

Editorial

Dear readers,

Our section „Focus on“ outlines the role of Finance and Accounting in this issue. This division is responsible for vital cross-organisational tasks. Please read how Finance and Accounting may contribute to corporate strategy and mission beyond mere bookkeeping and financial reporting.

Have you ever experienced the phenomenon of staff being parked in project teams? The parked staff member is another type of difficult project team member and continues our series presented in section „Project Hiccup“. Please read how a Project Manager may turn a underperforming team member into an efficient one and hence safeguarding the success of the project.

We welcome your feedback. Please contact



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Focus on: Role of Finance and Accounting

Cross-organisational division, number crunchers, correctness up to the smallest detail, owner of the ERP-software, settling division, directing division – Finance and Accounting has many responsibilities and faces and is perceived in manifold ways within the organisation.

Cross-Organisational Function of Finance and Accounting

There is no doubt about the essential cross-organisational function of Finance and Accounting. It is Finance and Accounting where all incurred transactions are recorded systematically, measured and presented in financial statements or controlling reports. It is there where all budgetary and planning data conflate. It is there where the implementation of strategic and operational targets is tracked and pictured for decision-makers. All that makes Finance and Accounting so exciting and demanding: Finance and Accounting collects all data of the whole organisation's economic situation, reflects them and prepares reports for different addressees and different purposes.

Finance and Accounting – Your Companion and Assistant?!

Wouldn't it be nice if all staff members would always be that open-minded and kind to Finance and Accounting? In practice, however, Finance and Accounting

News

EU-Compendium on E-Invoice

Under the lead of the Munich office of Peters, Schönberger & Partner several European law firms have prepared a compendium of the minimum requirements on electronic invoices, their processing, recording and retention from a VAT perspective. The compendium presents the legal requirements of 19 European countries. The compendium is available at <http://www.verband-e-rechnung.org/de/e-rechnung/wissen/dokumente/508-eu-compendium-e-invoicing-retention>.

IFRS: 2016 Pocket Guide Published

The IASB has published the “2016 Pocket Guide to IFRS Standards” on 10 May 2016. Besides a short summary of each individual IFRS the pocket guide provides details on relevant IFRS bodies and key players. Furthermore, the pocket guide summarises the accounting practices of 143 countries. The pocket guide may be retrieved at <http://www.ifrs.org/Use-around-the-world/Documents/2016-pocket-guide.pdf>

tasks are often subject to strict legal requirements and are not very popular within the organisation. Sure, the sales expert has to accomplish issues that are more important for him than completing some travel expense claims at month's end. The purchaser wouldn't mind to receive and pay 10 items more than ordered – but how on earth should he book the additional quantity in the ERP-system? Already these two examples highlight the manifold requirements in Finance and Accounting: Besides keeping the books and preparing financial reports Finance and Accounting is responsible for adjusting business processes and IT-systems to volatile legal, technical and organisational frameworks in a quick and secure manner. By that, Finance and Accounting ensures proper financial reporting.

Taking an Active Role is Vital

Finance and Accounting should take an active role with regard to business process management. On the one hand, Finance and Accounting should clearly communicate conditions and restrictions impacting the design of business processes. The organisation will benefit from enhanced understanding of correlations and requirements as well as from greater acceptance by directly and indirectly concerned divisions. On the other hand, Finance and Accounting should actively participate in the development of new or the re-design of existing business processes. This will support safeguarding their own interests for the purpose of trouble-free process execution. After all, more or less every transaction will hit Finance and Accounting sooner or later. Contributing Finance and Accounting expertise

will result not only in safe-guarding own interests, but also in supplying options for others and hence in optimising business processes for the organisation as a whole.

When Finance and Accounting takes such an active role, other divisions will recognise them as competent and solution-oriented partner. Thus, possible problems may be identified in an early stage already and jointly tackled.

Project Hiccup

The Parked Staff Member

The Project Manager is not really amused when he learned who will be the line division's representative in the project. He is wondering if the respective colleague is fit for such project work at all. His first impression is confirmed by cautious investigation: This staff member was parked in the project team. The Line Manager has killed two birds with one stone: he filled the slot in the project team and he got rid of the staff member giving rise to lots of trouble recently. Now he sits back and relaxes. Unfortunately, also the parked staff member is sitting back and relaxing in the project team. What next? Should the Project Manager insist on replacing the parked staff member by another one, who is hopefully more committed to the project?

Grin and Bear It!

First of all: The Project Manager has to accept the parked staff member for the time being. He may request a replacement only, if the parked staff member proves to be completely uncooperative and to endanger the further project progression. The Project Manager must give valid justifications for requesting such replacement. Otherwise, he may be perceived as being biased or having little management and motivation competences. And: Who really knows if a substitute will be actually an improvement to current situation? Hence, the Project Manager should focus on managing the project team in a way that the upcoming tasks are completed at the best.

Convincing rather than Directing

A Project Manager does not have any disciplinary power. Furthermore, strict directions will not encourage

creativity of team members – in the contrary. The Project Manager should hence closely involve all team members, especially apparent by-standers, request their expertise and encourage their collaboration. This will not happen within a few days. A Project Manager must have patience and certain stoicism, should cooperation not work as intended right from the beginning. The more important it is to provide an atmosphere of openness and mutual respect in the project teams. Beyond day-to-day project work, joint lunches or other non-work related activities of the project teams might establish this.

Cracking Tough Nuts

Cautious team members will abandon their former attitude and will actively contribute to the project work by and by, following the approach outlined above. A more difficult problem arises if a team member is cooperative on first sight, but regularly fails to meet commitment to project tasks. In such a case, the Project Manager should personally discuss such behaviour with the respective team member. The Project Manager must explore the reasons for unreliable commitments, clarify his expectations and oblige the team member to more reliable commitments. Again, changes of behaviour cannot be expected overnight. Instead, the Project Manager has to demand respect of agreed rules continuously.

Events

Seminar “Current Trends in Financial Reporting”

4050 Consulting offers a new seminar on developments in the area of financial reporting on 30 June 2016. Besides the implementation of the German Bilanzrichtlinien-Umsetzungsgesetz (BilRUG) in financial reports the seminar introduces the concept of integrated reporting. Participants will receive valuable suggestions for their own financial reporting practice. The seminar will be held in German. Details are available at www.4050consulting.com or may be asked for at kontakt@4050consulting.com

Imprint

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The 4050 Newsletter is published quarterly and is available in German and English exclusively in digital form.

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