

Financial Leadership

What it means, why it's good
and how to get started

Lucilius Blog No. 4



Financial Leadership

This post looks at the first of the three pillars of my interim management practice.

Financial Leadership is a systematic effort to: make business decisions **fact-based** and **methodologically sound**, lend them **consistency & rigor**, and **keep** the underlying **assumptions honest**. It's also the practice of actually making decisions along these lines.

By driving quality in decision-making, Financial Leadership will on average produce more profitable decisions than less structured approaches.

But it may significantly change the way Finance – or Controlling – works...

How? Read on.



Here is our Analysts' Advice...



5...



**Make Sure
You Do
the Maths**

Sales will love you to be the number cruncher, while they “run the business”. Still, for once conform to the cliché and keep this step firmly under your control. But don’t spend too much time here. You’re needed elsewhere.

...4...



Be Part of The Discussion

Don't just provide capex numbers and unit contributions, be part of The Discussion. If you don't get invited, invite yourself. Say that you need to be present in order to aid the correct interpretation of your numbers.

...3...



Address What Really Matters

Once seated, bring up what is often the real issue: Your colleagues' assumptions. "Didn't we need 2.000 hrs for a similar project last year? And remind me, what was it that will help us make do with 950 this time?"

...2...



Make it Painful to Change Assumptions

So now Engineering have revised a crucial assumption? - Ask what new insight this is driven by. - No new insight, just fluctuating sentiment? - Make it clear that such behavior is cause for profound embarrassment.

...1...



Hold Post-Mortem Meetings

The project was supposed to save the quarter, but turned out to be a financial dud? - Be the Cora McLean of your team and invite them over to a fun post-mortem. Be extra-graphic about what went wrong and why.

...Lift-Off



**Above all,
Get
Started.**

At some companies, all this may be familiar and come naturally. But leading an organization there can be tough.

What it takes



Photo credits: romain-v at unsplash.com

For the CFO:

- Take the initiative.
- Energize your Team with your vision.
- Trust them to engage with Sales and Marketing and Ops...
- Support if needed.
- **Persevere.**

For the Managing Director:

- Realize that you stand to gain most.
- Be clear to your Management Team that you want this.
- Challenge Finance to grow and deliver.
- **Persevere.**



Need more flesh on these bones?

Get in touch with me to discuss ideas, mull over details, or get help with the implementation.

I'm looking forward to hearing from you.

Best regards,

Dietmar

ps Financial Leadership does include the punctual provision of good data, period closes, standard reporting and the other relevant basics...

Promoting rigorous decision-making since 1996.



T +49 69 269 209 44

M +49 177 33 983 22

ds@lucilius-interim.com

www.lucilius-interim.com

Spessartstrasse 17

60385 Frankfurt am Main

Germany

Lucilius Interim Dr. Dietmar Scheja

Financial Leadership

Restructuring

Finance Upgrade & Transformation