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FROM BEAN COUNTER TO BUSINESS STRATEGIST: *The Changing Role of the Accountant*



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Number-crunchers no more, today's accountants are evolving into providers of insight on finance, technology and strategy. Changing business practices and an array of emerging technologies have transformed their role. Accountants are increasingly taking a hands-on approach in guiding company operations and formulating business strategy. But with change comes challenge. Accountants must work hard to acquire the skills that are required to function successfully in a new environment. They must also know which technological tools to use and how to apply them.

Finance: Finding meaning in numbers

Maintaining and auditing financial records has always been the accountant's bread and butter. "But, inherently, it's been scorekeeping, not 'doing'," says David Larcker, a professor of accounting at the University of Pennsylvania's Wharton School. Now accountants are becoming more involved in the "doing", expanding into areas with which previous generations had little or no experience.

Among the new finance fields that accountants need to master are middle-market services, such as performing due diligence, organizing shareholder meetings, supervising cash management and handling payroll.

Compilation, compliance and assurance is another new area. These services, which include such traditional tasks as tax preparation, offer companies greater certainty that they are providing accurate financial data, whether to inside managers or outside investors. Recent high-profile accounting scandals have increased the importance of assurance services, which can include independent validation of business data such as readership statistics, royalty statements

and information returns for regulated industries.

Accounting's horizons are expanding in all directions, but it's impossible to be an expert in everything. "You have to become an expert in an area and then thrive in that area," advises Gary Haber, owner of Haber Corp, an entertainment industry-oriented accounting firm that serves performers such as Joe Cocker, Randy Travis and Lyle Lovett. "In a small-to-medium-size firm, you don't have that luxury." So accountants at smaller firms must know enough to give basic advice while seeking outside support in the event of more complex challenges.

Business analysis and strategy: Detecting hidden patterns

The ability to translate raw financial numbers into usable business information is now a top priority for accountants. Software is a crucial tool, enabling them to provide speedy analysis at a reasonable cost. Project accounting and business analysis applications are particularly helpful, allowing accountants to monitor resources and returns for specific projects, or for operations companywide. In addition, sophisticated knowledge management tools can help derive meaning from large volumes of seemingly unrelated data. Most important are analytic applications, which allow accountants to sort through and query huge volumes of data to uncover patterns and relationships, for example in customer behavior, which would otherwise go unnoticed.

Armed with these business insights, accountants can offer managers and owners guidance on improving productivity and maximizing profitability, as well as on specific business decisions. Acquiring financial and business analysis skills can also empower accountants to offer advice on new and more profitable direc-

tions for the business. "Accountants now have more of a strategic perspective than just a strictly green eyeshade perspective," says Robert Howell, professor of business administration at Dartmouth College's Tuck School of Business.

Technology planning: Choosing the right tools

Since computers are based on numbers, it's not surprising that accountants should find themselves deeply involved in the development and implementation of new information systems. Owners and managers increasingly rely upon accountants to direct them towards the most suitable technology solutions for financial and business management.

To *fulfill* this role, an accountant must be familiar with the various software and hardware products that are available to help businesses manage their operations and grow. Such awareness requires a good deal of reading as well as significant hands-on experience.

To adapt to their changing role, accountants must acquire skills that will enable them to deliver the new services that businesses need. These skills include:

- **Information delivery.** Being able to present critical information in a way that is effective, precise and understandable is vital for any 21st-century accountant. Technology is part of the answer. In addition to the standard tools for real-time communication, such as instant messaging and web-conferencing, accountants use presentation and publishing solutions to communicate complex concepts effectively through a combination of text and graphics. Groupware document collaboration tools allow accountants to work jointly with owners, managers and business partners, even when the parties are in different locations.

- **Interpersonal skills.** Technology is only half the battle, however. As accountants are

increasingly called upon to work closely with a range of managers, suppliers, customers and consultants, developing good interpersonal skills is a top priority – something that, historically, has not been a strength associated with the profession. The ability to interact easily and work with a team can help accountants assume leadership roles.

- **Technological competence.** It's hard to assist in technology planning without having a high degree of technical knowledge. Developing such competence isn't easy, however, given the wide range of topics that must be covered as well as technology's rapid evolution. In-class or online training courses in areas such as hardware and software products, networking, customer relationship management (CRM) and security can give accountants new technology skills or help them update and enhance existing knowledge. In addition, membership in one or more of the software publishers' affiliate programs can provide software, training and support for products that clients use. "To stay up-to-date, and to do one's job, one has to be continually educated," says Mr Howell. That said, combining a familiarity with information technology systems and an awareness of an organization's mission, objectives and business environment is an extremely potent approach. It's the ability to match technological knowledge with business understanding that gives technology-savvy accountants a key advantage over other technology experts.

Greater challenges, greater rewards

As this long list of tools and competencies indicates, adapting to new challenges isn't easy or a task to be taken lightly. But with challenge comes opportunity: the pay-off is potentially enormous. Accountants with the right combination of financial knowledge, business insight and technical proficiency can look forward to heightened influence and higher incomes.



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