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# TALKING HEAD

## BILL SCHNEIDER, DIRECTOR OF ACCOUNTING, AT&T SERVICES INC



William 'Bill' Schneider is Director of Accounting at AT&T and a member of the AICPA Board of Directors. Bill's responsibilities at AT&T include Corporate Accounting Policy, Executive Compensation Accounting and Benefits Finance Support. Bill has served on the AICPA Council since 2006, currently serves on the COSO Internal Control Integrated Framework Advisory Committee and will begin serving a three year term on the International Federation of Accountants Professional Accountants in Business Committee in 2012.

“When the question of whether true business partnering through finance can be achieved is raised, I would like to give an unequivocal yes, however for me I think the real answer depends on the organisation or even the part of an organisation you work for.

Different organisations are at different places in the maturity of their financial process. So where the organisation's or sub-unit's focus is on transaction processing and compliance, the focus is still very much on cost reduction.

Other organisations have moved beyond the compliance focus and are seeking input from all hands, including finance, on how to grow. Growth requires choices and capital and finance is very well positioned to help in both of these areas.

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It is fair to say that this partnering goes on everyday at AT&T. True partnering involves several aspects of finance, but also requires finance to understand the underlying operations, assumptions and risks.

For example, although the standard setters may believe leasing is simply a buy versus lease financing decision, it often has many more elements to the decision process. For example, leasing can help limit

the risks (and benefits) of launching a new product or service by limiting the committed capital. So understanding the business and its risks is critical to choosing the right options.

Of course there is the issue of whether finance can ever be seen as a true partner by its business 'customers' without shared accountability. I think accountability is an issue, but you have to be careful with broad brush solutions. I would not want some finance compliance functions – external reporting or internal audit for example – to have shared accountability because that would raise the risk of the process being subverted. On the other hand, I think it is important for other groups in finance to have shared accountability with the operations groups they support.

And that raises the issue of the skill sets that our finance people have, and whether future finance business partners will be finance-trained professionals or people from other areas (whether that be from marketing/sales etc) with financial skills or training.

For me the answer is that both will find a place in the finance department of the future. I have met plenty of finance trained professionals who have developed wonderful management and soft skills and I know some people from other areas who have learned the finance skills over time. I think organisations that have a mix of these people may be in the best position to help their organisation succeed.

The key skills and competencies we require of our finance teams in these management support roles is the ability to think strategically, as well as the ability

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to determine, understand and communicate risks. Risk assessment can be difficult and also energising. Thinking about how competitors will react to a new initiative or about how customers may use a product or service in addition to the way it is being sold doesn't necessarily have anything to do with traditional finance skills, but are critical skills for a business partner.

At the same time, technical accounting skills will always be necessary, but they will not be the key differentiator in the future. For me, a successful finance employee must have a solid foundation in accounting, and many of those people exist. The question they will have to ask themselves is 'what else can I deliver in addition to those base skills?'

This is all part of the general change we are seeing, and it is true that people training in finance have different motivations than ten years ago and they will have different ones ten years from now. Students in the US recognise accounting as a great place to start a career. Accounting is a common denominator across all businesses; it provides a base from which to launch a career in hundreds of directions.

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And one of the side benefits of that is that it allows for flexibility of careers over a 50 year time frame. Those training in finance today increasingly see finance as a great base for whatever career they choose, rather than a fixed career direction for the rest of their life.

There will always be a need and place for those who want a 'traditional' transaction and compliance career in finance. Whether outsourced or handled inside the business this work, while changing, will not simply disappear.

On the other hand, I believe the finance department and its leadership will spend less time dealing with these traditional issues. Increased time and focus will be spent on growth and the business partner aspects of finance function. I've seen this trend growing for the last two decades and I expect it will continue to accelerate in the future."