

At area corporations, turnover rises among top financial officers

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Turnover among chief financial officers at public companies throughout the region has become common the last couple of years, part of a nationwide trend as accounting reform, investor scrutiny, and other issues have intensified.

Officially, retirements and resignations for jobs elsewhere are among reasons for top financial officer openings at numerous northwest Ohio and southeast Michigan companies.

Toledo firms Dana Corp., Owens-Illinois Inc., and Health Care REIT Inc., as well as La-Z-Boy Inc. in Monroe, Ohio Art Co. in Bryan, Rurban Financial Corp. in Defiance, Tecumseh Products Co. of Tecumseh, and Cedar Fair LP of Sandusky, are among companies that have filled financial officers spots recently.

Nationwide, pressure from the 2002 Sarbanes-Oxley Act, which calls for more in-depth financial reporting, is taking its toll, said John Challenger, chief executive of Challenger, Gray & Christmas Inc. outplacement firm in Chicago.

Some U.S. companies, for example, have made the financial officer the scapegoat when money problems surfaced, Mr. Challenger said.

Some have needed financial executives with stronger experience with information technology and other systems because of Sarbanes-Oxley, he said.

"Part of it's just a new era," he said. "CFOs are really in the hot seat."

Sarbanes-Oxley, though, is not the only factor in CFO turnover: The job's scope has changed since the mid-1990s, said Peter Crist, chairman of Crist Associates, a Chicago-area executive search firm.

More companies are eliminating chief operating officer positions and giving more duties to chief financial officers, he said.

Unlike the situation a decade ago, board members now take part in hiring chief financial officers, and investors have increased demands as well, he said.

"The job has become more complex," Mr. Crist said. "Honestly, the job's just outgrowing some people."

Among the country's top 662 companies last year, 14 percent changed chief financial officers in 1995, and 15 percent of them did in 2005, according to the most recent annual Crist study.

In the last 10 years, though, that rate for those companies topped 19 percent in 1998, 2000, and 2001, it said.

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