

## Interview with a seasoned CFO on Best Leadership Styles in Financial Management

**Interviewer:** Our audience includes two distinct entrepreneurs. One has recently launched a fintech startup, and the other has been running a successful business for 20 years, now generating over \$1 billion in revenue. They're both eager to understand the best leadership styles for financial management. Let's start with the fintech entrepreneur. What leadership style would you recommend for a startup in the fintech sector?

**CFO:** For a fintech startup, I recommend an **agile** and **adaptive** leadership style. Startups are characterized by rapid changes, high levels of uncertainty, and the need for innovation. An agile leader in financial management needs to be flexible, open to new ideas, and capable of making quick decisions.

**Interviewer:** What specific qualities should this agile leader possess?

**CFO:** Firstly, they should be visionary, understanding the long-term goals while navigating short-term challenges. For example, when I used to work with a fintech startup in Cairo, we had to pivot our product strategy multiple times from escrow service, to BNPL, then to Islamic finance, based on our understanding of evolution, regulation changes and market feedback. Secondly, communication is crucial. In a startup, transparency and open communication channels help build trust and align the team towards common goals. Lastly, they should embrace a collaborative approach, encouraging input from all team members and fostering a culture of continuous learning and improvement.

**Interviewer:** How does this leadership style impact the financial strategy of a fintech startup?

**CFO:** An **agile** leadership style translates to a dynamic financial strategy. This includes maintaining a lean budget, breathing financial model, prioritizing essential expenditures, and being ready to pivot based on market feedback. Financial agility means having the ability to quickly adapt to new funding opportunities or shifts in the regulatory landscape, which is especially important in the fintech sector.

**Interviewer:** Now, let's shift to the seasoned business owner with over \$1 billion in revenue. What leadership style would you recommend for a well-established company?

**CFO:** For a large, established business, a **transformational** leadership style is highly effective. This style focuses on **inspiring** and motivating employees to exceed their own expectations and capabilities, which is crucial for sustaining growth and innovation in a mature company.

**Interviewer:** Can you elaborate on the key traits of a transformational leader in financial management?

**CFO:** Certainly. A transformational leader should be inspirational, able to articulate a clear and compelling vision for the future. They should also be empathetic, understanding the needs and motivations of their team members. Additionally, they must be effective change agents, capable of

driving and managing change within the organization. This involves fostering a culture of continuous improvement and innovation.

**Interviewer:** How does this leadership style influence financial decision-making in a large company?

**CFO:** In a large company, financial decisions are often complex and have far-reaching implications. A transformational leader ensures that financial strategies align with the company's long-term vision and goals. This means investing in sustainable growth opportunities, optimizing resources, and managing risks effectively. They also emphasize the importance of data-driven decision-making and leveraging advanced analytics to guide **financial planning and forecasting**. For example, while working with an international corporation, I implemented a comprehensive financial analytics system that significantly improved our forecasting accuracy and resource allocation.

**Interviewer:** Both our entrepreneurs are operating in the MENA region. Are there specific **cultural or regional considerations** they should keep in mind when adopting these leadership styles?

**CFO:** Absolutely. The MENA region has unique cultural and economic dynamics. For both startups and large enterprises, it's essential to understand and respect local business practices and cultural norms. **Building strong personal relationships** and networks is essential. Shaking hands is still our most believed way of building trust.

**Interviewer:** How should the fintech entrepreneur approach this?

**CFO:** The fintech entrepreneur should focus on building trust and credibility with local stakeholders. This involves compliance with local regulations and partnering with established entities. Being agile means adapting to these local nuances and leveraging them to gain a competitive advantage. For instance, forming **strategic partnerships with local banks** can provide valuable insights and access to established customer bases, if could ever work otherwise :).

**Interviewer:** And for the large enterprise leader?

**CFO:** For the large enterprise, maintaining strong relationships with regulatory bodies, government entities, and local partners is key. A transformational leader in this context should also focus on **corporate social responsibility**, aligning business practices with the Saudi Kingdom's Vision 2030 goals, which emphasize economic diversification and sustainability.

**Interviewer:** Let's talk about some of the challenges leaders face in financial management, particularly in technical, compliance-related, and rules-governed functions like finance and financial reporting. How should leaders approach these challenges?

**CFO:** Leading in such an environment requires a strong adherence to compliance and regulatory standards while maintaining operational efficiency. One challenge is the constant evolution of financial regulations. Leaders must stay updated with these changes and ensure their teams are well-informed. For instance, during my tenure at a large enterprise, we had to restructure our entire compliance

framework to align with new international financial reporting standards in addition to SOX compliance requirements. It required meticulous planning, extensive training, and robust internal controls.

**Interviewer:** What are the key strengths and factors of successful leadership in these areas?

**CFO:** Key strengths include attention to detail, analytical skills, and a proactive approach to risk management. Leaders should foster a culture of integrity and transparency. Regular audits, compliance checks, and continuous education on regulatory changes are essential. Additionally, leveraging technology for compliance management can significantly enhance efficiency and accuracy. Consulting with experts was essential to keep us always informed about updates in regulations, never underestimate reliable consultants.

**Interviewer:** How can leaders effectively guide their teams through uncertain circumstances?

**CFO:** Effective leaders provide clear guidance and support to their teams during uncertain times. This involves transparent communication, setting realistic expectations, and providing the necessary resources and training. During the economic downturn caused by unforeseen events, we had to make tough financial decisions. By maintaining open communication and involving the team in decision-making, we navigated the crisis with resilience and emerged stronger.

**Interviewer:** Can you provide any final thoughts or advice for our two entrepreneurs?

**CFO:** For the fintech entrepreneur, my advice is to stay **flexible** and open to change. The fintech landscape is evolving rapidly, and being able to pivot and adapt is crucial. Leverage technology to streamline financial processes and remain competitive. For the seasoned business owner, focus on maintaining and enhancing your corporate culture. As your company grows, ensuring that your team is aligned with your vision and values is essential for sustained success. Embrace innovation and invest in your people—they are your greatest asset.