**The role of financial manager and skills he have to obtain**

The financial manager is a specialist, what we hear from high school times. Every company has a financial manager, even it is SP [1] or large corporation. Why the specialist is so important to have in every department, local government, company, even in small entities.

Finance is always improved with human civilization. As we read world history, improvement of government needed good financing system. People always tried to maximize their wealth. The planning of maximizing wealth is directly related to the financial manager. People don’t know financial managers of the world. But when they start to deal with new business or new job, their ask a question about salary and profit. For this thing they sign contracts with a lot of pages and diligently read every word to avoid additional expenses and financial problems. Now my essay will be about roles and skills of FM [2], that I grasped till now. I would answer following questions: 1) How I wanted to be a financier? 2) What is the role of a financier? 3) What kind of skills financier must obtain? In my opinion these questions consequently support each other.

**How I wanted to be a financier?** I studied in Atyrau “Bilim-Innovation” school. It was good experience to have very good teacher in their professionality. I always have curiosity to know about improvement of the world. I can easily say my curiosity helped to choose a finance. Because I did a project related to economics. The topic was “Economical opportunities of the Atyrau region”. My topic included a lot of parts like solar energy, furniture production with raw materials, production of textiles from camel fur and so on. I participated to the competition. It was easy to win 1st place in the regional competition. But I took 2nd place in International Competition of Projects. My fault was absence of financial and economic analysis. I really wanted to do financial analysis. But it was hard to do without special education. Afterwards I changed my future profession to the financial area. My obstipation resisted to suggestion of my teacher except Geography teacher and parents. Even my classmates humiliated my decision. They said: “You always run to the money, it is not so attractive profession, go to the IS[3]. You will be poor in the future. Because most people have a graduation of finance or economics are unemployed. You can choose a teacher. Because their salary is high and stable.” I have a question who is running to the money now, if they think about salary and it is not logical to think about salary which is related to the finance, after not promising the finance. Parents and geography teacher supported me to choose a financier. They said: Even you don’t win a grant, we will pay for your education. Don’t worry and never give up. Just choose your profession in your heart. Here I can see absence of Professional orientator in high school resists to choose their life-long occupation. So afterwards I prepared to be a financier. Here is my point is without financial analysis your project is nothing. Financial plan is fundamental part of finance. Because to attract investors or create short-term and long-term planning you have to have financial education. Now it is possible everywhere due to digital world. I passed to the IITU university. My expectation was same with reality except expansiveness. Because finance encompasses everything. A lot of formulas, books with 1000 pages, bonds and stocks, and problem exercises, type of companies. So routine of finance student started.

**What is the role of a financier?** As I said before improvement of finance started from ancient time. It was way of developing for countries, that to have good treasury system, financial planning, cultivation of corn, distribution of bread. Let’s imagine household of one house requires simple financial system. I have 2 heifers and 1 bull, corns. I will cut a bull for winter after pairing with 2 heifers. Half of corns I will cultivate next year, half of corns I will use whole winter to do a bread. If I use whole my recourses in one winter, I die or hunt next year. It is risky and I must leave my house. It is simple financial planning of one house. But if we consider the building in Egypt pyramids, we should know financial system in Ancient Egypt, which kept urban and slavery system. It is more complicated. Financial planner had to think about slaves, who built pyramids and collect taxes from people. Their main energy source was a bread and beer. Slaves worked dusk till dawn to achieve these two things, because both have good energy. As you see civilization of Egypt has more complex than household finance. Here is primitive role of financier. Now in 21st century the role of finance is more complex. Because financer has to know new innovations and must be innovative-friendly to that. Digitalized world requires also digital literacy.

In current times financial system is different than before. It helps to people own business. Large corporations and entities employ manager and people, who represent the owner’s interest. The financial management function is directly related to the top officer(CFO or the president of finance), reports all kind of their functions like budget planning, finding money sources, paying to investors, company reputation, controlling the payback period, analyze market tendencies and forecasting. As you see the financial manager has complicated responsibilities, that’s why financial management involves a lot of people which needs also experiences. The financial manager’s main three functions are capital budgeting, capital structure, working capital management. Capital budgeting is analyzing of company’s long-term investments, here is manager has to be concerned about exceeding of profit, than money that company is going to acquire. Capital budgeting is different in every company depending on company’s industry. In such plants like chemical industry’s outsourcing in another country can be really decrease a price of product for countries from Germany to Vietnam, because the labor cost in Germany is significantly high. If we consider natural resource production such as BP[4], Shell[5], Exxon Mobil[6], we can’t outsource another country. Because natural resource only in particular place. In this situation Financial manager’s role is estimation of new project in particular place is it cost-effective or not like “Kashagan Project” which is part of North Caspian Operating Company. They built a new island for oil production. As cost of project is expensive, a lot of transnational companies invested like BP, KazMunayGas[7], Eni[8], Shell, CNPC[9]. We can see large project can be part of large corporations. Capital structure is analyzing of company’s mixture of long-term debt and equity. Which mixture is good to financing? How much company have to borrow from lenders and shareholders and evaluation their payback. Choosing type of lenders and loans is also main topic of capital structure. Working Capital Management touches on company’s short-term assets and liabilities. When we hear working capital, we should think about CA-CL. It is our possibility of day-to-day financing. Money owed to suppliers, inventory management, short-term liabilities are also important for our daily activity to keep company’s value. As we considered 3 functions, we can be sure company’s survival, bankruptcy, maximizing market shares and sales, steady earning growth directly associated to good financial management.

For example, in developed companies, such as car production’s financial system controls purchasing of their staffs with special discount from company and include special place in balance sheet to analyzing. We also can say developed country’s financial system with government program such as flat distribution with special loans for family or people. For example “Otbasy” bank’s[10] staffs have a lot flats from bank’s program. But another people can’t purchase a flat with special loan, because staffs resist to buy it and they know bank’s policy. Company to avoid such problems has to create good financial controlling, which related to financial management. It also important for market valuation of products like procurement. It happens in government procurement and company procurement. Internal staffs account more cost than fair value for products with agreement from external suppliers. Stealing and corruption of money are mostly done with this problem. As I worked in the position “Procurement Manager” in regional government during the pandemic, that’s why it became clearer for me.

**What kind of skills financier must obtain?** As we considered before financial manager has a big role on planning of project or decision.Financier must obtain a lot of skills in 21st century, that helps to be competitive and sparkle from other colleagues.

Firstly I would say to be hard-working. Being financier requires to be innovative and to do market research. Financier has to follow new discoveries and its influences. Just IT products needs applied education how to use, now the computer is a friend of financier. It doesn’t matter large corporation or not, all of the use MS Excel, 1C. IFRS[11] has a lot of regulation, which helps to trade in international market and knowing that needs a lot of special education and training.

Secondly budget preparation and financial statements. It is very useful things for financial managers, we can see it is language of financiers to understand financial growing and company plan, even small project requires budget planning to allocation of money. Financiers every quarter plan their budget plan to avoid scarce of money.

Thirdly financial analysis and reporting. These skills are crucial for operating, investing and financing activities. Money borrowing or issuing of loan, stock and bond require financial reporting to define company’s possibility to do it. Is it trustable or not depends on a report of financiers. Also to be trustable needs good financial analysis. Now companies always put to their financial information for public to be transparent and persuade investors to put money for their company. Consequently, financiers creates their plan, in their analysis they also put innovation of current or previous year.

Fourth, good communication and teamwork skills help to financiers on the decision making, dealing with executive tasks. Communication or meeting with other financiers or representee of other departments accomplishes to comprehend complex situations and make a decision.

Fifth, analytical and problem-solving skills are main soft skills on the solution of problems. How is affected problem or defining of consequences of problem helps to avoid expenses or gain more profit. Relevant choice for problem is crucial for financial planning and it can very costly in some times. 21st century is showed that changing happens very quickly like 2010 and 2020 years are incomparably changed . New discoveries can also influence to technical revolution of new products. The pandemic situation “Covid-19” influenced all economics of world. It decreased 8% percent of GDP in Italy which top 10 economic countries of world. It is very significant for Italy, because their GDP is high, 8% is income of a lot people and production.

Sixth, as I said a lot of times digital literacy. The computer is our main tool for all activities. Now by smartphones we can invest our money or earn profits. The financier has to know how to do report in the site, to keep transparency among investors, consequently they can expand company worldwide. Now the negotiation with new suppliers doesn’t need to fly from one country to another. Just to have corporate accounts to have online meetings. Every IS[2] knowledge is not exceed for financiers and large corporations are familiar which deals IT products and services. Financiers has to know their system to comprehend or analyze, control for government financiers.

I think I could explain the role and skills of financial manager, that’s acquired with my high-school and university experience. Honestly, profession has cons and pros, but if you understand and work, profession is really interesting with their goals, planning and routine. In previous parts I explained how it is important also for government and company, the beginning of financing started from ancient times. Improvement of government or company is directly depended on the one word “JUSTICE”. If financiers keep this rule, it is wealth. Financiers always create the nature of company, they should close maximally money stealing opportunities or check it. All of this thing is one word “JUSTICE”.

[1] – Sole proprietorship

[2] – Financial Manager

[3] – Information Systems

[4] – BP (British Petroleum) is a British multinational oil and gas company

[5] – Shell is a Anglo-Dutch multinational oil and gas company

[6] – Exxon Mobil is a American oil and gas company

[7] – KazMunayGas is a Kazakh oil and gas company

[8] – Eni – is Italian oil and gas company

[9] – CNPC – China National Petroleum Corporation

[10] – “Otbasy” bank is a Kazakh specialized bank for mortgage

[11] – International Financial Reporting Standards

Sources:

1. Ross Westerfield Jordan “Fundamentals of corporate finance” twelfth edition.
2. [Carrers360](https://www.careers360.com/courses-certifications/articles/19-advanced-skills-required-for-finance-manager-and-how-attain-them) “19 Advanced skills”
3. <https://www.youtube.com/watch?v=vVY7xBp5kS8>