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# Annual Conference

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ORIGINAL → ESSENTIAL → UNBIASED → **INFORMATION**

## Checking into the C-Suite: Transitioning from Treasurer to CFO

# Introduction

## **Kevin S. Boyle, Sr. – CFO, Sigma Cubed**

Prior Roles:

CFO-RecoverCare, SPT

Treasurer- American Commercial Lines, Seabulk International

J.D. University of Pennsylvania, B.S. Carnegie Mellon University

## **Christopher Black – CFO, Viamedia**

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

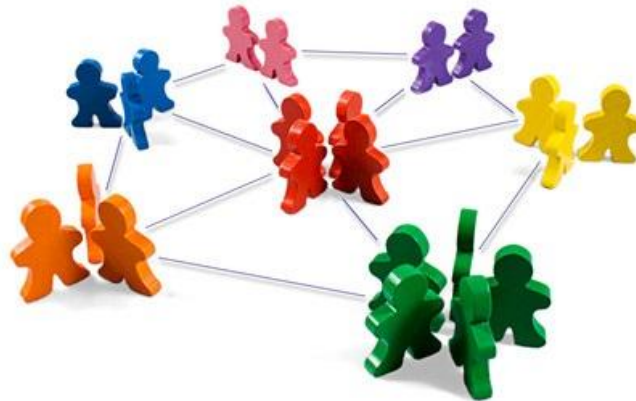


# Positioning Yourself to Your Network

- 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





# 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

Top 10 Areas of Exposure	
Capital Raising	M&A
Treasury	Working Capital
Budgeting/Forecasting	Audit/Accounting
Team Building/Management	IT/Systems Conversion
SEC/SOX	Risk Management

## 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

## CPA ≠ Deal Killer

- 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 colleagues
  - 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



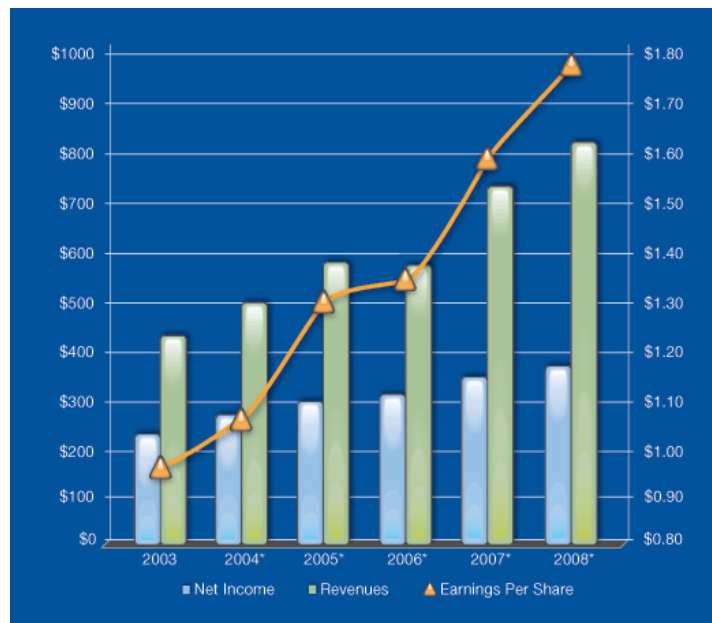


# Know Your Industry

- 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