The CPA's role in strategy and leadership

MODULE 1 | 1.9 | STUDENT COMPANION

Six ways CPAs contribute to strategy



Worked example: turning a strategic goal into targets (imagined hardware chain)

Board goal: grow revenue from $200 million to $240 million in three years, mainly through trade customers.

Revenue ($ million)	Now	Target in 3 years	Increase
Trade customers	80	110	30
Retail customers	120	130	10
Total	200	240	40

- New trade accounts opened each month
- Average spend per trade account
- Gross margin on trade sales, so growth is not bought with profit-destroying discounts

Finance roles across the strategy process

Role	Analysis	Develop the plan	Implement	Review
Accountant	Collect financial, enterprise and big data	Support business modelling	Analyse interim performance	Gather data for review
Senior accountant	Interpret data and metrics; link finance, technology and information teams	Insights, forecasts, business cases	Analyse performance; help re-scope projects	Keep data valid and reliable
Financial controller	Use data to value assets, inform decisions, manage risk	Challenge assumptions; develop options and budgets	Champion change; plan contingencies	Spot when the plan or business model must change
CFO	Weigh the strategic implications of all information	Ensure a coherent plan; win board support	Role-model and lead the change	Raise strategic and business model issues with leaders
Internal auditor	Design performance and risk dashboards	Contribute with a focus on performance and risk	Monitor implementation risks	Review dashboards; raise issues with management and the board

Following one strategy: Sunreach considers a plant in Vietnam (imagined)

Stage	Finance contribution
Analysis	Accountants gather cost, sales and market data; a senior accountant interprets labour, logistics and exchange rate trends
Develop the plan	The financial controller challenges the assumption that wages stay flat and models lease versus build; the CFO tests the plan against capital limits and takes it to the board
Implement	Budgets reallocated; measures for output, quality and cost per unit; the internal auditor tracks currency and supplier risks
Review	Does the strategy, or the business model itself, now need to change?

A caution. Being a business partner does not mean being a cheerleader. CPAs must keep their integrity and objectivity and say so when the numbers do not support a strategy. That evidence-based independence is what makes their voice valuable.

Practice questions

MODULE 1 | 1.9 | TRY THESE BEFORE THE WORKED ANSWERS

Question 1 - Match each task to a role and a stage

Finance task	Role	Stage
(1) Collect monthly sales and cost data for a market analysis		
(2) Interpret return on investment and SWOT results and explain the trends to the strategy team		
(3) Challenge the business case's market-growth assumption and develop alternative options		
(4) Present a coherent strategic plan to the board and secure its support		
(5) Monitor the roll-out for emerging risks using dashboards		
(6) Analyse interim performance against budget during the roll-out		
(7) Lead the change as a role model and drive re-scoping of a strategic project		
(8) After reviewing results, judge whether the business model needs to change		

Question 2 - A change in business model

Imagine a café chain called **Bean There** that is shifting most of its sales from dine-in to delivery through third-party apps. How will its profit formula change, and which financial measures should its CPA start reporting, or report differently?

Question 3 - Traditional role and business partner

Explain how a CPA's traditional role and their business partner role support each other. Give one example of each role helping the other.

Worked answers

MODULE 1 | 1.9 | WORKED ANSWERS - ATTEMPT THE QUESTIONS FIRST

Question 1 - Match each task to a role and a stage

Task	Role	Stage
(1) Collect sales and cost data	Accountant	Analysis
(2) Interpret ROI and SWOT results	Senior accountant	Analysis
(3) Challenge assumption, develop options	Financial controller	Develop the plan
(4) Present plan, win board support	CFO	Develop the plan
(5) Monitor roll-out risks with dashboards	Internal auditor	Implement
(6) Analyse interim performance	Accountant	Implement
(7) Lead change, drive re-scoping	CFO	Implement
(8) Judge business model change	Financial controller	Review

Some tasks overlap between levels; what matters is the pattern from gathering data to leading change.

Question 2 - Bean There's new business model

Profit formula changes: revenue now arrives through apps that charge commission, packaging becomes a significant cost, dining space is needed less, and order volume matters more than time spent in the café.

Measures to report: sales by channel; average order value; platform commission as a percentage of delivery sales; packaging cost per order; contribution margin per delivery order compared with dine-in; delivery time, accuracy and customer ratings; repeat-order rate; and rent and labour per order, to judge whether café space should shrink.

Question 3 - Traditional role and business partner

Traditional role supports partnering: accurate records, compliance with standards and strong controls give managers data they can trust, so the CPA's strategic advice is credible. Example: reliable product costings let the CPA show which product lines a new strategy should drop.

Partnering supports the traditional role: understanding the strategy helps the CPA design budgets, controls and measures that focus on what matters. Example: knowing a new market is a priority, the CPA builds reporting that tracks it separately. Throughout, integrity and objectivity must not be traded away to please colleagues.