



MAKING THE LEAP

The jump from CFO to chief executive may seem large given the different set of skills required. Criticaleye speaks to business leaders to discover how such a transition can be made

There comes a point when a chief finance officer (CFO) has to decide whether to stay in financial management or make the move to try and take the reins of a business. If that switch is to occur, then their skills and understanding of operations and strategy inevitably have to extend beyond the balance sheet and governance.

Ian Tyler, Chief Executive of construction company Balfour Beatty plc, says, "If you are in the role of finance director and you don't want to be the CEO, then what are you doing there? At the end of the day, if [the job] is about value

and you don't get excited about the idea of creating value, then you shouldn't be on the board. That really is what you're there for."

The best CFOs fully appreciate the importance of entrepreneurial flair, while standing their ground on why robust governance matters. **Gayle Hares**, CFO, General Business Europe of IBM in Europe, comments, "Sometimes the adding of value from the corporate governance element may not always ring true with directors and the board and you have to highlight the potential compliance issues to gain attention."

For Ian, the priority is to weigh-up compliance with sticking to what is strategically right for the business. "If you have somebody on your team whose sole purpose is to put their foot on the brake then your vehicle is not going to go anywhere," he says. "The role of governance, and the role of the CFO in particular..., is to ensure that governance does not get in the way of the organisation moving forward. Rather, it is there to make sure the organisation is compliant because if you focus purely on governance it naturally stops you doing things and that can be catastrophic."

NOT JUST SPREADSHEETS

The best leaders tend to have experienced a variety of roles. It means they have been tested in a number of situations, possessing proven adaptability and have a genuine feel for how a business functions. **Alan Bannatyne**, Group Finance Director of recruitment company Robert Walters plc, states that when it comes to “team dynamics, ultimately you’re looking after quite a lot of the business anyway in terms of the infrastructure of the organisation if you’re the CFO”.

Ian acknowledges that “there is a massive array of skills and capabilities in the financial community”. However, he notes that there can be gaps around sales and marketing which need to be filled if they are going to step into a leadership role beyond the finance function: “The one thing I would say to all CFOs is get out there and talk to customers. As soon as you do that and spend real time with them, you’re going to become a general manager.

“All those sales and marketing skills that people talk about is actually having the will to go and talk to your customer about what creates value. If you do that, you’ll find the finance community is no different from any other in its ability to make that step across.”

Gayle says that she benefited enormously when she moved from finance into the sales arena for several years. “It gives you a lot of insight into how you structure a deal, learning what the customer wants and what the sale teams should be delivering or can deliver out in the market. Getting to know your customers so that you know what they actually want rather what you think they want,” she says.

SEIZING THE CHANCE

There is a view that CFOs, given their background and highly technical set of skills, may be more suited to a non-executive director role. **Ian Durant**, Chairman of Capital & Counties Properties plc, comments that it still requires a shift in mindset: “You’re not in the driving seat, so to speak, as a non-executive director and your relationship with the management team is very different.”

According to Ian Durant, in order to prepare yourself for such a role, there are two main points to consider: “Your exposure to NEDs in the boardroom will naturally give you insights into that relationship and what works and doesn’t work. The

other point comes down to one word: networking. It’s important to have profile and are seen to aspire to that particular role.”

The majority of CFOs, it’s probably fair to say, are happy to stay within the finance department. “To me, the fundamental question is: are you somebody who is ultimately happier to be a voyeur of the business or are you... the leader of the business?” states Ian Tyler.

Of course, whether it’s becoming CEO or taking on a NED position, an element of luck and timing will always come into play, not to mention a no-nonsense examination of your own talents, desire and personal definition of success.

If you are in the role of finance director and you don’t want to be the CEO, then what are you doing there?

Ian Durant comments: “The CFO has to ask the question on whether they want to stay in financial management or go into general management. At a certain point in time, the population is slightly self-selected. In my experience, it is largely a question of luck if you’re in a company whether that opportunity arises because it is very difficult to move from the position of finance director in one company to that of CEO in another. So it tends to be within your own organisation and I think a lot of good fortune is involved in that switch.”

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This article is inspired by *The CFO and the Boardroom* series, produced in association with IBM. To see the full interviews, [click here](#)

THE NETWORK
OF LEADERS

CRITICALEYE

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