

Why what got you here may not get you there!

Mapping a path to the top!

Finance Executives International
of Australia

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The purpose – your aspirations

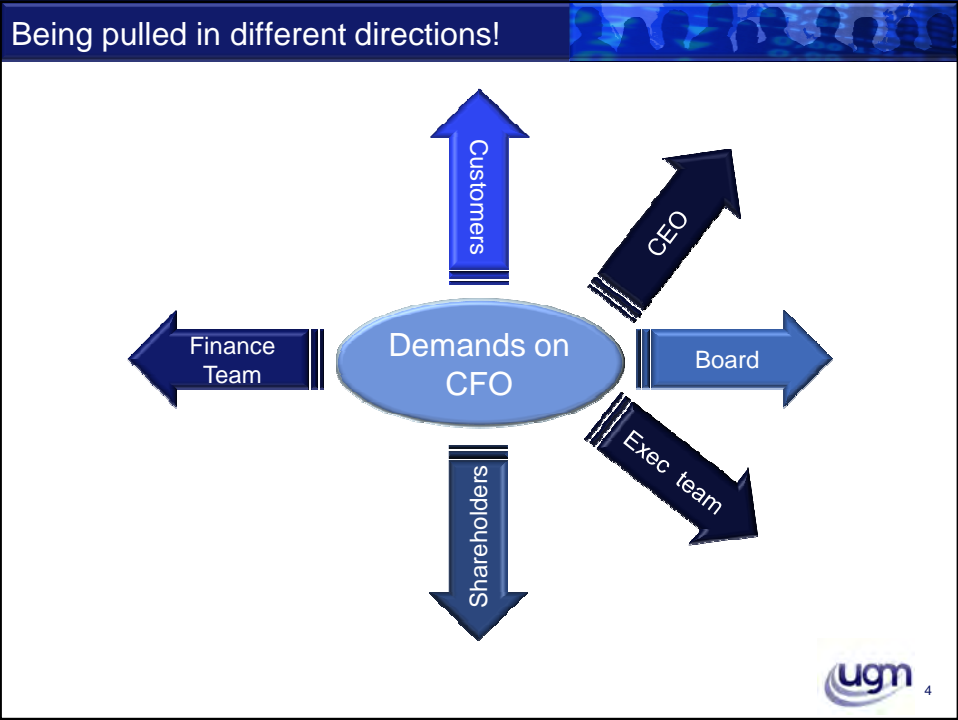
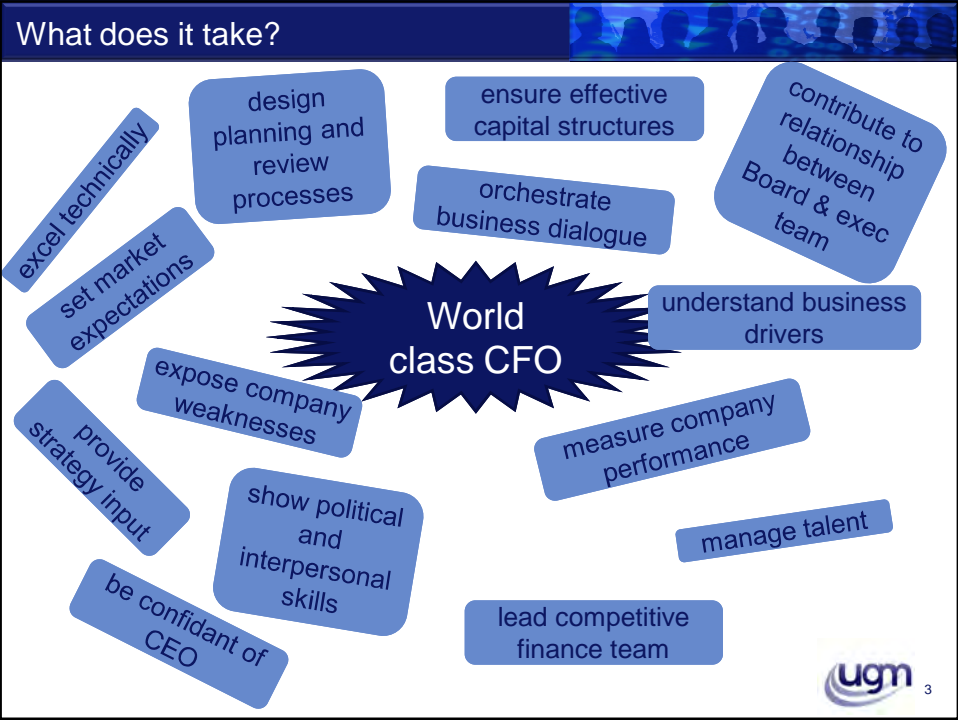


Aiming for
CFO

Aiming for
CEO

Seeking to be
better in my
current role





Top 3 expectations for new CFO



Finance Staff

Ensure efficiency of FF [80%]

Improve quality of FF [74%]

Be active member of sen. exec. team [40%]

CEO

Be active member of sen. exec. Team [88%]

Contribute to company performance [84%]

Ensure efficiency of FF [70%]



What's the appeal of a CFO as CEO?



Positives

Used to communicating with shareholders

Good discipline & focus on shareholder value

Strong on performance measures and controls

Negatives

Weak leadership skills

Poor at motivating teams

Less strong strategically especially in growth cycle

Poor delegation skills – need to control - “controlasurs”

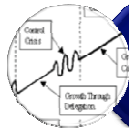
50 top CEOs interviewed by McKinsey 2006



What might they be looking for?



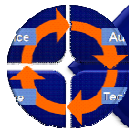
Knowledge economy



Stage of the business



Phase in the business cycle



Continuous change & individual skills



Leveraging the 'intangibles':

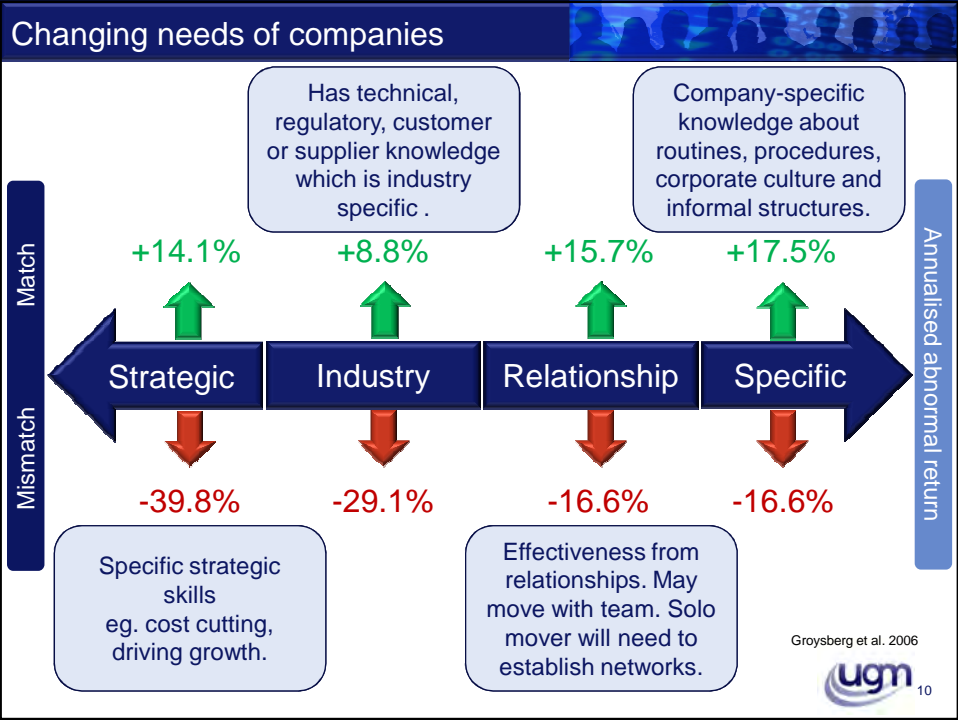
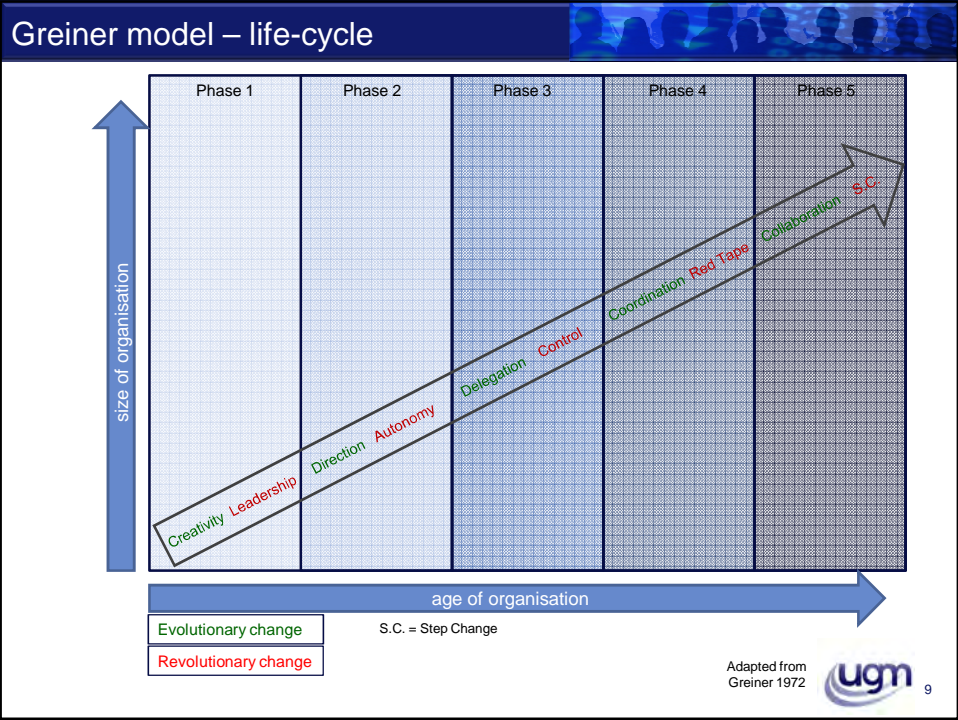
INTANGIBLES	
Individual	Company
knowledge	intellectual prop
relationships	networks
reputation	brand
talent	people

Knowledge model mobilises intangibles



Industrial model frustrates knowledge workers







NAB

- "Cameron Clyne is an outstanding executive with the strategic, cultural and leadership qualities that fit the business at this time." (Chaney 2008)

Avastra Sleep

- "The Company now requires a different range of skills and expertise to realize the maximum potential from its existing operations and cement the foundations for further acquisitions as appropriate opportunities present." (Avastra Sleep 2008)

MYOB

- "...the promotion would broaden its leadership and provide the right structure and resource to deliver the next phase of growth for MYOB." (MYOB 2008)



Strong CEO Candidate

Adopt 'CEO mindset'

Delegate

Build the right team

Learn how to influence, motivate, persuade

Context: individual capabilities



Why demonstrating leadership is a core capability

1. • All requirements of a strong CEO candidate are really requirements of any good leader – but finance is seen as being weaker at these (perception becomes reality)
2. • A CEO is assumed to be a good leader of people – which is why Boards often don't include HR specialists
3. • Your people are the key source of value in the knowledge economy and leadership is a key enabler of that value
4. • Leadership is about influencing others –and you'll need to be spending most of your time doing that



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CFOs are a good choice for CEO if.....



- company seen as needing very strong financial direction eg. merger, divestment, turnaround
- company is large, multinational conglomerate [the numbers become the only common language]
- CEO resigns unexpectedly [“safe pair of hands”]
- CFO has broad business experience

2/3 of UK CEOs who were ex-CFOs had track record outside finance. They cited as key: “learned how to motivate employees”.

50 top CEOs interviewed by McKinsey 2006



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Q&A



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