



## Don't Fall Into the Training Trap - Do This Instead

Information demands on accounting and finance departments have grown exponentially over the past decade. It is no longer good enough to close the books a few weeks after month-end. Today, the critical work in finance and accounting is done after the financial statements are prepared. An inability to keep up with these new demands can put professionals out of work and companies out of business.

In today's rapidly changing business world, [financial professionals](#) whose skills served them well yesterday can quickly fall behind. Often long-term finance employees have concentrated on the day-to-day operations of the business and have not had the opportunity to upgrade their skills to match the demands of a quickly evolving industry.

Inexperienced financial executives often lack the depth of knowledge required to effectively serve their companies. How can we expect an employee who may never have faced a key issue to be effective in managing the company through the issue?

Companies may be tempted to replace seasoned veterans who have not kept up with better-trained experts. But the price of replacing key finance employees can be steep. **Studies show it could cost as much as \$200,000 to replace a manager earning \$100,000 annually.**

When those key financial employees leave, they take with them valuable operational knowledge, an insider's awareness of how your company works and industry connections.

Too often companies give up on a newly appointed finance chief because they lack experience in a few key areas that were not identified at the hiring stage. Their success in previous roles just couldn't prepare them for a few challenges they had never faced before. When they leave, the company loses out on their long-term potential and is left with the effects of their recent failures to clean up.

### **What are the other options to keep your veterans relevant and inexperienced finance leaders successful?**

Training is the most common means to help employees learn new skills or retain skills that are infrequently practiced but critical to your operations. The drawbacks to training courses are:

- They take too long
- They are not targeted for the specific needs of the job
- They are not immediately applicable to present operations

One way to avoid the key training pitfalls is **mentoring**. A financial mentor is perfect for addressing the first two drawbacks noted above. Mentors can quickly address a specific need with laser-like focus, allowing your finance executive to resolve key business issues while learning to tackle the area independently the next time around.

## Finance Staff Become Strategic Planners

Current industry standards have increased the pressure placed on financial staff. Where in the past it might have taken 14 days to close the books, it's now expected in three or four days. [Financial staff need to be business forecasters](#), not just day-to-day operators. Fast production of accurate financial statements has become the ante for a relevant financial staff. To compete today the financial staff members need to become strategic planners by not only preparing accurate and timely financial statements but by delivering the following:

- Appropriate business metrics
- Forecasts that give transparency to the business
- Insightful analysis to the business strategy
- Creative ideas for financing that allow the business to implement its strategy

Calling in a mentor to help you quickly acquire these capabilities carries several benefits.

1. **It's less costly.** According to a study by the SHRM Foundation, research shows that direct replacement costs can reach as high as 50 to 60 percent of an employee's annual salary, with total turnover expenditures ranging from 90 percent to 200 percent of annual pay.
2. **It improves morale.** By calling in a mentor to upgrade its staff's finance skills, the company shows its commitment to its employees. It strengthens ties to the company and can be the key to winning the loyalty of talented workers. When a longstanding finance executive is replaced by [a new CFO](#), it sends the message that company loyalty counts for little.
3. **It brings expertise on board.** A bonus for the company is that the mentor gets to know its business. By helping key finance executives, the mentor gives CFO-level advice to the company. Companies lose out on this benefit if they send their employees to attend training courses, where instructors seldom learn about their operations.

In one growing company, the finance director lacked the skills to keep up with her job as it evolved.

She had started as a combination of human resources, administrative and finance person. She had no in-depth financial education. By working with a finance mentor **she evolved from being the company's bookkeeper to its strategic business partner.**

For mentoring to work, the company owner or CEO must recognize the shortfalls facing their finance leaders. One of the best ways to do this is through an [accounting, finance and treasury assessment](#). This will highlight the shortcomings in the department and help you determine the form of mentoring needed.

The financial benefits are enormous for companies that focus on employee development rather than employee turnover. Mentoring is an important tool your company can use to reap those benefits.