

## TOOLS AND RESOURCES FOR FINANCIAL EXECUTIVES

### How to Pick Winning Finance Execs

**Opinions differ on whether a prestigious accounting degree or raw intelligence is a better indicator of future success. But there's general agreement among corporate-finance talent scouts that passion and energy count for a great deal.**

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April 15, 2005

How do you spot a rising finance star?

The short answer, according to a range of seasoned talent developers in the field, is that they're like mini-CFOs: they're smart, they seek experiences beyond the technical finance duties, they show leadership potential, they can strategize, and they can put financial data into the context of the overall business.

While there's general agreement about the qualities that distinguish budding standouts, however, experts differ on whether educational background or innate skill is a more significant sign of talent.

For some, pedigree counts. In that case, a good way to start looking for finance stars is to scan their academic backgrounds, according to Teri Valentine, director of corporate finance planning and development at Motorola Inc. Valentine says finance executives at the Schaumburg, Illinois-based mobile-products giant prefer to hire those who have a basic background in accounting from a prestigious school.

On the other hand, Peter Mondani, General Electric Co.'s manager of finance leadership development and human resources, observes that the people who have the hardest time getting to the executive level are the ones who were accounting majors. Mondani believes that raw intelligence—what he calls intellectual "horsepower"—is a better determinant of success in corporate finance. For instance, he recalls encountering a young finance executive who didn't get top grades at a top school. Yet Mondani saw during meetings that the executive could connect facts with business issues "in a way that you were in awe."

Further, high test grades might be weak indicators of future brilliance. Jonathan Schiff, founder of the Finance Development and Training Institute Alliance, notes that an analysis of the content of the CPA exam and the responsibilities of the CFO job shows very little correlation.

While talent spotters may be divided in the book-smarts-vs.-street-smarts debate, one thing they do agree on is that future finance stars have desire. "They have the passion and energy to *want* success," says Mondani.

Motorola's Valentine likes to see executives seek continuing education even after they're on board—especially in prestigious finance and business programs at such nearby schools as Northwestern and the University of Chicago. In interviews, she looks for curiosity about where the jobs in question will take candidates: will the assignment stretch their skills?

#### Shining Through

And, will they aggressively seek to expand their skills? Rick Richardson, senior director and a partner in Spencer Stuart's global CFO practice, gives an example of an impressive young finance executive he interviewed recently whose career benefited from a willingness to grow in just that way.

During a controller stint early on, the executive told her boss she wanted treasury experience. She moved into an assistant treasurer position, then to treasurer, and then added vice president of finance to her title. By pursuing the treasury know-how, she supplemented her controller experience by meeting analysts, creditors, and other people outside the company. She gained a crucial balance of internal and external exposure, the lack of which "keeps most people from becoming CFO," says Richardson.

Hand in hand with the desire to learn is an appetite for challenge that can include, for example, a willingness to join an underperforming business unit. At Motorola, says Valentine, finance executive Dennis Strand was rewarded for taking on a treasurer role in an early, unsuccessful joint venture. When that job expired, the company offered Strand a choice of controller positions. Of those, Strand again chose the more challenging, a spot at a struggling unit. After making inroads there, as well as in operations in North America and Europe, Strand is now head of finance for mobile devices, Motorola's flagship business.

Communication and presentation skills are also key, and that's where the interview is most helpful. What managers can learn about candidates there is an elusive mixture of technical expertise, business savvy, and personality.

First, the technical skills: Eric Rehmann of Russell Reynolds's financial-officers practice looks for an ability to communicate concisely what the candidate actually did in previous jobs and how it contributed to the organizations' performance. "It's amazing how few people can do that," he adds.

The potential star "doesn't need to have deep technical skills in every aspect of finance," explains CFO John Leahy of IT consultancy Keane Inc. But a high-potential finance executive should have had exposure to the different disciplines of finance—a bit of experience on the controller side, a tad of financial analysis, and some treasury background, for example.

Leahy also looks for a sense that the candidate is "results-oriented." At PepsiCo, where he was formerly an executive, the phrase was "code for people who are high achievers," he says.

Next comes business acumen. "The best and brightest young CFOs have an incredible understanding of the business" they've been working in, Rehmann notes. Brian Sullivan, CEO of Christian & Timbers, a search firm, recalls one such candidate, who was then the head of finance for a Wall Street trading firm.

Instead of discussing the firm's profitability, he talked about the difference between salespeople and traders. A salesperson hates to lose, Sullivan explained, while a trader loves to win. The candidate went on to describe how the company was trying to reorient the thinking of the sales executives. He and the other managers wanted them, like traders, to focus on large-scale gains instead of chasing after each individual sale, regardless of its place in company profitability. It was a dream interview, says Sullivan, who adds that he "recruited the hell out of him."

Finally, there's personality. "The biggest differentiators between the haves and the have-nots," says Sullivan, "are the ability to see the big picture, and interpersonal skills."

Those, of course, are rarely quantifiable. Chuck Eldridge, the leader of Korn/Ferry's financial officers practice, looks for a "presence" and confidence, as well as an immediate connection with the individual. Tom Kolder, president of Crist Associates, looks for fearlessness in raising issues for discussion. And, short of being blatantly obnoxious, interviewees shouldn't be afraid of blowing their own horns. The interview, Rehmann always assures candidates, "is not the time to be humble."