

## So you want to be a CFO?

*How can up and coming finance executives develop the necessary skills and leadership qualities to position themselves as credible candidates for CFO roles? Here are 10 tips that can help fuel their professional ascent*

For anyone pursuing a career in finance, the position of chief financial officer (CFO) is likely to be a prized objective, a role that can unlock untold professional satisfaction. But the path to such vocational riches rarely runs smooth.

Numerous barriers — personal, structural, organisational — loom large. Even the most talented individuals enjoy no guarantee that their route to the top will be free of the pitfalls that can colour anyone's career journey.

At Spencer Stuart, we recently explored the gap between the skills of today's CFOs and what will be needed in the years to come. Our report, CFO of the Future, looked at the

capabilities and domains that next generation CFOs would need to master in order to be effective in their roles.

In this new paper, we examine how aspiring CFOs can go about making themselves into credible candidates for these senior positions. What skills and leadership qualities do they require? What type of experiences will they need to accumulate as they advance their career?

To help answer these questions, we sat down with a number of financial leaders from a variety of industries and geographies to discuss their collective experiences.

## 10 tips for aspiring CFOs

So what do ambitious finance professionals need to do? How can they best channel their motivation and transformational zeal into a career path that will expose them to the right blend of experiences and life-lessons necessary for any CFO position?

From our conversations with financial leaders and our own day-to-day experiences in the market, we have identified 10 key ideas for how aspiring finance professionals can become credible candidates for CFO roles. Here's what we suggest:

### 1. Learn how to partner

The CFO role sits at the very heart of the organisation and affords a 360-degree view of not only the finance function, but other teams, projects and programmes. This means that it is essential that finance executives who have their eye on the top job learn how to partner and collaborate with their colleagues — both internal and external. That's because CFOs also play a critical role in building relationships with external stakeholders, such as bankers, lawyers and communications advisors.

According to Prashanth Mahendra-Rajah, CFO of Analog Devices, this shift is rooted in the sheer complexity of running large organisations. "Today, CFOs must be able to step back and have the enterprise view, but also dive deep when needed," he said. "At the same time, you need to acknowledge that you can't be an expert in everything. Therefore, you must be skilled at asking the right questions, probing, looking for the patterns, but really rely on a much broader set of counsel for certain areas of expertise."

Niclas Rosenlew, CFO of Swedish manufacturing company SKF, also believes that collaboration is vital. "An important part of the role is now building internal bridges and executing on agreed strategies," he said. "And this is not only in finance and control — it goes for all parts of strategy implementation. The CFO increasingly is the guardian ensuring that strategy is implemented and is seen in the overall company performance."

MD Ranganath agrees. The chairman of Catamaran Ventures and former CFO of IT company Infosys, believes that the CFO's role now looks beyond numbers and into the bigger enterprise view. "The board now looks at finance as a strategic advisor and not just an accountant," he said. "This means that CFOs must have the ability to play a key role in shaping strategy, to navigate risks and leverage technology in operations. They must also have a problem solving mindset, not a problem stating mindset."

## 2. Be ready to lead alongside the CEO

When thinking about the CFO-CEO relationship, it might be helpful to picture the collaboration between a captain and first officer in the cockpit of an aeroplane. Sitting in their designated seats, side by side, theirs is a relationship shaped by mutual trust as they are both accountable for the safety of their plane and passengers. Yet it is the captain — the CEO in this analogy — who has the primary responsibility and is the final decision maker.

Nonetheless, such is the crossover and similarities between the two roles, CFOs are now increasingly expected to be a key counsel and sparring partner to the CEO, working alongside on critical strategic, commercial and transformation projects, including areas such as ESG-related compliance and reporting.

### **CFOs are now increasingly expected to be a key counsel and sparring partner to the CEO**

Chris Figeo, CFO of Dutch telecoms company KPN, is keen to stress the importance of the CEO and CFO working in tandem. “This is most important,” he said. “They are the only two executive committee members that oversee everything in a company. They are active in all processes and focused on strategy, and they are the only ones who can guard all the plans and their cohesion.”

### 3. Develop your knowledge of data and advanced analytics

No CFO contender is going to get very far without advanced knowledge of data, analytics and the latest developments such as generative AI. As organisations jostle for digital advantage, it's a pre-requisite, and one that extends across an increasing number of roles. For CFOs, data, analytics and technologies can be used in any number of ways, such as identifying cost savings and customer insights, helping make more informed decision-making at pace, uncovering new market trends — the list goes on.



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**MARIA GRIGOROVA**  
GLOBAL HEAD OF FINANCE,  
THE ADECCO GROUP

CFOs' and finance teams' role in data governance and stewardship is also especially pronounced because it provides embedded continuity to organisations on the topic of data. Simply put, pretty much every company has a CFO and established finance function, but not all companies have chief data officers. This helps put the pressure on CFOs to not only be able to identify accurate data, but also take a holistic view and understand what the data is telling you.

Maria Grigorova, global head of finance at The Adecco Group, says that having sufficient knowledge of data science and data governance will be quite important. “Data science will have a major role in the future of finance, both in providing advanced-level analytics, and in automation and elimination of repetitive tasks” she said. “While accounting and reporting will be subject to automation and streamlining, the need and value of business insights will remain a major focus. The CFO will transform more and more into a chief insights officer and will need to be well-versed in the benefits of data science and the importance of data governance. Finance is uniquely placed to take care of this.”

It's also about using data to shine a revelatory light on trends both inside and outside of the business — both of which can lead to more effective decisions. Kasper Fangel, CFO of facilities management company, ISS A/S, believes that data and finance can combine to catalyse change. “Data is gold,” he said. “Customers use data to make decisions and if one does not have it to support decisions and customer insight on an almost live basis, it can be threatening in a business like ours. This means that transparency and metrics are absolutely crucial.”

It's not all good news, however. Glen Instone, CFO of Swedish manufacturing group, Husqvarna, points out there are challenges to be aware of too. "Most things can be automated and there is a need to be quicker today," he said. "Cyber security has become very important. There is massive upside potential, but it's also coupled with huge risks to be aware of."

This latter point is particularly important because cyber security often falls under the CFO's remit. This is because one of the core elements of the CFO role is system upgrades and delivering automation across all processes. Digital transformation is not just about data and analysis, but also about pace, efficiencies and cost savings.

#### 4. Build your commercial experience

Such is the breadth of responsibilities that now accompanies any CFO role, it is incumbent on potential applicants to have a broad professional hinterland — and this includes commercial experience. According to our data, this is already happening. In Europe, the number of CFOs with experience outside of finance rose to 60 percent between 2019–2021, compared to 47 percent between 2017–2019.

Developing a commercially savvy profile will enable new CFOs to identify opportunities for the organisation (as well as issues of concern) from the very start, and it provides yet another tool for finance leaders to drive results against performance objectives. Commercial experience will also add depth to the relationship with the CEO by helping the CFO to be more strategic, while also strengthening relationships with non-finance areas of the business, such as communications and marketing.

Dónal Rooney, who has operated as group CFO in private equity (Amaris Hospitality / Lone Star), plc (Datalex) and public sector (NAMA) environments, cites his time outside of finance as pivotal in accelerating his career progress. "I spent two years in a front-line business role, leaving finance behind, and this was instrumental in helping me become a CFO and then, as a CFO, enabling me to contribute in a meaningful way to support the business," he said.

"I don't believe I would have had the same impact as a CFO without that time spent outside finance. So, my advice to future CFOs is go out and get a front-line business role where you are making key commercial decisions. When you become CFO, you need that credibility and experience to influence change across the organisation."



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FORMER GROUP CFO



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PRASHANTH MAHENDRA-RAJAH  
CFO, ANALOG DEVICES

## **5. Make sure you're always learning**

In any role, and in any walk of life, it is good to be on the lookout for new skills, perspectives and ideas. As Gandhi said, “Learn as if you were to live forever.” An ongoing curiosity drives new innovations and a constant hunger for new information — both of which help leaders such as CFOs excel at problem solving. It also strengthens collaboration and networking — again, crucial traits for CFOs — and underpins a hunger for knowledge which can only help them understand the strengths (and weaknesses) of their companies. This willingness to explore new ideas and strategies can make all the difference.

It's not just about theoretical knowledge, though. Prashanth Mahendra-Rajah says it's also about taking any opportunity to learn from your colleagues and their practical, real-life experiences.

“There is a really long list of finance executives who are waiting for that opportunity to join the ranks of CFOs. It wasn't that long ago that I was in that line,” he recalled. “I have always been a firm believer in the 70–20–10 talent development model, which says that 70 percent of employee development is driven by experience. So, find ways to get yourself into the room where the conversations are happening to gain the perspective of how decisions are made and how trade-offs are made.”

Henry Schirmer also advocates for lifelong learning. The former CFO of HR consulting firm Randstad says that future CFOs need to be open to learn. “Be on top of the trends, read books and try things out,” he said. “Build a wide experience and keep learning. Go where there is transformation but you also need emotional intelligence; understand what you want to do with the information and what you want to achieve.”



But it's not just about your own skills, it's about your team's too. It's important to focus on how to develop your team and strengthen their experiences and skills, according to Johanna McLoughlin, EY Partner and former CFO of Kite Pharma. "People are your strongest asset," she said. "Focus on the development of your team to be strategic business partners and value creators. Diversity of experience, in-depth business knowledge, effective communication and influencing skill are key strengths your senior leaders need to be credible business partners. Attracting, developing and retaining talent should always be a priority, and underpins a strong finance organization and succession plans."

## 6. Think carefully about your career path

It's always good to stay on top of your career plans. Yes, maximise your current role but at the same time think about your professional trajectory and what your end destination might be. There are many ways to do this. Some people focus on taking a series of progressive steps upwards but nowadays, building a true breadth of knowledge and experience means that it can often be more effective to focus laterally on new geographies, industries, and functions.

CFOs are no different. They have to ensure that their career enables them to develop genuine financial expertise but also the necessary skills to be able to shape decisions with the CEO and board. At the same time, they need to be able to communicate their organisation's performance and strategic plans to a variety of different internal and external stakeholders and audiences. The group financial controller role, for example, is rightly seen by many as a key role for aspiring CFOs because it offers this kind of exposure and experience to individuals with their eye on further career advancement.

This means that it would be advantageous for CFOs to try and spend some of their early professional years working in partnership with other functions, such as in marketing or operations. This can help give them hands on experience which will leave them well placed to perform well in their later career.



## 7. Embrace ESG

Driven by pressure from investors, employees, customers and other stakeholders, environmental, social and governance (ESG) issues are increasingly in the spotlight. Partly this is rooted in increasing concern about climate change, but it has also been strengthened by citizens' demands for a more just society that covers ethical corporate behaviour in general.

Next generation CFOs need to adapt to a world where financial success is increasingly linked to leading sustainability performance. They will have to understand the evolution of ESG-related disclosures, the road to Net Zero and all matters pertaining to governance, diversity, equity and inclusion issues as well.

Annette Kumlien, former CFO of climate control company, Munters, has no doubt about ESG's rise to corporate prominence. "A company that does not drive ESG can't exist in the long run," she said. "We cannot continue to exploit resources as we have done in the past. The CFO's role will be to ensure a coherent ESG strategy and agenda. ESG builds value for the company as well as the markets, products and businesses."

Dónal Rooney also believes that CFOs will have to adjust to the permanence of ESG on their agenda. "ESG is absolutely critical to the CFO role, especially with listed organisations," he said. "Investor relations should fall within the CFO remit and it will become increasingly critical to be able to crisply explain the company's ESG agenda to institutional investors and how it links into the company's strategy."

Prashanth Mahendra-Rajah adds that there has been a significant surge in interest in ESG from company investors. He shared, "The ESG conversation is one that is consistently evolving and requiring more cross-functional collaboration than ever. I believe that the CFO can play a critical role to ensure not only the metrics are being discussed, measured, and reported in a transparent manner, but also to be the conduit for elevating its importance across the organisation."





## 8. Learn how to identify and develop talent

Being a leader involves juggling a myriad of competing tasks and responsibilities, crises and opportunities. Looming large in any in-tray is the need to identify, develop and retain the best people in the organisation — which is no small feat.

It requires a rigorous approach to assessing executives' ability to be successful in specific roles and situations, not to mention a thorough understanding of different functional roles. Talent management also needs to align with strategic business objectives, bringing together disparate human resources initiatives. When done well, the right people will be in the right jobs and employees — and their employer — stand to benefit from a collaborative, high-performance workplace. CFOs have a big role to play in this process.

Ruth Martin, Group CFO of St Vincent's Hospital, is keen to stress that when it comes to talent, the best performers need to have a wide skillset that extends beyond financial parameters. "These days we are not looking for purely technical finance skills anymore," she said. "The more senior roles are fundamentally also about leadership capability, intellect, nimble and agile thinking — conceptual thinking — and whether they can lead the organisation and be an inspirational people leader. CFOs should not be the blockers, bogged down in the detail. The role is true partnering, directly being privy to setting the agenda, setting the purpose, taking that business and the people on the journey."

To this end, CFOs don't need to be experts in every specialism that sits under them, but they need to know enough to hire the right people for that job and they need to be able to recognise talent, even in those areas where they lack deep knowledge themselves.

"The best thing a CFO can do in their career is working out the right time to let go of something, not something you have to do personally yourself," says Andrew Cartledge, CFO of WiseTech. "You need to get a team around you, empower your direct reports and their direct reports to do more. CFOs need to create an agile and dynamic team and to do this, they need to be a talent magnet and bring people in from outside the function. For example, I have three developers on my team. They don't have an accounting background, but they know how to build a great analytical tool out of accounting information."

At Spencer Stuart, we are often asked how 'non diverse' CFOs can make themselves stand out in a world extremely focused on DE&I leadership appointments. Our observation is that CEOs and boards are becoming increasingly attuned to the track record of recruiting, retaining and developing diverse talent of potential CFOs. It's better to be a 'non diverse' CFO with a reputation for building and leading diverse teams than to be a 'diverse' CFO who pays nothing more than lip service to DE&I.



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## 9. Understand Agile way(s) of working

Future CFOs will have to understand and deploy agile — in both forms of the word. You have to be able to move quickly and strive to be a role model, according to Maria Grigorova. “Learn how to make fast decisions and how to inspire people,” she said. “This is essential.”



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SUSANNE LITHANDER  
CFO, NCC

But for many companies it is also about using the Agile methodology, and fostering a learning-oriented mindset. Under the Agile approach, projects are split into several phases, with the aim of organisations and teams being able to work quicker and more effectively by using data to accelerate decision making in short development cycles called “sprints”. One of its key principles is “learning by doing” and its flexibility enables project teams to respond to customer reaction and constantly improve their product.

It is important to understand that Agile working requires a very different approach than traditional planning, including respect for the involvement of finance, according to Barbara Plucnar Jensen, CFO of the Scandinavian insurer Tryg A/S. “It is necessary to deliberately include finance as part of an Agile organisation and structure in order to keep an eye for budget implications,” she said. “It requires cooperation and influence across the organisation within the Agile learning field. However, when achieved, it is possible to ensure a robust environment and sensible solutions with required transparency regarding financial impact.”

Achieving this is far from straightforward, however. Susanne Lithander, CFO of construction company NCC stresses the importance of getting the right organisational elements in place. “You need to have order and structure the information in order to enable an Agile way of working,” she said. “The fundamentals must be in place first. The CFO must promote continuous improvements; better people, better processes, and so on. In the end, it is all about improving the results and the CFO becoming a cultural catalyst.”

## 10. Learn how to manage risk

In the last few years alone, businesses have had to adapt to a global pandemic and war in Europe — two cataclysmic events that have reshaped the world around us. But these are just two of the many challenges on the business horizon. From cyber security to inflation, energy security to buckling supply chains, there has been no shortage of issues facing CFOs and their boardroom colleagues.

As a result of this intense period of turbulence and economic headwinds Lucinda Woods, non-executive director, and audit, finance and risk committee chair of Enterprise Ireland, said that CFOs are increasingly having to be courageous and think innovatively about how to manage risk. “There are many emerging macro risks which CFOs now have to address,” she said. “While to some extent this could be seen as just good ‘housekeeping’, the world of risk management is definitely evolving and CFOs are having to reinvent their approach.”





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## About Spencer Stuart

At Spencer Stuart, we know that leadership has never mattered more. We are trusted by organizations around the world to help them make the senior-level leadership decisions that have a lasting impact on their enterprises, on their stakeholders and the world around them. Through our executive search, board and leadership advisory services, we help build and enhance high-performing teams for select clients ranging from major multinationals to emerging companies to non-profit institutions.

Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 70 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, employee engagement and many other facets of culture and organizational effectiveness, particularly in the context of the changing stakeholder expectations of business today. For more information on Spencer Stuart, please visit [www.spencerstuart.com](http://www.spencerstuart.com).

