

# AGENT OF CHANGE

Finance officers of the future must offer strategic leadership, says award-winning CFO of the year Paula Kensington FCCA, CFO of software company Rubik Financial

**T**here is nothing better for a financial professional than to oversee the transformation of an innovative company from a small scrapper to a big player, as Australia-based Paula Kensington FCCA well knows. She is CFO of Rubik Financial, a Sydney-based provider of banking software, whose revenue since the end of 2011 has increased by 200% and its share price multiplied, driving market capitalisation exceeding A\$150m (US\$140m).

Rubik has surfed the growth of Australia's big four banks – Commonwealth Bank, Westpac Banking Corporation, Australia and New Zealand Banking Group (ANZ) and National Australia Bank (NAB), which are some of the world's most profitable. According to figures published by the Basel-based Bank for International Settlements, Australia's big four have better returns than most lenders in other major developed countries, including the US and Britain.

Critics claim these super-profits result from a lack of competition in the market; banking experts say they are the outcome of Australia's general economic resilience. Whatever the reason, the Australian financial services industry appears fighting fit and offers opportunities for those catering to it.

For her part, the 44-year-old Kensington, who joined Rubik two-and-a-half years ago as CFO and company secretary, won the 2013 Thomson Reuters Tax and Accounting Excellence Award. 'For me that was the equivalent of winning an Oscar in Hollywood,' says a beaming Kensington.

'The Rubik journey has been transformational. When I joined, we were still making losses,' she says. Today, Rubik has put its business faith in three takeovers, among them the 2012 acquisition of Coin Software, a wealth management system developed by Macquarie's Banking and Financial Services Group. This has provided Rubik with a second segment of business separate from its 'bank-in-a-box' programme that can run a complete high-street banking operation.

Kensington says the award honours not only Rubik's success, but also her ideas about the CFO of the future. She believes successful finance directors will have to be strategic leaders and change agents, adding value to their business rather than just crunching numbers. 'I personally see myself as a corporate disrupter,' she says, 'because I know unless you question what is going on in the business you are going to get left behind. Our software moves fast and so do our



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2011 TO 2014

CFO and company secretary at Rubik Financial, where she won the Thomson Reuters CFO of the Year 2013 award in Australia, and has just been headhunted to be CFO/COO for workspace provider Regus in Australia and New Zealand, where she starts in July

2010–11

Financial controller at AWA, Sydney

2007–09

CFO, Keycorp, Sydney

2001–04

Group accountant at Chubb Security Systems, UK

1993

Group accountant at British Printing Company, UK

customers. They are moving from a licence-per-seat pricing model to software as a service. Today, they want to dial in and out and expect the price system to change accordingly.'

Kensington is extremely driven and sees no reason to hide her energy and ambition. 'I am not just the finance leader, but a leader across all of the business. I care about the company as a whole and want to make sure that we achieve what we set out to achieve.'

## Courage and determination

Self-confident, she says: 'I am courageous and determined. My ultimate goal is to become a CEO one day, and with a background in finance, I believe I have the solid foundation to make this a reality.'

She also feels that being female has its advantages: 'A woman's approach is a little softer and for a CFO it really helps not to bring your ego to the table.'

Being passionate about business herself, she looks for commitment when hiring. Under her leadership, Rubik's finance team has grown from three to seven. 'Apart from »



the qualifications, I want to see passion for the job,' she says. 'I want change agents in my team, people who buy into my vision, come on board and help me drive my vision.'

She is also a strong believer in diversity and has people in her team from Mauritius, Hong Kong, South Africa, the Philippines, India and China. Recently, she hired three graduates from Sydney's Macquarie University, where the head of the finance department is a close associate within Kensington's network.

Networking and mentoring are activities close to her heart, as at almost all stages of her career a mentor played a crucial role in helping her reach her next goal.

After two years as a trainee at London department store John Lewis, Kensington realised that she wanted to be in charge of her own destiny. With a grandfather, her father and two brothers already working in accounting, finance seemed an attractive pathway to personal achievement and freedom. So she obtained a role as a clerk in the accounting department of British printing company Polestar. There, her boss took note of the ambitious young employee and said: 'If you want to get somewhere, you need to be qualified,' Kensington recalls.

'At the time, ACCA was the only route available to become an accounting professional without going to university,' she adds. 'So I made a plan and went to college in the evenings. At the same time, I got promoted to head accountant at

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In hindsight, this recognition was a 'powerful experience'. A decade later, when she had been promoted to the printer's group accountant, she was headhunted by Chubb Securities Services. There, she helped build a new general ledger reporting system and became part of the team that introduced a group-wide consolidated system. When United Technologies Corporation (UTC) bought Chubb, she helped with due diligence; but when UTC offered her a job in Connecticut, US, she decided instead to travel for a year.

On the road, she fell in love with Sydney, applied for an independent skills visa and moved there in 2007. After three weeks in the country, she got a job in the finance department of Keycorp, a publicly traded company specialising in payment systems. She was still a rookie when Keycorp breached a bank covenant; the chairman, CEO and CFO resigned, and overnight she became one of the most senior experts in the remaining finance department.



## RUBIK FINANCIAL

### BASICS

- \* The company is an Australian provider of financial software and technology to around 600 customers, mainly financial institutions, including the country's four biggest banks.
- \* It has four product lines in two segments: wealth management and financial planning technology, core banking systems including phone, mobile banking and internet banking, cards and payments, and receivables and recoveries.
- \* Listed on the Australian Securities Exchange (ASX), it has a market capitalisation of A\$150m (US\$140m).
- \* It generates an annual turnover of A\$30m with 150 staff, and revenue has increased by over 200% since 2011.



### TIPS

- \* Australia allows people to prove themselves and that makes for great opportunities. You have the unspoken permission to make a difference.'
- \* 'The industry is more agile here and moves a lot faster. That can be challenging if you are not willing to continuously develop yourself.'
- \* 'In future it may become more difficult for accountants from the UK to enter the Australian labour market since there is an ongoing debate about whether accounting roles should be struck off Australia's priority list for skilled migrants, which it is argued would bolster the home-grown talent pool. I personally would deplore such a move since I am big believer in diversity.'

The incoming interim CFO asked her to help get the business back on track. Through this work, Kensington became financial controller, recruited her own team and negotiated a new lending plan with the banks. For a second time, a mentor – the same interim CFO – stepped up and asked her to take over the CFO role.

'That was what I wanted, but I wasn't sure if I was ready for the opportunity,' she admits. 'Such doubts can be very female and we need to abolish such thoughts if we want to achieve an even platform with our male competitors.'

### Opportunity knocked

Kensington took the leap of faith. 'And there I was,' she

says, 'in my first year in Australia as CFO of an Australian Securities Exchange-listed company. I would not have had such an opportunity in London.'

But when, 18 months later, Keycorp decided to move to Melbourne after having had to disinvest from the smartcard business, Kensington took a redundancy package. Then the global financial crisis hit.

'I only had 18 months as CFO under my belt and it turned out to be challenging to find a new job in the circumstances,' she says. 'In the end, I had to sidestep to become financial controller at AWA, a technology services provider. The CFO wanted to do a systems integration and left me to run the finance team. That was great; he had the ultimate responsibility and under his wing I was able to learn how to master the ropes as acting CFO.'

Kensington implemented a customer profitability reporting system: 'AWA was trying to be everything to everybody and this was challenging the existing business model. I needed to show the board which part of the business they needed to restructure.'

She was then the beneficiary of effective networking. Ken Carr, her former CEO at Keycorp, met Rubik's chairman, who said he needed a new FD. Carr thought she might be interested – and she was offered her current job.

She says that it is important to be on good terms with such decision-makers. 'In joining a new company I have always sorted out my alliances early on – that's the smart thing to do.'

Kensington works hard to return the favours, and for her own mentees, serving first as an ambassador and now as a panel member for ACCA in New South Wales, promoting the organisation to students of accounting. 'Arriving in Sydney, I quickly realised how great my ACCA Qualification was, since it enables you to work anywhere across the globe. I feel other young people deserve that support too.'

Kensington also engages with the professional and community engagement programme at Macquarie University, aiming to make students 'work-ready'. There she serves as one of 12 industry partners, teaching the coming generation of accountants and CFOs how to present themselves successfully as professionals and perhaps one day also win an Excellence Award. ■

**Barbara Bierach, journalist based in Sydney**