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Treasurers Move Into The Spotlight As CFOs Rise To Number Two Slot At Publicly Traded Companies

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Chief financial officers are quickly moving into the number two reporting slot in many publicly traded companies, according to a new survey of Fortune 500 and S&P 500 companies by [Crist Associates](#), an executive recruiting firm based in Hinsdale, IL. As CFOs gain prominence, so do corporate treasurers, experts say.

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Treasury In The Spotlight

As CFOs take on new duties – such as overseeing IT and HR – corporate treasurers are being encouraged to take on a more strategic role, according to [Tom Kolder, president of Crist Associates](#).

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"The [treasury] team is being asked to work in concert with the operating leaders to understand how capital planning and financing can affect the bottom line," [Kolder](#) said.

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[Crist Associates](#) recently completed three large hiring projects for treasury departments at Fortune 500 companies, [Kolder](#) said. During each executive search, [Kolder](#) said, "we're being asked to bring to the table an operating leader who can help them understand how the function can make more money for that business over time."

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Today's treasurers also are expected to understand how Sarbanes-Oxley affects controls, he said.

The CFO Evolution

"The [Crist Volatility Report](#)," produced by [Crist Associates](#), found that the percentage of CFOs listed in the compensation table of proxy circulars has increased dramatically since 1996.

In 1996, approximately 58% of Fortune 500 and S&P 500 companies listed CFOs in proxy statements. Today, 78% list CFO compensation.

In addition, a growing percentage of CFOs have taken on the mantle of serving as the number two officer, behind the CEO, within publicly traded companies.

"There's a need for the CEO to have a partner who has the financial acumen to compliment the chief's strategic or operation capabilities," [Kolder](#) said. The CFO has to go beyond the core expertise of hard numbers and be a much broader participant in non-financial discussions, he added.

There has been a decrease in CFO turnover during the past five years, according to the report "This may be due to the CFO becoming a more strategic part of the CEO office, thus increasing the stability of the role," the report said.

The report also found that companies are more likely to look outside their own company when hiring a CFO. This may be due to greater involvement of boards in selecting the CFO, and increased scrutiny of management teams due to recent failings in corporate governance.