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Executive Search & Board Advisory

THE OPPORTUNITIES AND OBSTACLES IN BECOMING THE CHIEF FINANCIAL OFFICER



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

Blenheim Partners has recently reviewed the composition of the ASX200 Chief Financial Officers ('CFOs'). CFOs have a critical role in the company. They tend to be the right hand person and 'Devil's Advocate' to the Chief Executive Officer ('CEO'), they present to investors, analysts and key stakeholders, and they have numerous direct reports, with many of their roles bordering on that of a Chief Operating Officer ('COO'). They have a keen understanding of digital technology and more importantly have to present to the Board the investment/return analysis on growth and innovation opportunities.

What do we know about the ASX200 CFOs?

- Seventy-four of them have over five years in their current role (37%).
- Five more are approaching five years in their current role (2.5%).
- Seventeen are female (8.5%).
- Five are non-Caucasian (2.5%).

What is the route to the CFO position?

The majority of internal promotions come from the Group Finance or Controller function or Divisional Finance, i.e., the Head of Finance for the largest division in the group. If the company considers an external appointment they will favour executives who are or have been CFOs.

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Times are changing

For the senior finance executive to become the CFO, some different routes to the top may need to be considered. What got you where you are may not take you any further. Following the traditional course of qualifying as an accountant, then progressing into tax/internal audit, treasury or group finance can lead finance executives in the right direction, but many feel that career paths in the finance function are becoming narrow on the way up.

Perhaps the way to progress is to go out and acquire greater experience. This could mean seeking opportunities for an international tour of duty or stepping out of finance completely.

In recent years this has been achieved by a finance executive moving into operations, sales or marketing. These divisions of the business provide worthwhile opportunities but we have now moved into a new era, that of digital. Is it worth considering opportunities where as a finance executive one may be exposed to technology innovation and transformation, big data, customer insight and growth investment? Does this present an ideal opportunity to enhance one's value with the aim of returning as a well-rounded business commercial leader and a partner to the CEO?

The longer term

Australian companies are increasingly outsourcing traditional finance roles. Whilst we can appreciate the need to create a lean company platform are we losing sight of the longer term impact on finance talent? If companies are outsourcing the fundamentals, then how does the young qualified accountant beginning their career in industry learn the real life commercial basics and develop the necessary business insight to become not just a technical accountant, but a key contributor? How do we develop the future finance leaders' full breadth of experience to ultimately become guardian of company financial performance and accountability?

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.

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

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