



The CFO's Guide to Career Advancement – 5 Ways to Increase Your Value by Eric Krell

Executive Summary

The demand for CFOs and other corporate finance executives is strong – and growing stronger. A recent increase in CEO turnover, the declining popularity of the chief operation officer (COO) position, an aggressive regulatory environment and other factors have elevated the career prospects of corporate finance executives. Before they can capitalize on lucrative offers or rise to the next level, however, many finance executives need to strengthen the softer side of their skill sets. This article explores the forces behind the swelling demand for top finance talent and presents a primer for finance executives who want to improve their personal marketing capabilities.

Good news for corporate finance executives with higher career ambitions: CEO turnover has increased in the past year and the chief operating officer's (COO) stronghold as the CEO's primary successor has weakened. The bad news? The self-promotion skills of most finance executives rarely match their technical finance and accounting prowess.

CFOs who become CEOs and, increasingly, controllers who graduate to the CFO position boost their careers in large part because they have successfully addressed a "softer" area that too many finance and accounting types neglect: the ability to sell one's self. Executive search consultants on the prowl for CEOs and top CFOs (a position for which "ability to ascend to CEO" is an increasingly common specification) report the ability to communicate is what differentiates sought-after candidates from also-rans.

Finance executives who roll their eyes at "Brand of Me" pep talks and find self promotion more challenging than mergers and acquisitions should not despair. Effective, down-to-earth self-promotion can be learned, relatively easily. "It's not as if they have to go back to school and earn an MBA," reports Nancy Keene, a director in the Dallas office of executive search firm Stanton Chase International. "This is a fixable step. People can be trained to be effective communicators."

They can also be trained to increase their visibility, strengthen their professional networks, choose projects with greater career ROI and, perhaps most important, market their accomplishments without transforming into the second coming of Tom Peters.

CFO Rising

There has never been a better time for finance executives to explore ways to promote their skills, experiences and achievements. High-profile accounting failures, the Sarbanes-Oxley Act and a growing



emphasis on the importance of timely and accurate forecasting and financial reporting have heightened the profile of corporate finance inside and outside the organization.

The CPA designation, which was given the so-what treatment by executive recruiters beating the bushes for "MBA CFOs" in the late 1990s, is widely considered a must-have in many CFO searches today. Finance-executive candidates face a "credibility gap" if their resumes contain a stale CPA credential, reports Keene, who describes a revoked CPA license as a "deal breaker." The current "vision of the ideal finance executive is a far cry from the 'strategic CFO' of the 1990s, for whom accounting skills played a distant second to deal-making savvy," reports *CFO* writer Kate O'Sullivan in an [article](#) called "CPA Ascendant."

Yet, finance executives who hope to qualify as viable candidates for higher-ranking, better-paying positions still must demonstrate leadership and communications savvy. There is a wealth of evidence pointing to the ripening of career opportunities for finance managers and executives:

- The importance of the CFO role has grown in recent years – and CFO compensation is rising. In 1996, only about 60 percent of CFOs of Fortune 500 and S&P 500 companies were among the top five earners in their organizations, according to executive search firm Crist Associate's annual ["Volatility Report."](#) In 2003, 75 percent of CFOs were among the top-five earners in their company.
- The CFO position is rising in prominence and frequently assumes the "number two" role in the organization when the COO position is absent, according to the Crist study; only 14 of the largest U.S. companies currently have a COO. "To fill the vacuum," the report concludes, "the CEO and CFO have built a stronger partnership. This has led to a rise in prominence for the CFO."
- CEO turnover is also rampant at private companies. A PricewaterhouseCoopers survey of 364 fast-growing, privately owned companies (ranging in annual revenue from \$5 million to \$150 million) finds that 42 percent of chief executives expect to step down within the next five years. Nearly half of those survey respondents (45 percent) report that they have not identified a successor.

Marketing (Yourself) 101

If finance executives intend to fill the succession planning gap, they'll need to advertise their qualifications. Marketing individual skills and achievements may seem awkward at first; however, by following five steps finance executives can quickly dispel that discomfort while enhancing their viability as candidates for more lucrative and powerful positions.

- 1) Raise your reading level.** Is *Accounting Today* or *The Financial Times* lying on your desk? Although technical finance and accounting skills may be more valuable than ever before,



strategic wherewithal and big-picture understanding propel finance executives to the next level. Rather than squandering your spare time pouring over material that is targeted to accounting managers, expand your horizons by reading what CEOs read: top-notch, high-level business publications such as *The Wall Street Journal*, *Financial Times* and *The Economist*. ("I used to think," announces Oracle CEO Larry Ellison in an advertisement for *The Economist*. "Now I just read *The Economist*."

- 2) **Don't let your job get in the way of your career.** The elevated importance of the finance function in the post-Sarbanes era represents a double-edged sword for finance executives who are spending too much time on tactical accounting, internal controls and compliance activities. The additional responsibility and heightened visibility within the organization may result in some short-term benefits (salary increases, bonuses) while limiting the amount of time that can be allotted to improving long-term career prospects. The technical side of your skills tool box needs to be complemented with operations experience and strategic initiatives.
- 3) **Take on extracurricular projects.** Finance executives who graduate to the CEO office tend to accumulate a rich variety of "beyond-finance" experience. Edward West, the chairman and CEO of ICG Commerce previously served as the CFO of Delta, where he was the executive sponsor for the company's e-commerce activities. West also served as chairman of the board for Delta Technology, the airline's technology subsidiary. Demonstrate leadership outside the finance function: oversee an HR outsourcing initiative; seek out an interim or temporary general manager position; or assume a prominent role in a tough project, such as union negotiations or the restructuring of a business unit.
- 4) **Introduce yourself to operations.** Keene suggests that finance managers should focus on empowering functional and operational leaders rather than imposing new requirements on them. And she notes that improving the speed, accuracy and (most important) ease of forecasting, planning and reporting processes marks an ideal way to make a positive impact outside of the traditional finance box.
- 5) **Invest in formal communications training.** "CEO charisma" can be taught, O'Sullivan [reports](#). Controllers and CFOs who ascend to higher levels need to learn how to tailor their messages to different audiences. Keene suggests that finance executives, whose softer skills need attention, attend communication seminars, hire an executive coach or, at the very least, conduct an informal communications assessment from their direct reports. "That does not represent a huge investment of time or money," says Keene, who notes that the returns on those investments can be extremely fulfilling. "Look at engineers who are running many of the big technology companies now. They all had to go to charm school."

About the Author... For the past seven years, Eric Krell has covered the BPM space for Business Finance magazine and several other business publications. He regularly interviews leading CFOs, Finance Directors, Controllers, Analysts and Consultants about BPM best practices.