



COMPETENT AND VERSATILE

How Professional Accountants in Business
Drive Sustainable Organizational Success

Professional accountants in business play key roles in organizations—roles that often go far beyond the stereotypical perceptions of accountants. It may not be readily apparent to all employers and business owners, but they can capitalize on professional accountants' training, knowledge, and skillsets to help guide their organizations toward long-term sustainable success.



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

THE KEY ROLES OF PROFESSIONAL ACCOUNTANTS IN BUSINESS

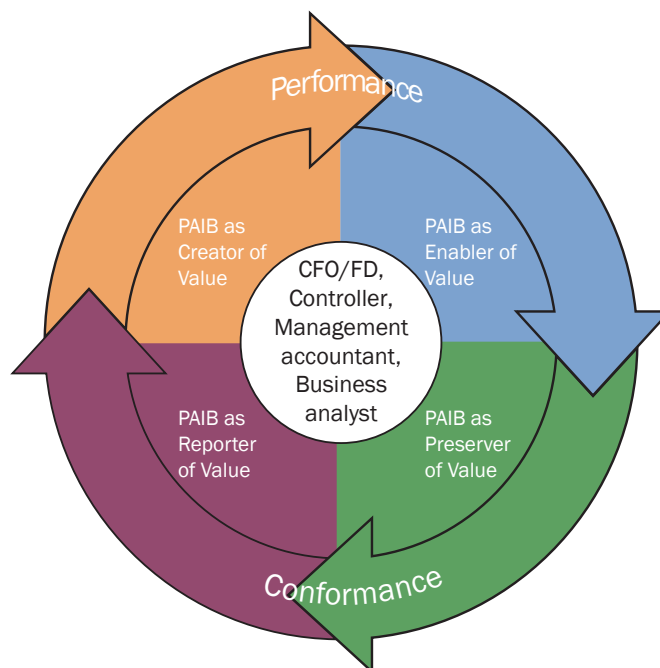
Worldwide, more than one million professional accountants work in commerce, industry, financial services, education, and the public and not-for-profit sectors, many of whom are in positions of strategic and/or functional leadership. These professional accountants in business (PAIBs) are well-placed to create long-term sustainable value for their organizations.

What Roles Do Professional Accountants in Business Perform?

Professional accountants support their organizations in a wide range of job functions at various levels, including:

- Leadership/management: chief executive officer (CEO); chief financial officer (CFO)/financial director (FD); chief operating officer; director of governance or operations; treasurer
- Operational: business unit controller; financial or performance analyst; cost accountant; resources manager; business support manager; systems analyst
- Management control: business assurance manager; risk manager; compliance manager; internal auditor
- Accounting and stakeholder communications: group controller; head of reporting; investor relations manager; financial or management accountant

The Roles Professional Accountants in Business Can Play in Your Organization



Within these roles, professional accountants can be categorized as creators, enablers, preservers, and reporters of sustainable value.

- As *creators of value*, by taking leadership roles in the design and implementation of strategies, policies, plans, structures, and governance measures that set the course for delivering sustainable value creation.
- As *enablers of value*, by informing and guiding managerial and operational decision making and implementation of strategy for achieving sustainable value creation, and the planning, monitoring, and improvement of supporting processes.
- As *preservers of value*, by ensuring the protection of a sustainable value creation strategy against strategic, operational, and financial risks, and ensuring compliance with regulations, standards, and good practices.
- As *reporters of value*, by enabling the transparent communication of the delivery of sustainable value to stakeholders.

Professional accountants in business play a key role in the *performance dimension* by supporting sustainable value creation—delivering adequate returns in the short- and medium-term, while continuing to develop the organization’s competitive position so as to sustain its success. They also play a key role in the *conformance dimension* by facilitating compliance with relevant rules and regulations.

THE KEY CHALLENGES FOR ORGANIZATIONS

Significant macroeconomic and societal challenges are leading organizations to pursue more sustainable value creation, and taking into account both the need for compliance and the need to remain competitive within an increasingly global economy.

Sustainable economies depend on the success of organizations in directing their strategies and operations to achieve sustainable economic, environmental, and social performance. This involves integrating sustainability (or environmental, social, and governance) factors into their strategy, operations, and reporting.

Executives face two daunting challenges as they embrace the value of long-term thinking and strive to create sustainable organizations. Firstly, the need for short-term results and resilience can distract managers from their long-term vision. Secondly, defining the long-term vision and embedding it into day-to-day operations in a meaningful way can be complex.

Although short-term pressures, such as achieving financial performance targets, cannot be ignored, they often do not contribute to realizing the long-term vision. A broader long-term focus that combines social and environmental performance with financial performance can help deliver sustainable organizational success.

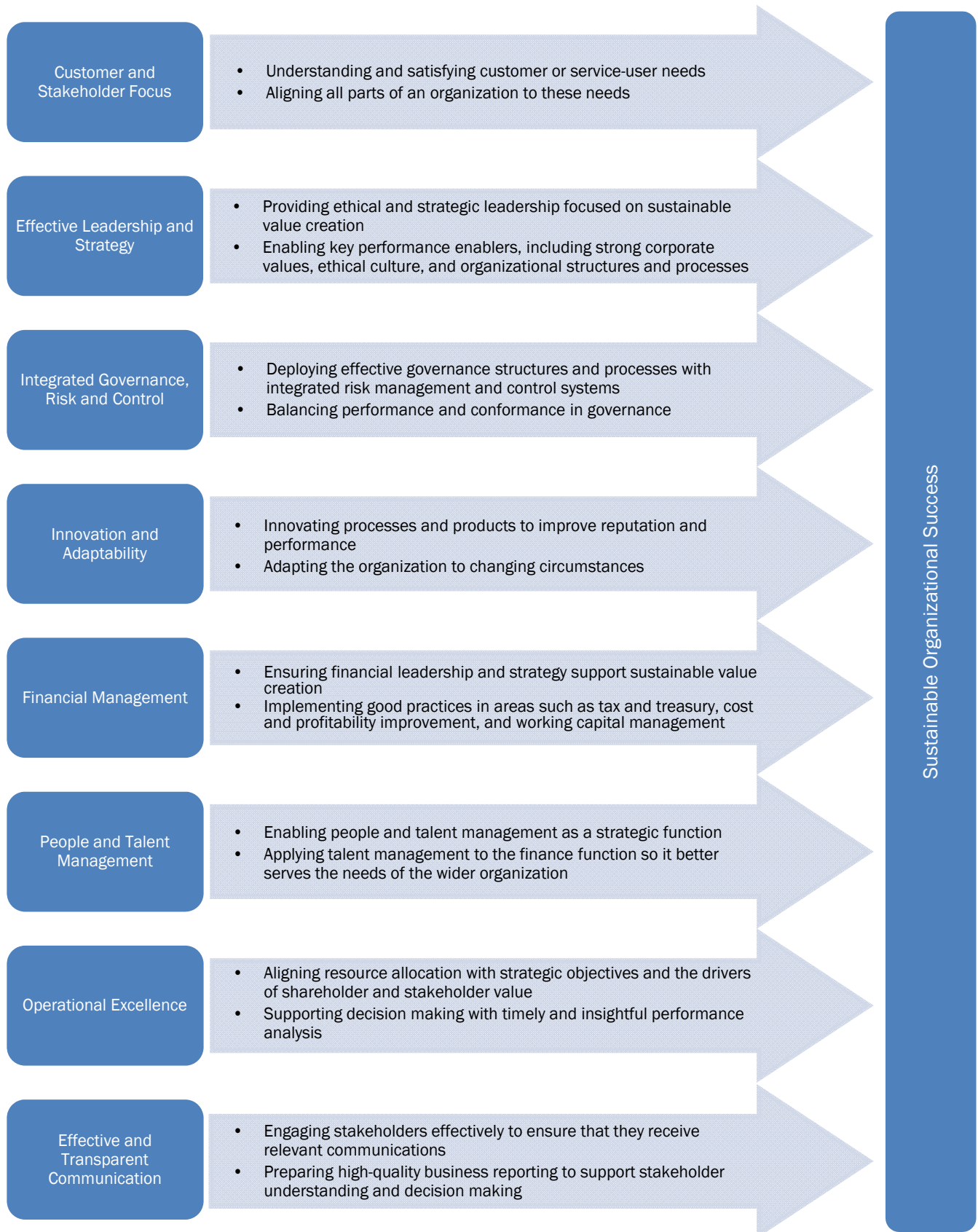
FOCUSING ON THE DRIVERS OF SUSTAINABLE ORGANIZATIONAL SUCCESS

Professional accountants in business have a range of skills and abilities to help their employers deal with current challenges. They can help their employers to ensure that strategy effectively connects short-term actions with long-term aspirations, and with the key drivers of sustainable success.

To support the global accountancy profession respond to changing expectations of society, financial markets, and organizations, IFAC has identified eight drivers of sustainable organizational success. These eight drivers, which draw from various management and quality frameworks, provide a basis for understanding how professional accountants can support organizations to achieve sustainable value creation. IFAC used the drivers to develop key areas of competency for professional accountants in business to support the global accountancy profession to better facilitate sustainable organizational success through the education, training, and development of professional accountants.

For more information, please see [Competent and Versatile: How Professional Accountants in Business Drive Sustainable Organizational Success](http://www.ifac.org/paib) in the International Center for Professional Accountants in Business on the IFAC website (www.ifac.org/paib).

DRIVERS OF SUSTAINABLE ORGANIZATIONAL SUCCESS



SUPPORTING THE DEVELOPMENT OF PROFESSIONAL ACCOUNTANTS

The ability of professional accountants in business to help drive sustainable value creation is based on a range of professional skills and a particular attitude and mindset. To meet the needs of organizations, the professional accountant mindset needs to embrace five key areas.

» Professionalism and ethical behavior

Professional accountants should uphold high ethical standards in accordance with the [Code of Ethics for Professional Accountants](#). They also have an important role in driving and supporting a high standard of ethics across the business, and fostering a values-based organization.

» Professional judgment

Professional judgment is a differentiating factor for high-performing professional accountants. This includes balancing organizational nimbleness and quick and intuitive decision making with a need for evidence-based decisions.

» Organizational and environmental awareness

Professional accountants can be expected to perform as integrators and navigators by linking functional disciplines and organizational units, as well as facilitating a common and unifying perspective on an organization's business model and key success factors. Organizational and environmental awareness and understanding are critical in helping them to perform these roles and to reconcile the detailed aspects of operational performance with the strategic aims.

» An investor and wider stakeholder focus

Professional accountants, particularly those in CFO/FD roles, can be expected to lead in managing relationships with investors, other funders, and regulators. They also can bring a wider stakeholder perspective into the organization to challenge managers to ensure risk and performance are managed in the long-term interests of various stakeholders.

» Change, uncertainty, and complexity

Professional accountants have to be able to adapt to changing circumstances and apply professional skills and judgment to often ambiguous and imperfect information. Whether creating, enabling, preserving, or reporting sustainable value, the role of a professional accountant at all levels has evolved into one focused on managing uncertainty, complexity, and strategic decision-making, within an overall context of heightened focus on implementing effective governance, risk and control.

Experience in various roles helps professional accountants strengthen the attitude and mindset that enables them to enhance their performance within organizations and, as a result, the performance of the organizations themselves.

WHAT EMPLOYERS CAN DO TO MAKE PROFESSIONAL ACCOUNTANTS MORE EFFECTIVE

Professional accountants in business will pursue various career paths, with some starting their training in an accountancy firm and later working in an organization. Others may start their training by gaining practical experience in an organization from the outset. After starting a career in one of the key areas of the finance and accounting function (e.g., planning and control, decision support, treasury, tax, audit, accounting operations), many professional accountants branch out into broader commercial and operational roles.

Employers can support the training and continuing professional development of finance and accounting staff and make them more effective by moving them into different and more value-added roles inside and outside of finance. This can be achieved by ensuring that professional accountants gain exposure to key areas of the organization, such as sales, customer services, marketing, operations, and research and development. This will enable them to apply their professional training and business acumen in different situations, so they acquire and develop a diverse range of skills, perspectives, and experience.

Many leading organizations establish competency frameworks to structure the development of finance and accounting staff so they develop the necessary professional skills, which include intellectual skills; technical and functional skills; personal skills; interpersonal and communication skills; and organizational and business management skills. Competency frameworks complement diverse learning approaches, such as formal education and training—including continuing professional development programs provided by professional accountancy organizations, mentoring, and coaching—to ensure that the roles and activities of finance and accounting staff are aligned with the needs of the organization.

International Federation of Accountants
545 Fifth Avenue, 14th Floor
New York, New York 10017 USA

This publication may be downloaded free of charge from the IFAC website, www.ifac.org. The approved text is published in the English language. If you have any queries, suggestions, or comments about this publication, please contact Stathis Gould, Head of PAIB, by email at stathisgould@ifac.org.

Copyright © August 2011 by the International Federation of Accountants (IFAC). All rights reserved. Permission is granted to make copies of this work provided such copies are for use in academic classrooms or for personal use and are not sold or disseminated and provided that each copy bears the following credit line: “Copyright © August 2011 by the International Federation of Accountants (IFAC). All rights reserved. Used with permission of IFAC. Contact permissions@ifac.org for permission to reproduce, store, or transmit this document.” Otherwise, written permission from IFAC is required to reproduce, store, or transmit, or make other similar uses of, this document, except as permitted by law. Contact permissions@ifac.org.