



The CFO as an Enabler

Patrick Butcher, Group CFO of Go-Ahead Group, has come to see his role as that of an enabler of success. At Criticaleye's recent CFO Retreat, **Patrick** recounted the leadership journey he has been on, including his own "Damascene moment." **Emma Carroll** reports



Patrick Butcher was appointed Group CFO of the Go-Ahead Group in March 2016. He was well prepared for the role, having gained 15 years' experience at board level in transport and infrastructure companies including Network Rail, English, Welsh and Scottish Railway, and London Underground.

It's a high-pressured industry: scrutiny from the media and government is high, and stakeholder groups are diverse and vocal.

In conversation with Criticaleye's CEO, **Matthew Blagg**, Patrick shared his thoughts on how to go about establishing a culture of high performance under such circumstances. He recounted how, as part of that, his preferred leadership style has evolved from wanting to be seen as "the smartest guy in the room" to that of an enabler of others.

What makes a good relationship between the CFO and the CEO, from your personal perspective?

A key aspect of the CEO/CFO relationship, is that you need to feel you're going to learn something from that person every day at work, and that you're going to get an insight, or a perspective, that you didn't have when you got out of bed that morning.

So, as I assess a new job there are three questions I ask: Is it worthwhile work? (So, is there a product that I can believe in that's of value and of use to people?;) Am I going to be able to learn something and get on with the people I work with?; and, am I going to make a difference? So, thinking about the CEO is a key part of that decision.

“My job is not to have the answers, it is to have the questions”

Can you be successful without having the right relationship with the CEO?

Yes, I think you can, but life is less fulfilling if you don't have aligned objectives. What's important about the relationship is that you have broadly shared goals and values.

So yes, you can be successful for a period of time, but I think for sustainable long-term success, in any endeavour, you've got to have those shared aims. However, you don't have to like each other.

Also, the chief exec is the principal point of contact with the non-executives on the board, so that relationship needs to be a healthy one as well. But, as the CFO, you are often the only other person in the boardroom, and so you have an important role to play in facilitating that relationship too.

What about the alignment across the wider board?

If the strategy isn't clear it makes for a very inefficient and dysfunctional workplace. When you've got a common

strategic thread running through the business it's easy to make decisions. Without that thread it's practically impossible, as you have no yardstick. Everyone sitting around the table is using their own yardstick.

How would you characterise your approach to leadership?

My management style is to step back a bit and give people more accountability, while being clear about the outputs I need. Then I step onto the same side of the table as the individual, and say: "What can I do to help you achieve your goal?" What I've really enjoyed is seeing those people really leap forwards.

My job is not to have the answers, it is to have the questions and to be a source of support, encouragement, advice, governance and whatever wisdom I have, to help other people be successful. You are so much more effective if you help other people succeed.

In terms of your leadership journey, have there been any trigger incidents which caused you to change your leadership style?

There was a point when, as the executive team, we did some work with the senior managers on what they thought of us. The results were not particularly wonderful, so I decided to explore it a little more: doing some deep 360-degree work.

It turned out that the people I worked closely with had a higher opinion of me than those who were further away. I initially interpreted this as meaning those who worked more closely with >



me could see I was trying to do the right thing and that I was a fairly decent human being.

The interpretation of my coach was slightly different, it was: “Maybe you’re not a nice person at work, and it’s hard for your immediate team, but these people have no choice.”

As an internal mentor, she could follow me around the business, and there was one project review meeting at which she was an observer.

The project wasn’t going well, and I didn’t feel the team had followed my instructions, so I spoke very directly to

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them. I told them what to do, without really listening to them, and then sent them away. Afterwards my coach asked me two questions that I’ll never forget:

- “Do you think the way you spoke to them means that if they have another problem they’ll come to you?”
- “Did you feel better after that conversation? Because, the last time I checked you were paid to be effective, not to feel better.”

That was my Damascene moment. Where I thought: what can I do to remove the barriers to other people’s success and help them be the best they can? And, how much more effective will the organisation be if I help twenty people succeed, rather than just focus on my own success? >

TIPS ON CHANGING YOUR LEADERSHIP STYLE

Ruth Cairnie, FTSE 100 NED and Criticaleye Board Mentor, offers her advice on when and how to change your approach

One example of when leaders need to change their style is when things aren’t working. For instance, if they’ve been trying to drive a big change programme and aren’t getting any traction.

However, I think good leaders should always be looking for ways to improve and develop.

It’s about being very open, seeking feedback and making sure that there’s trust among the leadership team. It’s having trusted advisors who can give frank feedback, such as coaches and mentors. They can hold up a mirror to see how you are performing as a leader, as opposed to how you’d like to think you’re performing.

Often, people rationalise away the messages they don’t like. They say: “I’ve heard all this before,” as if that means it doesn’t matter. Whereas, if they’ve heard it all before, then maybe they need to consider what to do about it.

Changing your leadership style is about behaviour and, to change behaviour, you need a lot of reinforcement. It’s not something you can think yourself into doing – you must act.

Keep it very simple. Don’t try and have a ten-point plan. Decide to try and shift a couple of things, and then ask your direct reports, or other trusted people, to tell you when they see you doing it, or not. Then you get into a feedback loop. And because you’ve told people you’re trying to change, that makes you more alert to the fact that they might notice if you’re not.

Changing your leadership style is about broadening your skill-set and then becoming increasingly conscious of how effective you are, and how you come across as a leader. Then you’ll be able to adapt to different circumstances more effectively.

At the core of it is your own personality, but you can make yourself a much more effective leader by being conscious of that, and by working on doing things differently.



Ruth Cairnie
Board Mentor
Criticaleye

Ruth is NED on the boards of FTSE 100 companies Associated British Foods (ABF) and Rolls-Royce, as well as a Criticaleye Board Mentor.

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Has the way you interact with colleagues – in terms of the balance of formal and informal interactions – also changed over time?

If I have a one-to-one with someone, I always spend at least half the time talking about their family and what's going on in their lives. And then we get on to the workplace challenges.

Unless you carve out time for those conversations they probably won't happen, particularly in dispersed or global businesses. You need to be disciplined about your time.

I don't deliberately balance formal and informal. What's changed over time is that I've got much more comfortable with difficult conversations that don't have a neat ending.

When I was younger I wanted everything neatly tied up. I've got more comfortable with messiness. Ultimately, it's about that person, where they are, and what they need from me to help them develop or to solve a problem.

What about your views on the wider role of the CFO, has that changed at all?

I used to think the CFO's job was to deliver the numbers. But it's a puzzle how you're supposed to do that when you don't control sales and operations. I think the principal job of the CFO is as a storyteller – so that everyone understands the financial story.

You've got to have a series of interconnected narratives that make sense to the executive team.

“That was my Damascene moment. Where I thought, what can I do to remove the barriers to other people's success...?”

To function they need a clear sense of context, and the financial challenges that the business faces are part of that context.

Sometimes those challenges are creative ones: we want to hit £100 million per year profits. Other times, you have negative challenges: we are running out of cash. So, the context of the story, and the actions you need to spur, are quite different.

The basic discipline is to make sure the business doesn't get lost in a fantasy land. You need to anchor them in the reality of performance metrics.


Do you have any final advice on working in such a high-pressured environment?

It's very tempting to dive onto the frontline every day, but if you're in the pit, who's doing the thinking?

You should carve out an hour or two where you have nothing to do. It feels incredibly unproductive, but it's so important, because if you're not thinking, who in the business is? Who's thinking about what's next? Who's doing the risk and horizon scanning?

It is high pressured, but if you believe in what you're doing then it's much easier to deal with that pressure. And that's where the relationships you have are so important. ■

This feature was based on Patrick's interview during the [CFO Retreat 2017](#)



Patrick Butcher
Group CFO
Go-Ahead Group

Patrick was appointed to the Board of the Go-Ahead Group in March 2016.

He has held various finance director roles in transport and infrastructure companies, most recently at Network Rail and English Welsh and Scottish Railway (now DB Schenker). Before this, he was Finance Director at Mapeley, London Underground and King's College Hospital.

His early career was at Deloitte & Touche as a management consultant and auditor. Patrick is a member of the Institute of Chartered Accountants (South Africa).

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