

Recruiting your next Chief Financial Officer?

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An important consideration when recruiting a CFO is the importance of recruiting the experiences & skills needed to help the management team or owners implement the strategic goals or deal with expected future business conditions.

Have you considered if the experiences and skills of the departing CFO are still relevant for your business going forward.

Asking yourself the following question is a good starting point in assessing the suitability of candidates for your CFO position.

“Does this person have the experiences & skills to add value to our business over the next 5 years, and / or help us achieve our strategic objectives”

The saying “You can learn from other’s experience, but you only get wisdom from doing it yourself”, is a good starting point when assessing if a potential candidate really does have the experience, skills & wisdom to add value to your business.

The experience, learnings and skills accumulated by a CFO whose career to date has been in very profitable businesses where money is no object will be very different from the experience, learnings & skills collected by a CFO who has cut their teeth in a business where every dollar counts and tight control of margins, overheads and cash flow is crucial to the business’s survival.

Yes, skills can be learned, but can your business afford the luxury of a CFO learning on the job in your business?

A couple of examples where recruiting a CFO with specific experience might be a priority.

- if your strategy includes expansion by acquisition, maybe a key experience requirement of your new CFO is experience in M&A activities
- if your business is a low-margin business with profit and business viability susceptible to small variations in margins perhaps you should consider the importance of your new CFO having experience in a similar business.

There is no doubt that the commercial skills and wisdom that a CFO has will be enhanced considerably if they have held a senior finance position where they have

- experienced a downturn in business performance, or
- have played an important role in the turnaround of a struggling business, or
- played a key role in the successful completion of major projects (e.g systems upgrades, business integrations) or
- have played an important role in a substantial business expansion via organic growth or acquisition.

Remember, CFO’s are not all equal.