Introduction

Korn/Ferry International’s Chief Financial Officer Center of Expertise surveyed 86 CFOs tracked in the *KF1000. The CFO Pulse Survey asked a variety of questions, ranging from talent development and succession planning to regulatory changes and company growth, to determine the foremost issues facing CFOs today and to create a baseline of CFO sentiment in this post-recession era.

Here we have aggregated top CFOs’ opinions on the key business issues impacting their companies and jobs, providing us with a pulse of what is driving financial decision-making in the C-suite.

Managing the most critical and fundamental business asset—capital—makes the CFO role one to watch for overall business conditions. Knowing what motivates them, what keeps them up at night and how they view their role within the company gives us invaluable intelligence about both macro and micro business trends.

* The KF1000 is a proprietary database of CFOs at the top 1,000 US companies by revenue that Korn/Ferry follows
The survey revealed that the CFO role is evolving from a strictly financial management position to a mix of financial management and operations, supporting the claim that CFO talent should actively pursue career growth opportunities outside of traditional accounting and finance roles. In addition to professional considerations, the operations function has shifted into focus as the number one investment for CFOs with cash on hand. The emphasis on operations further underscores the idea that CFOs need to understand how to cultivate existing company assets—technology, employee talent, intellectual capital—to gain a competitive edge.

**CFOs Become More and More Operational**

75.3% of CFOs said they are being asked to take on more operational responsibility.
In this brave new business environment, where CFOs are emerging from a period of sustainability into one of growth, the survey showed that anxiety around revenue growth and whether they possess the talent to achieve the organization’s goals remain high. This fear factor may be underpinning the belief that, should a CFO leave his/her company today, an external hire would be brought on to succeed said incumbent. While uncertainty remains pervasive, there is a silver-lining in the use of predictive analytics, which, according to the survey, will help give CFOs more data supported hypotheses and provide guidance during times of difficult decision making.

**CFOs Plan to Increase the Use of Predictive Analytics and Big Data**

- **INCREASE**
  - Up to 25% increase: 49.4%
  - 25% to 50% increase: 8.2%
  - 50% to 75% increase: 8.2%
  - 75% to 100% increase: 2.4%
  - None of the above: 31.8%

**How Will a CFO Be Succeeded?**

- Internal promote: 49.4%
- External hire: 44.7%
- Do not know: 5.9%

**Many Restless Nights From..**

- Rising pressure to spend liquid cash on hand: 37.6%
- Increasing regulatory climate: 51.8%
- Cost management: 4.7%
- Revenue growth: 16.5%
- Achieving quarterly financial goals/quarterly numbers: 47.1%
- Managing enterprise risk: 24.7%
- Talent to achieve the organization’s goal: 24.7%

49.4% of CFOs said that, if they left their company today, an external hire would be brought on to replace them.
The survey revealed, counterintuitively, that CFOs are less concerned about the impact of banking regulatory changes. Alternatively, the majority of CFOs agree that the Affordable Care Act will have an impact on the company’s bottom-line. Respondents also feel that a global set of financial reporting standards will not be put in place.

80% of CFOs do not believe that a global set of banking regulations will gain momentum this year.
Hyper-aware of what it is like to operate in a heavily regulated environment, a super majority of CFO respondents do not agree that the only way to increase female board representation is through a legal sanction, despite the success in increasing female board participation seen in some European countries that enacted a gender-equality law.

96.5% of CFOs do not think the only way to significantly increase the number of women sitting on boards is through a legislative mandate.

The survey showed that the vast majority of respondents do not serve on the board of another public company. While there are a number of factors contributing to this anomaly, the two most likely causes are that CFOs have not been asked to serve—as former CEOs still dominate board make-up—and CFOs may not have the green light from their CEO to serve on a board. However, as certain areas that require the rigor and technical experience of CFOs become more important, this number will likely augment.

75.3% of CFOs do not serve on the board of another public company.
# Key contacts: Financial Officer Center of Expertise

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The Korn/Ferry Institute generates forward-thinking research and viewpoints that illuminate how talent advances business strategy. Since its founding in 2008, the institute has published scores of articles, studies and books that explore global best practices in organizational leadership and human capital development.

About Korn/Ferry International
Korn/Ferry International is a premier global provider of talent management solutions, with a presence throughout the Americas, Asia Pacific, Europe, the Middle East and Africa. The firm delivers solutions and resources that help clients cultivate greatness through the design, building and attraction of their talent.

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