

**IDENTIFYING THE FINANCE SKILL SETS
NEEDED FOR A LARGE MULTI-NATIONAL
AGRICULTURAL COMPANY**

by

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ABSTRACT

The world is an ever-changing place with many demands on both companies and their employees. Finance individuals in a large multi-national company also have many demands placed on them as they grow and develop with the companies in which they work. A detailed analysis was performed on one large multi-national company in the agriculture sector to determine:

1. a framework to assess the skills that finance individuals need,
2. the desired skills and needs of the finance organization,
3. a current assessment of finance experiences and skills, and
4. the gaps between the current state and the desired skill level state.

Although there are a number of criteria and competencies that can be used for assessment, this thesis focused on the critical skills and experiences for two key areas:

1. accounting and technical skills, and
2. analytical and business acumen skills.

Skill set levels were measured at three criteria levels: Basic, Intermediate and Advanced. The desired state of the organization and the current state of the organization was defined and mapped on a Skill Set Grid and gaps were identified.

When looking at the results, the data indicate that Company XYZ has several areas to explore further and refine. There were many gaps in the current state of the skill sets versus the desired state of the skill sets in both the areas of accounting and technical skills and analytical and business acumen skills. Further, the analytical and business acumen skills were significantly in need of further improvement. In addition, several areas of

further refinement could occur that would further enhance the use of this skill assessment methodology. However, both the company and the employees who received feedback valued the information developed in this process.

TABLE OF CONTENTS

List of Figures.....	vi
List of Tables	vii
Acknowledgments	viii
Chapter I: Introduction	1
1.1 Company Overview.....	1
1.2 Finance Department Overview	3
1.3 Finance Department Grading Mechanisms	5
1.4 Company XYZ Individual Competencies	6
Chapter II: Literature Review	8
2.1 Finance Talent	8
2.2 Defining a Finance Strategy.....	9
2.3 Skill Gap Analysis.....	9
Chapter III: Conceptual Model	11
3.1 Skill Assessment Grid	11
3.2 Defining Accounting and Technical Skills.....	13
3.3 Defining Analytical and Business Acumen Skills	15
Chapter IV: Procedures and Methods.....	18
4.1 Developing the Skill Set Criteria	18
4.2 Determining the Desired Skill Set State	18
4.3 Rating the Employees.....	22
4.4 Calibrating the Employees	22
Chapter V: Results	24
5.1 The Initial Skill Grid Prior to Calibration.....	24
5.2 Accounting and Technical Skills Results	25
5.3 Analytical and Business Acumen Skills Results	26
5.4 Comparing the Accounting and Technical Skills to the Analytical and Business Acumen Skills.....	27

5.5 Identifying the Skill Level Gaps	30
Chapter VI: Conclusions	32
6.1 Key Learnings	32
6.1 Low Skill Level Scores Exist.....	32
6.2 Many Employees are Generalists.....	33
6.3 More Analytical and Business Acumen Skill Sets are Needed	33
6.4 Improving the Evaluation Process	34
6.4 Conclusion	35
Works Cited.....	36

LIST OF FIGURES

Figure 1.1: Finance Department Percentage of Staffing by Region.....	3
Figure 1.2: Finance Department Percentage of Staffing by Department.....	4
Figure 1.3: Finance Department Percentage of Staffing by General Type of Work	5
Figure 3.1: Skill Assessment Grid and FLT and M05 Frontier Curve.....	12
Figure 4.1: Desired State Grid for the Audit Department	19
Figure 4.2: Desired State Grid for Finance Overall at the M04 and Above Grade Level	22
Figure 5.1: Initial Skill Set Grid for Finance Overall at the M04 and Above Grade Level	25
Figure 5.2: Calibration of Accounting and Technical Skills	25
Figure 5.3: Calibration of Analytical and Business Acumen Skills.....	26
Figure 5.4: Histogram of Accounting/Technical Skill Sets and Analytical Business Acumen Skill Sets	27
Figure 5.5: Cumulative Skill Set Assessment of Accounting/Technical Skills and Analytical Business Acumen	28
Figure 5.6: Calibrated Skill Set Grid	29
Figure 5.7: Differences between Initial and Calibrated Skill Set Grids	30
Figure 5.8: Differences between Desired and Calibrated Skill Set Grids.....	31

LIST OF TABLES

Table 1.1: Summary of Grade Levels, Estimate of Years of Experience and Level of Responsibility	6
Table 3.1: Finance Leadership Team Roles	11
Table 4.1: FLT Assessment of Skill Sets Needed in Their Department by %	20
Table 4.2: FLT Summary of Skill Sets Needed by Number of People and Overall %	20
Table 5.1: Calibrated Skill Set Scoring for Accounting and Technical Skills	26
Table 5.2: Calibrated Skill Set Scoring for Analytical and Business Acumen Skills ...	27

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CHAPTER I: INTRODUCTION

If you look back on company history, Company XYZ has transitioned from a classical chemistry based company to a leader in the agriculture revolution aimed at delivering products that increase yields, reduce inputs and improve the lives of global customers (farmers). As such, the finance organization has also been engaged in a transition of skills needed to meet the changing dynamics of the company. The finance department not only provides financial support aimed at developing and enhancing the business model and decisions, but also, they must provide enhanced compliance within an environment of ever increasing regulatory requirements. Given the rapid change within the industry and at the same time the ever increasing demands within the accounting/finance industry, due to the increased regulatory requirements, Company XYZ finance leadership believes that enhanced skill development within two critical areas is necessary. These areas are accounting and technical skills and analytical and business acumen skills. This thesis will develop a method to define these skills in greater detail, assess the desired skill levels needed at the managerial or leadership level of the organization, and identify any gaps between the desired and existing state of the company's finance managers or leaders. Further, the identification of specific actions that can help remediate any skill gaps will be proposed.

1.1 Company Overview

Company XYZ was founded over 100 years ago in St. Louis, Missouri. The first product of the company was the sweetener saccharine. In the 1940s, the company began producing and marketing agricultural products for the first time, and in the 1960s, the

Agriculture Division was formed. The company continues to produce many herbicides and focus efforts on reduced tillage (Company XYZ 2013).

In the 1970s, the company launched a cornerstone herbicide, Roundup. Roundup went on to become one of, if not, the most successful products launched in the agricultural sector. It showed superior performance in the control of weeds. It was able to kill weeds to their roots by shutting off photosynthesis in plants. Roundup was efficacious against nearly every green plant in which it came into contact (Company XYZ 2013).

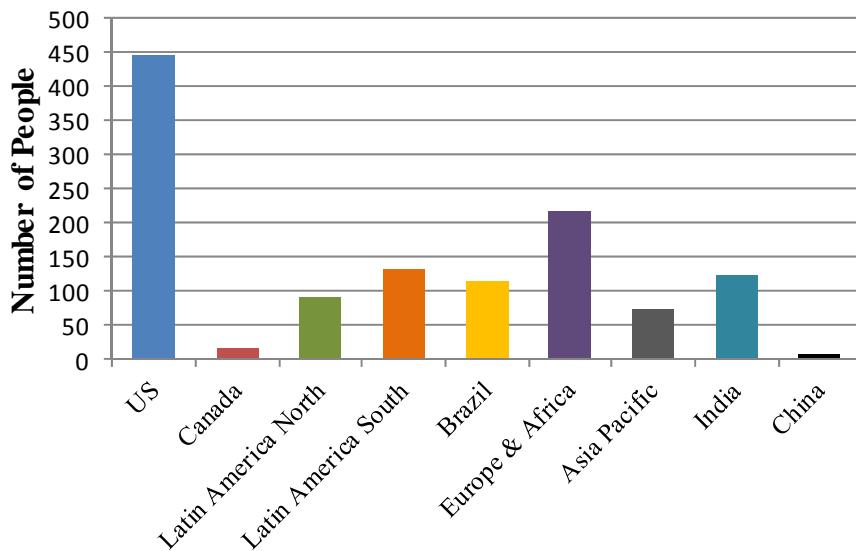
During the late 1970s and the 1980s, the company began to focus on plant biotechnology. A key belief was that the genes within a plant could be altered or enhanced to make the plant resistant to certain herbicides (like Roundup) or pests. By the mid-1980s, field trials of genetically modified plants occurred, and in 1996, the first biotechnology product was launched. Roundup Ready Soybeans had the ability to be sprayed with Roundup yet be not impacted by this herbicide. Company XYZ and farming would never be the same (Company XYZ 2013).

In 2000, after previously being bought by Company A who was then later acquired by Company B, the company was spun out on its own to pioneer the new agriculture space of biotechnology. Due to the success of biotechnology and the acquisition of numerous seed companies around the world, the company quickly grew and developed. In many years, the company's growth rate exceeded 20%. This growth led to the ever increasing need for highly qualified finance personnel who were equipped to handle not only technical accounting issues but could also provide analysis and guidance to their internal and external business stakeholders (Company XYZ 2013).

1.2 Finance Department Overview

The finance department of Company XYZ consists of approximately 1,200 individuals working in over 50 countries around the world: the U.S., Latin America North (LAN), Latin America South (LAS), Brazil, Europe & Africa (EMEA), Asia Pacific (AP) and China. As noted in Figure 1.1 below, the majority of the individuals are in the United States followed by Europe and then the South American regions.

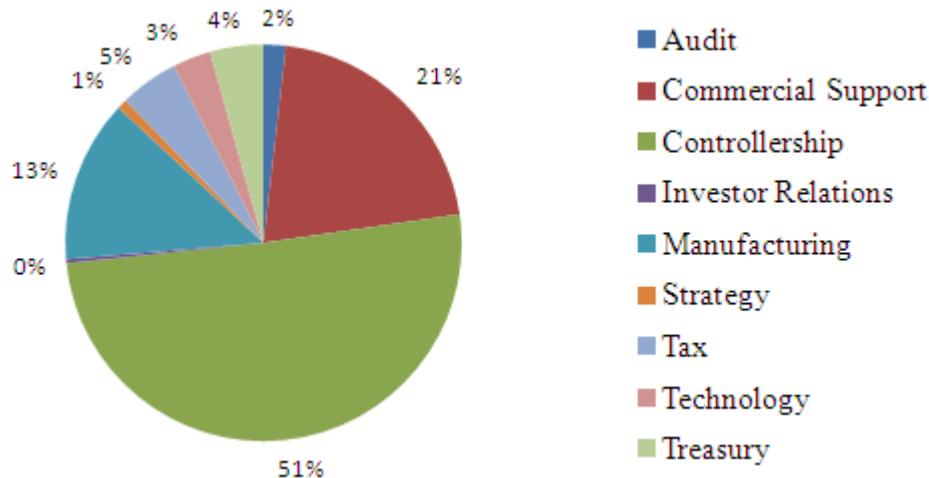
Figure 1.1: Finance Department Percentage of Staffing by Region



(Company XYZ 2013)

Finance employees are segregated by the following functional areas: Audit, Commercial Support, Controllership, Investor Relations, Manufacturing, Strategy, Tax and Technology. The largest percentage of the employees work in the Controllership organization followed by Commercial Support and Manufacturing (Figure 1.2). The other departments contain less than 15% of the remaining employees.

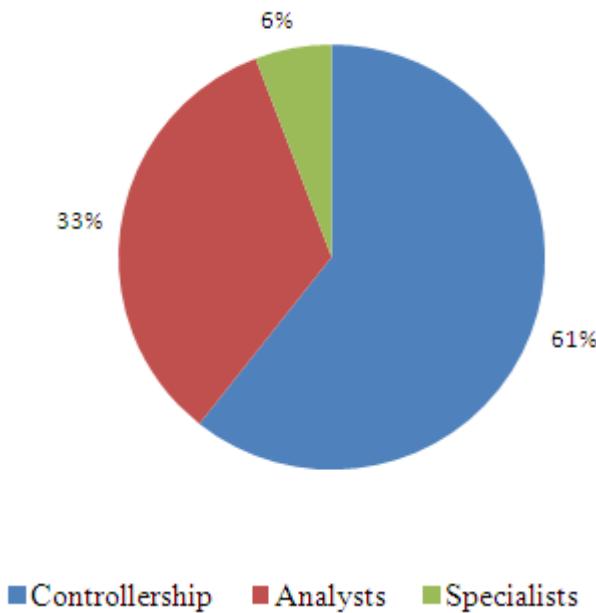
Figure 1.2: Finance Department Percentage of Staffing by Department



(Company XYZ 2013)

Further, these departments can be summarized at a higher level to focus on several key types of work: controllership, analytical and specialty roles (Figure 1.3). Audit and Controllership require similar skill sets and could be combined into controllership types of activities. Commercial Support, Strategy and Investor Relations could similarly be combined because they are more analytical in nature. Approximately half of the Technology (Research and Development) and Manufacturing personnel focus on controllership, while the other half focus on product portfolio management, in-licensing or out-licensing of intellectual property, or manufacturing analysis. The remaining areas of Tax and Treasury tend to primarily be areas of unique or specialized skill sets. Aligning around these three major themes, the split of the organization could be defined in three key areas of Controllership, Analysts, and Specialists. This new consolidation indicates that approximately 61% of the roles are in Controllership, 33% of the roles are Analysts and the remainder of the roles or 6% are Specialists (Figure 1.3).

Figure 1.3: Finance Department Percentage of Staffing by General Type of Work

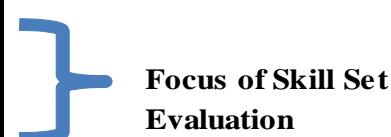


1.3 Finance Department Grading Mechanisms

In addition to the category, finance jobs are graded by various pay grades (Table 1.1). The grades range from an early career level to an advanced career level. The grading scale used by Company XYZ begins with LV1 and continues to the level of M06 and beyond (CompanyXYZ 2013). The focus of this thesis was on the skill sets of the more senior managerial or director level employees; those who are at the level of M04 or above. This is the group the FLT is responsible for assessing. Based on the results of this assessment, the tool may be rolled out to lower levels of the organization in the future.

Table 1.1: Summary of Grade Levels, Estimate of Years of Experience and Level of Responsibility

Grade Level	Years of Experience	Level of Responsibility
LV1	2	Entry Level
LV2	4	
LV3	6	
LV4	8	
M03	10	Managerial Level
M04	14	
M05	18	Director Level
M06	>25	



Focus of Skill Set Evaluation

1.4 Company XYZ Individual Competencies

Over the last 10 years, Company XYZ has continued to refine its methodology for evaluating performance. Company XYZ uses the following characteristics for evaluation:

- Relationships and Networks – An employee should recognize, respect and leverage the talents, skills and resources of others, work effectively with teams and networks, and establish a high level of trust with others.
- Courage and Candor – An employee should know what they believe and be willing to respectfully express opinions to improve the common good or challenge the status quo.
- Agility – An employee should demonstrate a high level of comfort with ambiguity and should adapt quickly to business changes.
- Initiative and Foresight – An employee should anticipate and plan for the future.
- Results Orientation – An employee should demonstrate passion about making the right things happen in the right way at the right time (Company XYZ 2013).

In addition to these overarching competencies, Company XYZ has recently begun introducing new leadership competencies to evaluate leadership abilities. These leadership competencies include the abilities to: develop teams, influence, maintain Company XYZ core values, and inspire others (Company XYZ 2013).

After evaluating these company level competencies, a subset of the Finance Leadership Team (FLT) began a process to not only more clearly articulate and evaluate these competencies, but also to develop a clearer understanding of the finance specific skill sets that would be necessary within the finance organization. These skills were defined as accounting and technical skills and analytical and business acumen skills.

CHAPTER II: LITERATURE REVIEW

2.1 Finance Talent

One of the key roles of Chief Financial Officers (CFOs) and finance executives is to find, develop and retain excellent people. According to one of the largest global public accounting firms, Deloitte LLC, when leaders were asked about their biggest challenges, “there was a strong message that despite continued high unemployment levels, the elevated skill set companies now require are not easy to find. One out of three CFOs surveyed said they were having trouble filling open positions, and nearly 605 were taking steps to engage and ‘lock in’ top performers” (Deloitte 2011).

Deloitte conducted further research with the Economist Intelligence Unit and noted that CFOs often feel constrained by their own staff’s capabilities. When they realistically evaluate their teams, they do not see enough of the talent and skill sets to take their organization to the next level. They desire their teams to make the leap from operators to strategists (Deloitte 2011).

In 2007, the Robert Half International Leadership Council met to address the financial needs for the next decade. The group was comprised of executives from businesses and private industry, public accounting, academia, and professional organizations. One of the outcomes of the meeting was a report entitled, “Charting the Future of Accountants, Finance and Audit Professions.” An important issue brought out in the report was that not only will future business needs require strong technical skills but also will need individuals who know how to interpret results in a meaningful manner and help companies develop business strategies and plans that will propel the companies forward in a prosperous manner. According to the report, “practitioners with the analytical skills and the professional judgment necessary to apply next-generation practices such as

principled-based accounting standards, fair –value measurements, enhanced business reporting, and International Financial Reporting Standards (IFRS) will be in high demand” (Accountemps 2007).

2.2 Defining a Finance Strategy

Deloitte’s studies go on to establish the essential components of a finance strategy. According to Deloitte, it is essential to develop a strategy based on three key pillars:

1. Fully-developed competency models. To be successful, it is essential to have a really clear understanding of what success looks like within each company’s organization and culture. Both long-term and short-term technical finance, business and leadership skills need to be understood.
2. Articulated views of career development and job advancement. The finance strategy needs to identify not only the career opportunities that meet the needs of the finance department but also the ones that meet the needs of the people within the organization.
3. Positive talent experiences. In addition, it is important to ensure that employees have meaningful and positive experiences. Employees need to feel that they are adding value and are valued not only by the finance individuals in the company but also by their internal and external company stakeholders. Their engagement is further enhanced when they are given autonomy and believe that there are positive attitudes toward work life balance (Deloitte 2011).

2.3 Skill Gap Analysis

To address two of the three key pillars noted in the work by Deloitte, a skill gap analyses can be performed. Skill gap analyses have been used in many different

environments to identify needs and possible short-falls or over resourcing of those needs.

Skill gap analysis has been widely used in many areas such as marketing, business planning and even sport team assessments. For an organization, skill gap analysis can be used to identify human talent needs or business strategy short-falls. For an individual, skill gap analysis can be used to strengthen personal development plans. By instituting a model that is monitored and appropriately assessed over time, both companies and individuals can track their progress in enhancing skill levels (QFinance 2013).

There are advantages and disadvantages to a skill gap analysis. The advantages include:

- A skills gap analysis can provide a critical overview of a company, allowing management to determine if staff has the necessary skills to meet corporate objectives or achieve a change in strategy.
- It provides an analysis of skill gaps in an organization, department or role.
- Analysis helps companies to prioritize their training resources
- Analysis can help with recruitment and training, and gives management a basis for deciding which staff should be retained and which could be let go.

The disadvantages include:

- The cost can be great both in terms of financial costs and time commitments.
- It can be subjective in nature and it is difficult to ensure that all individuals are utilizing the same assessment tool (QFinance 2013).

CHAPTER III: CONCEPTUAL MODEL

The Finance Leadership Team (FLT) is made up of thirteen employees including the CFO representing a cross section of the finance department. The FLT is comprised of the individuals identified in Table 3.1.

Table 3.1: Finance Leadership Team Roles

Chief Financial Officer (CFO)

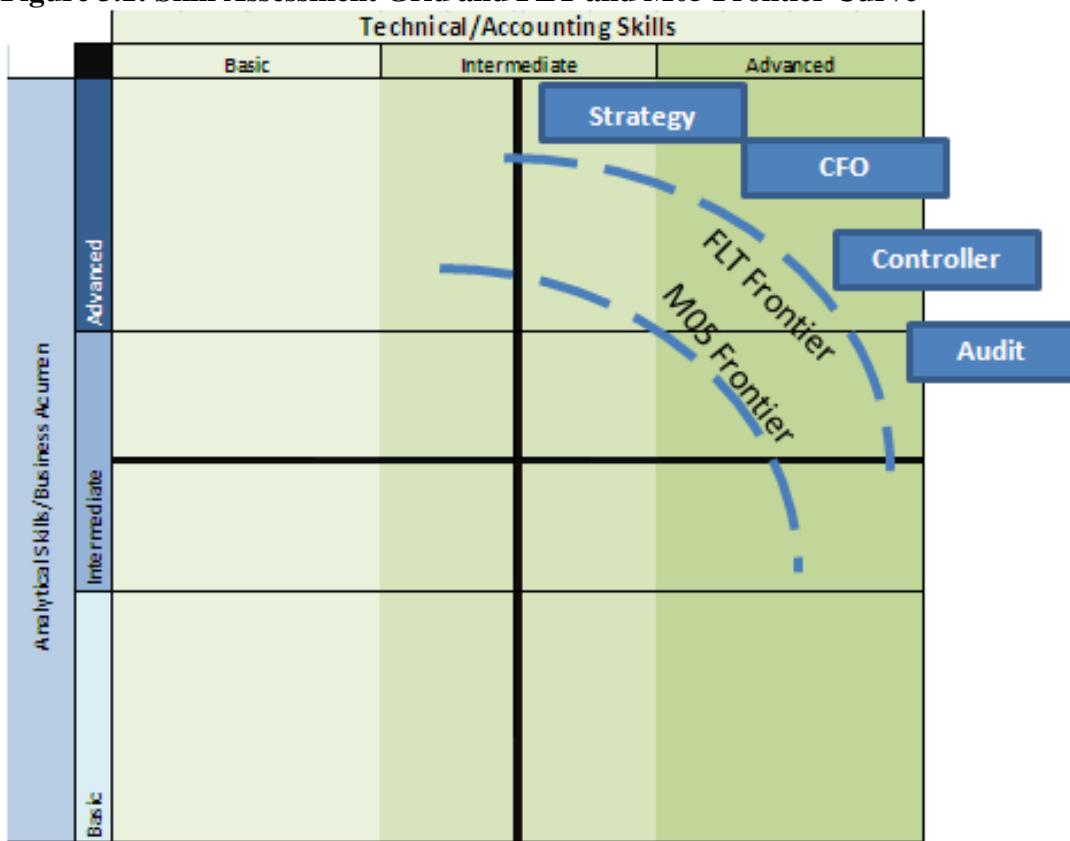
Finance Functional Areas	Financial Leads for Businesses	Financial Leads for Other Functions
Controller	Global Lead	Strategy Lead
Assistant Controller	Americas Lead	Research & Development Lead
General Auditor	Europe/Asia Pacific Lead	Human Resources Lead
Investor Relations		
Tax		
Treasurer		

3.1 Skill Assessment Grid

After reflecting on the categorization of finance roles into the three groups (Controllership, Analytical and Specialty) that were identified in Table 1.3, it was apparent that employees needed their skill sets to be upgraded to become either excellent accountants and/or business analysts. Two sub-teams of the FLT were formed to develop skill criteria along the categories of Accounting and Technical Skills and Analytical and Business Acumen Skills. It was determined that these were the most important categories of skill sets for 94% of the roles in Finance. This is noted in Figure 1.3 where the combination of the controllership category at 61% plus the analytical category at 33%. In addition, it was proposed that to be considered for a role as a FLT member, an individual would need to demonstrate excellent or advanced skills in at least one of these two categories and would need to be at an intermediate skill level in the other category. In doing so, a skill level grid was developed that illustrated the levels of achievement and identified what could be called the FLT Frontier based on skill levels along these axes. In

addition, another frontier was roughly mapped out for individuals at the M05 level. Figure 3.1 visually represents this concept. Technical and accounting skills are mapped on the x axis and analytical and business acumen skills are mapped on the y axis.

Figure 3.1: Skill Assessment Grid and FLT and M05 Frontier Curve



As noted on Figure 3.1, in theory, the CFO of the company should be strong both from a technical and accounting perspective and from an analytical perspective. A position like the Auditor should have superior or advanced technical and accounting skills but could be slightly less skilled in the area of analytical or business acumen. Conversely, the Strategy Lead should be stronger analytically than they are as a technical accountant. However, this is just the ideal or theoretical state. If the individual does not have these characteristics, they should ensure that others on their team provide the areas of expertise needed within their particular function. They should also consider enhancing their skills in

the areas of opportunity. These activities should be elements of their personal development plan.

3.2 Defining Accounting and Technical Skills

To effectively use the assessment tool, definitions for the varying levels of skill development were necessary. The skills could also be thought of as experiences. We assumed that the employee would need to demonstrate that they had mastered the skill based on high performance in roles where they had these experiences. The skill levels were broken into three categories: Basic, Intermediate and Advanced. For the area of Accounting and Technical Skills, the criteria for each of these categories included:

Basic:

- Record, document and reconcile financial transactions
- Understand internal accounting and control policies and procedures
- Know accounting and internal systems and understand monthly and quarterly closing, consolidation and reporting processes
- Know Generally Accepted Accounting Principles (GAAP), International Financial Reporting Standards (IFRS) and Generally Accepted Auditing Standards (GAAS)
- Prepare and understand financial statements
- Prepare materials for communication to senior managers

Intermediate:

- Manage the accounting accuracy of a product or regional or functional financial statement
- Manage the internal policy and control compliance for a specific area of a business or functional area within finance

- Understand the implications of the control structure and financial statement assertions in respective areas and refine the processes to ensure the controls are performed effectively
- Lead the global transactional process, closing process, internal/external reporting process or shared service center organization.
- Identify and implement systems and process improvements that drive accuracy, effectiveness, and efficiencies
- Coordinate assessment, application and documentation of accounting principles for complex business transactions applying technical accounting expertise to ensure compliance with current accounting standards
- Perform and manage internal audits and related compliance reviews
- Succinctly and effectively document applications of accounting policies
- Experience various aspects of the content and processes around external financial reporting including statutory reporting, quarterly financial statements (10Qs), annual financial statements (10Ks), financial footnotes in annual reports, representation letters, pension and investment reporting and tax reporting
- Prepare, communicate and present issues or improvements to business, regional and senior level managers

Advanced

- Ensure accuracy of and compliance with global financial statement regulatory reporting requirements
- Lead and set organizational direction of financial and accounting activities at a global, regional or functional level

- Establish, maintain, and monitor effective systems of internal control and compliance with global internal accounting and control policies and processes
- Set direction for and manage global financial systems
- Lead decisions on a wide variety of global, complex financial transactions
- Work with senior management to provide accounting guidance and expertise
- Coordinate communication and alignment with the company's external audit partner on all complex technical accounting issues
- Own compliance with quarterly Security and Exchange Commission (SEC) reporting processes and quarterly Audit and Finance Committee (AFC) financial reporting review and communication processes
- Communicate with senior management and AFC on technical accounting issues, review quarterly financial reports, status of system of internal controls, treasury and tax related items

3.3 Defining Analytical and Business Acumen Skills

Similarly, the analytical and business acumen skills were identified within three categories: Basic, Intermediate and Advanced.

Basic:

- Prepare supporting analysis for business decision processes such as pricing, product launches, portfolio investments, capital investments and merger and acquisition transactions
- Analyze and manage cost center reports
- Understand the basics of budgets, forecasts and long range planning processes and provide support for gathering and assessing the information

- Perform analytical reviews of the actual results versus the budget and the forecast
- Consolidate and analyze the global information for functions, businesses, geographies and groups of cost centers
- Participate in preparing financial statements that support strategic initiatives

Intermediate:

- Assess pricing strategies for significant product lines
- Determine crop manufacturing strategies to optimize profit
- Manage financial decisions for a single product line
- Facilitate product line portfolio assessments
- Prepare and analyze monthly forecasts, budgets and long range plans for businesses, products, administrative teams and geographies
- Evaluate cash flow and financial risks associated with capital-investment projects and entity financing plans
- Drive the prioritization process for capital, financial spending and overall target setting
- Assess and prioritize funding for unique business strategies
- Develop detailed decision analysis assessments on new or unique product concepts and manage prioritization of those investments and strategies
- Prepare FAS142 analysis for testing the impairment of goodwill and other intangibles (Financial Accounting Standards Board 2013)
- Prepare financial statements for management review on potential acquisitions or strategic business scenarios, product launches and capital investments

Advanced

- Determine the strategic direction for the total company
- Drive and recommend global and multi-regional business strategies and decisions
- Manage large complex mergers and acquisition deals and negotiate complex contracts
- Plan and prepare budget and long range financial forecasts and work collaboratively with senior management to ensure success
- Direct budget and cost controls and overall target setting
- Prioritize global investments in capital, administration, and new business growth
- Recommend and drive change to improve financial performance
- Lead the strategic funding assessment processes and decision making processes
- Lead global portfolio process and prioritize technology investments across the company
- Effectively communicate advanced analytical issues and recommendations to senior management including the Executive Team and the Board of Directors

CHAPTER IV: PROCEDURES AND METHODS

4.1 Developing the Skill Set Criteria

The skill level criteria for “Basic”, “Intermediate” and “Advanced” was determined by a sub-set of the FLT. Participating on the teams were the following individuals:

Accounting and Technical Skills

- Controller
- Assistant Controller
- Treasurer
- Human Resources – Finance Lead
- Manufacturing Lead

Analytical and Business Acumen

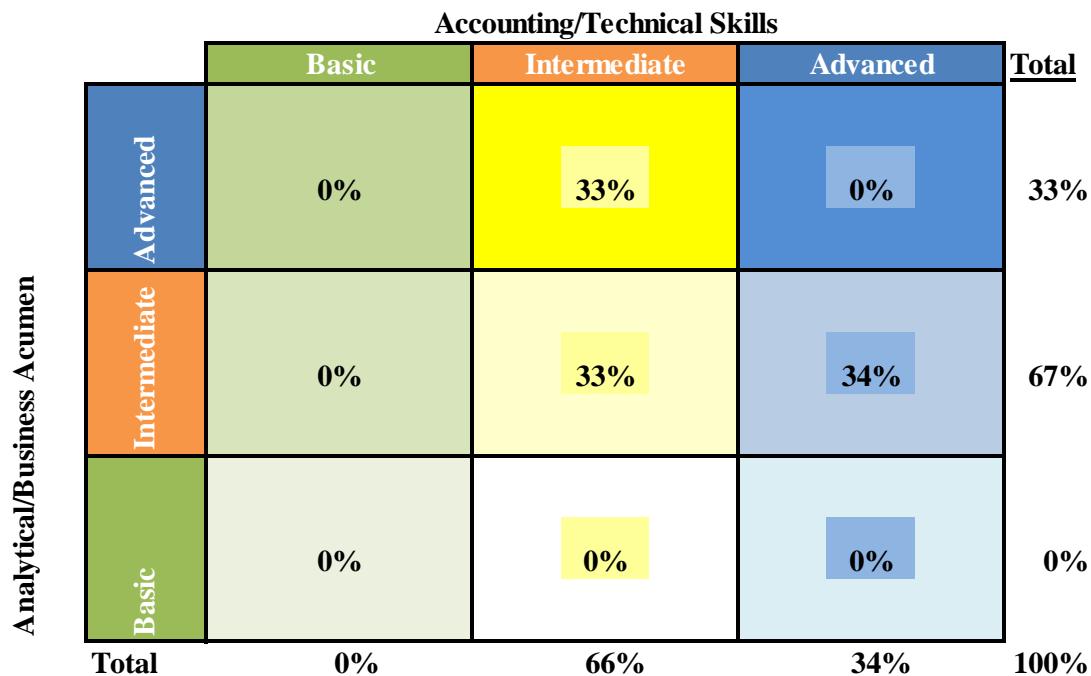
- General Auditor (due to strong prior analytical experience)
- U.S. Commercial Finance Lead
- Research and Development Finance Lead
- Global Commercial Finance Lead
- Manufacturing Finance Lead

4.2 Determining the Desired Skill Set State

Once the criteria were established, the FLT determined the desired state of the Finance Team at the M04 level and above by going through a two step process.

1. Each finance lead estimated the skill levels that they would like in their group and placed the percentage of their team population with the desired skill set in the appropriate quadrant of the Skill Set Grid. For example, the template completed by the General Auditor for the Audit Department is illustrated in Figure 4.1 below.

Figure 4.1: Desired State Grid for the Audit Department



The chart indicates that for the Audit Department:

- 34% of the employees should be Advanced in Accounting/Technical Skills and Intermediate in Analytical/Business Acumen
- 33% should be Advanced in Analytical/Business Acumen and Intermediate in Accounting/Technical Skills and
- 33% should be at least at the Intermediate level in both of these areas.

The scoring for each functional area is summarized in Table 4.1. Due to the specialized nature of the skill sets needed in two functional areas, the areas of Tax and Treasury were excluded from this exercise. In addition, the individuals in those functions were not calibrated against the other departments.

Table 4.1: FLT Assessment of Skill Sets Needed in Their Department by %

Skill Level	Basic	Basic	Inter.	Basic	Basic	Inter.	Adv. Basic	Inter.	Adv.	Inter.	Adv.	Total
Department	Basic	Inter.	Basic	Adv.	Inter.	Inter.	Basic	Adv.	Adv.	Inter.	Adv.	
Audit					33%			34%	33%			100%
Assistant Controller								66%	34%			100%
Controller					67%		33%					100%
International Commercial					20%			30%	20%	30%		100%
Investor Relations								50%	50%			100%
Manufacturing					80%			10%	10%			100%
Research and Development				17%	17%			50%		16%		100%
Strategy				33%	50%					17%		100%
US Commercial					40%			50%		10%		100%

Inter. = Intermediate

Adv. = Advanced

2. The weighted average of the skill sets for the overall finance department at the M04

and above was determined by multiplying the percentages provided by the various

functions by the number of people at the M04 and above grade level within their

department. This detail is represented in Table 4.2.

Table 4.2: FLT Summary of Skill Sets Needed by Number of People and Overall %

Skill Level	Basic	Basic	Inter.	Basic	Basic	Inter.	Adv. Basic	Inter.	Adv.	Inter.	Adv.	Total
Department	Basic	Inter.	Basic	Adv.	Inter.	Inter.	Basic	Adv.	Adv.	Inter.	Adv.	
Audit	-	-	-	-	-	1	-		1	1	-	3
Assistant Controller	-	-	-	-	-	-	-		2	1	-	3
Controller	-	-	-	-	-	6	3	-	-	-	-	9
International Commercial	-	-	-	-	-	3	-		4	3	4	14
Investor Relations	-	-	-	-	-	-	-		1	1	-	2
Manufacturing	-	-	-	-	-	6	-		1	1	-	7
Research and Development	-	-	-	-	1	1	-		4	-	1	7
Strategy	-	-	-	-	2	3	-		-	-	1	6
US Commercial	-	-	-	-	-	6	-		8	-	2	16
	-	-	-	-	3	26	3		20	7	8	67
% of People in Each Category	0%	0%	0%	5%	39%	4%	30%	10%	12%	100%		

Inter. = Intermediate

Adv. = Advanced

Translating this data into the Skill Set Grid, the desired state of the overall finance department indicates that there is a desire at the M04 and above level to have individuals that have a minimum of Intermediate to Advanced skill sets. The precise needs are outlined in the skill grid in Figure 4.2.

Figure 4.2: Desired State Grid for Finance Overall at the M04 and Above Grade Level

		Accounting/Technical Knowledge			Total
		Basic	Intermediate	Advanced	
Analytical/Business Acumen	Advanced	5%	30%	12%	47%
	Intermediate	0%	39%	10%	49%
	Basic	0%	69%	26%	4%
Total		5%	69%	26%	100%

4.3 Rating the Employees

A joint evaluation process was used to rank employees. Initially, each employee was given the scale criteria and asked to perform a self-assessment. They rated themselves for both types of skill on a scale of one to nine. One through three represented skills at the Basic level, four through six represented skills at the Intermediate level and seven through nine represented skills at the Advanced level. Each manager met with each employee to review the results of their self-assessment. Based on the discussions between the employee and the manager, the final scoring was aligned.

4.4 Calibrating the Employees

On February 1, 2013, the first session of the annual finance employees' review occurred. The FLT received the preliminary consolidation referencing each employee's placement along the two scales based on the ranking from one through nine. Beginning

with the Accounting and Technical skills, each person was scored. To ensure more accurate scoring, the criteria was again discussed and then starting with the person that the FLT deemed as a group had the most advanced skill sets, the person was scored based on the consensus of the group. Then, each person was discussed and moved along the scale from one to nine based again on consensus from the group. The same approach was used for the Analytical and Business Acumen Skills.

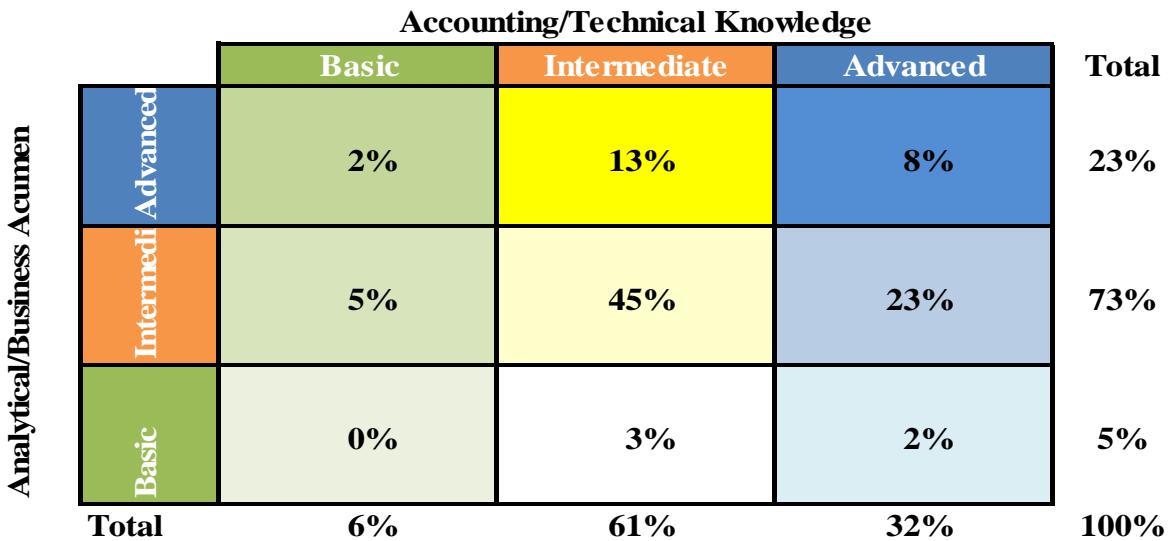
CHAPTER V: RESULTS

5.1 The Initial Skill Grid Prior to Calibration

Prior to the calibration, the Skill Set Grid (Figure 5.1) indicated the following distribution of the employees.

- 0% Basic in both Accounting and Analytical Skills
- 3% Intermediate in Accounting and Basic in Analytical Skills
- 2% Advanced in Accounting and Basic in Analytical Skills
- 5% Basic in Accounting and Intermediate in Analytical Skills
- 45% Intermediate in both Accounting and Analytical Skills
- 23% Advanced in Accounting and Intermediate in Analytical Skills
- 2% Basic in Accounting and Advanced in Analytical Skills
- 13% Intermediate in Accounting and Advanced in Analytical Skills
- 8% Advanced in Accounting and Advanced in Analytical Skills

Figure 5.1: Initial Skill Set Grid for Finance Overall at the M04 and Above Grade Level



5.2 Accounting and Technical Skills Results

The calibration exercise resulted in distribution for Accounting and Technical Skills (Figure 5.2).

Figure 5.2: Calibration of Accounting and Technical Skills

The distribution of the population reflected a standard distribution. The key statistics for the Accounting and Technical Skills are outlined in Table 5.1. The employees

were rated on a scale from 1 through 9. A score of 1 meant that the employee was closer to the “Basic” and a score of 9 meant that the employee was extremely “Advanced” as described in Section 3.2. In the Accounting and Technical Skills Category, the average score was a 4.8, with a mode of 5.0, a range of 2.0 to 8.0 and a standard deviation of 1.4.

Table 5.1: Calibrated Skill Set Scoring for Accounting and Technical Skills

Calibrated Scoring for Accounting and Technical Skills		Score
Average		4.8
Mode		5.0
Low		2.0
High		8.0
Standard Deviation		1.4

5.3 Analytical and Business Acumen Skills Results

The calibration exercise resulted in the distribution illustrated in Figure 5.3. Again, the data appears to represent a standard distribution. However, it is clear that the individuals are not as advanced on Analytical and Business Acumen Skills.

Figure 5.3: Calibration of Analytical and Business Acumen Skills

Table 5.2 outlines that the average score was 4.0, the mode was 4.0, the range of scores was from 1.0 to 8.0, and the standard deviation was 1.5

Table 5.2: Calibrated Skill Set Scoring for Analytical and Business Acumen Skills

Calibrated Scoring for Analytical and Business Acumen Skills	Score
Average	4.0
Mode	4.0
Low	1.0
High	8.0
Standard Deviation	1.5

5.4 Comparing the Accounting and Technical Skills to the Analytical and Business Acumen Skills

Comparing the calibrated skill set information visually resulted in a histogram (Figure 5.4) and a cumulative skill set assessment (Figure 5.5) that indicate again that while both sets of skills roughly represent a standard distribution, the Analytical and Business Acumen Skill Sets lag behind the Accounting and Technical Skill Sets.

Figure 5.4: Histogram of Accounting/Technical Skill Sets and Analytical Business Acumen Skill Sets

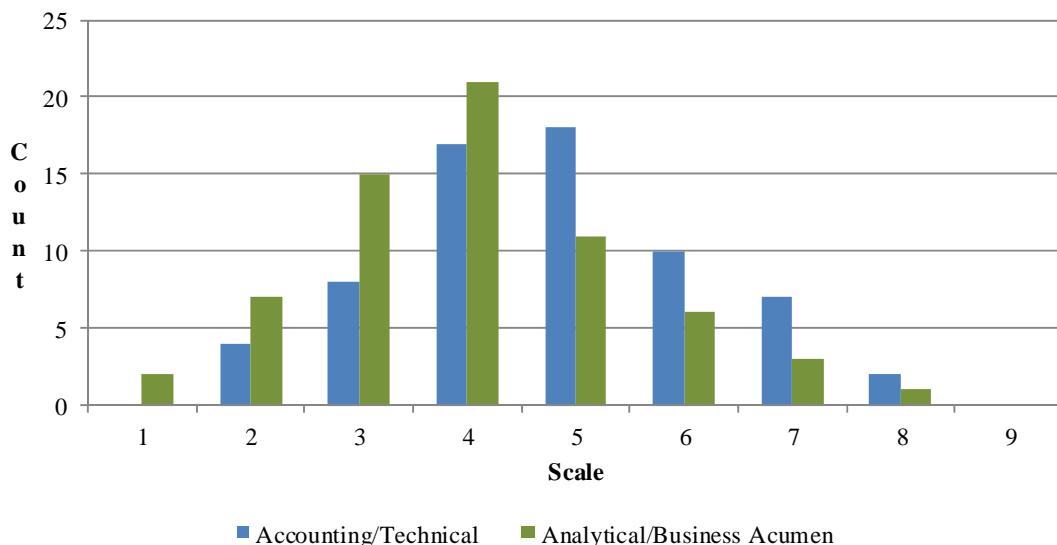
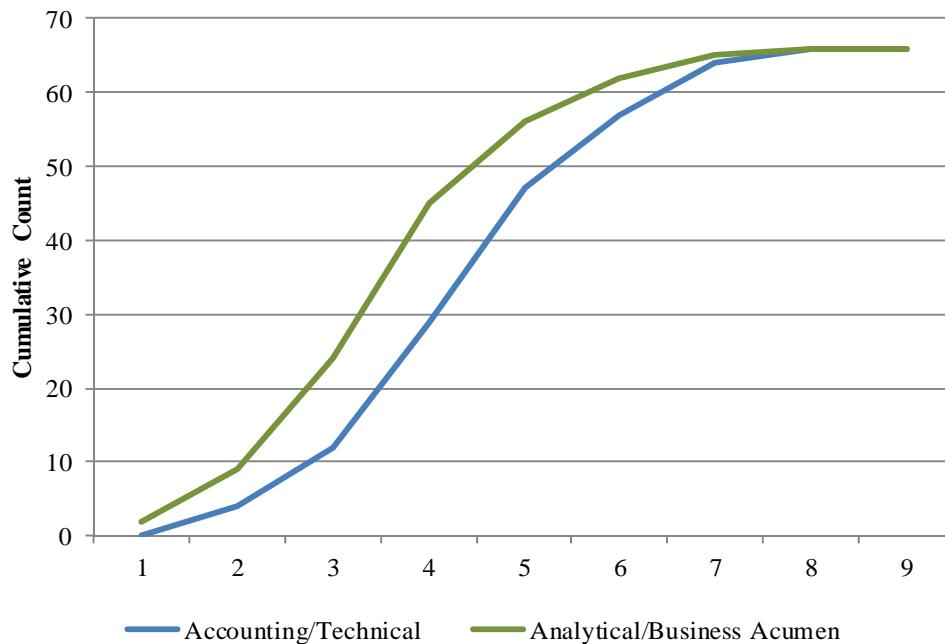


Figure 5.5: Cumulative Skill Set Assessment of Accounting/Technical Skills and Analytical Business Acumen



Charting this information into the Skill Set Grid resulted in the following (Figure 5.6):

- 6% Basic in both Accounting and Analytical Skills
- 29% Intermediate in Accounting and Basic in Analytical Skills
- 2% Advanced in Accounting and Basic in Analytical Skills
- 11% Basic in Accounting and Intermediate in Analytical Skills
- 38% Intermediate in both Accounting and Analytical Skills
- 2% Advanced in Accounting and Intermediate in Analytical Skills
- 0% Basic in Accounting and Advanced in Analytical Skills
- 3% Intermediate in Accounting and Advanced in Analytical Skills
- 3% Advanced in Accounting and Advanced in Analytical Skills

Figure 5.6 illustrates this distribution using the Calibrated Skill Set Grid.

Figure 5.6: Calibrated Skill Set Grid

		Accounting/Technical Knowledge			
		Basic	Intermediate	Advanced	
Analytical/Business Acumen	Advanced	0%	3%	3%	<u>6%</u>
	Intermediate	11%	38%	9%	<u>58%</u>
	Basic	6%	29%	2%	<u>36%</u>
		<u>17%</u>	<u>70%</u>	<u>14%</u>	<u>100%</u>

The calibration exercise indicated that both in the self-assessments and during the employee manager's discussions, the assessments were more favorable than the calibrated information. In fact, the differences could be quite significant (Figure 5.7). Figure 5.7 was calculated by subtracting Figure 5.1 from 5.6.

- Advanced Analytical and Business Acumen Skills decreased by 17%
- Intermediate Analytical and Business Acumen Skills decreased by 15%
- Basic Analytical and Business Acumen increased Skills by 32%
- Advanced Accounting and Technical Skills decreased by 19%
- Intermediate Accounting and Technical Skills increased by 9%
- Basic Accounting and Technical Skills increased by 10%

Figure 5.7: Differences between Initial and Calibrated Skill Set Grids

		Accounting/Technical Knowledge			Total
		Basic	Intermediate	Advanced	
Analytical/Business Acumen	Advanced	-2%	-10%	-5%	-17%
	Intermediate	6%	-7%	-13%	-15%
	Basic	6%	26%	0%	32%
Total		10%	8%	-19%	

5.5 Identifying the Skill Level Gaps

Not only were there differences in the initial Skill Level Grid vs. the Calibrated Skill Level Grid, there were also differences identified between the desired state and the calibrated state. Figure 5.8 identifies mathematically each difference between the desired (Figure 4.2) and calibrated state (Figure 5.6) for the nine-box Skill Level Grid. For example, in the upper left hand corner, the gap analysis indicated on the grid states that there is 5% shortfall in the percentage of employees that are desired to be in the category of “Advanced” Analytical/Business Acumen skills and the actual calibrated % in this category. Comparing the upper far left box in Figure 4.2 (0%), the calibrated state, with the upper far left box in Figure 5.6 (5%), the desired state, resulted in this calculated 5% shortfall. Correspondingly, this calculation can be performed for each box in the grid.

Figure 5.8: Differences between Desired and Calibrated Skill Set Grids

		Accounting/Technical Knowledge			Total
		Basic	Intermediate	Advanced	
Analytical/Business Acumen	Advanced	-5%	-27%	-9%	-41%
	Intermediate	11%	-1%	-1%	9%
	Basic	6%	29%	-3%	32%
Total		12%	0%	-12%	

Further, two key differences were noted:

- Advanced Analytical and Business Acumen Skills were 41% below the desired level.
This gap is calculated by adding the top row of the Skill Level Grid ($-5\% + -27\% + -9\% = -41\%$).
- Advanced Accounting and Technical Skills were 12% below the desired level. This gap is calculated by adding the far right column of the Skill Level Grid ($-9\% + -1\% + -3\% = -12\%$).

CHAPTER VI: CONCLUSIONS

6.1 Key Learnings

Based on the information gathered it appears that there are a few challenges with the finance department skill sets:

1. There is approximately 6% of the population that is scoring low in both Accounting/Technical Skills and Business/Analytical Skills.
2. There are many people in the department who scored at around the mid-point of the both skills/experience assessment.
3. The average score for Business/Analytical Skills is lower than the average skills for Accounting/Technical Skills.

In addition, it was clear that this evaluation process needs to be further refined.

6.1 Low Skill Level Scores Exist

The first issue is that 6% of the population scored Low in both Accounting and Technical Skills and Analytical and Business Acumen Skills. The finance department needs to increase the competency level of these employees to at least the mid-point (a score of 4-6 for either Accounting/Technical skills or Business/Analytical skills).

Some people may not be able to advance their skill sets or may not be working for a manager that is able to help them increase these competencies. If the first barrier is deemed to be the issue, the Finance Leadership Team (FLT) will need to attempt to help manage these individuals to the best possible fit for a job and potentially change their responsibilities or compensation appropriately to do so. If the employee is not working for a manager who can help in this endeavor, we need to attempt to move the individual to a different manager.

6.2 Many Employees are Generalists

Issue number two is that many people are generalists. Upon reflection, the scoring around the mid-point of the skill sets is reflective of our highly rotational career path model. With each person staying in a role only two to three years, a big part of our organization is becoming generalists rather than specialists. Solutions where people can be promoted in the same general area in which they work versus counting on promotions by upgrading only when they change departments will need to be determined.

The FLT has created a culture where broad versus narrow experience is valued. This is reinforced by the way that people are promoted and rewarded. The system needs to be rethought and put in place different mechanisms to give people more responsibilities and incentives to stay in various functional areas longer. This change management process will require not only figuring out the paths to this change, but also clearly demonstrating to people that they can be successful in the new or enhanced model.

6.3 More Analytical and Business Acumen Skill Sets are Needed

There are too few people with Advanced Analytical Skills and Business Acumen skills. XYZ Finance currently offers several training courses and experiences that help enhance these skills: These opportunities include: business training, agricultural basics training and decision analysis training. In addition, project opportunities need to be provided where higher potential people can work in different business departments to gain more experience. In addition, there are many “Lunch and Learn” opportunities where individuals can get exposed to business issues. Another solution to further explore is to reallocate the dollars that we spend on sending people to an MBA program to an MAB program. I have been through both of these types of programs and feel strongly that the

MAB program is more cost effective. In addition, it is tailored to our business model and additionally allows for frequent discussions and learning of global agricultural issues. It also allows for the development of a fantastic network of others in the industry across the value chain.

Two of the main barriers of success are both time and money. In addition, people need to be identified that have a natural inclination for business acumen. Not everyone has the talent for this type of work. Identifying these characteristics early in a career can potentially accelerate these skills.

6.4 Improving the Evaluation Process

During this skill assessment project, one of the key learnings was that it was not an easy process to get twelve peers to agree upon a methodology for defining and formalizing the skill sets needed. In addition, personal judgment and taking the skill level assessment to 66 unique individuals was also challenging. A significant amount of patience and change management occurred over a period of 18 months.

The process still has much to be refined and improved upon. The following recommendations were noted during the people review:

- Further refinement of the definitions should occur.
- A process to communicate the post calibration skill assessment must be developed.
- Additional focus groups should occur to determine the most effective means of improving the skill sets.
- A plan should be established to ensure development plans reflect the activities that are most likely to help the employee advance along one or both skill sets.

- The lower levels of the organization are intrigued by the potential of this exercise and would like to roll out the process to lower levels of the organization. The FLT needs to determine how to optimize the process usage.

6.4 Conclusion

In conclusion, the process of identifying skill levels and needs of the overall finance organization was a very valuable exercise both for the FLT and for the individuals who participated in the process. Not only did the FLT gain a much better understanding of the skill levels of the organization, they also gained a better perspective of what skill levels are desired in the finance department. Gaps in skills were identified and the process of mitigating these gaps can now proceed. At the individual level, employees were given a more concrete tool to understand what skills they needed to acquire and were able to have a robust dialogue concerning where and how they would like to enhance these skills.

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