The role of financial manager and skills he has to obtain.

The financial manager is the person who makes decisions on a day-to-day basis in large / small organizations in order to increase the profitability of the company based on the analysis of financial data. Because the owners (shareholders) of the company often do not participate in the process of making the company's decisions. Thus, the aforementioned duties of the financial manager also include another thing - the provision of the interests of the owners.

First, let's figure out what financial management is. **Financial management** considers issues, as well as all possible ways to improve the efficiency of the use of company resources, which entails the level of competitiveness. What functions does financial management include:

* Creation of financial management bodies, financial services, definition of tasks and goals
* Regulation of cash, cash flows, securities, and also borrowed funds
* Managing and preventing high risks and finding the best ways to reduce risks
* Preparation of reporting data, control of reports and analysis-processing
* Providing motivation to employees, have a common team goal
* Strategic and current financial planning of the company's budget

Effective financial management contributes to a new level of competition, which increases the level of the company in the commodity and financial markets, constant growth of the company's equity capital, and this can also ensure stable development in the long term.

Companies that have quite effective financial management can not only offer, but also sell their services on the market for the highest possible price. And this contributes to the financial cushion and the ability to recoup all costs. From this I assume that financial management has a preeminent role in the modern world.

We have already figured out the definition of financial management and a manager, but what area does a **financial manager** cover? This includes:

* capital budgeting - The process of planning and managing a firm’s long-term investments.
* capital structure - The mixture of debt and equity maintained by a firm
* working capital - A firm's short-term assets and liabilities

**Capital budgeting**, as discussed earlier, is the analysis and allocation of long-term investments. This area is very important for different types of company, because if you invest once, you can pay back and make a big profit. But a financial manager must not only invest effectively in the long term, but also know the size, timing and risks of future cash flows.

The second important area of ​​the finance manager's task is the **capital structure** of the company, i.e. the mixture of long-term debt and equity. Why is it important? Because it is the way the company maintains long-term investments, how it receives and manages finances. Thanks to the analysis of fin. structure of the company we can determine the debts, responsibilities of the company as a percentage. For example, what percentage of the company's cash flows should we give to the lender, and what percentage to the shareholders. That is, from here we can see the following tasks of a financial manager: choosing the most flexible financial structure for the company, questions about how and where to collect money, the choice of lenders and the type of loans.

**Working capital** includes cash, short-term assets, inventory and short-term liabilities (for example, to suppliers). The task of the financial manager is to solve short-term problems and make decisions in order to ensure that there are sufficient financial resources to continue activities.

These three areas are very important and cover the entire financial system of the company, which includes a lot of activities. It is good to know and apply your knowledge in these three important areas, but an effective leader needs other supporting qualities:

* Analysis of not only financial statements, but also individual financial transactions and financial activities
* Management of capital, cash and flows, assets, investments
* Use and implementation of new innovative methods, strategies for efficiency
* control over the implementation of financial transactions
* Understanding the principles of introducing financial innovations, taking into account the characteristics of the company
* Knowledge of methods for evaluating innovative projects and the use of alternative methods of financing them

The larger the company, the more a financial manager will work in a highly specialized area. For example, risk management, investment attraction, financial transactions, and so on. But in small private companies, one financial manager takes over all these responsibilities.

Since we have determined that these days financial management is one of the paramount components of the company, it means that the requirements for an effective financial manager will be high, which include theoretical / practical knowledge and personal qualities.

Personal qualities and **soft skills** include:

* Developed communication skills
* Adaptation
* Emotional intelligence
* Organizational skills
* Ability to find a way out of difficult, stressful situations
* Entrepreneurial qualities
* Oratory
* Abstraction ability

In **technical areas**, the finance manager must ensure:

In planning:

* long-term and short-term financial planning,
* preparation of budgets for trade and financial transactions, as well as capital expenditures,
* efficiency assessment,
* analysis of economic indicators and factors of changes in production and sales volumes;

In the field of accounting and control:

* defining accounting policies,
* accounting system and procedure,
* preparation of financial statements, including government reporting,
* internal audit (audit),
* informing the management about the results of activities,
* comparison of performance results with planned and normative indicators;

In the field of fund management:

* conducting banking operations,
* receipt, storage and payment of cash,
* carrying out transactions with securities,
* lending and collection of funds,
* - investment portfolio management,
* control and regulation of monetary transactions.

I also found a public **survey** about what qualities are important for a financial manager. The options were as follows:

* Financial strategy development
* Development and implementation of information systems for solving financial problems
* analysis of the results of financial transactions and activities in general
* Control over the implementation of the adopted management decisions
* Investment and financial risk management
* Management of capital, financial flows and assets

The majority considered that "Control over the implementation of the adopted management decisions" and "Development and implementation of information systems for solving financial problems" are the most important for the financial manager.

As a result, the financial manager takes part in the preparation of the company's budget system, financial modeling and evaluation of the effectiveness of investment projects, the development of capital raising schemes and treasury work on the current management of cash flows. In his work, a financial manager uses both traditional methods of financial work and modern digital technologies.

The profession is in demand in all sectors of the real sector of the economy, as well as in corporate finance departments, investment departments of financial sector enterprises (banks, insurance companies, funds).