

Empowering your staff with financial knowledge pays dividends

 By [Kevin Phillips](#)

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One of the best investments any company can make is to develop and empower middle managers to take ownership of their area of the business.

"Taking ownership" is a classic buzzword bingo phrase, of course, along with "empowerment" - but that doesn't make these words completely empty. Organisations thrive when managers genuinely take responsibility for the health of their domains - and have the power to make that responsibility count. When every cost centre is run as its own small business, how can the entire company not work better?

Responsibility for money - and power over it - is a critical part of the equation. If all the financial decisions are made by five people at head office, there's not a whole lot of ownership left for the branch managers in Bloemfontein and East London and Nelspruit to take.

Leaving it to finance is the path of least resistance, though. The typical manager has risen through the ranks and has probably never studied accounting. Such a person is often insecure about his financial knowledge and intimidated by complex ERP systems that have been built to make perfect sense to professional accountants, but hardly anybody else.

Too much can go wrong

Nor do the professional accountants want ordinary managers with their fingers in core financial systems, either. Too much can go wrong and too much time can be wasted running pointless reports.

What you need is a bridge between the financial data in the ERP system and the brain of your middle manager: something that's easier to use than Facebook but conveys all the important information - budgets and forecasts, reports, variance analysis - in a way that makes intuitive sense. There are plenty of tools out there to do the job.

Systems on their own can't make anybody take responsibility, of course, but they can help to create transparency. And when everyone can see what is going on, it's much harder to point fingers or redirect responsibility somewhere else.

Not everyone will like this - there's always a minority quite happy to live in convenient obscurity, but the vast majority of people will welcome tools that give them more information and more ability to get things done.

When financial information flows freely across the organisation, as well as up and down the hierarchy, it's like oiling the

machine: Things get smoother and you can push that little bit harder and faster without risking damage. There is no good reason not to do it.

ABOUT KEVIN PHILLIPS

Kevin Phillips is the MD of idu Software. He is an entrepreneur who has built a successful business, and so has a solid understanding of the challenges and questions business owners face.

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