

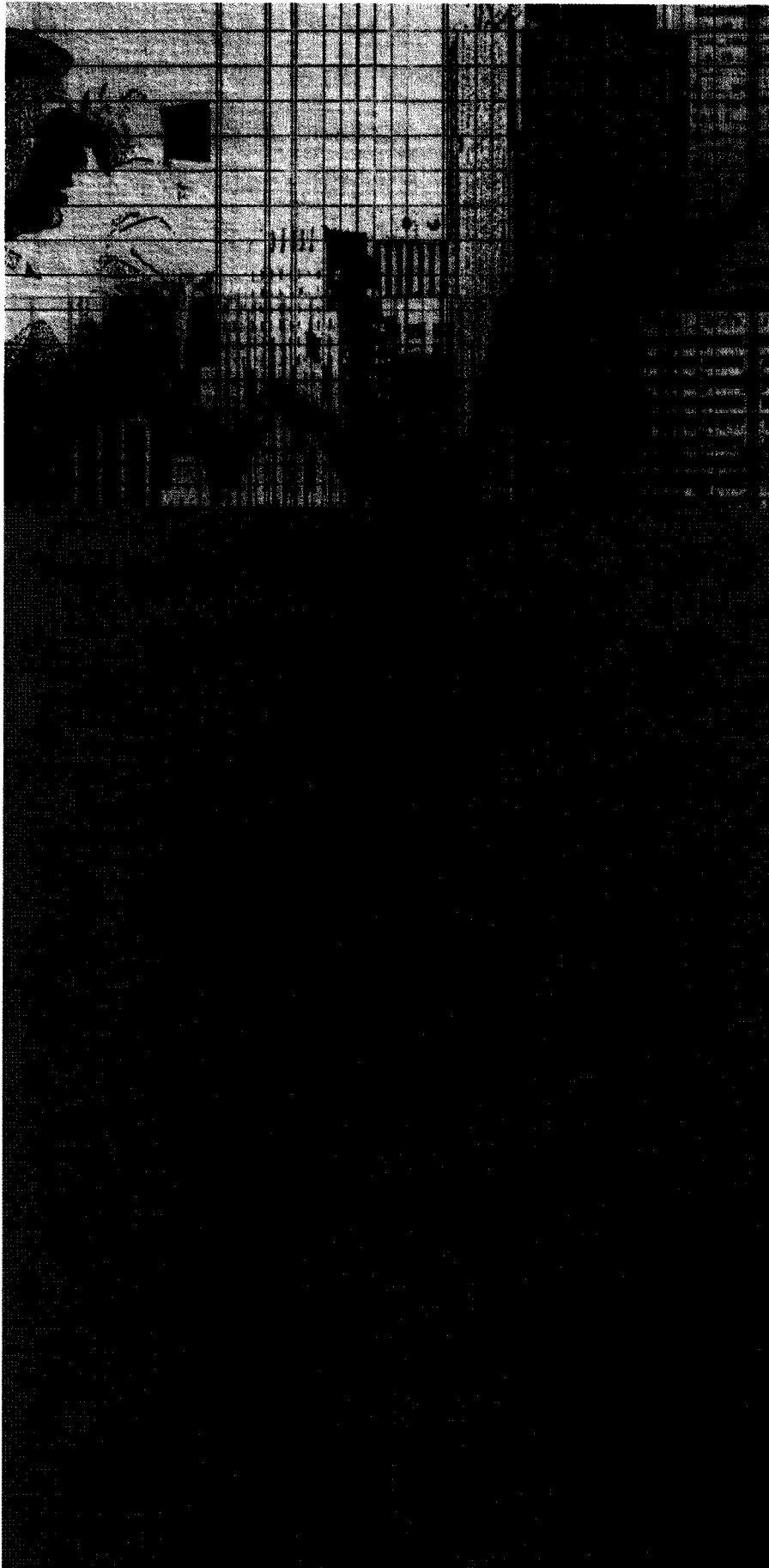
Where to now, CFO?

by Coleen Bondy

Greg Patti had never heard of the New Finance, a phrase coined by the American Institute of Certified Public Accountants, when he was contacted by *Outlook* magazine for an interview on the topic. He had never heard the terms New CPA or New Accounting, either. But by every definition, he's a perfect example of the practicing New Accountant.

"I don't have a calculator on my desk, if that's what you mean," Patti replied when asked if he practiced the New Finance as defined by the AICPA. He said he doesn't consider himself a number cruncher or bean counter, but thinks of himself as a business partner at Cemax-Icon, the high-tech Bay Area teleradiology firm where he serves as CFO. And that's the essence of the New Finance — the movement toward strategic thinking and away from historical reporting in the accounting industry.

For Patti, it was a natural career progression to evolve into a strategic thinker and business partner. He started out at a Big Six firm doing basic accounting, but from there he went on to practice financial analysis for smaller, high-tech startups. "The questions became more and more about the future and less about the past," Patti said. "Company presidents don't care about the past. They care about sales and the future."



Technology Drives Change

For Patti, the trend in the accounting industry to look to the future rather than the past is tied inextricably to the rise in the use of computers. "I think time has compressed in the past 20 years with computers. Product life cycles are shorter, and company life cycles are shorter."

With new technology, financial executives can analyze and respond more quickly to changing markets. In fact, they must respond more quickly to stay in the game. "You no longer have the luxury of getting the numbers four months later and seeing the results by the end of the quarter. You almost want to close the books weekly and make decisions on the fly," Patti says, then adds, "Any mistake that costs you time is magnified."

For accountants, staying on top of technology is crucial to riding the wave of success now and in the future. CFOs and controllers must be able to choose computer and accounting systems for their firms. They need to know what the latest and best hardware and software is, and how to budget to stay current. Accountants with solid backgrounds in technology are as good as gold in today's market, which prizes quality and timely information above all else. Except, perhaps, the ability to interpret that information and make sound business recommendations based on it.

Numbers Talk

"The real work of finance is to generate an accurate list of numbers, then offer the users a menu of different ways to sort those numbers," Patti says. "Then it's like a self-service gas station."

In a corporate situation, each department within the company ideally should be able to get all the numbers it needs in any form. With that information each department should be able to figure out what it's doing right and what it's not. Financial managers should be available to provide financial insight into the information. Beyond that, the CFO also needs to

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keep an eye on the big picture and be wary of trends and changes in all departments. "You're the navigator," Patti says. Always ask questions about why the company is doing what it is doing, he adds, and then when you have the answers, don't hesitate to make recommendations based on them.

"Don't be afraid to treat the business as if you own it. Ask questions and be opinionated," Patti says. Confident, competent chief executive officers will want a CFO who can step in in their absence and run the company if need be, Patti asserts. And if you want to set yourself apart as a true leader, Patti adds, don't use words such as appears, can and maybe. "They don't want to hear that. You're the expert." When talking to the CEO of a company, make sure you present solutions instead of problems, Patti adds. "Never, never bring somebody a problem or question. You always give them a choice."

Steps to Success

Just as technology has made business markets fast and loose, so it is with the job market. Patti says he wouldn't recommend staying in one position for longer than four or five years. "As an accounting manager or controller, unless you see the vice president title within reach, don't be afraid to move. Stick to the four- or five-year rule," he says. Moving from firm to firm gives CPAs a breadth of experience they generally cannot achieve by staying in one company, and also provides the opportunity for faster upward growth. In addition, for "adventure capitalists" like Patti, it provides the opportunity to move from startup to startup, with a good chance of cashing in big on a company that goes public.

For Hue Le, director of finance at Worldtalk in Santa Clara, a security software company, career growth has also been synonymous with changing companies. Her longest stint at any one company was six years. She has worked at three other jobs ranging in duration from three to five years.

Jumping from company to company for higher pay has never been her goal, however. "Taking the dollar today is not necessarily going to make you the leader tomorrow," she says. Before taking a new job, Le said CPAs should ask themselves if the job is going to advance them to the position they want in the future. Finding the right employer is especially important for new CPAs. Getting the right experience is more important than taking the highest salary offered, she says. "If you find a company or someone who really wants to help you and give you experience, take the job and learn."

Often, Le adds, taking a lesser salary in exchange for greater experience results in a superior career investment. And you should think of your career in the same terms that you would run a company financially — getting maximum value for your investment, she says. "You want to be a decision maker. You show that you can make a decision to sacrifice the dollar today for more experience." It might seem like obvious advice, but working long hours is also essential to success in the current corporate accounting environment, Le says. If you think of yourself as an hourly employee who clocks in and clocks out on time, you will never become a salaried manager, she says.

Use Common Sense

Both Le and Patti say you can't learn everything you need to succeed in today's accounting industry climate in school. But if you use common sense, you will pick it up along the way. "There's a lot more involved (in management accounting) than just balancing books," Le says. "I don't think schools really prepare you for that."

Asking lots of questions and being eager to learn about the business you work for are the crux of any corporate accountant's success. Patti agrees. "A lot of people are book smart, but not street smart. Being book smart can only get you so far. When the chapter is over, it's over," he says. Education is important, and he himself has earned

