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Executive Search & Board Advisory



" People ask the difference between a leader and a boss. The leader leads, and the boss drives " Theodore Roosevelt

Financial Officers Practice

BOARD & CEO'S WANT SUCCESSION PLANNING CAPABILITY FROM THE CFO



"Money never sleeps"

Blenheim Partners are being asked by Chief Executives ('CEO') and Boards when recruiting for the Chief Financial Officer ('CFO') to identify those candidates who have the potential to make the transition to CEO. It is an obvious request and over the years there have been some great examples of those who have moved from the CFO to the CEO:

- ANZ Bank – Shayne Elliott
- BHP Billiton – Chip Goodyear
- BlueScope Steel – Paul O'Malley
- Brambles – Michael Ihlein
- Carsales.com – Cameron McIntyre
- Cochlear Ltd – Catherine Livingstone
- Genworth Mortgage Insurance – Georgette Nicholas
- Newcrest Mining – Greg Robinson
- Origin Energy – Frank Calabria
- Primary Health Care – Peter Gregg
- Scentre Group – Peter Allen
- South32 – Graham Kerr
- Suncorp – Michael Cameron
- Telstra – Andrew Penn
- Transurban – Christopher Lynch
- Transurban – Scott Charlton
- Wesfarmers – Richard Goyder
- WorleyParsons – Andrew Wood

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Examining Australia, the United Kingdom and the United States listed markets over the last decade, between 12 to 18% of CFO's became CEO's, while over 25% of the CEO's had significant financial exposure/experience as a business unit controller or divisional finance head.

Ultimately, the CFO is a leadership role. They work closely with the CEO, and have exposure to all elements of the business as well as engagement with the board, shareholders, financiers and other key stakeholders.

However, their unique position does not guarantee that they will be asked to make the transition to CEO, or if asked, that they will be successful as a CEO.

What are we looking for in the CFO?

The top CFO has the confidence and ability to be the right hand person to the CEO. They work with investors, analysts, bankers, auditors and can clearly articulate the financial strategy in line with the corporate plan. They are across global events and anticipate the markets in regards to their currency hedging, treasury management, risk, corporate governance, and sustainability and capital management strategies.

The majority of CFO's that become CEO's are through internal appointment, however in our list above we have included those who have made the leap outside the company, and position.

To be considered as a CEO, the CFO needs to bring the credentials to the Board built on a career that has provided them with the necessary competencies to be successful.

For senior finance executives aiming to be considered as a future CEO they may need to think through a number of development and exposure steps which could include:

- Spending time out of head office group finance, taking on a divisional finance role to really understand how the business operates;
- Moving to another divisional finance role again. Broadening their experience;
- Moving to another region, global location or company to develop the softer skills, relationships and to see how things are done differently;
- Taking the big step, moving out of finance into a role with P&L responsibility and building their commercial insight and leadership skills. Leading a division or operation and returning back to finance provides the executive with greater appreciation of business, develops their commercial judgement and positions them to be considered for the CFO or Chief Operating Officer role in the future.

The senior finance executive who has aspirations for the CFO or CEO role must put themselves in a position to be considered as future leadership material. They should make themselves available for coaching, mentoring, further educational opportunities in line with managing their career.

The CFO needs to lead and surround themselves with the very best talent to oversee an increasingly complex and expanding function. We also need to consider the CFO often has direct reports outside the finance function which can include Human Resources, Technology, Strategy, Projects and Investor Relations.

The CFO has an ideal opportunity to be a future CEO, they regularly present to the Board and must see this as their opportunity to impress. It allows them to demonstrate their commercial acumen, understanding of the business issues, leadership quality and pro-activity that few executives get.

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Do you want to be a CEO?

The CEO role is the loneliest role in the company. It is a tough job, it pays the most because it has the most pressure. The Senior Finance Executive or CFO needs to be honest with themselves. Do they have the ability to be the CEO, can they convey their message, can they take calculated risks without all the facts, do they have high ambiguity tolerance, do they want the general and personal accolades and criticism the CEO role receives.

The Decision

If the answer is yes, Boards who will appoint the CFO to the CEO will need to be convinced the market cycle is appropriate, the individual has the x-factor, or “right stuff” to be the company leader. Their communication skills, their breadth of experience, their ability to “make the call” their resilience and character, and their track record of success and having successful people follow them in their previous roles will all be critical in the final discussion.

The record shows Boards are willing to make the decision to appoint CFO's to CEO.

Background

Blenheim Partners specialise in:

- Executive Search;
- Non-Executive Director Search;
- Board Strategy and Structure Consulting;
- External Succession Planning; and
- Executive Re-Engagement / Transition.

Founded in 2012, our team have acted as specialist adviser to many of the world's leading corporations on Board and Executive performance, capability and succession planning.

Our consultants have worked with clients from all sectors and a broad range of geographies. They include over 80 of the ASX 100, 10% of the FTSE 100, Private Equity, Multinational, Private Family and Mutually Owned Companies.

Our work includes assignments that are both local and international in scope.

Our team consists of senior Search Consultants, Human Resource Directors,

Psychologists, Coaches and exceptionally experienced Researchers.

Blenheim Partners is continually investing in knowledge and understanding as exemplified by our Thought Leadership "The Challenges of Attaining Growth", Industry Papers and monthly Market Intelligence reports.

Our philosophy is to develop deep and committed relationships with a select number of clients and help them deliver a superior performance by optimising the composition of their Board and Executive team.

Our culture is built on pride, professionalism, esprit de corps and client service.

Confidentiality

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