Ones to Watch

FDs at the top of the pile

Publication sponsored by Expense Reduction Analysts in association with FinancialDirector

Expense Reduction Analysts

Ones to Watch

in association with Financial Director Magazine

FinancialDirector
Ones to Watch 2011

Expense Reduction Analysts

Expense Reduction Analysts would like to congratulate the 20 Ones to Watch on achieving this accolade

Expense Reduction Analysts can help you watch your bottom line through best practice cost, purchasing and supplier relationship management.

If you want an extra pair of eyes on your costs, contact Expense Reduction Analysts now on: **02380 829737** or visit: **www.expense-reduction.co.uk**

find extra profit

Why there is so much more to the title of finance director

When we launched the *Ones to Watch* initiative, in association with *Financial Director* magazine, we not only wanted to find the high achieving financial performers but also those who have embraced the need in today's business world to do more than just keeping the finances in order.

The emergence of a new generation of financial professionals, who are equipped with a broader skills base, covering areas such as leadership, strategy, communications, international business and commercials, in addition to technical know-all, has been the subject of much debate via conferences, the media and various research studies.

As a leading national journalist recently reported: "Chief financial officers used to describe the past; today, they are expected not only to envision the future, but to lead the way there."

In our area of expertise we are also seeing this trend towards a more complete finance director – recently we have gained feedback from board directors across a range of sectors and different size firms throughout the UK, and the consensus is that they are increasingly approaching cost control strategically, rather than just as a transactional exercise (see the report on page 12).

However, according to recent research from one of the top four accountancy firms, very few people in their current organisations appear to have the broad skills required to succeed as group CFO.

That's why the *Ones to Watch* initiative was launched – to recognise and celebrate the broadening requirements of today's finance directors, who are operating in an increasingly competitive, global and changing business landscape, not to mention one of the harshest economic climates ever recorded.

Through independent and rigorous research, we have selected 20 *Ones to Watch*, which represent those directors that have responsibility for finance and over the last 12 months have demonstrated what their role brings to their organisations in terms of leadership: sound financial planning; innovation; decisiveness; communication skills and clear operational improvement.

As you will see from the following pages, which profile our 20 *Ones to Watch*, there is much more to the title of finance director.

Robert Allison, managing director, Expense Reduction Analysts

Christopher Bailey

Finance director, Plessey Semiconductors

Joined company: 1979

There is not a clear link between electronics manufacturing in Devon and Turkish consumer spending, but Plessey Semiconductors are working on making that connection. The company has blazed a trail in accessing overseas markets and as a leading UK manufacturer, is launching new products to increase exports.

Given that Plessey is almost entirely reliant on its export business, it makes sense for Christopher Bailey to search for new opportunities further afield. Turkey gives that opportunity in that its infrastructure will need significant investment, and as the country grows, the availability of technology solutions will be important in the journey.

Based in Plymouth, Plessey has pioneered cutting-edge sensor technology and recently announced first samples of its award-winning EPIC (electric potential integrated circuit) sensor that detects changes in electric field. This disruptive technology addresses markets as diverse as medical diagnostics and computer gaming and holds the promise of significant revenue for Plessey in the second half of 2012. Plessey's innovative approach to electronics has seen it forge ahead into growth markets despite a sluggish economy at home.

But it has not been a smooth journey. Plessey Semiconductors was formed in January 2010 as the recreation of a famous name in electronics and semiconductors together with the acquisition of the Plessey IP portfolio, patents, processes and its manufacturing site in Roborough near Plymouth. That was facilitated by an MBO which saved the business from closure.

However, while progress has been made in the R&D sphere, the last 18 months have thrown up a series of challenges for Bailey and the team, but as turnover has approached £12m, Plessey has continued to invest in R&D and is perfectly positioned to take advantage of the next wave of nanotechnology.

With the progress made so far, there is little doubt Plessey will be set up well in order to capitalise on the opportunities in this dynamic sector.

Chris Lucas

Chief finance officer, Barclays

Joined company: 2006

Chris Lucas, Barclays' CFO for the last five years, is definitely an FD to watch.

Why? Simply because he is an increasingly vocal and important voice in the great debate of the age: what to do with the banks.

Lucas, who took the step of swapping audit partner at PwC for a FTSE-100 directorship back in 2006, had a good crisis unlike many of his banking peers. Barclays generally emerged from the 2008 storm smelling pretty fragrant, having avoided the poisoned chalice that the mooted purchase of Lehman Brothers would surely have been. Lucas was instrumental in guiding the bank through those turbulent waters, with many analysts taking note of his calm under pressure and admirable support for the bank's then-CEO John Varley.

Since then, with the appointment of Bob Diamond, Lucas has continued to add a solidity and steel to Barclays' attempts to hold its own against the attempts to regulate the banks. His cool demeanour and excellent grasp of the issues has seen him at the vanguard of the Barclays PR offensive. Indeed, the ease with which the quiet man has stepped into the limelight is a great testament to Lucas's skill. Next stop CEO?

Rachel Osborne

Finance director, John Lewis

Joined company: 2011

Having recently ascended to the top of the UK retail charts, John Lewis has taken the interesting step of appointing Rachel Osborne as finance director, and that appointment definitely makes her an FD to watch.

Osborne spent one year at Sodexo, following a six-year stint at retail giant Kingfisher's B&Q. The step up to John Lewis, though, is a whole new ball game, and will test Osborne's resources to the limit. Maintaining its market-leading position will not be easy.

Osborne arrives at John Lewis at a challenging time for the retailer. Interim results show that, while sales in the first half of 2011 to 30 July were up 2.5 per cent to £1.42bn, the department store has been affected by its pledge to match its competitors' discounting as part of its famous Never Knowingly Undersold price promise and an overall downturn in consumer confidence, with profits falling.

As the employee-owned group acknowledges that conditions will remain challenging into 2012, Osborne's performance will be very much under the spotlight.

John Lewis publishes its weekly sales for all to see. The media loves to report it, analysts use it as a bellweather for the high street, and there is no doubt that John Lewis's partners (staff) talk about it. Most of all, it exposes the management's business strategy to scrutiny week in, week out.

Robert Baker

Chief finance officer, ATG Airports

Joined company: 2003

If David Cameron and George Osborne are to be believed, the future of the UK economy rests in the hands of those businesses who exploit exports. All kinds of initiatives have been launched to encourage UK business to look beyond these shores to emerging markets.

And while a lot of heat and noise has been created by these schemes, some companies have been quietly getting on with the business of exporting.

ATG Airports is a niche electrical engineering company specialising in airfield ground lighting and related products, and has been doing just that. Chief finance officer Robert Baker has been at the forefront of the company's growth, and can take a great deal of credit for driving the business into new areas and export success.

With Baker on board as CFO, the business has grown from a turnover of £5m in 2003 to about £14m today, with profits having doubled over this period. ATG, which employs 93 people, is constantly looking to expand its operations still further in the future.

The company started as a division of AT Group Limited in 1993, and since then the business has grown both organically and through a number of acquisitions to be recognised as one of the major players in the global market.

The company has a number of different competencies, including a full range of airway and taxiway lighting products, a taxiway guidance sign and two separate control system products. Additionally, ATG carries out airside-based installation work, as well as maintenance works for the military. All these products and services are provided on an international basis.

Baker joined the company in 2003 when the emphasis was on its UK-based installation works, ATG having completed a number of multi-million pound projects for the upgrades of several regional and national airports. An MBO in 2005 by two executive directors took ATG onto the next level, allowing it in 2007 to acquire the airports division of Alstom Power.

Baker's achievement in cementing that deal meant that ATG added a full range of airfield ground lighting products to its existing product range, together with a new control system product. Also, the Alstom legacy business provided a greater depth of experience worldwide for the company with a larger international installed base, meaning that it was able to truly look towards exports for success.

The company now operates on a global basis from Europe, Africa, South East Asia and North and Latin America. Its operations in these markets are supported by Baker through his leadership of the finance function.

Following the Alstom acquisition, ATG now operates from two sites within the UK, with the main head office in Lowton near Manchester and a supporting satellite office in Rugby. Clearly Baker has set the company on a firm financial footing for the coming years, and there is little doubt he is one to watch.

Loraine Woodhouse

Finance director, Hobbs

Joined company: 2011

Taking the reigns of a retailer in the teeth of a recession takes a lot of courage, but it's not just that quality that has marked Loraine Woodhouse out from her peers.

As finance director of Hobbs, she faces one of the toughest challenges known to the modern FD – safeguard the bottom line in a time of stagnant growth and consumer confidence that can only be optimistically described as fragile.

But Woodhouse has the experience to tough it out. In 2004, she joined Whitbread where she held the role of divisional chief financial officer of Costa Coffee, one of the conglomerate's major recent success stories. Interestingly, she was instrumental in improving the business's sustainability credentials, an area sometimes ignored by finance but increasingly central to operations (and perceptions).

After Costa she moved to Capital Shopping Centres – part of Liberty International – in 2008 as finance director, before landing in the Hobbs hotseat. At Hobbs she'll be serving two masters: chief executive Nicky Dulieu, who used to be the FD at Hobbs and so knows the numbers better than anyone, and 3i, the PE backers with a 70 per cent stake who will be expecting the FD to deliver consistent growth despite the challenges on the high street.

What marks Woodhouse out is her determination to take on a challenge. Named as a Woman to Watch by Cranfield, she clearly commands respect from her peers and is set for an interesting career, particularly if she stays in retail, the sector having proved a happy home for many female FDs, from Stacey Cartwright at Burberry to Dulieu herself.

Paul Venables

Finance director, Hays Recruitment

Joined company: 2006

It can't be easy being in the recruitment business in the middle of a recession. For many in the sector, the collapse of Lehmans was all the proof they needed that a career change might be in order. And that was doubly true of those exposed more to the financial services end of the sector.

But Paul Venables has stuck it out and ensured Hays Recruitment had a "good crisis" despite its exposure to some of the hardest hit areas. In doing so he has demonstrated his ability to switch effortlessly between a growth agenda and ruthless cost cutting depending on the prevailing winds.

Like many FDs and CFOs, Venables seized the chance offered by the recession to start the fat trimming in earnest. Much of Hays' systems were automated and outsourced; back office operations were rationalised and slimmed down to a more manageable and flexible size, allowing the company to grow internationally. In addition, data collection has been beefed up to aid business intelligence.

As well as these operational improvements, what also marks Venables out is his comfort in assuming a spokesperson's role not just for Hays but for finance executives generally. Indeed, he recently told *Financial Director* of his frustration with the Borders Agency's insistence on capping the levels of non-EU workers coming to the UK.

"In a global, recovering economy, why would any government want to stop businesses hiring the best people? I just don't understand it," he said. Strong stuff.

When too few FDs are prepared to put their heads above the parapet, seeing a consummate professional taking a stand on the issues that matter to his industry is refreshing.

Neil Bannister

Chief finance officer, JustGiving

Joined company: 2005

For a business that claims to have helped 12 million people give £930m to more than 9,000 good causes, there is no doubt that JustGiving has a lot to crow about.

Since being founded 10 years ago, the company has revolutionised fund-raising, using the new wave of digital communications and devices to make giving easier. Tapping into the growth of social media, as well as facilitators such as PayPal, JustGiving leads the field of online fundraising.

Last year, the company's income was £13m, from raising about £250m for charities. It charges charities a small subscription fee plus 5% on each donation, with all profits to date re-invested into the business in order to fund new innovations in online giving.

JustGiving employs 85 staff, 68 in London, the rest in the US where they opened in 2003. That makes it a rare beast – the for-profit social business that makes surpluses, pays its top people competitive salaries and re-invests in the business.

With Neil Bannister on board, JustGiving occupies the space between pure commercial enterprise and charity, and as such is ideally placed to tap into and serve a new community of charitably minded, digitally connected consumers who want to be able to interact, raise money and have fun at the same time. It is clearly working, becoming the number one fundraising site, building on its user base to partner with Vodafone and recently launching Company Fundraising, a new tool to help other large corporates mindful of the need to project a charitable image.

The banks are impressed. Barclays recently ran a laudatory piece on Bannister and his team, citing JustGiving's recent performance as being evidence of "a strong management team, a robust cashflow and excellent growth prospects".

Clearly, Bannister is making all the right moves, keeping JustGiving on track for continued success.

Alex Maby

Finance director, H&T Group

Joined company: 2009

H&T Group is the largest pawnbroker in the UK. Listed on AIM, it reports revenues of £126m with 2010 profits of £25m – up from just £7m three years ago.

This is on the back of some serious business expansion, and finance director Alex Maby has successfully managed the capital expenditure and liquidity risks that have allowed the group to double its store estate in recent years. That effort, along with huge volatility in the gold price, has meant managing working capital and accurate forecasting of cash flows has been a key priority for the FD.

Maby's key concern has been to secure adequate financing for the business. To that end, a refinancing (completed without the use of advisers) has provided the opportunity for expansion, while he reports that changes to operational processes have released a substantial £10m of working capital into the business. These efforts have led to frequent reforecasts and three trading updates being issued to the City within the last year – and all of which demonstrate this FD's wider corporate finance, financial modelling and working capital management skills.

It is clear from H&T's results that the FD is doing something right, making it a darling of AIM. Indeed, H&T reached the final in the 'Best Communication Award' category at the 2010 AIM Awards, a tribute to the FD's ease with handling the demands of IR. As well as that, Maby introduced transfer pricing between stores, an innovative move at odds with the company's heritage.

With a proven track record and invaluable experience of private equity, IPOs, and refinancing, along with his clear commitment to shaking up the business processes, there can be little doubt that H&T's FD is one to watch.

Andrew Bonfield

Finance director, National Grid

Joined company: 2010

Stepping into the shoes of a successful finance director is never easy, and the challenge is made greater when you are perceived to be joining at a critical time. For this finance director, though, the timing might just be right.

But Andrew Bonfield is clearly one for a challenge, announcing as he did his intention to succeed Steve Lucas of National Grid – a regular in the 'best FD' lists – at the back end of last year.

It should be said Bonfield has form in taking on a challenge. He was FD at Cadbury when Kraft came calling. One of the biggest business stories in the UK of the last decade landed right on his desk, and to most observers Bonfield acquitted himself well, securing the best deal from what was certainly a tight spot. Indeed, he avoided being lumped in with the criticism the rest of the Cadbury board suffered over Kraft and was credited with shepherding the deal over the line.

So what of his new role at National Grid? Well, the slings and arrows of the Cadbury experience (where he spent just a year) should certainly stand him in good stead for the year ahead at one of the UKs' most critical power suppliers and distributors.

His previous experience, when he served as chief finance officer with SmithKline Beecham, finance director of BG Group, and then moved to Bristol-Myers Squibb as chief finance officer, speaks of an FD comfortable with the big, the heavy and the strong in the international economy. Understanding the construction, pharmaceutical and engineering sectors is one thing, but navigating the minefield of regulation that dog the public utilities will be something new for Bonfield.

So far, however, he has kept a steady hand on the tiller. Maybe his timing is getting better.

James Davenport

Finance director, Innocent Drinks

Joined company: 2003

Innocent drinks has grown up on the back of the health food craze, and its brand of smoothies tapped into the demand for healthy snacks and five a day, especially for children. And while Richard Reed is the public face of the company, regularly being snapped in the company of politicians and fellow start-up stars James Dyson and Peter Jones, finance director James Davenport has provided a solid foundation for the company's stellar rise.

For Davenport, the focus as FD has necessarily settled on balancing the push for growth alongside toughening the company's resilience in what has been a punishing few years for FMCG producers. Along with that, he has also been tasked with supporting Innocent's drive into Europe; new territory for Davenport, and a great chance to show he is more than just a process guy. Take his recent explanation of the company's currency hedging strategy.

"We use forward contracts to close out our exposure because that is what fits our needs," he said. "We look 12 months ahead and consider our net position in dollars and euros. Then we look at whether we need to buy or sell – or what else we need to do to remove any foreign exchange exposure."

Clearly the European adventure is at the sexy end of the job, but at the same time Davenport has been quietly building a formidable finance function at Innocent. And indeed his achievements in that have already been recognised. In 2009, *AccountancyAge* judges, in naming Innocent finance team of the year, noted the company's use of people power in making the most of its team's talents.

"The Innocent entry demonstrated a real team effort and a strong emphasis on people, a shared vision and drawing the team together," they said. That's quite a tribute.

Rita Purewal

Finance director, Wolverhampton Wanderers FC

Joined company: 1994

Football is the epitome of an unpredictable business. Millions are lost or gained every year on the kick of a ball. And even though those outside the business must marvel at how football finance directors do it, for those running the finances away from the pitch, the job is one few would give up.

That explains the inclusion of Rita Purewal as FD of Wolverhampton Wanderers. She has presided over the club's yo-yo existence since 1994, and since 2003 has seen them relegated and promoted back to the Premier League not once, but twice. In that time of extreme instability and the huge variance in income between being in or out of the Premier League, she has managed to build a solid foundation on which the club is moving forward.

Assessing the value of promotion accurately is difficult, but conservative estimates put it at about £45m a year for each club. Rita Purewal manages this pendulum where increased revenues from TV deals to Premier League clubs contribute the bulk of this but promoted clubs also share the Premier League pot where a strong league performance will earn them an increasing percentage of overseas TV rights, collective sponsorship and advertising.

As we all know, increased revenue is directly proportional to increased pressure on the finance function. Running a Premier League club has unique challenges with escalating player wages while retaining a sensible model that attracts the right sort of player.

Keeping the demanding fans happy and recognising that most of them would probably prefer the quick fix of a "sugar daddy" to the careful stewardship of owner Steve Morgan and Purewal is also a tough ask.

Purewal's efforts continue to be extraordinary and she certainly deserves all the credit and recognition due to her.

Darren Rajanah

Group finance director, The Hut Group

Joined company: 2008

Launched in 2004, The Hut Group is one of Europe's leading online multi-website retailers. It established its in-house technology platform in 2006 and subsequently launched and acquired a range of retail sites entering entertainment in 2008, fashion in 2009, gifting and health & beauty in 2010 and sports nutrition in 2011.

That is no small boast if you consider the explosion in online shopping in the last five years. Group finance director Darren Rajanah has already clocked up a number of successes at The Hut Group, including working on a deal that saw the company raise £14m from a consortium of investors, including Balderton Capital, Artemis, William Currie Group and Angus Munro, the former chief executive of Matalan. Rajanah helped to raise £32.5m in institutional equity from the City and later, in 2010, the company acquired retail websites I Want One Of Those, Mankind and LookFantastic. In May 2011, the company continued to grow with its largest acquisition to date, Myprotein.com.

What Rajanah brings to the company is clearly more than just fluency with numbers. His calmness under pressure comes from experience gained working with major corporates from an early stage in his career. At the Caudwell Group, Rajanah grabbed the opportunity available at the mobile phone giant, where "at 24 I was already running my own P&L within one of the subsidiaries", he told the CIMA magazine. He followed that up with a stint as head of finance at the 20:20 Mobile Group.

He has built on that since joining The Hut Group in 2008, where one of his first tasks was to lead its acquisition of Zavvi.com.

"There have been a lot of changes and achievements over that period," he says. "When I joined there were 50 people; today there are 500. I've built up the finance function and implemented controls and processes throughout the business to support that growth.

"Since I joined our credit line has increased by more than £30m – a strong achievement in today's climate. We've done it by working closely with our credit insurers. We've also implemented a substantial standby working capital facility and attracted more than £30m of investment from the City."

Rajanah received personal recognition in 2010 with the award of Young Financial Director of the Year for the North West Region.

Nilesh Pandya

Chief finance officer, Skrill

Joined company: 2010

For those that do not know, skrill is a slang term of money. Good name, then, for a company that provides payment services to online merchants. And it is maybe better than Moneybookers, the company's former name before its rebranding earlier this year.

Skrill's raison d'etre is working with online retailers to remove risk from the e-commerce chain and improve the offering to the paying customer. That means they offer everything from fraud protection to auction payment services, affiliate management, micropayments and shop systems.

And at the heart of it is Nilesh Pandya, the chief finance officer. Pandya joined the group in November 2010 having spent six of the last nine years in the software sector. From 2007 to 2010 he was group CFO of Powerplate International where he was responsible for accounting including control and risk, global treasury and corporate finance, covering fundraising and transactions.

That came on the back of a stint as CFO of Inclarity and in various financial roles for Marks & Spencer, BOC Group, HSBC Investment Bank and KPMG where he was a member of the Financial Sector Group focusing on audit, due diligence and consulting on financial institutions.

Pandya is now in charge of the finances at the private equity business, and is clearly doing something right, given that Skrill managed to snag top spot in the recent *Sunday Times* Fast Track fastest growing, private equity-backed companies in the UK based on profits. Indeed in 2010, Skrill reported revenue of €66.7m, demonstrating a compound annual growth rate of 40% over the prior two years. That was partly down to a growth in its customer base of a stunning 48%.

So now all Pandya has to do is keep the growth story going, keep the PE backers happy and get the business ready for its inevitable IPO after it was forced to postpone its float in April this year. As one source close to Skrill's attempted listing said: "Early responses to the IPO were positive – it was a rare opportunity to invest in European internet. But then the IPO was hit by the perfect storm."

Unrest in the Middle East, the Japanese Tsunami and the poor performance all impacted on Skrill but its board, with Pandya front and centre, say they are determined to take another run at it in 2012. Definitely worth watching.

Paresh Majithia

Finance director, Timpson

Joined company: 2004

Working for a well-known entrepreneur is always a challenge for the finance director. Yes, you benefit from the drive and commitment of a business visionary, but the chances are the boss will not have a huge amount of time for spreadsheets or risk matrices.

For Timpson FD Paresh Majithia, the challenge is to work alongside company founder and chairman John Timpson and his son, chief executive James Timpson OBE in delivering sufficient growth in what is an uncertain High Street environment.

With headquarters in Manchester, Timpson is currently developing new service areas such as locksmiths, photo ID, car keys and alterations on clothing.

As a major high street retailer with more than 860 outlets in the UK and Ireland and a turnover of more than £135m, Majithia oversees the finances of a business that has made looking after their own a core business strength.

The company consistently tops polls for customer service, and much of the credit for that must go to the FD who has successfully integrated a number of acquisitions into the ever-growing Timpsons group. In the year to October, the family-owned Timpson Group made pre-tax profits of £10.6m on turnover of £135m, with both figures up slightly on the previous year. Added to that was an interim dividend of £5.6m paid during the year (and the company donated £259,000 to charity) in addition to raising over £250k through donations from customers.

Ultimately, Majithia will be judged not just on this years' results but on how well he supports the business to continue growing in a struggling economy. Sustainability matters in business, and this FD clearly has his eye on the long term.

Christopher Rogers

Group finance director, Whitbread

Joined company: 2005

Christopher Rogers is one of the key public faces of Whitbread. He is often a spokesperson for the business. That can partly be explained by the need for the company to communicate the reasoning behind the large number of its recent deals (most recently the sale and leaseback of seven Premier Inns) but also clearly marks Rogers out as a finance director comfortable selling the Whitbread story to a wider audience.

Since 2005, Rogers' remit has been to focus on the business's structure and allocate resources accordingly. That has seen the use of private placement debt deals to finance expansion. In 2010 Rogers handled the issuance of $115m and £25m (total funding of £101.8m) of debt private placement notes due in 2017 and 2020. In September he took that on a step, announcing further debt private placement notes of $210m and £25m.

So where is the growth coming from? Premier Inn and Costa are the two engines that are driving it with most vigour. And while that might be surprising in a recession – who wants to pay £2.50 for a coffee when your job is on the line? – Rogers's careful stewardship and canny investment in the brand has clearly counted for a lot.

Where next? Well, Rogers is well connected, sitting as a non-executive on the board of HMV, and coming from a background that included stints as FD at Woolworths (pre-liquidation, of course) and the top finance job at Comet.

It is certainly true that Whitbread's challenges remain – its restaurants division has struggled of late – but with Rogers in the finance seat the forecast is pretty sunny.

Ian Griffiths

Group finance director, ITV

Joined company: 2008

To describe ITV's recent history as turbulent would be something of an understatement. The company seemingly spent much of the last decade running to catch up while Facebook, Google, Apple and the BBC gobbled up the talent, investment and eyeballs so crucial to success in the media industry.

For ITV, 2009 was all about survival and the actions taken by Griffiths to restructure the balance sheet and drive cost out of the organisation helped keep the business on its feet. A new management team has also since been formed, which is working together to address the challenges outlined by chief executive Adam Crozier when he launched the company's five-year Transformation Plan in August 2010.

Just over a year later, the future is already beginning to look brighter. But ITV and Griffiths, once FD of the UK's leading publisher Emap, can not afford to simply rely on the '*Downton Abbey* Effect'. Unfortunately, the smash hit drama series is not owned by ITV, so the 200 territories that bought it last year are swelling the coffers of its producers Carnival Films rather than boosting the balance sheet of the broadcaster's in-house production team.

So Griffiths and Crozier will need to continue to develop profitable partnerships with independents and ensure that ITV gets payback on all the projects it develops. The top team clearly have serious ambitions to build on ITV's big hitter status; the new board's plan is ambitious – by 2015 the company aims to be a more balanced business with less reliance on traditional advertising revenue and a stronger, more international content business.

Griffiths is a strong performer, having risen steadily through the ranks at Ernst & Young to become Emap FD. He played a key role in leading the restructure of the group and was known for focusing on shedding the non-core assets and getting key brands working again – ideal experience for his current role.

Lucinda Bell

Chief finance officer, British Land

Joined company: 1991

For such a venerable UK institution, British Land made a radical departure in appointing a woman as its new chief finance officer.

There is no doubt that Lucinda Bell is amply qualified for the role. She has been with the company since 1991 when she was appointed corporate finance executive, after completing accountancy training at Andersen.

Since then she has held nearly all the senior finance roles – including deputy CFO – within the company before beginning the top job on 24 May 2011, taking over from Graham Roberts.

What makes Bell interesting is her determination to drive forward British Land's strategy of delivering superior total shareholder returns by focusing on central London and UK retail assets. Coming on the back of a year when the company reported a 12.5 per cent increase in full-year net asset value per share to 567p, driven by property value growth of 6.9% (thanks to a solid lettings performance), Bell's focus as she takes up the role will be to continue that growth along with managing the strong balance sheet at the FTSE-100 giant.

Tellingly, Bell has made herself a well-known voice in the property world, regularly penning articles and sitting on several industry bodies. She also served on the Treasury's working party that developed the REIT structure. Whether that activism survives the move to CFO is as yet unclear. She will certainly have her hands full in the coming 12 months.

Despite making Cranfield's list of 100 Women to Watch last year, Bell's profile in the City is still relatively low. Sitting on the board of a FTSE-100 company will inevitably force her more into the spotlight, and it will be interesting to see how she navigates the choppy waters at results time.

In terms of financial performance, British Land saw its pre-tax profits increase by 2.8% for the year to 2011. No doubt the tough conditions affecting the UK property market are reflected in that figure and the big task for Bell in the coming months will be to position the company to exploit opportunities while maintaining its well regarded defensive features.

For the FD in such a tough sector, the rest of 2011 and into 2012 will certainly provide a stiff challenge, but judging from Bell's past performance, there is little doubt she will be up to the task.

Brandon Leigh

Finance director, PZ Cussons

Joined company: 1997

If there has been one consistent message coming from the Treasury and the Department of Business and Skills since the coalition took power in 2010, it is that UK businesses must look beyond their home markets in order to keep growing.

For some businesses, that would require a significant change of direction, embarking on a voyage of discovery. For others, it is simply a continuation of what they have always done. And so that might explain why PZ Cussons, with 40-year-old Brandon Leigh in the finance director role, have done so well through the slowdown.

Speaking last year, he said: "There is lots of growth in the markets that we operate in. And we were fortunate that the global recession hit when we had already set in motion a number of growth initiatives around the group. We'd built a new major centre in North Manchester and that was a £26m investment.

"As we entered the recession, we weren't reacting to the slowdown in the same way as others, since we already had growth projects in play."

Clearly, Cussons is a well-established player in emerging markets – it has been operating in Africa since 1879, so it is no neophyte – but it has zigged while others have zagged, increasing its investment in distribution and R&D in its operations around the world.

For Leigh, the focus will be on continuing to build on the foundations that the company has successfully built.

"We'll continue to develop our products and also to focus on people," he said last year. "There's a strong culture in the business that is focused on attracting more people to work here. It's also important for our employees to see the strength of the business in the midst of the tough times."

Richard Smith

Finance director, LNT Group

Joined company: 2005

Conglomerates are not exactly fashionable at the moment with decentralising, shedding non-core assets and streamlining to focus on central activities having moved into the space left behind by empire building.

For Richard Smith at the LNT Group, the challenge is therefore twofold – convince partners and stakeholders that a true conglomerate can thrive in the 21st century, and to run the finances for a truly diverse group. Consider this: LNT Group houses eight core businesses under its parentage: LNT Construction, Ideal Care Homes, Haigh Mechanical and Electrical, CoolBlue Software, Basic Solutions, Ginetta Cars, Ginetta Supercars and the Repton-based Zytek Engineering.

The care home business is the biggest and most well established, but entrepreneur Lawrence Tomlinson has expertise in a number of sectors, having started out in engineering. Then he started a care home, and soon built further facilities under the Orchard Care Homes Brand. In 2007, Orchard was sold to its management for £175m, allowing the group to move further towards its growth targets under new ownership.

Smith joined LNT in 2005 and has since set about using the experience he gained at Andersen and Asda in the diverse LNT family. While accounts to May 2010 showed a loss of £6m, Smith has been instrumental in realigning and streamlining the group. He led the disposal of LNT's valuation businesses and oversaw the company's refocus on its core care homes and supercar operations.

There is no doubt Smith will need to be on his A-game to steer LNT into safer waters post-recession, but with its main businesses continuing to post healthy figures, he has a solid base to work from.

John Smith

Chief executive, BBC Worldwide

Joined company: 1989

A slightly leftfield choice, but John Smith's career progression has taken such an interesting turn of late that he really is an FD to watch. Or, more accurately, a former FD. He is currently chief executive of BBC Worldwide and as such has made the organisation – a commercial spin-off responsible for monetising the BBC's unparalleled archive of intellectual property – a powerhouse in its own right.

Smith's career began as an accountant at that other great taxpayer favourite, British Rail. He joined the BBC in the 1980s, and worked his way up through the organisation's finance function, becoming finance director in 1995. As FD he sat on the broadcasters' executive board and was promoted to chief operating officer in 2002.

Smith was, and by all accounts remains, a dedicated finance man. He was a member of the Accounting Standards Board for three years until November 2004 and won the *Accountancy Age* Financial Director of the Year Award in 2001.

His biggest achievement at the BBC has been to embed a sense not just of financial prudence but commercial savvy into the organisation. He has transcended his background in finance to become one of the three or four most powerful people at the Beeb, racking up a string of high profile deals in the last two years.

Indeed, BBC Worldwide reported record profits of £160m in the year to March 2011, which were up 10% on the previous year (though it remains to be seen whether it will hit Smith's target of £200m profit by 2012). Those figures include the proceeds from the sale of its 50% share in its global TV channel joint venture with Discovery.

There are any number of reasons to watch out for Smith, but the simple fact is that anyone who can begin in the lower reaches of the BBC's accounting department to become one of it's biggest hitters has to have something special. And with media companies – especially those not enjoying the benefits of a licence fee – desperate for sound financial management, Smith's stock could not be higher.

Cost control gets strategic

Finance directors are being more strategic about cost control

Cost control is becoming increasingly strategic, according to new research published by Expense Reduction Analysts, reflecting the growing leadership role that finance directors are playing in driving up the business performance of their organisations.

Expense Reduction Analysts has collected feedback from some 60 directors at six roundtable debates that it has held around the country over the past 12 months. The debates focussed on sustaining a healthy bottom line after almost three years of cost cutting.

The research identified a clear shift towards a more strategic approach to cost control. This was borne out in a number of ways.

Supplier and customer engagement

Fostering partnerships with suppliers and working with them to reduce costs was seen by many as key to sustaining a healthy bottom line.

As one participant remarked: "You discover so much about your business from your suppliers."

Ideas were put forward to enhance supplier relations and gain more value from the partnership over the longer term: from holding an annual suppliers lunch to transparently communicate business performance and plans; to establishing supplier incentives, such as payment in five days, which can offset any margin reduction on business put their way.

Constantly challenging suppliers to generate ongoing cost efficiencies was seen as critical to effective bottom-line management over the long term. As one director commented: "A good example of this is utility costs. You can change utility providers every day of the week, but not using electricity is a lot cheaper."

In addition to supplier relationship management, customer engagement was being used to inform cost control strategy. As one respondent said: "Get your customers in and get them to tell you where they think you can save money. Also, in doing so staff are seeing the people paying their wages and this can trigger more ideas internally."

Involving staff

There was a strong consensus that an organisation's own staff are critical to increasing the bottom line and that developing the right culture was key to making this happen.

One director commented: "Getting staff involved depends on the culture of the business and what makes people tick."

Ideas put forward ranged from encouraging staff to use local suppliers to ensure better quality results and empowering teams across the organisation to manage their own P&L accounts; to extending the shareholder base if possible (as shareholders treat cash as their own) and establishing profit bonuses to reward cost control. In addition, it was felt that it was crucial for organisations to benchmark their own cost control performance relating to different parts of their own business, in addition to conducting such an exercise among suppliers.

There was also a strong view that the finance director is not always in touch with the operational impact of some types of cost reduction and therefore other departments and senior managers needed to be closely involved in implementing savings and managing change.

As one participant remarked: "There is a need to open up decision-making on costs so that it is not just top down and goes beyond the financial director into the heart of the organisation."

Leading from the top

Other feedback, identified through the roundtable debates to sustain a strong bottom line, included:

- The need for cost control to start at the top with the board fully behind the chief executive and finance director
- Involving HR directors in the process and getting them to think efficiently
- Collaborating with companies in the same industry sector to benchmark supplier costs collectively
- Looking at end-to-end buying rather than just unit price

Concluded, Rob Allison, managing director of Expense Reduction Analysts: "It is very apparent that there has been a significant shift in the approach towards cost control, from simply being a transactional exercise where best price rules, to one where the discipline is now forming an integral part of a finance department's strategy in much the same as sales does in most marketing departments' strategies."

Expense Reduction Analysts

3 Meridians Cross
Ocean Way
Ocean Village
Southampton
SO14 3TJ

TELEPHONE 02380 829 737 2
EMAIL info@erauk.net

This publication has been produced in association with **FinancialDirector**.

PROFILES WRITTEN BY Christian Doherty
DESIGN AND PRODUCTION Simon Turner
PRODUCTION CONTROLLER Ross Brooks
KEY ACCOUNTS MANAGER Oli Henry
PUBLISHER Kevin Sinclair

FinancialDirector is published by Incisive Financial Publishing Ltd, 32-34 Broadwick Street, London W1A 2HG
PRINTERS
Headley Brothers Ltd. Mailed by Headley Brothers Ltd.

CIRCULATION ENQUIRIES
0845 155 1846 email: incisivemedia@optimabiz.co.uk
SUBSCRIPTIONS
UK £68, Europe £88, RoW £118
INTERNET REGISTRATION
www.wdis.co.uk/financialdirector
LICENSING
Financial Director is available for international licensing. Contact Joanna Mitchell at joanna.mitchell@incisivemedia.co.uk

The publication has been printed on paper from sustainable sources in Scandinavia/Germany

We're focused on saving you money

Expense Reduction Analysts

As a leading specialist in cost, purchase and supplier management, Expense Reduction Analysts can:

- Forensically examine and benchmark 100 business expenditure areas to present opportunities for significant savings
- Reengineer procurement functions to ensure optimum buying processes
- Support high value supplier relationship management programmes which create mutually beneficial working partnerships between buyers and suppliers

If you want an extra pair of eyes on your costs, contact Expense Reduction Analysts now on: **02380 829737** or visit **www.expense-reduction.co.uk**

find extra profit