



Finding Your Leadership Mojo

By Kevin Knutson

Many finance officers function primarily as managers rather than leaders — but they can also offer much more.

In many local governments, finance officers are seen as cautious and deliberate stewards of the jurisdiction's financial resources, charged with balancing the books and paying the bills. If they are involved in planning and strategy, it's often at the end of the process, to determine whether the government can afford an initiative that's already been developed or to find a way to pay for it. Put simply, many finance officers function primarily as managers rather than leaders — but they can also offer much more.

LEADER VERSUS MANAGER

A good starting point is to look at what management is, what leadership is, and how they differ. Most people who head an organization — whether it's a department or an entire government — see themselves as either a natural leader or a born manager, with many finance professionals leaning toward being strong managers. The success of any organization depends on competence in both roles. Managing and leading require different skill sets and mindsets.

A leader is a big-picture person, the human side of a successful organization. He or she sets the tone, shapes the environment, establishes goals, and motivates people. Leaders

can imagine an alternative future for their organization and work to make it a reality.

A manager makes sure the processes of the enterprise function well, using the tools at hand to accomplish results and enforce accountability for the team. Managers tend to like concrete goals, which allow them to check off accomplishments and measure their progress.

Leadership is often seen as the more important trait; we value those who can inspire others to achieve. Management, on the other hand, is sometimes seen negatively as the tedious practice of making other people do things they may not want to do. The truth is that a detail-oriented manager who loves process and performance measures can still inspire others to dream big and accomplish much, and a leader who generates tons of exciting ideas won't be very successful without the ability to translate them into concrete action. Staffers in any department or agency do best when they report to someone who excels at both leadership and management.

Knowing the difference and striving to improve in both roles will help your own personal performance and that of your organization. The best leader has well-developed manage-

ment skills, and the best manager has well-developed leadership skills. The secret to being more effective is to know your own tendencies and to work harder on the things that don't come naturally to you.

THE FINANCE PROFESSIONAL AS LEADER

Finance professionals work in a field that is evolving. Well-run local governments are beginning to realize that they are most effective when their finance people are involved in planning and strategy, and not just brought in when the bills are due. While finance is traditionally a support function involved in “how” things get done, finance professionals are increasingly involved in developing “why” things get done as well.

Getting involved across the organization enables budget and finance directors to shape expectations and identify opportunities early on, when there is time to make a difference. Opportunities include setting the foundation for the strategic planning process through thorough analysis and long-term financial planning; proactively developing leadership skills and attitudes; and endeavoring to become a trusted advisor to the elected officials, chief executive officer, and other leaders.

But doing so requires a set of skills finance officers might not be accustomed to cultivating, including creative thinking, long-range planning, and solid communication skills. This can be difficult if you are accustomed to the role of regulator rather than

problem-solver and are more gatekeeper than guide. It takes some practice, but moving toward leadership in the finance sector requires:

- Focusing on priorities rather than constraints.
- Promoting innovation instead of rewarding conformity.
- Becoming a trusted advisor rather than a regulator.
- Emphasizing coaching instead of criticism.

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Local governments often operate with a scarcity of resources — something finance professionals understand well — and they must be willing to adjust plans to fiscal realities. While a city or county can forecast revenue streams fairly predictably, no one ever knows what policy decisions or new programs may emerge, especially when elections cause the governing body to change significantly.

And organizational culture can be hard to change. If finance professionals in your local government have always played the role of figuring

out how or whether everyone else can afford what they want, it may take some work to convince them to involve you as they make plans and develop strategies for their initiatives. You'll need to earn their trust and your place at the planning table.

HOW TO LEAD

For a finance professional who wants to build leadership skills and have more influence across the organization, here are some ideas for getting started:

Leave the to-do list for a moment and think instead about the image you're projecting to the people you work with. Colleagues will take their cues from your behavior: An accessible, approachable person will encourage others to do their best, while colleagues will actively avoid someone

How Finance Leaders Support Resiliency

- Enhancing financial literacy
- Linking long-term goals to daily work
- Long-range financial planning
- Strategic planning
- Action planning/business planning
- Performance reporting
- Developing process improvement strategies
- Implementing Lean process management
- Establishing innovation funds
- Rewarding efficiency
- Making the business case for change

who appears aloof or only speaks up to say no.

- Make an effort to find out what people in other departments are working on, and offer to help. Invite colleagues out to lunch to learn what's on the horizon and ask to participate in their big-picture planning and strategy sessions. Speak in terms of a partnership and working together to create a world-class organization.

Get involved in strategic planning efforts, and set aside regular time to think about the big picture. Where do you want your own department to be six months from now, or in five years? How does that fit with the community's larger vision? Figure out what's holding it back and brainstorm strategies to move it toward your vision.

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- Communicate your vision for the finance role in running local government, and find ways to spread your vision throughout the organization. Make sure people understand you want to guarantee that there are enough resources to fulfill the public's priorities.

Avoid the traps and pitfalls that can befall any local government leader, but especially those with a finance background. Keep the following points in mind:

- Embrace some risk, or at least be open to the possibility. Avoiding risk at all costs will mean avoiding opportunities as well.
- Don't ignore problems and hope they'll go away. They won't. Keep an eye out for potential problems, acknowledge them as they arise, and develop strategies — with the help of others — to solve them.
- Share information freely, especially information that affects others. Colleagues don't like it when surprises pop up, and they will remember such incidents in future dealings.
- Pay attention to everyone. When you only grease the squeaky wheel, you often lose everyone else.
- Even as you're fulfilling the traditional roles of a finance professional, such as overseeing audits and paying the bills, keep a longer-term focus.



Foundations of Leadership for Finance Directors

- Identify and promote principles and strategies for financial strength and stability.
- Build relationships between the finance office and others in the organization.
- Develop other leaders in the organization.

- As you build relationships with colleagues, also aim to help the manager and governing board meet their goals. Undermining the manager and board is never a good strategy for moving the organization forward.

Whatever your innate instincts, you're usually most effective when you let them shine and also push yourself to develop the areas that don't come naturally.

As you build your leadership abilities, don't forget the management functions. It's the combination of both skill sets that offers the greatest assistance to your organization and the most potential for personal development.

- As you and others are generating great ideas, follow up with the business processes needed to make them succeed. Who will take responsibility for carrying out the innovation? Marry vision and execution by including everyone in both processes.
- Find a few people on your team who are in a position to give you honest assessments. It can be easy to get carried away with enthusiasm, so have someone around who can provide a reality check. Avoid people who are consistently negative, but find colleagues who can give an honest appraisal so you know you're considering all the angles.

- Use flexible systems such as performance management, long-term financial planning, and five-year forecasts or models to form the basis for enacting the vision that officials develop.

CONCLUSIONS

Whatever your innate instincts, you're usually most effective when you let them shine and also push yourself to develop the areas that don't come naturally. The people you work with and the organization you work for need both your leadership and your management skills to be successful. This is especially true for finance professionals, whose skills, always central to the success

of a local government, are needed today more than ever. By improving their traditional skill set and updating their role to include more strategy and vision, finance or budget directors will help the organizations they work for and contribute in more holistic ways to their success. ■

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