Checking into the C-Suite: Transitioning from Treasurer to CFO
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Prior Roles:
CFO-RecoverCare, SPT
Treasurer- American Commercial Lines, Seabulk International
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Prior Roles:
CFO & Board Member – Vivint
CFO - American Commercial Lines
Treasurer - Wabash National Corp.
Corporate Banking - Bank One, PNC Bank, SunTrust
M.B.A. Indiana State University, B.A. Wabash College
Executive Summary

- Transitioning from Treasurer to CFO
  - Positioning yourself
  - Skills Required
  - Keys to Success

- Is it worth it?

- Q&A
Positioning Yourself

• Improve your chances of taking the next big step

• Positioning yourself
  – internally
  – to your network
  – to centers of influence
  – to recruiters
Positioning Yourself Internally

• Start with the basics: improve the quality of your deliverables
• Take high profile projects
  – Build out resume with specific examples of quantifiable success
• Produce a “Finance Team Accomplishment” list
• Be well liked by superiors, peers, and subordinates
  – Zappos: Shuttle bus driver
• Ask for new roles and experience
  – Breadth favored over depth
Positioning Yourself to Your Network

- Everyone has a network
  - Little League, Alumni Network, Church, School
- Go fishing where there are fish
- Develop and maintain your personal Alumni Group (i.e. people that have worked for you over the years)
- Have an updated bio and resume ready at all times
- People like to hire people they know, and like to assist
- It is expected that you are looking for next step
- More than 80% of jobs are found through networking
Positioning Yourself to Centers of Influence

- Leads from Bankers, Lawyers, Insurance Brokers, Auditors
  - Their clients might be your future employers
  - Develop a relationship, and express a desire to take the next step to CFO
  - Make multiple touch points within the firm
Positioning Yourself to Recruiters

- Identify key industry and geographic recruiters and develop relationships with them
- Make their job easy
  - Match your qualifications to their job spec
- Have strong presence on LinkedIn
- Get a warm introduction from others
- Don’t rely solely on recruiters
  - Not a company’s first option

"The recruiter on line three wants to know if you still hate your job."
Skills Required

• Have a track record of building successful teams
• Be well-rounded
• Size and location matters
• Not having a CPA is NOT a deal-killer
Building Successful Teams

- Try to develop “before and after” stories of your groups
- For the middle market, functions built from scratch are particularly significant
- Internship Programs are a great extended interview
- Avoid being labeled as an “Empire Builder”
- Consultants can be a valuable alternative to adding headcount
Be Well Rounded

• Difficult nowadays to get a CFO role directly from public accounting or banking
• Increase options with both private and public company experience
• CFOs, more so than other executives, can move among industries

<table>
<thead>
<tr>
<th>Top 10 Areas of Exposure</th>
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<tbody>
<tr>
<td>Capital Raising</td>
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<tr>
<td>Treasury</td>
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<tr>
<td>Budgeting/Forecasting</td>
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<td>Team Building/Management</td>
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<td>SEC/SOX</td>
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Size Matters

• If you want to work in a big company, you need big company experience.
  • Can’t climb from Treasurer of $10 million and become CFO of $10 billion

• The role of a CFO is very different depending on the size
  • The larger the size of the company the less tactical and the more strategic the orientation is for the CFO

• Small company CFOs are often the same as a Controller

• Public company CFOs spend a higher proportion of their time on investor relations and dealing with Wall Street
  • Public company CFO benefits from prior public company experience
A CPA is not a prerequisite

Some CEOs will say CPA only, but this is a minority
  – Depends on complexity, stage of company

Other advanced degree/certification can compensate
  – CTP, MBA, JD
Keys to Success

• Get early wins
• Be humble
• Know your industry
• Understand the numbers
Get Early Wins

- Secure wins by “getting things done”  
  - Don’t just talk about it or identify issues
- Understand drivers and earn favor with all of your bosses  
  - CEO, Board, Owners
- Be a valuable business partner to your peers  
  - COO, CIO, Business Unit leaders
- Build your team  
  - Quick to fire, slow to hire

- Great book – *The First 90 Days*, Michael Watkins
Be humble

• Understand your weaknesses
  • Work on these, study, learn
• Compensate by hiring strong people in your weak spots
  – Build team/allies with these strengths
• Give credit to your team – you can’t succeed alone
Know Your Industry

- Understand the industry comps
- Know the competition
  - Quarterly EPS, EBITDA and Growth
  - Pull down IR decks from public competitors/listen to calls
- Go to industry conferences and read trade journals
- Know the bankers and intermediaries for the industry
Understand the Numbers

• Easiest way to lose credibility is to have to look to others for answers about your company’s financials
  – or the dreaded “I will get back to you on that”
• Helpful Hint: Develop an Earnings Call “Cheat Sheet”
• Understand the details but don’t get lost in the weeds!
Is it Worth It?

• Do the positives outweigh the negatives?
• The Challenges
• The Benefits
The Challenges of Being a CFO

• Increased stress level
  • Many of the bucks stop with the CFO, you will take the blame from many fronts

• Expanded span of control

• Fewer internal “buddies”

• High CFO Turnover
  • Average tenure of three years, similar to NFL running back
The Positives of Being a CFO

- Direct involvement in the direction and success of the company
- Building your own team
- Compensation
- High Visibility
- Well positioned for additional opportunities
  - President/CEO
  - Boards (Internal and External)
  - Larger CFO roles
Avoid Situations Where you Cannot Win

• Cultural fit
• Taking a CFO role before the CEO is hired
• Look for warning signs
  – High CFO Turnover, Non-market pay package
• You may kiss plenty of frogs, doesn’t mean you should marry them
  – Due diligence before accepting
Conclusion

• Position yourself as proven leader, strategic and operations focused with specific success stories

• Be well rounded – that is the way to overcome no prior CFO experience

• To be a successful CFO, you need to understand who your stakeholders are and provide them with what they need AND what they didn’t realize they needed
Take-Aways

• Improve your LinkedIn Presence:
  • http://www.leaderhelper.com/resources.htm

• 7 Reasons Networking Can Be a Professional Development Boot Camp
  • http://www.forbes.com/sites/glennllopis/2012/05/29/7-reasons-networking-can-be-a-professional-development-boot-camp/

• Great book – *The First 90 Days*, Michael Watkins