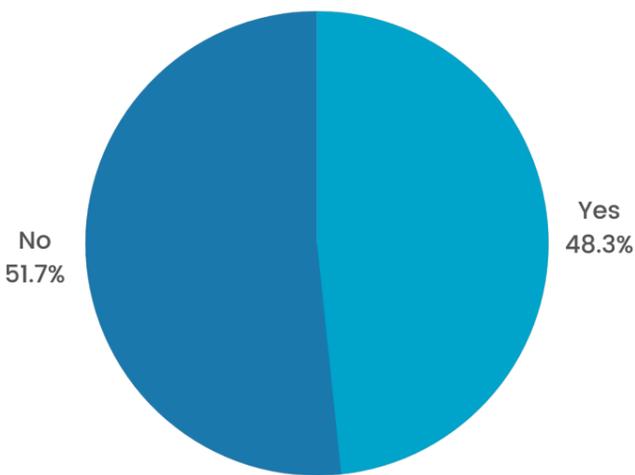
leaders are demanding more flexibility in terms of working hours, working locations and the ability to be able to have more work-life balance. It was interesting that opinion was very split on whether this was a good or bad thing.

Many felt that employees were expecting too much and that employers were losing power. Others saw the change as a positive and were happy to work on their own management styles to work with their teams. Whether it be positive change or not, the need for emotional intelligence is clearly going to be a major factor for future progression.

## skills cont.

Technological advances are seen as the main reason that business partnering, and strategic skills will be more important moving forwards. It was noted by a large proportion of people that technical accounting skills were becoming less important (as AI and technology can replace many of the traditional tasks) and therefore finance leaders are now working with more non-finance people than ever. Undoubtedly, future leaders will need to build on their analytical, strategic and business partnering skills if they want to reach the top.

When asked the most important three skills to reach the top, the answers unsurprisingly support the commentary above. By far the leading skill highlighted was business partnering with data interpretation and commercial finance in 2nd and 3rd place. Only 21% chose technical accounting skills as a top three skill for future leaders to have.

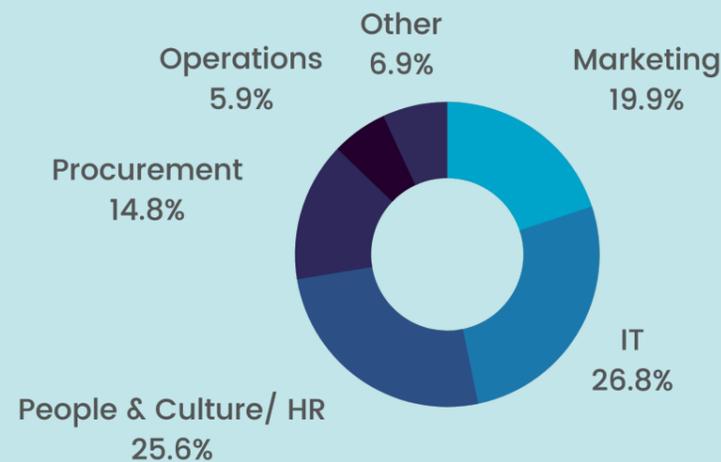


Q: Do you think the most important personal attributes have changed over the past 5 years?

10.

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## BUSINESS PARTNERING



Q: What functions do you feel it is most important to collaborate with?

As business partnering was identified as the top skill to gain, we asked which departments finance leaders thought were key to work closely with. The results suggest that people in finance needs to partner with almost everyone!

People and Culture was a close second to IT in the top spot. Perhaps it is because finance recognise the importance of mentoring, training, and developing their staff in order to retain good people. In turn this leads to providing a strong service to internal stakeholders.

This fits in with the commentary that has run throughout the report and is another factor which recognises the importance of being a strong people-manager in order to reach the top. Within the 'other' answers were business owners, legal and shareholders.

## EVOLVING MANAGEMENT SKILLS

A recurring theme of the report has been how important people management is if you want to become a leader. A significant 52% of respondents felt they had changed the way they manage since the pandemic.



50.83%



49.17%

Q: Have you had to change your management style due to the changes in work practices since the pandemic?

they have needed to manage in a more empathetic way, with more understanding and focus on wellbeing. Again, these are examples of how emotional intelligence is becoming a more important skill for finance leaders than it may have been in the past.

## AI

We have already seen that advances in technology mean that many of the technical accounting skills will become less important in the future, with more emphasis on data interpretation. We were keen to dig a little deeper and understand how prevalent leaders felt AI would become.

The answer here was a surprise to us and could indicate that not all finance leaders have an understanding of what AI will mean for the future. Overall the average was 6.2 out of 10, but the range of answers was from 0 to 10.



Q: Out of 10, how prevalent do you think AI will become in finance?

11.

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## AI cont.

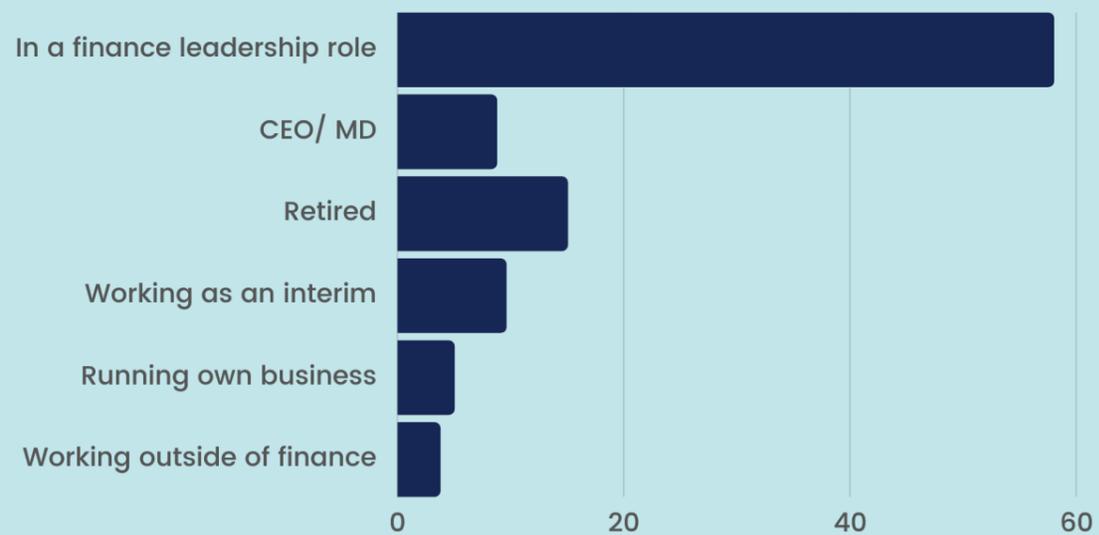
Within our own client base, we are noticing that automation is further along in large organisations where they have budgets to focus on technological advancements, but many of our SME clients are not in that place yet.

It will be interesting to see how this pans out. We would recommend future leaders to gain an understanding of how AI could be utilised, however, at this stage it is one area where there is not consensus between leaders.

## THE TIME FOR NEW LEADERS

43% of the leaders who took part in our survey do not see themselves in a finance leadership role in 5 years' time, which would suggest that the time is fast approaching for new leaders to step up.

15% hope to be retired, 9% working in a CEO / MD role with 5% intending to start their own businesses. 9% hope to take the skills they have gained over their careers to add value to organisations on an interim basis. Of the 3% who choose another answer, there was a mix of NED roles and semi-retiring to a role out of finance.



Q: Where do you see yourself in 5 years?

12.

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## IN CONCLUSION

- Think seriously about a finance qualification if you haven't already. ACA and CIMA should be a consideration, but only if they're right for you.
- Experience as many areas of financial and management accounting as your organisations will allow. It will help with potential business partnering and make your skillset much more desirable.
- If it fits with your personal circumstances, jump at the chance to work abroad for a period of time. Gaining overseas experience can only be a tick in the box for personal development.
- Don't let raising a family/ caring commitments slow down your career aspirations (unless of course you want to!). Your employer should still make you aware of promotion opportunities during your time away from the business and ask about career coaching on your return to bring you back up to speed as quickly as possible.
- Work on emotional intelligence.
- Think about how AI can support you in your role as a future finance leader, and how data interpretation can help you support the wider business.
- And last, but certainly not least, if the time for new leaders is now, get out there and NETWORK. Or let your favourite recruitment consultancy help you sell yourself.

### The best ways to get in touch

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