

Communicating Financial Information to Non-Financial People

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“Make everything as simple as possible, but not simpler”

– Albert Einstein

Extremely insightful wisdom from arguably the greatest scientific mind in human history. The wisdom in Einstein’s words is applicable, not just to science, but any communication of technical works from technical to non-technical people.

Einstein’s theory of relativity could not be simpler – $E=mc^2$. This simple equation is the foundation for understanding the physical world as we know it. The brilliance in this simple equation is that anyone with a general knowledge of physics can understand it.

Einstein wasn’t trying to teach the world physics, nor was he trying to show how smart he was. His goal was to communicate what it took a genius mind to comprehend, to a world that needed to understand and apply it.

This is not unlike what we, as accountants, do with the financial information we prepare and communicate to non-accountants.

If we apply Einstein’s wisdom to what we communicate about our financial information, we should focus our communication on “what does it mean to the business” and highlight the key takeaways we need our non-accountant counterparts to know.

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became a turning point in my career as it profoundly impacted how I saw my role in business. My technical knowledge and education allowed me to understand the numbers, but I came to realize I was much more valuable to the business when I simplified what I saw in the numbers and communicated that with non-accountants in a way they would understand and use it to take decisive action.

Early in my career, I believed if I could “teach” non-accountants what I knew about accounting, they would be able to review and understand financial reports on their own. Was I wrong! The business leaders we support are not dumb, but they are not accountants, nor do they have any desire to be one. I now appreciate that while accounting is the “language” of business, not all business people understand it, or want to.

This lesson was key in changing my approach to WHAT and HOW I communicated with non-accountants.

It took several years to realize that while I was passionate about understanding the numbers and the “story” they told, not everyone else shared my passion, or ability to interpret the “story.” I came to appreciate the real value I could bring to the business was not in preparing the reports, but in understanding the “story” from the numbers and communicating that to the business. What

I needed to learn now was HOW to communicate the “story” to non-accountants.

My formal education did not provide much instruction on HOW to communicate with others. I learned all the hard (technical) skills to be an accountant, but not much at all when it came to the soft (communication) skills. However, it most certainly has been the soft skills that have propelled my career.

The biggest lesson I learned about communication is that not everyone receives or processes information the same way, so we should not expect to communicate with others in the same way we like to be communicated with. This lesson was driven home the first time I took the DISC assessment (DISC is a personal assessment tool to understand the four different communication types and how each prefers to receive information). I won't go into the assessment here, but if you are not familiar with it, I encourage you to research it.

As an example of how DISC improved my communication, I learned the “typical” DISC profile of an accountant is C, which is compliance (not all of us, but the majority, myself included). However, the “typical” profile of a CXO or other business leader is D, dominance (again, not all, but in my experience, most). Ds are the polar opposite communication style from C. Individuals who are D like direct and brief communication, the bottom line, just the facts ma'am. C individuals communicate with details, bottom up, step-by-step, linearly, with little regard for brevity. These

differences are why many CXOs and business leaders get frustrated when communicating with accountants.

With this new understanding that most business people I communicate with do not prefer to receive information the same way I do, I was able to tailor HOW to best communicate with them. I don't need to know their exact type, but by observing how they interact and communicate with others, I can eliminate several types and at least come closer to their preferred communication style. If their preferred style is the same as mine, well then, we'll get along just fine, otherwise, I'll adjust to their style.

The combination of Einstein's wisdom to simplify the numbers and the perspective of differing DISC communication styles, had a profound impact on how I perceived my role in and value to the business. The perception of myself changed from that of a “bean counter” who simply reported on the past, to that of a “business navigator” who helps the business navigate the future through communicating what the numbers mean and how to use them to make better decisions moving forward.

I encourage each of you to make the extra effort in simplifying what you see in the numbers, and continually work to improve your communication skills by first understanding your personal style and becoming more aware of the styles of others. If you are successful in applying these two things in your communications with non-accountants, you will be amazed at how your perceived value to the business is amplified.



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