

The Accountant as a Strategic Business Partner

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In today's business environment, it is not uncommon to see accountants serving in the role of strategic business partners within their organizations. For those people not aware of the dynamic changes in business within the past decade or so, thinking of an accountant as a strategic business partner is an oxymoron. This people still think of the accountant as a bean counter. Nothing could be further from the truth. While many accountants are still involved in the traditional role of bookkeeping and financial reporting, many are involved in the strategic management of the organization. This new role has opened a door of opportunities for accounting professionals. The possible career paths in accounting have broadened, with more upper management positions available to accounting professionals. The expanded role of the accountant as a strategic business partner is driven by the changes in the business environment and the explosion in computing technology.

CHANGES IN THE BUSINESS ENVIRONMENT

In the last two decades, we witnessed an explosion in the globalization of business. Foreign companies compete heavily in United States, while domestic companies compete at home and abroad. The result of this is intense competition in the domestic business environment. The increase in competition put a strain on business to improve productivity. Not only were businesses required to produce better quality products, they had to do so at competitive prices. Not all companies were able to rise to the challenges of this more demanding business environment. Several companies went out of business, while

others were acquired or merged with other entities.

Businesses that were able to survive and thrive in this more global and more competitive business environment were the ones that successfully utilize technology and information to their competitive advantage. The need for productivity improvements at competitive costs intensifies reliance on technology. At the same time that this was going on, there was (continues to be) an explosion in PC computing and Internet technology.

IMPLICATION OF CHANGES IN BUSINESS FOR THE ACCOUNTANT

Intense competition in the market place demands better management of a company's resources and customers. To do this, management needs better and timelier information about the utilization of resources. Information is also needed on customers, suppliers, the industry and the economy as a whole. In many cases, the person they turn to for this information is the accounting professional. This is because for many years, the accountant has been the custodian of the company's financial information. Because of these changes, the role of the accountant was expanded to that of an Information Professional in many organizations. While accountants continue in their traditional function of managerial accounting and financial reporting, their responsibilities now include the management of information for the overall management of the organization.

The successful transition of the accountant into this new role was made possible by the advances in information technology. Many of the tasks that we used to perform manually were computerized. These include data collection, classification, aggregation and reporting. The



computerization of these tasks freed up the accountant's time. This made it possible to transit into the role of Information Professional, without compromising our traditional responsibility.

INFORMATION PROFESSIONAL

Information professionals are responsible for the overall information needs of the organization. They assist management in identifying their information needs. After the information needs of the organization have been identified, they look for the most effective way to make the information accessible to the business. Their responsibilities include the design, implementation and management of the optimal information system for the organization.

Advances in information technology¹ made it possible for companies to have access to more and better information. This resulted in an information glut, and created a need for selective and optimal use of information. Companies were now looking for managers and professionals who understand information and know how to apply it in a strategic manner. This was a perfect

opportunity for accountants to step forward once again and show what we can do.

Accounting is one of the few business disciplines that provide one with the training and foundation to be a strategic business manager. In addition to a solid foundation in accounting and finance, accounting professionals are also exposed to other areas of business such as information systems, marketing, management, and quantitative methods. Careers in public accounting expose accounting professionals to different areas of business. As an auditor, one gets exposed to different operations and departments of various businesses. Careers in corporate accounting provide unique insights into the different functions and processes of the organization. As a corporate accountant, you might be involved in financial statement preparation, budgeting, cost accounting, cost analysis, and cash management. If you take the time to understand the underlying business processes behind the numbers that you work with, you gain an insight into the inner workings of the business and the financial implications of business decisions. When this insight is integrated with knowledge of finance, business processes, marketing, management, and quantitative methods, you obtain a strategic perspective of business that is second to none. It is because of this that the accountant is uniquely qualified to step into the role of a strategic business partner in the modern business environment.

ACCOUNTANT AS A STRATEGIC BUSINESS PARTNER

In this role, accountants serve as business analyst and internal consultant to upper management. They advise management on topics such as mergers, acquisitions, and business divestures. Their functions includes but is not limited to the followings:

1. Assist upper management in long range strategic planning
2. Assist in process improvements
3. Perform financial and economic analysis
4. Performance evaluations
5. Business Valuations
6. Risk management
7. Act as change agent
8. Management of cross functional team that focus on the enterprise as a whole
9. Value creation through revenue enhancement and strategic cost management.

OPPORTUNITIES FOR ACCOUNTANTS AS STRATEGIC BUSINESS PARTNERS

In this new role, the opportunities for accounting are boundless. Indeed, the sky is the limit. Accountants that have attained this level of responsibility will usually occupy middle to upper level management positions. Typical positions for this level of responsibility include that of Analyst, Manager, Controller, Treasurer and Vice President. Ultimately, a professional that has operated successfully at this level may become the Chief Financial Officer and or Chief Executive Officer in their company.

While the demands of operating as a Strategic Business Partner may be challenging, there are many perks that comes with it. Travel opportunities abound. These professional stay at the very best hotels when they travel and they eat very well. While they are away on business, the company usually pays generously for their meals and rental vehicles. In some companies, the business will even provide company vehicles for these valuable employees. They are very well compensated. In fortune 1000 companies, these professionals income are in the six-figure range, with many making multiples of six-figure income. Many of these companies also have good retirement packages and stock option plans.

While job security is not guaranteed, accounting professionals with skills to become strategic business partners have a wide range of employment opportunities available to them. Not only can they work at the very highest level in corporate accounting or finance, they are also highly sought after for positions in management and consulting. For these accountants are problem-solvers and results oriented professionals with proven track record of success. These types of executives are always sought after by many progressive and growth organizations.

A degree in accounting will open many doors for you. It is a very flexible degree that allows you to branch into many areas of employment. Accountants are needed in the government sector, nonprofit organizations and business enterprises. Government organizations such as the Internal Revenue Service (IRS), Federal Bureau of Investigations (FBI), Department of Defense, NASA, Government Accounting Office, and several state and local government agencies are always looking for good accountants. In the nonprofit sector, hospitals, churches, colleges and universities, and charitable organizations also provide employment opportunities for accounting



graduates. In business, opportunities abound in public accounting, industries, and the service sectors (i.e., banking, insurance). Not only do these organizations need accountants to report on their performance, they also need accountants to help manage their organizations.

If you would like to learn more about accounting and what accountants do, you can obtain information from the students and career sections of the following websites:

1. www.NewAccountantUSA.com
2. www.imanet.org
3. www.aicpa.org