



Turn Accounting Into a Leadership Vehicle at Your Construction Firm

How to Speak the Language of Leadership
and Earn a Seat at the Table

Part 01





Introduction

For most construction companies, the accounting department is seen simply as a box the company has to check. These folks balance the books and make sure the bills get paid, but they're rarely leveraged to their full potential.

You see, the accounting department is in a unique position. CFOs and top staff, with the right mindset, are able to see further down the financial road than other team members. They know where the company is and where it's heading, keeping a keen eye out for unnecessary risk. They also have the ability and knowledge to quickly identify regulatory issues and assess potential projects' financial viability.

In short, the accounting department could be full of real leaders who can help bring a company forward.

But they can only usher in that growth if they're empowered by the board and other decision-makers. Until now, that's been a tough goal to reach. But in this e-book, we'll mention some key actions that accounting personnel can take to earn the right to be part of the tough decisions, as they're often the folks best suited for the job.

To help us explain these concepts, we tapped some of the top accounting experts in the country to ask for their advice. Whether you're a CEO, a board member, a CFO, or a new accountant, these tips will help you push your company to its fullest potential.

We've divided this guide into three sections – you are reading part 1. To find the other two, or to download the entire guide, check out Trimble® Turbo-Charged Accounting resource center.



Speak (and Understand) the **Language of Leadership**

Let's be realistic: a typical accountant and construction project manager speak completely different languages and focus on different aspects of the project. But in this section, we'll go over what accounting executives and leaders can do to get a better grasp of how the cake is made so they can speak (and understand) the language of construction leadership.



We're all about moving the accounting team from the back office to the boardroom. We can explain why it's important and discuss the benefits until the end of time. But none of that matters if the boardroom and its long-entrenched occupants don't accept the CFO or accounting team, trusting them to help make decisions and steer the company to brighter horizons.

It's a tall order. Accountants and project managers don't always see things through the same lens. They have similar goals but far different approaches for reaching them. One is totally averse to risk while the other accepts it as the cost of doing business.

So, how does the CFO or chief accountant break down that barrier so they can stand shoulder-to-shoulder with the project management team? That's what we asked the team at FORVIS, and their answer was clear: By speaking and understanding the language of project leadership.

Four Approaches



01

Look
Forward



02

Speak the
Language



03

Get Out
of the Office



04

Find
Help

The team at FORVIS suggested four approaches to earning the respect and acceptance of the project management team. They felt that adopting a forward-looking outlook, developing an ability to communicate effectively using construction language, getting out of the office and into the field, and finding the right allies were key.



01 Look Forward

Generally speaking, accounting teams work with data provided from events that have already occurred. This makes the department, as a whole, reactive and backward-looking. While data is incredibly important in the boardroom, knowing how to use that data to predict where the company is heading is a skill that only the best CFOs possess.

Mike Trammell of FORVIS recalled a conversation he had with a construction executive on exactly this topic: "I once asked a construction owner who I had a lot of respect for. I said, 'Tell me the difference between a construction CFO and a construction controller,' and he gave me a real distinct answer. He said, 'A controller is going to tell me what I should see in the rear-view mirror. A good CFO is going to tell me what my headlights are going to see when we get there.'"

Construction accounting teams that use the data provided to identify trends, establish long-term goals, and help the company find the right path to the destination in mind will earn the respect and admiration of the project team. Their ability to assess risk and develop strategies based on data and insight is something most other departments can't offer.

And it's these skills that separate the average accounting head from a take-charge CFO that makes decisions with the rest of the PM Team.

02 Speak the Language

While there are exceptions to every rule (and in fact, we're encouraging one), most accountants and project managers don't communicate in the same way. Their brains work differently, they use different words and phrases, and they see situations in different lights. And since we're adapting the accounting team to work more seamlessly with project management, it's the accounting staff's responsibility to adapt.

Contractors and builders have a job to do. They're not overly interested in debits or credits or how the accounting team works or handles its challenges. Truth be told, they want the accounting team to think for themselves and provide solutions that make sense in the construction world.

Jamie Tancos, Senior Managing Consultant, FORVIS told us,

“One, first and foremost, you have to speak their language. They're not going to come to you. They don't want to learn how to talk debits and credits.

She knows first-hand, as she walked into the construction industry as a young woman and had to find her footing in an industry that doesn't like change.

Her suggestion? Adapting what the accounting team does for construction rather than attempting to change the industry. She says contractors “want you in their world and understanding the operations and how you're applying the operations to the financial side.”



Jamie Tancos,
Senior Managing
Consultant, FORVIS



13

Get Out of the Office (and Onto a Job Site)

Accounting teams and CFOs who want to be taken seriously within a construction company need to see the work firsthand. This means getting out from behind their desk, putting on a hard hat and a pair of boots, and visiting a job site. There, they can observe what actually goes into creating a construction project, and what those numbers on paper translate to in the real world.

Jamie had suggestions for us here, too. She believes you need to “see the cake from beginning to end.” She adds,

“**I got in trucks. I went to job sites. I looked at all of that stuff. I sat in a plant tower.**”

The first-hand insight taught her a lot about the industry and how it works. She says “It puts more meaning behind the numbers, and if you have more meaning behind the numbers and the understanding, you’re able to look out over the front of the car easier.”

Not only does this help from an experience perspective, but it can also help the project management team recognize that you’re trying to learn more about their side of the industry. At that point, the accounting team might notice more bridges being built for them into other areas of the construction firm’s operations.

04 Find Help

Everyone needs a hand now and then. Accounting team members should attempt to find their help in the form of an innovator or freethinker on the project management side. If this person believes in the mission, they can help pave the way for the accounting department and foster buy-in.

Jamie says, “There’s safety in numbers. So, get somebody that can be on your side and push with you, and if that’s someone from the operations side, it’s going to carry a little bit more clout.” Developing these alliances will help the accounting team achieve more in less time, help the board recognize the value of the relationship, and create a more holistic approach to problem-solving for the company.

But it takes patience. Jamie warns about going too fast, too soon. She says,

“Finding that balance and finding those allies that can cross the bridge together from both sides of the house is crucial, but the other thing is you’re going to get the best buy-in when you’re not trying to shove everything down somebody’s throat at once.”

Rather than swinging for the fences right away, build relationships with your allies and let them do the pitching for the accounting team.

If they believe in the mission and the team’s capabilities, they’ll bring the accounting team forward on their own.





Blaze Your Way to the Boardroom

With the right approaches, CFOs and accounting teams can make a real impact on their construction firms. By knowing how to use the latest data to make smarter decisions with future payoffs, communicating effectively in a way that the rest of the firm understands, and seeing how the cake is made firsthand, these team members will make themselves more valuable and versatile. When the project management team faces a new challenge or has a new goal in mind, they can rely on these team members to help them make better decisions.



“Construction financial pros who want a true strategic role need to look forward, not back. A controller will tell me what to see in the rearview mirror. **A good financial leader will tell me what my headlights will see when I get there.**”



Mike Trammell,
CPA & CCIFT, FORVIS



How the Construction Accounting Function Can Earn a Seat at the Table

Before a CFO or lead accountant can make big changes at their respective company, they have to earn a seat at the table. This means bringing enough value and forethought to the job that the executives know these folks are better in the boardroom than they are in the back office. In this section, you'll learn from top accounting experts about how you can knock down that boardroom door and take your seat with the rest of the decision-makers.



Accounting is more than just tracking numbers and compiling reports. In the construction industry, the folks that run accounting departments can help make smarter decisions in less time, to make as much money as possible or avoid projects that don't make sense.

But, this can only happen if accounting earns a seat at the big table.



What Accounting Brings to the Table

With all of the materials and manpower it takes to run a project, money is the number one resource companies need to continue. Despite this fact, many companies don't bring their CFO or controller into their most important decision-making sessions. These folks are just expected to work in the background, keep the books balanced, and count the beans.

But, they have so much more potential. The following are some of the biggest benefits of bringing the accounting department into the decision-making process.





Smarter Risk Management

Risk mitigation is an important aspect of construction planning. Worker safety, materials availability, and weather are often necessary risks. But financial risks aren't always necessary, and the accounting

department might be able to help a firm avoid them. These folks perform financial analyses regularly, allowing them to spot financial risks at a much higher viewpoint than the rest of the company.

Cash Flow Management

Cash is king in construction, and no one has a better grasp on cash flow than the construction accounting department. Controllers and construction accountants understand projections, the implications

decisions have on cash flow, and strategies to increase it. These professionals can even offer insight when developing a contract to ensure that cash flow remains steady throughout the project.

Compliance

When it comes to compliance, CFOs, controllers, and accounting staff are often stuck cleaning up rather than consulting.

Operations, project management, and design might have an idea or plan, but if they consult the construction accounting department before any decisions are made, costly mistakes and violations can be avoided.





Get Out of Debits and Credits and Help Develop Long-Term Strategies

While the primary function of accounting for construction is to manage debits and credits, Mike says the construction executive table needs more from a CFO. According to Mike, to earn their spot, it requires a person or team “that thinks about how to get outside of the accounting, finance, or treasury functions and start thinking about where the company is going from a long-term strategy standpoint.”

Many times, it’s actually the accounting department that is in a unique position to propose initiatives. These individuals work in a field that stretches beyond the confines

of strictly construction, meaning they’re exposed to new technologies, practices, regulations, and even opportunities that folks rooted in project management and operations aren’t.

Identifying and proposing these new ideas are good ways to “springboard” their way to the table, as Mike puts it. It also helps these construction firms stand apart from their competitors, which might not be willing to have the conversations required to grow and expand.

Find That Special Person or Team

Part of clawing the way out of the cubicle and into the executive meetings requires the right person. Even with an armful of strategies and a future full of bright possibilities, folks who work in the financial world are conditioned to avoid risk. Finding team members with the insight required and openness to change is the secret sauce.

For CFOs, controllers, and accounting managers, this means taking the time to find those people on their teams.

As FORVIS' Kathryn Schneider puts it,

“Connect with your team, find what motivates them, find that person who wants to build a better mousetrap. Lean on them and trust them to do that.”

This might involve creating a platform for engagement, a retreat, a round table, or another collaborative setting to find the people to move the accounting department from the back office to center stage.



Kathryn Schneider,
FORVIS



Speak the Contractor Language

The rest of the executive board must take the accounting representative seriously. Otherwise, it doesn't matter if they're present, their opinions and insights might not land.

One way to get more familiar with contractors and how they think and speak is to get out of the office. Grab a hard hat and some boots and head to the job site.

Jamie says, "Get out of the box at your office, get off your computer, and sit in a plant tower. Watch a concrete paver. Watch the dump truck dump it out." Experiencing how the cake is made gives accounting staff insight they might be missing and the ability to shift somewhere between speaking like an accountant and speaking like a contractor.

Be Innovative, But Take Your Time

There's a difference between earning a seat at the table and barging in and taking one. It's important to be innovative, but it's also important to do it in pieces.

Jamie believes that taking it slow and partnering with the right people is key. "Find your champions—someone in operations will carry more clout. Finding the balance and allies who can cross the bridge together is crucial. You're going to get the best buy-in when you're not shoving it down someone's throat," she told us.

Increasing your role and the executive team's awareness of your capabilities is a process. Yes, new solutions are incredible, but it's important to implement these solutions as chapters.

Rather than changing the role of the accounting division all at once, let each chapter build on the one before it. Start by automating simple processes like schedules. Then, move to digital timekeeping. Build steam until you're implementing game-changing software. By the end of the story, the CFO's role may look entirely different – earning them that coveted spot at the construction executive table.





Conclusion

The tips we discussed can help your internal accounting experts move toward becoming vital members of the decision-making team. They'll be able to bring better insight, better risk assessment, and a better financial outlook to the table than anyone else on the team – and that's where their value really lies.

But it takes more than reading these tips to get the job done. CFOs and accounting staff have to put these ideas into action.

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