

## Financial Director of the Year award winners do much more than just look after the pennies

THE role of the finance director (FD) has expanded dramatically in recent years, and the best individuals in this field go far beyond the basics of financial reporting. Finance directors are more than just "beancounters" – they make significant contributions in areas such as business integration, strategy, cost management, performance improvement, corporate finance and relationship management.

The Bank of Scotland FD of the Year awards recognise this breadth of responsibilities and also the special relationship between FD and chief executive. FDs are nominated for the awards by their chief executives. When they are shortlisted, both the FD and their boss are interviewed by the panel of judges, chaired this year by Frank Blin, senior partner in Scotland with leading accountancy firm Price-waterhouseCoopers.

All three winners this year have helped to steer their respective organisations successfully through difficult times. As FD at Weir Group, Keith Cochrane, winner in the Corporate category, has overseen a period of great change and growing profitability. The group's estimated profit before tax for 2008 is £174 million, up from £120.2m in 2007.

Glasgow-based Weir Group is a specialist engineering business with operations all round the world, providing pumps and other heavy equipment for a range of industries. Last year, Weir reorganised completely, basing its new structure around three key markets: minerals, oil and gas, and power generation. As Cochrane explains: "Those markets have all seen substantial growth and their fundamentals are still sound, even now, because they are being driven by the growth of emerging market economies."

Keith Cochrane joined Weir as FD in 2006 and has played a key role in the group's transformation. The process has involved large-scale international acquisitions and also the disposal of other parts of the business, including Glasgow-based Weir Pumps, which was eventually sold to Scottish engineering group Clyde Blowers.

Cochrane says: "It was a significant decision for the group to sell Weir Pumps, and not one taken lightly. At the end of the day, it was a win/win for everyone."

Cochrane is a chartered accountant who has served as director with some of Scotland's top businesses, including ScottishPower and Stagecoach, where he was FD and then chief executive. He is also honorary treasurer of the Royal Scottish National Orchestra.

Cochrane says: "There are a number of real success stories based right here in Scotland – what's happening in the financial sector can overshadow the



Friday's winners (l-r): Keith Cochrane, Allan Watson and Hugh Hall

Picture: Malcolm Cochrane

# Three of the best and not a beancounter to be seen

success of companies working here in a range of other industries."

Hugh Hall, winner in the public sector/not for profit category, is chief financial officer with Scottish Enterprise (SE). He was previously managing director, Audit Services Group, Audit Scotland and, before that, director of corporate services at VisitScotland.

As chief financial officer, Hall has responsibility for all of SE's finances and for ensuring that strategic financial management and value for money are at the heart of the decision making processes. His role also includes heading up SE's investment arm, which works with the private sector to provide capital for growing businesses.

When Hall took over as CFO, SE was coming under fire for its financial management from politicians and the media. The organisation had failed to balance its budget and there were questions over its effectiveness and accountability. Hall says: "I just thought, 'That's a challenge!'"

With chief executive Jack Perry, Hall set about improving the financial system, bringing in greater clarity and leading the organisation's radical change programme, which included scrapping

the 12 local enterprise companies and moving staff out to other bodies in central and local government.

Hall left school at 17 and joined the civil service, working for the benefits agency in Easterhouse, Glasgow. He did not start formal accountancy training until his 30s, but when he did, he took second prize in the final exams.

He says one of the things he loves about the FD role is that it means he is

"All three winners have helped to steer their organisations successfully through difficult times"

involved in all aspects of the business. He says: "It's access all areas. Being an FD is about more than just money."

The winner in the Young FD category is Allan Watson of Dunfermline-based Optos, which manufactures equipment to allow opticians and doctors to carry out detailed retinal scans. Watson explains: "Through screening, you can pick up disease early. In fact, 75 per cent

of blindness is preventable." The company charges on a "pay per patient" basis, providing a steady stream of revenue. Last year, Optos sold 4.5m eye examinations. Watson joined Optos in 2003 as FD.

He says the role, especially in a smaller company, is wide-ranging and strategic, adding: "You have to be a close business partner of the CEO and not get too stuck into the detail."

He started out as an accountant with pharmaceutical giant Reckitt & Colman (now Reckitt Benckiser) and later gained experience in management and corporate finance at engineering group Williams and internet start-up Udate.

In 2006, Optos listed on the London Stock Exchange. Following the departure of the previous chief executive, Watson had a spell as acting chief executive, presiding over the group's first set of results as a listed company. The listing has increased the profile of the business, but Watson warns that it is important not to obsess about the daily share price.

He says: "The important thing is delivering the numbers, day to day. We have a relatively simple task here, which is to run a good business."

## Paying tribute to a vital role in Scottish business



Robert Outram

THE Finance Director of the Year Awards represent the most prestigious accolades available to Finance Directors in Scotland. The awards, sponsored by Bank of Scotland Corporate and supported by ASA Recruitment and CA Magazine, honour the outstanding contribution and effort made by finance directors (FDs) towards the success of their organisations.

The 2009 awards were presented at a gala luncheon at the Hilton, Glasgow on Friday, with John Swinney, Cabinet secretary for Finance and Sustainable Growth in the Scottish Government.

Frank Blin, chairman of the judges' panel, said: "In each category there was much discussion, reflecting the significant achievements, abilities and competencies demonstrated by everyone concerned. The judges were unanimous in arriving at their decisions. Congratulations not only to the winners but the finalists, who together reinforce the strength and depth of Scotland's FDs."

Gary Gerrard, head of Real Estate Scotland, with Bank of Scotland Corporate, sponsors of the awards, said: "At Bank of Scotland Corporate, we fully support the aims of the awards – to promote the talent of Scotland's finance directors and to recognise and pay tribute to their vital contribution to the success of Scottish businesses."

Iain Moir, managing director of ASA International, added: "Trading is tough at present, as everyone knows. The awards this year have highlighted organisations, and people within those organisations, who have anticipated market changes and proactively managed around those changes, for the good of their company. As ever, the FD continues to add value, regardless of market conditions."

The Finance Director of the Year awards are sponsored by Bank of Scotland Corporate and organised by recruitment specialists ASA International. CA Magazine is media sponsor of the awards.

Congratulations to the winners of the Bank of Scotland Finance Director of the Year Awards 2009.

Recognising the best in financial management in Scotland.

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