Finance Worker – Tips of the Trade

Take a customer centred approach

Use the "Who needs information from me?" question as a starting point. Try to understand what the organisation is trying to do and the roles of the people working in it.

Research

Clues can be found in the business plan, development plans, organisational tree, job descriptions. If these do not exist in a formal, written down sense get briefed, write notes, suggest these should be thought about, consider another job.

Consult

- Talk to the auditor, the bank manager, introduce yourself, ask what their needs are
- Talk to the key workers, find out what would help them do their job better, what they do and do not understand and do and do not see the usefulness of in present financial administration and reporting procedures
- Use your listening skills, make sure you understand their points, even if you have to ask the question in five different ways, show appreciation for their suggestions
- Build support for your work role, make sure everybody understands that you are trying to make their job easier and better paid

Get trained

- If you are taking over an existing role and operating existing procedures (at least until you are ready to improve on them) make sure that the outgoing worker explains everything fully. The best of all possible worlds is to work alongside them for as long as possible doing each process with them
- If you are merely going to be "shown the books" do not let them get away with a quick flick round the system passing pages of ledgers and ninety nine different forms past you in five minutes. It may make sense at the time but it will not when you come to use it. Get your "hands on". Insist on following transactions through the system, and writing a route map down in your own words and pictures as you go
- If there is no worker to take over from you still have a right to training. Who devised the system? The accountant? The management team? A worker? Where are they now? Can they be brought in to assist? Is there a manual?
- If the system is computerised you will need to know where is the manual for the computer and for the software. Where is the log book to describe the configuration of the software, problems found and solutions used? When was the last full back up made and where are the disks stored? What are the passwords? What is the hot line support phone number?
- Financial administration and reporting (and hence management decision making, profitability and everyone's wages) will be as good as you are. Pursue a personal training plan designed to equip you to be the best book keeper and management accountant the world has yet seen. Make sure the employing organisation realises how important this is, pays for it and builds a time allowance into your work schedule

Get support
Make sure that everyone realises that just because you have been appointed Finance Worker it doesn't mean that everything to do with money is now your problem and your fault. You will need support, explanations, advice and help. Ask for it in advance.

Plan your work
Work out the sequence
* Finance work, like most work, is ninety nine per cent perspiration and one per cent inspiration. Things do tend to have a natural as well as logical sequential progression. Your own new systems will obey these rules
* For example, it pays to match cheques received against invoices outstanding before launching into credit control activity
* Following work around the natural sequences will help you keep a grasp of what it all means, thereby gaining useful insights
* Failure to do so will result in constant repetition of seemingly unrelated tasks thereby giving rise to dissociation

Set a regular work schedule
* Finance work, like most work, is about good habits and bad habits.
* The most notorious bad habits are about side tracks, forgetting those small but vital operations, pursuing interesting areas at the expense of equally important but less endearing operations. Good habits, particularly in finance work, is about regularity, rhythm, and attention to detail.
* Learning is done by regular repetition. This leads to increased productivity, it also increases the ability to spot things that are out of the ordinary, either good or bad.
* Reporting to others especially needs to be on a regular basis and consistent format, so that the changes that they perceive are in the information, not in the rhythm or the presentation
* Set your schedules around fixed points – PAYE weeks or months, VAT quarters, any reporting schedule laid down by your bankers or co-workers and work into that framework all your other tasks
* Ideally, this means that you should know what work that you have to do each day weeks in advance
* This gives considerable psychological security
* Write it down. Put it in your diary. Put it on the wall. Commit yourself. Let everyone else see why they cannot use you as the overflow worker for every other task in the organisation. If the job is greater than the hours available this will now become apparent. Address that issue. There is a solution

Schedule everybody else
Now that you know how your time has to work you will know when you require information from everybody else.

All those checked delivery notes, those sales reports, those till rolls, those stock take figures, whatever the raw material is that needs to be fed into the machine which you have now created, that raw material has to be on the work bench when

you hit the go button. All this needs to be explained and negotiated with co-workers using all your best communication and negotiating skills. Be assertive, in the true sense of the word. Any response from them will do as long as it is "Yes, of course, willingly, anything to help."

Get organised
Decide what systems you need
- This is back to the customer centred approach
- Systems must have a product
- The product must be useful to a consumer (who may be yourself)
- If there is no identifiable product for an identifiable user then there is no excuse for the system, no excuse for the work
- The question stream runs something like:
    - What do we need to know?
    - Why?
    - How much detail?
    - All the time, or just once, or just every so often?
    - What is the easiest way?
    - Is there an easy, low level way to start which can be further developed over time?

Write them down
- If a system is worth operating it is worth writing down
    - So that you can remember it
    - So that someone else can do it when you are on holiday or down with flu
    - So that the worker who follows you doesn't have to go through what you have been through
    - So that other people can see their part of the process and how it fits in with that of everybody else
    - To make it easier to understand and for other people to comment upon and improve
    - So that you can refer to it and keep functioning when biorhythms are low, emotions are disturbed or the night before was just too good
- Flow charts are good, and more easily understood than prose. Tricks to make these more accessible include cartoon characters, smiles and frowns for right and wrong etc.

Create the forms
- You will probably have now discovered that information has to move from person to person within your system. Work out precisely what information this is. Try to create forms which gives all the information which recurs and leaves spaces to fill in the things that change. Make the movement of information as easy as possible
- A good example would be a stock take sheet. On the stock take sheet should appear the different kinds of stock and unit sizes for all the commonly held stock so that the stock checker need only put down a figure in a box

- Make all forms easily recognisable. Each should state clearly on the top what it is, who uses it and what for
- Design of these forms, the components of your system, is very important. Make them clear and easy to use. Ensure there is a date space, possibly automatically generated by your computer, if you have one. Make sure that they are signed by the people who fill them in. This encourages accuracy and responsibility
- It also means you know who to check with if there is something that you cannot read or understand
- Colour coding can help you. It makes it easier to find the things that other people "have left around here somewhere" and to spot the next task in your in tray

Test run everything
- Test run the forms
- At this stage you will discover that people can exercise enormous skill, intelligence, diligence and imagination to discover a wrong way to fill in a form. The enormity of the ingenuity displayed will never cease to amaze you. Guidance notes are good. Especially brief, to the point and actually on the form. Give training. Retrain frequently. Be patient and supportive. Lots of people are frightened of forms. Lots of people go to work just to avoid filling in forms from the government
- Test run the whole system. Gaps will appear
- Take note of criticisms, adapt and improve

Get equipped
Having decided upon your systems you are in a position to decide what you need to operate it:
- Draw up a complete list of every item (probably) including:
    o Ledgers (or software)
    o Pens of different colours
    o Petty cash vouchers
    o Invoice pads (or bespoke printed)
    o Files
    o Filing cabinet (or boxes)
    o Lots of notepaper
    o All the forms that you have invented (probably colour coded)
    o A calculator (for playing around with)
    o An adding machine
- Get your bank trained to send you statements regularly and frequently

If you decide to use a computer based accounts package
- Dry run it first, make sure that it is set up to do what you would have done on paper to suit yourself
- Get out management reports from your dry run and ensure that they are meaningful
- Be sure that you receive proper training
- Be sure that there is an upgrade path
- Be sure that the package will integrate with your other software

- Make sure that you have all you need before you start

Keeping control of a well set up system that everybody else understands and supports is a good job. Trying to disentangle poor systems or fill holes in non existent systems is not only very hard work, it is nasty work, involving disturbing other workers, apportioning blame...

Making financial reports

A general point
The function of financial reporting is inform others and help them make their individual and collective decisions. It is not to prove how incredibly clever the Finance Worker is.

Market Centredness
Always consider who the information is for. Do not obscure relevant information with background noise. Try to ensure that they get what they want in sufficient detail and as little as possible of what they do not want. For example a project leader will want to have information on budget out-turn on their project. It may be that there are critical points along the way which can be established so that if out-turn can be assessed at those points they will have a crucial influence over decisions on how the next part of the project is taken forward. The same project leader might appreciate comparisons with other like projects but be careful, at some point you will go past the "useful and likely to be assimilated" to the pile of paper that no-one is going to plough through.

Timing
- Timing should mirror decision making processes. Ideally the financial information should reach the decision makers in time for them to study and give thought to them before decision time
- Regularity is important so that people get into the good habit of thinking finance regularly and naturally. The mental adjustment required to compare a two month period with a one month period is surprisingly difficult
- Do not overload with great piles of finance reporting. Cut off points are often very low. Try to address one issue at a time and report upon them only as often as necessary

Time investment
- Do not spend more time than it is worth. The question is the cost benefit equation: What is the value of the information if management makes good use of it against the hours invested in it?
- Minimise the hours invested by using standard charges as far as possible. Work to reasonable limits of accuracy. Does this really need to be known to the penny or will the nearest hundred pounds be just as useful? But do not get sloppy. If you make up and use a list of standard cost charges make sure that they get reviewed at reasonable intervals

Presentation

- Make it easy to follow. Do not give people headaches. Space it out. Reasonable sized font. Big headings saying what it is, the period it refers to, what it is used for, who to talk to to get explanation or more information
- Establish standard formats. Put some time into getting people familiarised with the format so that they know which way up to hold it, what the columns and rows mean, how to make comparisons, draw conclusions etc. Then stick to them. Try not to get people adjusted to one thing and then hit them with something different
- Round numbers help with reducing number blindness. If there are a hundred numbers on a page do people really need to know that particular figures are say £113.57 and £98.78 or would accurate to the nearest £5 do £115 and £100
- Group associated figures together. Give sub totals. Summarise if it helps
- Label rows and columns clearly
- Use summaries in words to give meanings to the figures. Use "report by exception" technique. Draw attention to the different, strange, so that people do not have to work through all the stuff that is just as one would expect in order to find what needs thinking about
- Try to relate to decisions that have previously been taken – to give feedback on whether the new policy is having the desired affect
- It is legitimate to give guidance and to express opinion, as long as it is expressed as such rather than as inescapable truth generated through the sacred mysteries of accountancy
- A picture is worth a thousand words. It is worth even more figures. Graphs and Pie charts are particularly worthy. Most people are victims of the British "education system" and are scared witless by numbers
- Preparation of big things to look at and point to in meetings can be a help. Get a flip chart pad. Remember, if you cannot tell the story with pictures it probably means that you do not understand it yourself