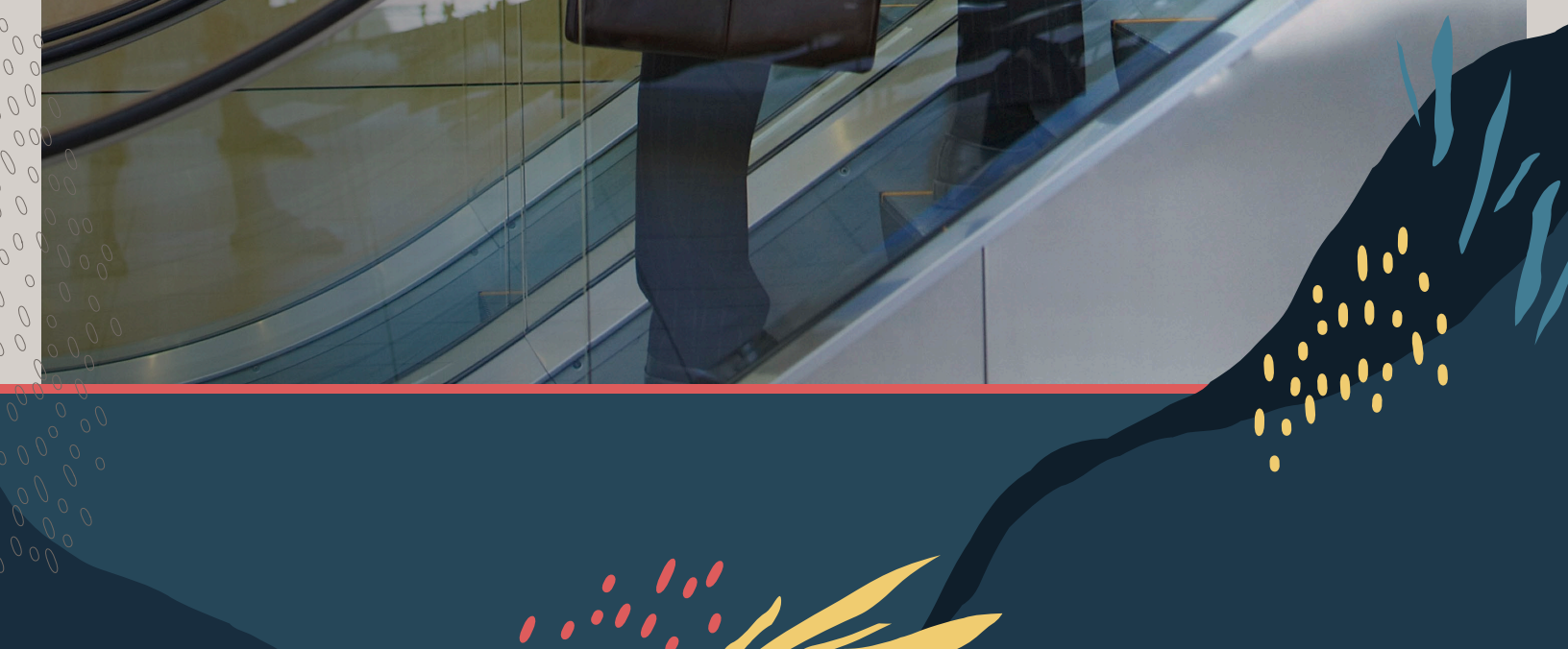


BUSINESS GUIDE

What CEOs Want in a CFO

We talked to a dozen chief executives about what makes a top finance partner. The good news: These traits are also CFO career-building powerhouses.





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We talked to a dozen chief executives about what makes a top finance partner. The good news: These traits are also CFO career-building powerhouses.

The headline is everywhere: “Today’s CEOs want more from their CFOs.”

OK, we’ll bite: What, specifically?

Well, something. KPMG research says 63% of surveyed CEOs believe that the CFO’s role will increase in significance over the next three years compared with other C-suite jobs. Yet 30% of CEOs said their

CFOs don’t understand, much less assist with, organizational challenges.

We interviewed more than a dozen CEOs to find out what, specifically, they seek in a CFO. While there were variations based on industry, some general sentiments remained constant. In this guide, we’ll cover seven top skills CEOs say they want from their financial partners and how CFOs can deliver.



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Skill: Fundraising Prowess

The funding landscape is getting ... interesting. Investors that previously confined their activity to public markets are now seeking returns in [a landscape traditionally reserved for venture capital](#). Wealthy individuals, family offices that cater to those high-net-worth individuals, asset and wealth managers, and hedge funds are emerging as sources of capital. Pension funds and endowments — the main providers of cash to VC funds — are also keen to cut out the middleman and invest directly in earlier stage companies.

A widening funding gap caused by falling public market valuations, a frozen IPO market, and investor pullback from later-stage companies has also [increased the presence of debt providers](#) including venture debt firms, banks, and structured finance providers.

However, that doesn't necessarily make finding funding easy. The Fed's aggressive interest rate hikes designed to tamp down inflation triggered trepidation among many investors. That's driving an expanded due diligence process. Companies need to show an efficient sales model and strong revenue retention to capture investor interest.

With options expanding but expectations heightening, CFOs who are astute fundraisers have an edge.

"At the end of the day, the CEO will do the fundraising, but a CFO who can lay the groundwork and bring experience in fundraising can be hugely beneficial to any management team," said Jaideep Singh, CEO of FlyFin, an AI-based tax-filing service.

Key to being an astute fundraiser, according to CEOs, is providing guidance on the process. Make sure you can answer questions like:

- What avenues of funding should the business pursue now, and how much should we raise, ideally? Is that number achievable?

"An ideal CFO in today's world would be excellent at cultivating and fostering relationships, all while being steeped in every detail of the company's financials, accounts, business model, and strategy."

Jaideep Singh, CEO, FlyFin

- How should the company structure a fundraising round? Do we want to offer equity or take on debt? Can we bootstrap?
- What kind of capital structure is best for our company going forward?

"Skills should include, naturally, the ability to work with numbers but should also include ways to get funding," said Baruch Labunski, CEO of Rank Secure, an SEO services company. "They should know about the grant or venture capital process, how to file for it, and how to follow up."

Once embarked on the funding journey, CEOs expect their CFOs to tell the company's financial story in a compelling fashion through data and illustrate where the company is headed.

A fat Rolodex doesn't hurt either.

"When seeking a CFO, I am looking for a person with the ability to bring the right financial partners to my company's funding efforts," said Singh.

Skill: Strong Communications

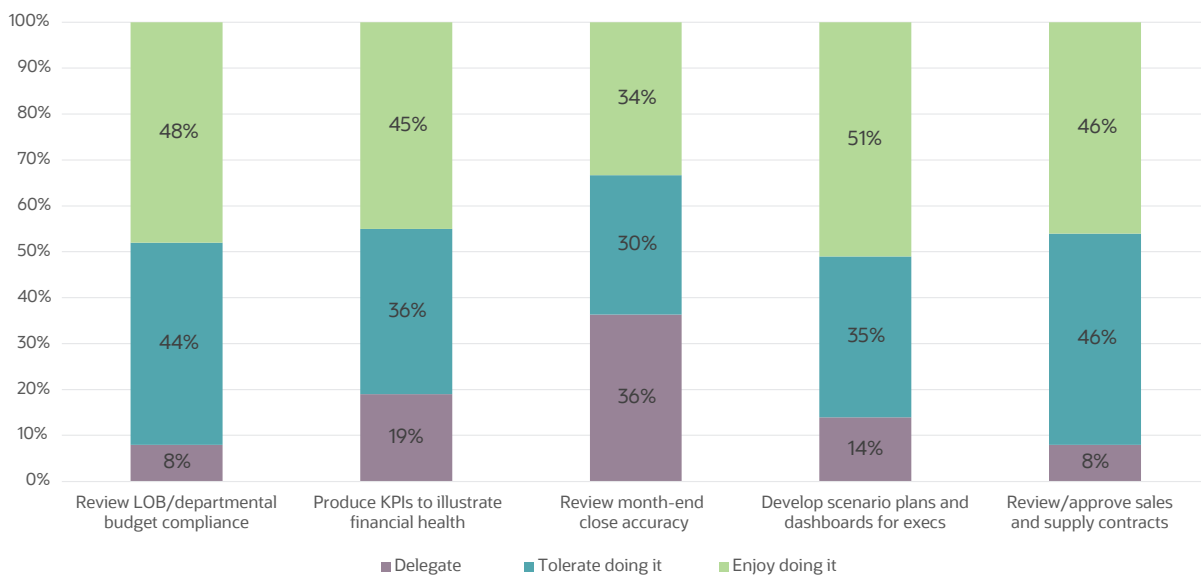
In our interviews, a top-cited quality that CEOs want is the ability to communicate effectively. Company leaders need their CFOs to explain complex concepts clearly to employees, partners, and those potential investors.

“When you have a CFO who can listen to a new business case, innately understand the financial impact that will have on your strategic aims, and combine them with their own expertise, and then communicate those in a way that’s simple to understand, you’re as close as you’ll ever be to having the winning ticket,” said James Lloyd-Townshend, chairman and CEO at Frank Recruitment Group.

Unfortunately, research shows many CFOs falling short here. In our report [CFOs on Profits, Payroll and Peer Expectations](#), executives and managers were fairly critical, rating CFOs’ communication skills about 20% lower than their own. Further, 25% of non-finance executives would like their CFOs to improve their communications with employees and stakeholders. About the same number of finance executives agree on that need.

But CFOs in that survey are lukewarm at best: Just 35% enjoy telling the company’s story through financial data, despite the criticality of that skill to get needed capital.

CFO Enjoyment of Finance Management Tasks



Data: NetSuite Spring 2022 Survey (500 respondents)

There are ways CFOs can tell that story well, regardless of channel.

- **Determine the salient numbers:** Choose the three or four most relevant KPIs to highlight and fill in as needed. Resist presenting a laundry list of data points. Less is often more when painting a financial picture.
- **Know your audience:** How and what you share must be tailored to the experience, knowledge level, preferences, and interests of the people receiving the information.
- **Create a story:** In the Spring 2022 Survey, telling the company's story through financial data was CFOs' least favorite communication task — in fact, 22% delegate it. That's a huge missed opportunity. A good communicator takes the reader or listener along on a journey and explains why they're showing this information, what's important about it, and its implications. A story resonates with people and adds a human element to the facts.
- **Avoid accounting jargon:** Many CFOs struggle with getting their points across because they use complex finance and accounting language. Speak in clear, concise terms and avoid acronyms.

"It doesn't need to be broken down to accountancy 101, but it needs to be pitched at a level that matches our knowledge on what's being spoken about," said Lloyd-Townshend.

- **Keep your comments honest and objective:** CEOs want a trusted adviser who can be relied on for candid, impartial advice. Numerous CEOs cited the need for their CFOs to have uncompromising ethics and the ability to "tell the hard truths."

Another trait desired by our CEOs is a byproduct of effective communications: the ability to forge strong relationships. As CFOs become more strategic figures within the organization, CEOs are looking for them to build out internal peer connections, in particular, to facilitate collaboration and data-sharing.



CHAPTER 3

Skill: Holistic View of the Business

CFOs with deep knowledge of customers, competitors, and the company's place in the market simply make better decisions. CEOs recommend spending time with employees beyond finance and accounting to gain a solid understanding of their roles. Read marketing collaterals and recent sales proposals. Build up competitive intelligence.

Particularly for CFOs in their first 90 days in a new role, shadowing the CEO in meetings with investors, board members, and customers provides a full view of the business.

“Today's CFO can't only be the numbers person. To have influence, they need to be able to navigate the business.”

Lars Sudmann, Former CFO, Procter & Gamble Belgium



Skill: Proactiveness and Flexibility

“CFOs increasingly have to stay on top of the latest trends in data automation, forecasting, and intelligence to provide what really matters to business owners and operators today — patterns and intelligence to make clear business decisions.” Corey Donovan, President, Alta Technology

CEOs want CFOs with a forward-thinking mindset — even when the future isn't particularly clear. Our interviewees cited the need for a visionary planner oriented not only to big-picture growth but also with the foresight to anticipate and prepare for possible financial setbacks.

Given the volatility of the past several years, it's not surprising that CEOs mentioned the need to pair proactiveness with flexibility in decision-making.

“2020 has shown how fast things can change on a global level,” said Sudmann. “CFOs need to be able to update their plans and strategies extremely fast.”

To do that, Sudmann recommends replacing “two-month-planning-cycle thinking” with what he calls “[rapid strategy creation](#).” His process involves focusing on six areas as a framework:

1. **Define the core vision:** In one sentence, describe what you want to accomplish.
2. **Identify one or two number-based goals:** What KPIs or metrics will define success?
3. **Choose three to five areas of effort:** Where do you have to focus to achieve success?

4. **Assess and focus your resources:** What resources will you leverage? What unique strengths can be deployed to your advantage?
5. **Figure out what not to do:** Stay focused on your areas of effort. Don't let unrelated projects sap resources.
6. **Stay on the right path:** How will you keep everyone on course and measure progress on an ongoing basis?

Create a first iteration of your strategy from the framework, then follow the same time-boxing methods that help hackathons produce useful outcomes in a short time. The resulting strategy should hit the sweet spot: It has specificity and clear direction but doesn't take an hour to explain.

This has similarities to an OKR, or objectives and key results, framework. We have a guide on how to achieve goals with OKRs [that you can download](#).

Skill: Tech-Savviness

The pandemic drove companies of all sizes to rethink how they use technology. That got finance leaders much more involved in IT planning — a trend our CEOs are keen to see continue.

“How does technology impact the business model that you have? How can it create efficiencies in your company? Should we be investing in this?” said David Windley, president of IQTalent Partners at Caldwell. “Those are big decisions, and the CFO, given their job is resource allocation, need to understand the impact of that to be a partner for the CEO.”

CEOs agreed, though, that CFOs don’t need to become technologists. The CIO will be the expert. However, finance leaders do need to understand the capabilities provided by technology and what investments make sense.

“CFOs today don’t need to be programmers,” said Sudmann. “However, undoubtedly the finance function is heavily affected by the digital revolution. In order to make the right choices regarding which technologies to invest and focus on, the CFO needs to have a working knowledge of possibilities and trends.”

With research firm Gartner projecting that IT spending will hit \$4.5 trillion in 2022, CEOs and CIOs are ready to invest. However, the CEOs we talked to want enthusiasm to be balanced with a healthy dose of discernment. That’s where CFOs shine.



Skill: Calculated Risk Taking



The need for balance is not reserved for technology investments. CEOs also want CFOs who are willing to take well-considered leaps of faith. Or, as Lane Gregory, CEO of social media branding platform CrowdShare termed it, “a calculated risk taker.”

Generally, as stewards of the organization’s financial health, CFOs tend to be more cautious than C-suite peers. CEOs want growth guidance balanced with a moderate appetite for risk.

“As a CEO, I want my CFO to be a strategic partner who can provide insights and recommendations on how to grow the business,” said Jonathan Saeidian, founder and CEO of Brenton Way, a digital marketing agency based in

Los Angeles. “I need them to be able to identify financial risks and opportunities and develop plans to mitigate risks and capitalize on opportunities.”

Instead of simply being a “CF-No,” a term coined by Jack McCullough in [Secrets of Rockstar CFOs](#), CEOs want their finance leaders to be active drivers of growth. While that may mean occasionally saying no, it’s more about being solutions-oriented and figuring out ways to take advantage of opportunities.

“CFOs, they’re a part of the growth strategy now,” said Gregory. “They aren’t hindering it. They’re trying to figure out ways that we can accomplish it.”

Skill: Cultural Chameleon

As the president of an executive search firm, Windley has a birds-eye view of what CEOs want from their CFOs and how successful matches are created. For Windley, placing a CFO at a company is a multifaceted process, but there is an overriding consideration.

“The cultural fit is crucial at any level, but more so at the executive level. The company’s leadership is a team. That team is leading that company, and the chemistry between them working together is very important.”

David Windley, President of IQTalent Partners, Caldwell

CFOs are well-versed in the finance skills required for the role. However, each company and leadership team has its own personality. CEOs don’t want a CFO visibly trying to force a fit — or worse yet, not trying at all.

“A CFO’s background, skills, and abilities should be a requirement to be eligible for the job,” said Windley. “That is not what should get you the job. What should get you the job is being the right fit for the team.”

When searching for a position at a new company, consider:

- **How managers are assessed.** Are they expected to set realistic expectations and take responsibility for outcomes? Any leader throwing a subordinate under the bus is a red flag.
- **What incentivizes and drives people.** Companies reward what they value.
- **How teams and colleagues interact.** Do you observe real respect and camaraderie?
- **Acceptance of new ideas.** Throw out an observation that differs from the status quo and see how people respond.
- **Employee satisfaction.** Check sites like Glassdoor and LinkedIn to see what current and former employees say about the company, including advancement potential and ethical norms.

If anything doesn’t feel right from a cultural perspective, that red flag should be heeded.

The Bottom Line

The evolution of the CFO role is clear in the sentiment of CEOs. Gone are the days of back-office bean counters. The desire for CFOs to possess a deep knowledge of the numbers is still there. However, the overall message from CEOs was resoundingly clear:

Business leaders are looking for their CFOs to go well beyond the balance sheet to serve as strategic partners who contribute to growth.

Learn More

- **4 Skills CFOs Need Now and How to Strengthen Them.** This guide takes a closer look at communication, data analysis, scenario planning/forecasting, and collaboration and provides practical steps to improve in these areas, including tips provided by fellow CFOs.
- **Good to Great: CFO's Guide to Closing the Skills Gap.** Some CFOs are natural number crunchers, always on point with their financials. Others revel in staff development, product brainstorming, and liaising with business colleagues. The nitty gritty of month-end closes? Delegate it. Four CFOs and data from 500 business leaders reveal keys to closing skills gaps that may just be holding you back.
- **CFO's Guide to Risk Management.** CFOs have always worked to make their companies more fiscally resilient and agile. This guide covers how to proactively prepare for a wider range of risks, from rate hikes to continued supply chain constraints to cyberattacks.

About our CEOs



Baruch Labunski, CEO of Rank Secure

Baruch Labunski, founder and CEO of Rank Secure, recently celebrated 18 years of leading his company through the vast changes in how search engine optimization and algorithms function. His experience includes branding, business consulting, web design, SEO, SEM, social marketing, growth marketing, and content strategy. He is a regular writer for Entrepreneur magazine, Newsweek, and Forbes. He has also been featured in publications such as Business Insider, Fox, U.S. News & World Report, and the New York Post.



Jaideep Singh, CEO and co-founder of FlyFin

Jaideep is the CEO and co-founder of FlyFin, a new AI-powered mobile tax engine/app for freelancers, creators, gig workers, and the self-employed. Jaideep was an early adopter of AI as he built Spock, the industry's first people search engine, indexing over 1 billion people representing 1.5 trillion data records. As both a VC and entrepreneur, he has focused on finding disruptive industry startups to invest in and has created more than \$3 billion in value for companies.



James Lloyd-Townshend, chairman and CEO at Frank Recruitment Group

James joined Frank Recruitment Group in 2015 and is the chairman and CEO. He is a graduate of Economics and Accounting from Newcastle University and has attended the executive program at Manchester business school and several other business schools in Europe. His core driver is to create a business which allows anyone with the aspiration to succeed, to reach their goals, in an environment which is truly inclusive.



Lars Sudmann, former CFO of Procter & Gamble Belgium

Lars is an executive adviser, author, and keynote speaker on leadership, innovation, strategy, and digital transformation. He is a council director at the global think tank The Conference Board and has been featured on Forbes, BBC Capital, Fast Company, The Chicago Tribune, and many more. His top-ranked TEDx talks have more than 1 million views, and his latest book is "Innovation that Sticks." The former executive of P&G draws on his business and consulting expertise and board knowledge with startups and Fortune 500 companies such as Microsoft, Vodafone, Siemens, and many more to help companies and teams achieve better results.



Corey Donovan, president of Alta Technology

Corey Donovan is a full stack IT executive experienced in management, sales, ecommerce, operations, and recruitment, with 20 years' experience in the tech industry. A proponent of sustainable re-use and affordable B2B solutions, he takes pride in running a diverse, can-do EOS organization strengthened by a "one team" approach to culture, continuous improvement, and doing the right thing each day for Alta's clients.

About our CEOs



David Windley, president of IQTalent Partners at Caldwell

David Windley is a veteran leader in the talent acquisition and human resources fields with more than three decades leading corporate talent divisions and companies. As president of IQTalent Partners, Windley oversees the firm's strategic direction, business development, and day-to-day operations. Prior to joining IQTalent Partners, Windley was the chief human resources officer at Yahoo! and Fusion-io. Through 2020, he served as the board chair for the Society for Human Resources Management (SHRM). In 2021, Windley was added to Caldwell Partners' executive leadership team after leading IQTalent Partners through a merger with Caldwell.



Jonathan Saeidian, founder and CEO of Brenton Way

Jonathan Saeidian is the founder and CEO of Brenton Way, a digital marketing agency based in Los Angeles. He also founded 2 other successful startups, INITIATE.AI and Take Sessions.



Lane Gregory, CEO of CrowdShare

Lane is the CEO and founder of CrowdShare, a social media branding platform that helps businesses leverage advocacy marketing to further their brand message and reach. Having started and sold three businesses to Fortune 500 companies, Lane has a passion for entrepreneurship and helping small-business owners and fellow entrepreneurs grow through improved marketing efforts. Lane has also helped spread the word on advocacy marketing through speaking engagements including TechCrunch Disrupt, where his platform won in the social media category.

