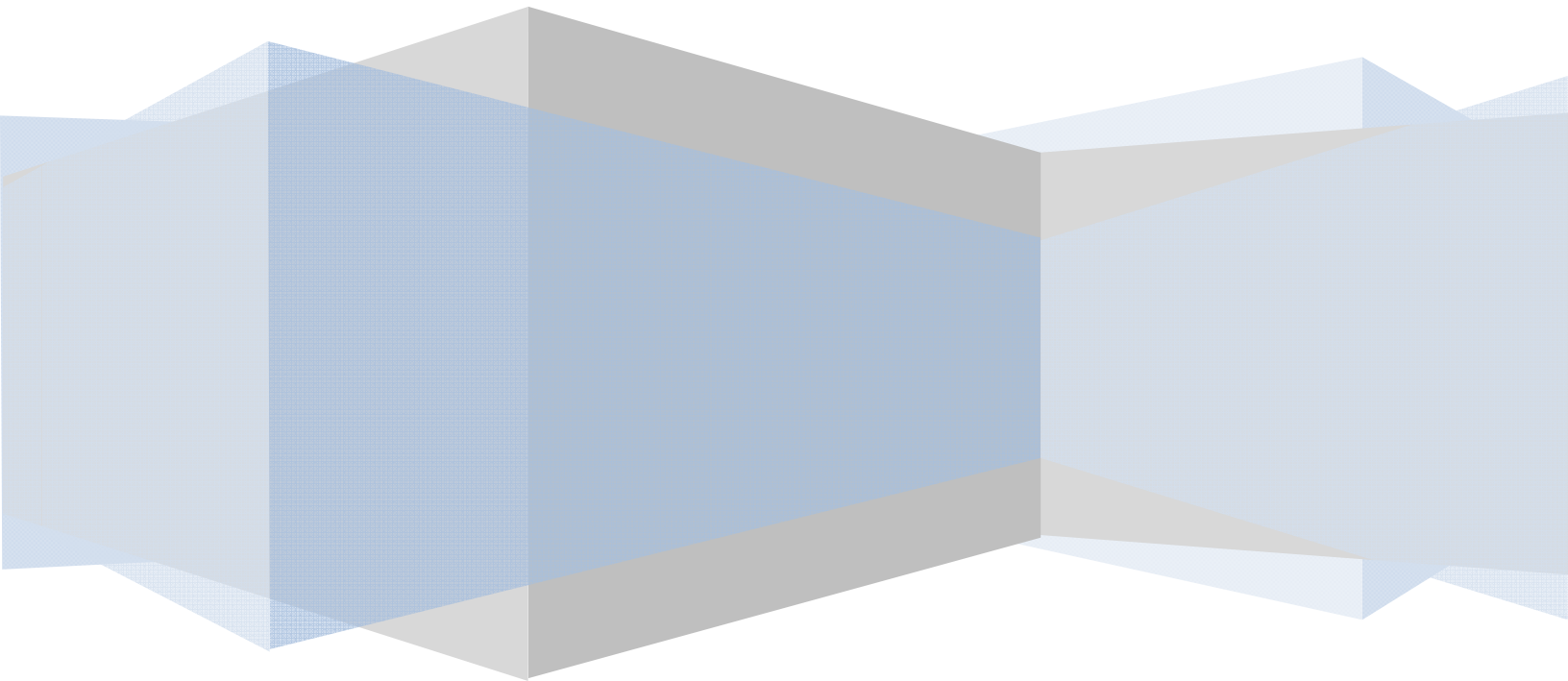


Moving From CA to CFO: A Competency Framework

An ICAO/Queen's University Collaborative Study

Produced by: P.Murphy with T.Anger, A. Barrett, Y. Chan, Y. Luo, Y. Rahrovani, J. Roger, and J. Wylie.



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I. Executive Summary

This report identifies and examines the necessary competencies required for a new Chartered Accountant (CA) to develop over a career, culminating in becoming a Chief Financial Officer (CFO). Secondly, the report identifies the roles required for a Chief Executive Officer (CEO). We first examine prior literature on CFO competencies, then develop and administer a survey to Ontario C-suite executives. Due to the proportionately few respondents from publicly-held organizations, we suggest the CFO Competency Map (Appendix 2) applies to the CFO position in general.

Overall findings include:

- Prior literature suggests a CFO has four roles – Steward, Operator, Catalyst, and Strategist – each of which has required competencies. Survey respondents agree these roles capture the essence of the CFOs job.
- Though all four CFO roles are deemed important, the Steward role is most important.
- The most important competencies tend to be the “soft” skills such as personal integrity and ethics, critical thinking, communication and presentation skills, strategic thinking and decision making, and leadership. These competencies, falling within the Catalyst and Strategist roles, are even more important for a CEO than for a CFO.
- Overall, respondents found experience to be the best way to develop competencies. However, education and mentorship are also important.
- The vast majority of competencies should be developed early and continue to develop through the middle of one’s career. While not as common, late development is also acceptable.
- Respondents identify future issues within every CFO role, the Strategist role being predominant.
- The position of CEO is similar to that of the CFO, but there is a much greater weight on the role of Strategist.

Actions that CAs can take based on our findings:

- Use the Competency Map (Appendix 2) to help develop competencies throughout a career with the goal of becoming a CFO.
- Pay particular attention to several of the “soft” competencies within the Catalyst and Strategist roles.
- Both CAs and future CAs should volunteer throughout their lifetime to develop “soft” competencies.
- Seek out industry and international experience as well as experience within non-finance functions.

Actions that ICAO and Queen’s can take based on our findings:

- Consider providing additional or extended educational programs, including:
 - Fraud prevention, detection, and investigation
 - Corporate finance, treasury and investment management
 - Organizational and administrative skills
 - Communication/presentation skills and executive presence
 - Corporate governance
 - Ethical decision making
 - Strategic thinking and decision-making, and critical thinking
 - Industry training and/or non-finance training

We also identify future questions that are either not completely answered here or are natural extensions of this project.

II. Introduction

The Institute of Chartered Accountant of Ontario (ICAO) and The Monieson Centre at Queen's University collaborated on a project intended to assist new CAs to plan their career toward becoming a CFO of a publicly-held company. The purpose of this report is to provide an understanding of the CFO role and to identify the competencies CAs need to develop so that they are able to progress to the CFO level and function effectively. To accomplish this, a variety of information sources were consulted, including academic journals, consulting reports, books, magazines, and conference and workshop offerings. The information from these sources was synthesized into a list of competencies that today's public companies expect their CFOs to possess. These competencies are structured around four different roles played by the CFO: Steward, Operator, Catalyst, and Strategist. Each of these roles and their subsequent competencies were used to structure a survey administered to C-suite executives within Ontario companies. Following a summary of the literature, this report provides a detailed discussion of the results of the survey, including summaries and implications, and concludes with a Competency Map that CAs can use in planning their career.

III. Competency Framework from Prior Literature

Over the last 20 years, the business environment has become increasingly dynamic, requiring flexibility and innovation. Specific to finance, new and different types of capital, including financial, physical, human, social and intellectual, are being affected in profound ways by the changing business environment, resulting in the creation of new markets and new threats. The consequence is a need for the finance function to use technology to supply more accurate information at a faster rate and reduce costs through process efficiencies. This, combined with increasing amounts of disclosed information, technological advances and turbulent markets, have necessitated a shift in the CFO role from that of "bean counter," or financial forecaster, to that of strategist who is able to transform and integrate the finance function into a flexible and responsive partner that produces business value. These changes necessitate the CFO to focus more and more on "soft skills" such as relationship and team building. Below are some of the key drivers of the CFO role shift.

Key Drivers of Change in CFO Role

Move to a Knowledge Economy

The rise of globalization and technological advancements has facilitated the development of the knowledge economy where human capital has replaced products as the key resource that determines business success. As such, balance sheets have an increasing proportion of intangible versus tangible assets. Therefore, businesses must increase their ability to effectively manage and report on intangible assets. As well, they must be able to attract the most talented employees whose knowledge will drive the business and ultimately determine success.

Increased Risk

A 2008 study by IBM in which over 1,200 CFOs and senior finance executives were interviewed, determined that the majority (62%) of large enterprises (revenues over US\$5 billion) and almost half (46%) of smaller enterprises (revenues under US\$5 billion) encountered material risk events during the last three years. Of those, 42% and 39% of large and small enterprises, respectively, were not well prepared to deal with the risks. As can be seen from the graph (Figure 1), organizational culture was the main obstacle to integrating data for risk management. Other issues related to effective risk management include high quality data, enabling technology, standardization of processes, organization, access/process controls and capital/budget considerations. All of these must be addressed by the finance function to effectively deal with risk.

Table 1

Which are the most significant obstacles to integrating data for risk management in your enterprise? (Select top two choices).
(Percent)



Source: IBM Global Business Services, The Global CFO Study 2008.

More Stringent Regulatory Environment

It is no secret that certain incidences of corporate misconduct have resulted in a more complicated and rigid regulatory environment. This translates into zero tolerance for error and unnecessary risk, which leads to the need to safeguard the integrity of data and financial statements.

Increased Competition

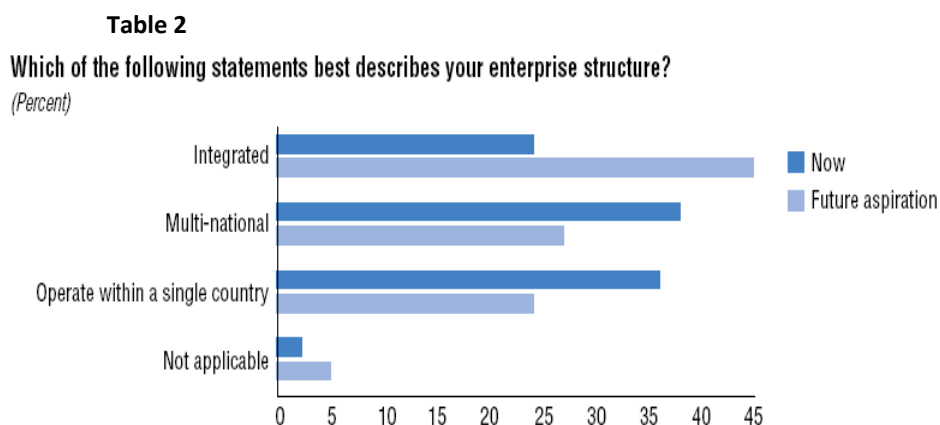
Intense competition means that businesses must reduce costs and increase efficiency if they want to stay competitive. This, in turn, demands that the finance function supplies better information at a faster rate and designs processes to support it. But efficiency is not the only necessity to maintain competitiveness. Businesses must also continually move towards more value for their money, which means developing strategies and making decisions accordingly. However, it is often difficult for businesses to find the time to do so. Possible solutions to this problem include leveraging technology and offshoring routine activities. As Michael Ross, CA, vice-president administration and CFO of Bell Nordiq, puts it: "In the end, contracting out and technologies boost the quality of the data we gather and let us move more quickly. The CFO has more time and can focus on more strategic tasks...More mundane activities should be standardized, automated – offshored for example – so people can focus on the value-added tasks" (des Roberts, 2003, p.30).

The Importance of Value Creation

The drivers of business environment changes described above have contributed to a situation in which value-creation must be a priority for every finance department interested in effective and efficient functioning. Indeed, over 80% of participants polled in IBM's 2008 CFO study stated that measuring and monitoring business performance was more important than any other area of responsibility. That said, Deloitte Consulting found that many finance organizations are ill-equipped to foster value-adding activities. Only about 50% of the 636 executives in 73 countries polled by Deloitte in 2007 believed their finance organization is competently aligning finance with the business and effectively stimulating the organization to achieve strategic and financial goals.

With one of the main goals of the finance function being the creation of value, there are some key activities in which CFOs need to engage (Propeo, 2008):

- Integrating the finance function with the rest of the organization. This entails aligning priorities with overall business strategy and putting in place long-term cost management programs that replace traditional "cost accounting" activities. As the graph to the right demonstrates, integration is a key aspiration for many companies.



Source: IBM Global Business Services, *The Global CFO Study 2008*.

- Participating as an equal business partner within the organization as part of the overall integration.
- Providing information critical to the decision-making process. This consists of developing processes and systems that can deliver high-quality information in a timely fashion.
- Providing timely and cost-effective management reporting, which includes developing management control methods and producing new sets of strategic measures that managers can use to anticipate challenges and monitor progress.
- Ensuring delivery of high-quality services by strategically thinking through how the business should best apply its capital resources.
- Developing an effective balance between compliance, control and efficiency. A major priority is the orchestration of the overall enterprise risk profile which includes the convergence of performance and risk management.
- Eliminating or reducing "non-value-added" activities by evaluating the value-add of each financial process and identifying the real drivers of company profitability.
- Developing benchmarks for performance through the identification of "best-in-class" organizations
- Attracting finance talent by branding the company as a career destination for finance professionals.

The CFO Role – A Competency Framework

Looking at the activities described in the previous section, it becomes apparent that there is a shift in the CFO function from one involving a concentration on compliance and reporting, to one that focuses on performance improvement, knowledge management and strategic development. Though compliance remains essential, the CFO must also engage and collaborate with the entire organization. This shift ultimately results in a more sophisticated function that involves an increased involvement with a wider number of internal stakeholders, including not only peers in different departments, but also a wider number of external stakeholders including shareholders, government regulatory agencies, activists calling for reform, the media, the job market, and financial analysts. Interacting with a wider number of stakeholders in an ever-changing business environment requires a high degree of flexibility and adaptability in dealing with both people and technology and an ability to effectively manage a large variety of disparate relationships.

The competency framework in Table 3 is based on the literature discussed above. The framework is structured around four key roles that the CFO plays: Steward, Operator, Catalyst and Strategist (Deloitte, 2007). Within each of these roles there are a number of specific competencies necessary for effective functioning. Table 3 lists and describes each role and competency. This framework is the basis for the survey of executives.

Table 3

<u>Competencies</u>	<u>Description</u>
Steward	Accounting, control, risk management and asset preservation are the province of the Steward. The Steward must ensure company compliance with financial reporting and control requirements. Information quality and control rationalization are top-of-mind issues for the Steward.
Working knowledge of risk management, budget, and forecasting tools	Risk management activities such as the use of monitoring, reporting, historical comparisons, evaluation tools, predictive analytics, risk-adjusted forecasts and process controls. Knowledge of budgeting and forecasting for units of an organization and the organization as a whole.
Investment and credit risk knowledge	Knowledge of risks and returns for investments and credit (e.g. customer credit).
Accounting knowledge (GAAP and taxation)	Up to- date knowledge of generally accepted accounting principles and taxation in Canada and all countries in which the company accesses capital markets.
External financial and regulatory reporting knowledge	Knowledge of regulatory reporting requirements in Canada and other countries in which the organization does business. Must understand the requirements of the Sarbanes-Oxley Act of 2002 (SOX) in the United States if the organization is cross-listed. Knowledge of industry-specific requirements.
Understanding financial information systems and informational needs of decision makers	Thorough understanding of the informational needs of decision makers within the organization (from top level down through the organization). Overseeing a financial information system that is capable of producing useful information to meet those needs (e.g. budgeting; profitability of products, business units, customer relationships).
Understanding of systems, processes, and internal controls over financial information	Ability to create or oversee IT systems, processes, and internal control policies and procedures to ensure high quality of information.
Understanding the business environment	An understanding of the environment in which the organization operates. This includes the industry, the regulatory environment, and economic environment, etc.
Fraud prevention, detection, investigation	An understanding of the types of fraud that can be committed within the organization and the conditions that often lead to fraud. Continuous monitoring of control systems to watch for weaknesses that could make committing fraud easier. A healthy skepticism that enables to the investigation of possible fraud when red flags appear.
Operator	Efficiency and service levels are the primary areas of focus for the Operator. The Operator must dynamically balance cost and service levels in delivering the finance organization's responsibilities, and adapt finance's operating model as necessary. Talent management, off-shoring and shared service decisions are often the key issues to be addressed. This role is oriented toward best practices of the finance function itself.
Staff planning	Branding the company as a career destination for finance professionals is critical for attracting top talent.
Project management	Identifying, developing, and overseeing projects that create value and meet or exceed financial goals.
Staff management, empowerment, team building, and accountability	Manage staff not only for maximum performance, but also for advancement within the organization. CFOs must provide their own future leaders with similar advancement opportunities and give them room to excel – even beyond the realm of finance. Ability to manage a diverse staff having differing backgrounds, expectations, and goals. Ability to build and facilitate effective teams.

Corporate finance	Develop sets of strategic measures that can be used to anticipate challenges and monitor progress.
Treasury and investment management	Monitor financing activities and adapt strategies and tactics to changes in debt and equity markets. Knowledge and use of financial instruments to gain the greatest risk/return on investments.
Mergers and acquisitions, strategic alliances	Ability to analyze potential M&A deals and strategic partnerships for strategic benefit.
Outsourcing	Recognizing opportunities to outsource to enhance value and service, and to carry out without disruption.
Achievement / results orientation	Ability to translate performance into results. Ability to respond to the needs of the organization and to meet those needs using measures that are appropriate and understandable.
Organizational and administration skills	Ability to organize and prioritize effectively. Ability to process large amounts of information within limited time constraints, and to identify situations in which digging into details is necessary.
Catalyst	The Catalyst is an agent for change, focused on establishing a value attitude throughout the organization. The Catalyst gains business alignment to identify, evaluate and execute strategies, and serves as a business partner to other decision-makers including business unit leaders, the chief information officer, and sales and marketing leaders. The Catalyst establishes a structure of enterprise accountability for results, drives enterprise execution and gains acceptance from business management as the organization's catalyst. This role is oriented toward best practices of the entire organization.
Leadership and influence	Inspires and motivates others within the organization. Provides the necessary guidance and direction to meet and exceed organizational goals and objectives.
Communication/presentation skills and executive presence	Ability to communicate effectively in writing and verbally: to connect with others, to persuade others, to communicate complex information in an easy-to-understand manner. Ability to act appropriately in a variety of situations. Ability to be accessible and respected by others at all levels in the organization.
Corporate governance	An understanding of the elements of corporate governance and an ability to institute best practices to create a culture of excellence and ethical performance.
Negotiation	Ability to negotiate with others in both friendly and adverse circumstances. Being a good listener is an important element in negotiation. Ability to resolve conflict.
Relationship building and collaboration	Ability to network with others, to develop strong relationships, to collaborate and to be a good team player.
Personal integrity and ethics	An understanding of the motivations of oneself and others. A recognition of the real possibility of unethical behavior. Ability to take active and public steps to thwart misbehavior and encourage ethical behavior. Being a role model. Setting the "tone at the top".
Change management and flexibility	Manage change with minimum disruption; bean agent for positive change. Flexibility and the ability to encourage flexibility in other members of the organization.
Self awareness and insight	Ability to see one's own faults or mistakes, take responsibility for them, and to assist others to do the same in a congenial manner.
Persistence	Possesses the courage and resilience to persist in the face of adversity. Being passionate about one's work enables persistence.
Strategist	The Strategist is a director, focused on defining the future of the company to enhance business performance and shareholder value. The Strategist provides a financial perspective on innovation and profitable growth, and leverages this perspective to improve risk-awareness, strategic decision-making and performance management integration. The Strategist translates the expectations of the capital markets into internal business imperatives. This role is oriented toward long-term strategic issues, and is outwardly directed.
Goal setting / visioning	The ability to develop visions that prompt buy-in from a wide range of organizational stakeholders. The ability to align finance function's priorities with business strategy and organizational goals.

Strategic risk management	Understanding the “big picture”:such as how the environment can impact the organization both positively and negatively.. An understanding of how external and internal factors can interact to create or reduce risk.
Strategic thinking and decision-making	Ability to take a holistic and future-oriented perspective of the organization that recognizes the synergies and interdependencies between the different parts. This perspective is leveraged in the use of information to create strategies that enable growth. This ability uses innovation, creativity, and thinking “outside the box.”
Performance management integration	Performance management integration is a holistic approach that spans all of the processes and technologies related to performance management and consists of the Ability to integrate reporting and performance measurements. budgeting planning and forecasting, and organizational alignment. This includes the elimination or reduction of ‘non-value-added’ activities, measuring financial performance, establishing efficiency metrics, measuring non-financial performance and measuring customer satisfaction.
Critical thinking	The ability to make decisions based on sound logic and evidence. This consists of being able to distinguish between fact and opinion, ask questions, make detailed observations, and uncover assumptions. The ability to draw sound conclusions based on relevant information.
Managing ambiguity	The ability to deal effectively with uncertain situations. The ability to control one’s anxiety and to maintain clarity of thought in order to evaluate a complex situation and respond effectively.
Dedication to continuous improvement	Having a strong desire to learn; being self-motivated to take advantage of opportunities to learn new things and to be dedicated to self-improvement.
Advocate / ambassador for the organization	As the second-in-command, the CFO must represent the organization to the outside world. This includes networking with shareholders, analysts, suppliers, customers, and the public at large. The CFO must have a keen sense of when and how to best portray both positive and negative information about the organization.

CFO Competency Deficiencies

The current literature suggests that most CAs, controllers and even current CFOs lack the softer competencies within the Catalyst and Strategist roles (see the results from the Deloitte 2007 study in Table 4). Militello and Schwalberg conducted in-depth interviews with more than 30 high-level finance, human resources and business line professionals and found that most CFOs recognize an acceptable competence in Steward and Operator competencies, but at the same time many also recognize a need for further development in the Catalyst and Strategist competencies (Militello and Schwalberg, 2002). This conclusion was further supported in an analysis by Eldridge and Brousseau (2002) using Korn/Ferry's database of more than 500,000 profiles of business executives worldwide. In general their findings suggest that “best-in-class” CFOs tend to focus more on people issues than on traditional financial governance responsibilities. As well, they tend more often to use their interpersonal relationships with others to make more sound decisions. Another key finding was that the most successful CFOs use a specific leadership style that differs substantially from controllers. “Best-in-class” CFOs tend to use a participative style of leadership that is highly interactive, social, and consensus-oriented, while controllers tend to use a more intellectual leadership style that is characterized as a methodical/analytical approach that focuses on quality and accuracy.

Table 4 Competencies most often cited as lacking in the finance organization

Top selections of 23 options	Aspect of Finance Role*	% of respondents
Change management	Catalyst	38%
Strategic agility	Strategist	33%
Critical thinking	Strategist	29%
Business perspective	Catalyst	29%
Organizational agility	Catalyst	26%
Dealing with ambiguity	Strategist	25%

*As determined by the research team; not provided to respondents

IV. The Survey

The survey (see Appendix 1) begins with a description of each of the four CFO roles and asks whether these roles capture the essence of the CFO's job. Respondents are asked the importance level of each role for a CFO and CEO, and the length of time the CFO spends on each of the roles. Next, the survey goes into more depth, describing competencies within each role and asking importance questions of each. The survey ends with questions about CFO qualifications and respondent demographics.

Developing CFO Competencies

Within each of the four CFO roles, the survey asks not only the importance of each competency, but how and when each is developed. There are a number of methods through which CAs can develop the necessary competencies to become effective CFOs. Such methods include:

- 1) **Gained on one's own through job experience** - Monitoring one's own behavior and attempting to change in the desired direction. This can include requesting feedback from colleagues on one's self-assessment, and taking advantage of job rotation in different business units or locations to develop an understanding of how one's company functions as a whole.
- 2) **Via formal education programs / seminars** – Attending workshops, seminars, conferences and executive learning programs, including university and post-graduate studies.

- 3) **With the help of a mentor** - Developing a relationship with a role model or mentor who resonates the qualities you seek to develop, or, using an executive coach to develop necessary competencies.

Other activities that will support the development of necessary CFO competencies that can be developed through one or all of the above methods include:

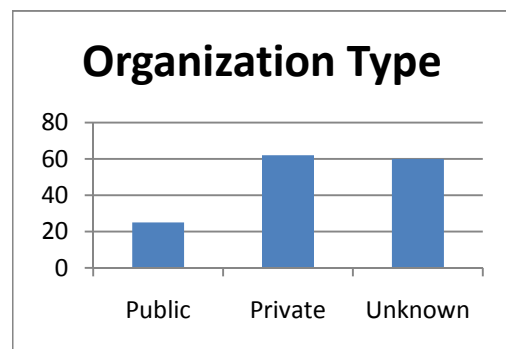
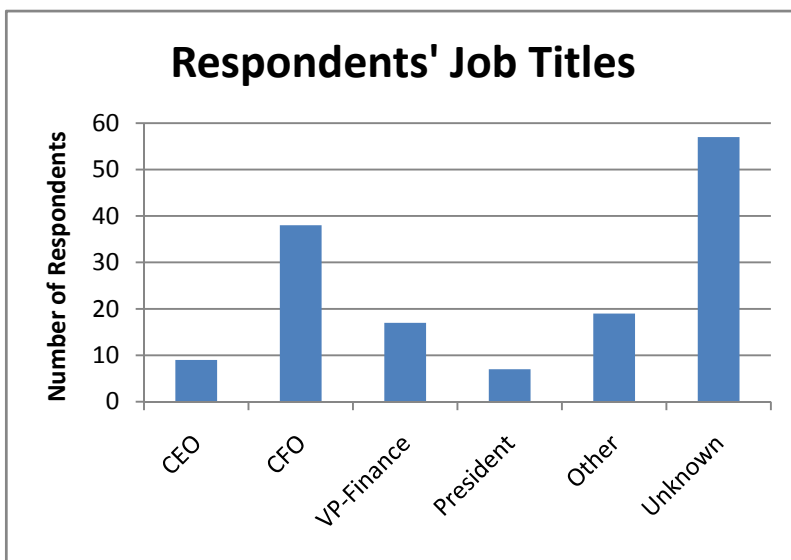
- Developing a leadership style that is more open, collaborative and participative rather than intellectual, directive or command-and-control
- Learning to learn from others: become less dependent on technical expertise and learn to leverage the strengths of other employees
- Increasing one’s situational awareness by actively seeking out situations that enable collaborative problem solving
- Shifting one’s focus from technical issues to relationship and team building
- Improving creative thinking: attempt to think outside the box, push comfort limits, and question basic assumptions and thinking patterns
- Becoming self-aware: identify strengths and weaknesses and develop increased interpersonal awareness and responsiveness

In terms of timing, we ask respondents to indicate approximately when during one’s career a CA should concentrate on developing that particular competency: early, middle, or late.

Results of Competency Survey of Executives

Respondent Demographics

In total, 147 individuals responded to a portion of the survey; 90 fully completed it. The most important demographics as it relates to CFO competencies within a publicly held organization are as follows:



Due to the small number of respondents from publicly-held companies (25), we should not generalize our survey results to CFOs of *publicly*-held organizations. Additionally, we find some significant differences in

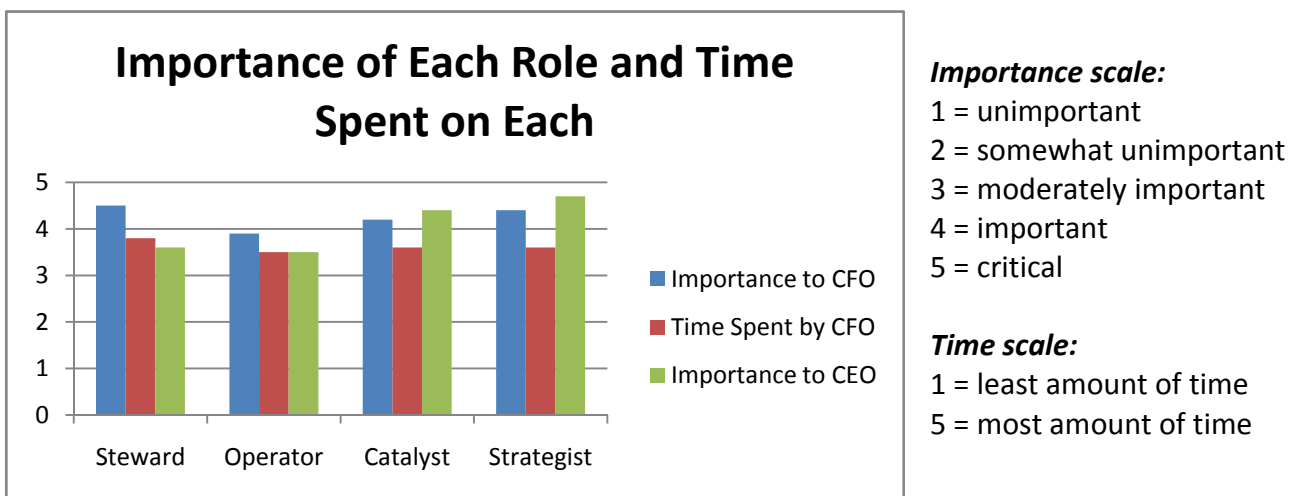
responses between those employed by public vs. private organizations. Therefore, we suggest the Competency Map apply to the CFO role in general.

Of the 90 respondents providing demographic information:

- Almost 40% are age 41-50, 38% are 51-60, 13% are 60+, 10% are 31-40
- 88% are male
- 54% have been in their current job 0-5 years, 27% for 6-10 years, 19% more than 11 years
- They have an average of 25 years of experience
- 24% are in “other” industry; 23% in manufacturing; 17% in finance, insurance, and real estate; the remaining are in wholesale or retail trade, services, transportation, and public administration
- 40% of organizations have assets of \$10-100 million, 20% have less than \$10 million, 14% have \$100-500 million, and 11% have \$1-10 billion. Sales sizes are comparable

Roles Overview

The majority of respondents (86%) agreed that the four roles capture the essence of the CFO’s job. With respect to the importance of each role, the following are average responses:



All the roles are important for the CFO, with Steward ranking most important and with the highest level of consensus. Time spent on each role is similar, but has higher standard deviation levels than any of the importance measures, indicating that respondents differed more in how much time they spend on each role than in how important they believe the role to be. The differences between importance and time spent on each role are all significant, with no particular difference standing out from another. For the CEO, the most important roles are Strategist and Catalyst, and they are significantly higher than for a CFO. The role of Strategist is not only ranked highest for the CEO, but it also has the highest level of consensus.

The survey provided an open-ended question for those who did not agree with the four roles. Following are some key responses:

- Several respondents indicated that the importance of each role and time spent on each depends upon several factors:
 - The size, nature, and structure of the company. For example, the CFO has a more diverse role in smaller companies, including HR.

- The capabilities of the CEO and other executives.
- The particular needs at a given time. One respondent suggested a TBD category depending upon immediate needs.
- Several respondents listed additional items that are captured as competencies, such as advocate, leader, team-builder, communicator, analyst, mentor, business partner with those responsible for operations, investor relations, and governance. The Competency Map in Appendix 2 has been updated and/or expanded to include these competencies.
- One respondent indicated that a role of maximizing capital employed is important for CFOs of privately held organizations.
- One respondent defined the role of CFO as, “the internal conscience of the senior management team,” not to suggest that non-CAs don’t have a conscience, but to indicate that a CA has received training that includes a specific code of ethics.

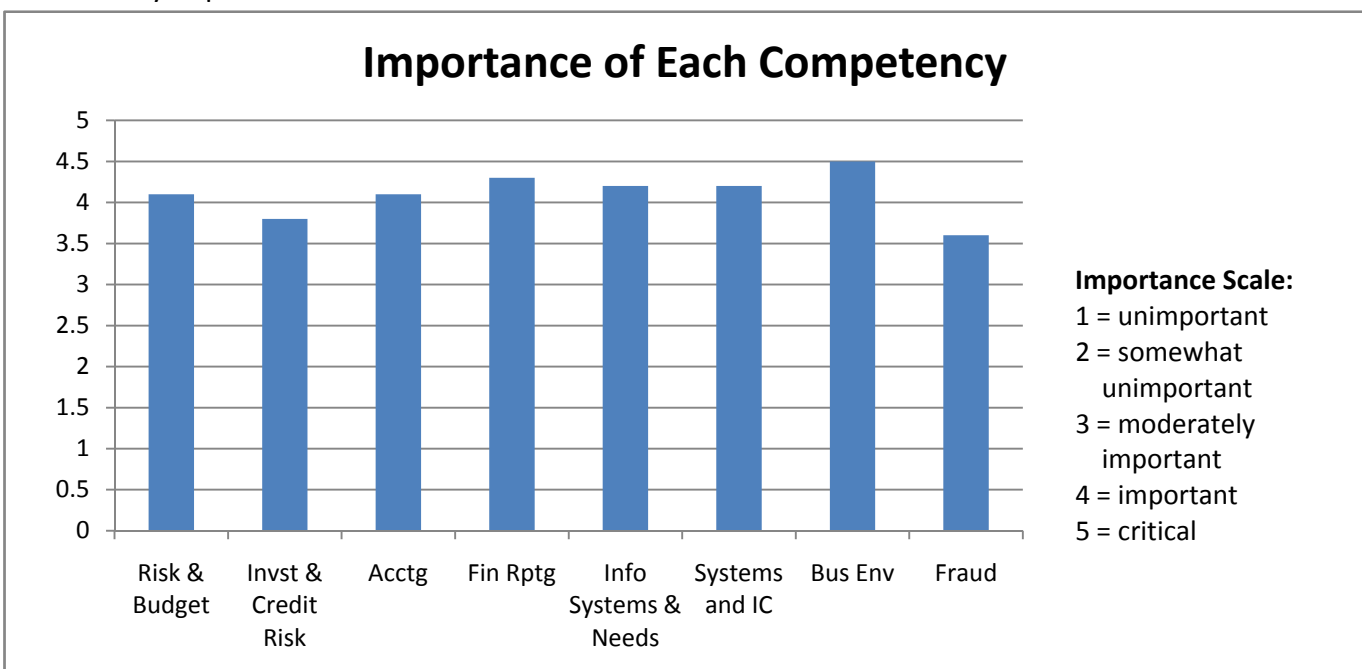
Steward Role

Following is the list of competencies under the Steward role:

1. Working knowledge of risk management, budget and forecasting tools (Risk & Budget)
2. Investment and credit risk knowledge (Invst & Credit Risk)
3. Accounting knowledge (GAAP and taxation) (Acctg)
4. External financial and regulatory reporting knowledge (Fin Rptg)
5. Understanding of financial information systems and informational needs of decision makers (Info Systems & Needs)
6. Understanding of systems, processes and internal controls over financial information (Systems & IC)
7. Understanding the business environment (Bus Env)
8. Fraud prevention, detection, and investigation (Fraud)

Importance of Each Steward Competency

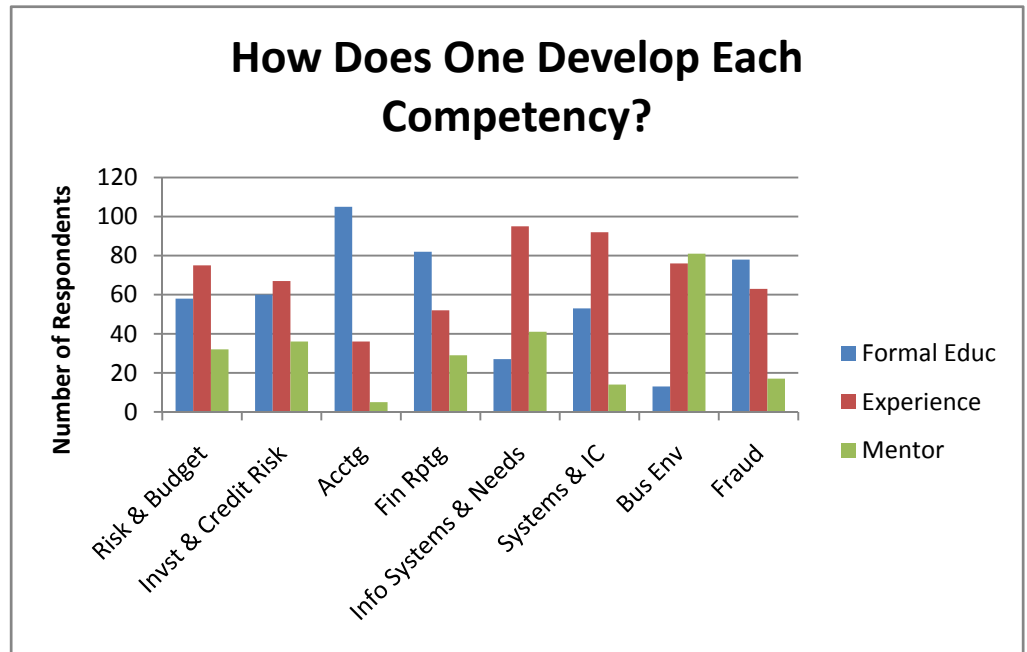
As the graph below shows, knowledge of the business environment receives the highest level of importance. This competency also has the greatest consensus. The competency of fraud prevention, detection and investigation receives the lowest level of importance and least consensus, but still ranks as more than moderately important.



Developing Each Steward Competency

In developing the Steward competencies overall, 63% of respondents reported experience as the best method, 54% reported education, and 29% reported using mentors.¹ The chart below reports the number of respondents choosing any or all three methods of developing each of the Steward competencies.

The “Formal Educ” category is listed in the survey as “Formal education program / seminar”.



For open-ended questions about how respondents built each of their own competencies, respondents report the following:

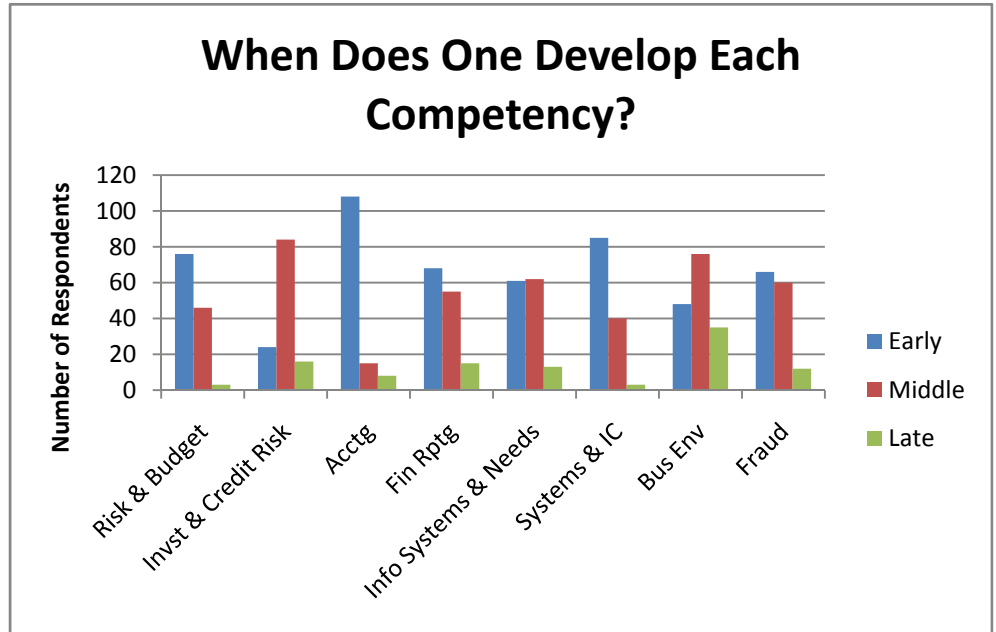
Response Category:	Description:	Number:
Experience	Experience, industry experience, audit experience	387
Education	Education, university, CA training, Canadian securities courses, industry seminars, seminars from risk management or insurance companies	340
On own	Using observation (6, including asking questions and listening carefully), computer tools (1), or self-study (91)	98
Working with others	Networking and teamwork	70
Mentor	Mentor	60
Discussions	Discussions with auditors (20), consultants (8), customers (3), lawyers (6), and vendors (13, including internal IT staff)	50
Total		1,005 ²

¹ The percentages add to more than 100% because respondents can choose more than one method. The same question for each competency will be reported in this way as well.

² Similar to the question of how to best develop each competency (see note 1), respondents answer this open-ended question with multiple methods of how they developed their own competencies. Thus the total of 1,005 is far greater than the number of respondents.

Overall, about 61% of respondents believed Steward competencies should be developed early in a career, 50% said middle, and 12% said late in a career.³ Respondents report the following Steward competencies in particular should be developed early:

- Accounting knowledge
- Understanding of systems, processes and internal controls over financial information
- Working knowledge of risk management, budget and forecasting tools



Competencies such as financial reporting, fraud prevention /detection/investigation, and information systems/information needs appear to require attention both early and in the middle of one’s career. Knowledge of investment and credit risks as well as knowledge of the business environment are best developed in the middle of one’s career.

Operator Role

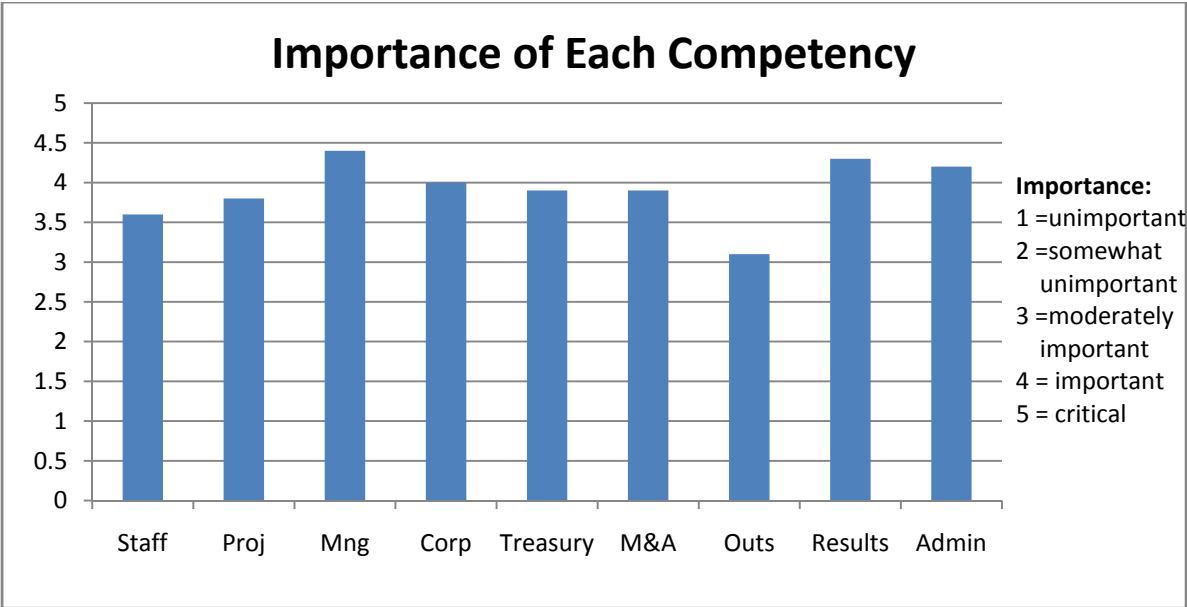
Following is the list of competencies under the Operator role:

1. Staff planning (Staff)
2. Project management (Proj)
3. Staff management, empowerment, team building, and accountability (Mng)
4. Corporate finance (Corp)
5. Treasury and investment management (Treas)
6. Mergers and acquisition, strategic alliances (M&A)
7. Outsourcing (Outs)
8. Achievement/results orientation (Results)
9. Organizational and administrative skills (Admin)

Importance of Each Operator Competency

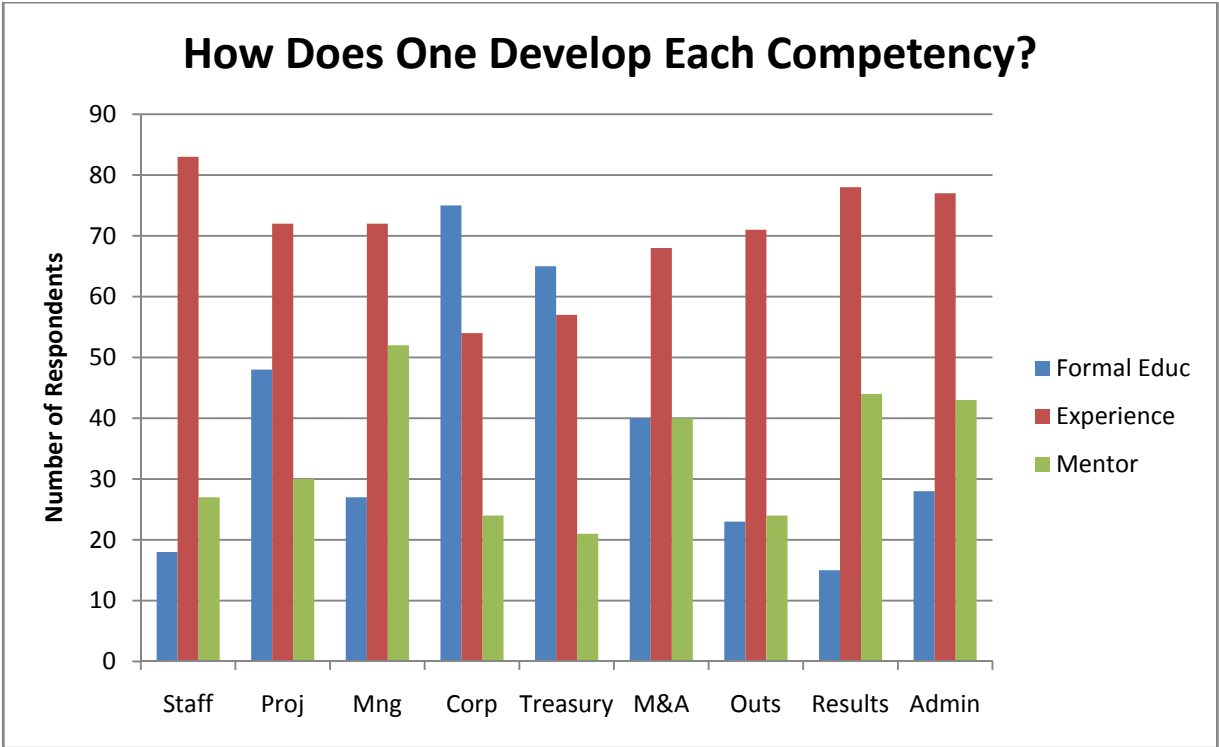
As the chart below reports, respondents ranked all Operator competencies as at least moderately important. Staff management, empowerment, team building, and accountability ranked as most important. Outsourcing received the lowest level of importance.

³ The percentages add to more than 100% because respondents can choose more than one time period. The same question for each competency will be reported in this way as well.



Developing Each Operator Competency

As reported by 73% of respondents, experience is the best method for developing competencies within the Operator role. Falling much lower is education (39%) and engaging a mentor (35% of respondents). It appears that only corporate finance, treasury and investment management are best developed primarily through some kind of formal education. See the chart below.

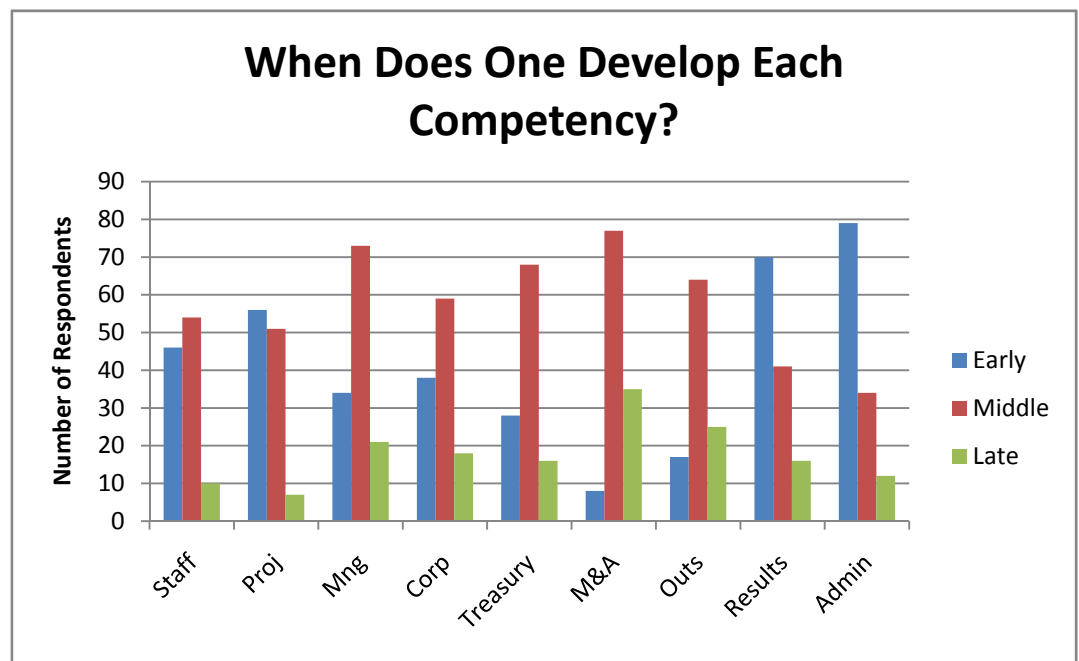


Results of the open-ended question asking how respondents developed their own competencies are summarized as follows:

Response Category:	Description:	Number:
Experience	Experience, audit experience, running own business	382
Education	Education, university, extra-curricular activities at school, CA training, internal training, corporate practices, DDI seminars, CBV program, CF course	138
On own	Using observation (14, including learning from mistakes and benchmarking) and self-study (35, including reading business press)	49
Working with others	Networking, teamwork, peer review, working with HR	30
Mentor	Mentor	67
Discussions	Discussions with consultants (13), investment bankers (10), lawyers (5), and vendors (5)	33
Total		699

Nine respondents indicated that outsourcing did not apply to their jobs. There was nothing systematically similar about these respondents to indicate that outsourcing is less important to a particular industry, job title, or public vs. private organization. One individual stated that, “A better subject would be cost reduction and containment, as outsourcing is not the only way to go.” The CFO Competency Map in Appendix 2 incorporates these comments.

About 43% of respondents felt that Operator competencies should be developed early in a career, 60% report in the middle and 18% report late in a career. A results orientation and administrative /organizational skills would best be developed early in one’s career. Five individuals suggested that an achievement/results orientation is mostly innate, while two individuals said the same about administrative/organization skills. Staff planning and project management appear to require development both early and in the middle of one’s career, while the remaining competencies seem best developed somewhere in the middle.



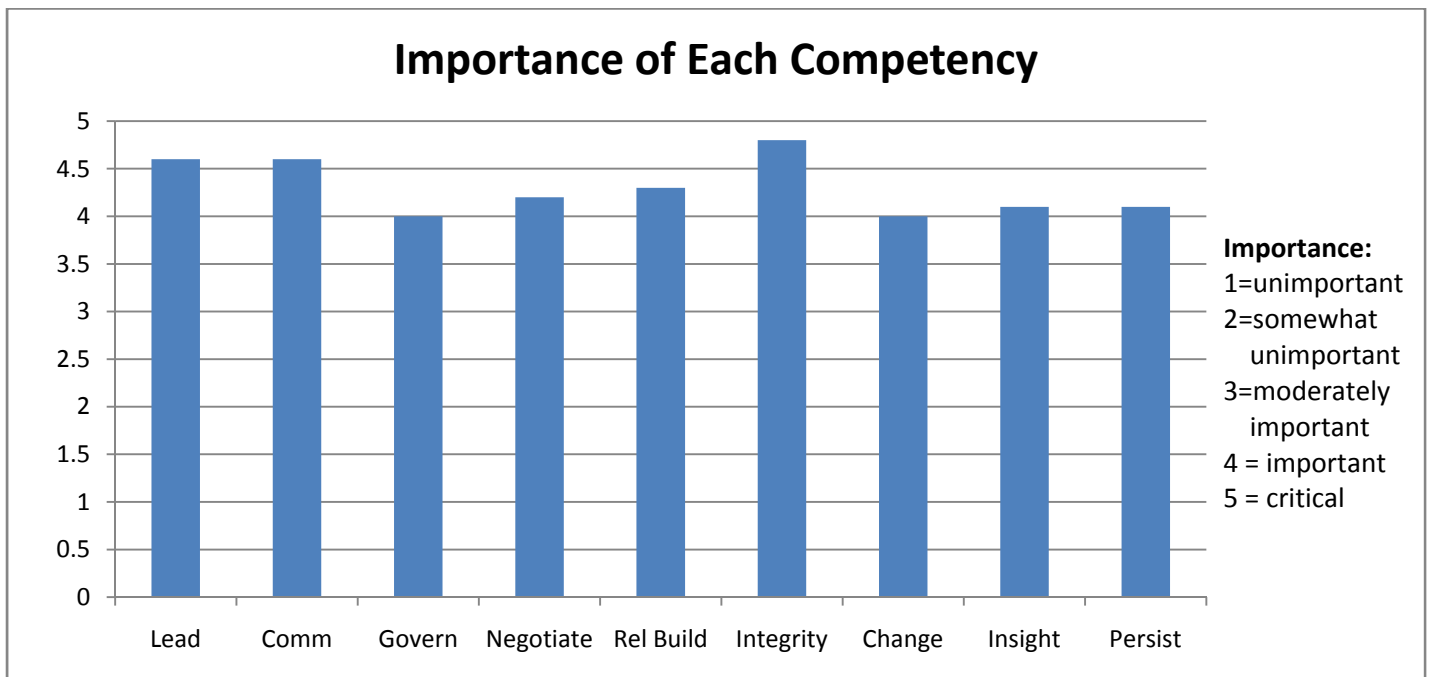
Catalyst Role

Following is the list of competencies under the Catalyst role:

1. Leadership and influence (Lead)
2. Communication/presentation skills and executive presence (Comm)
3. Corporate governance (Govern)
4. Negotiation (Negotiate)
5. Relationship building and collaboration (Rel Build)
6. Personal integrity and ethics (Integrity)
7. Change management and flexibility (Change)
8. Self-awareness and insight (Insight)
9. Persistence (Persist)

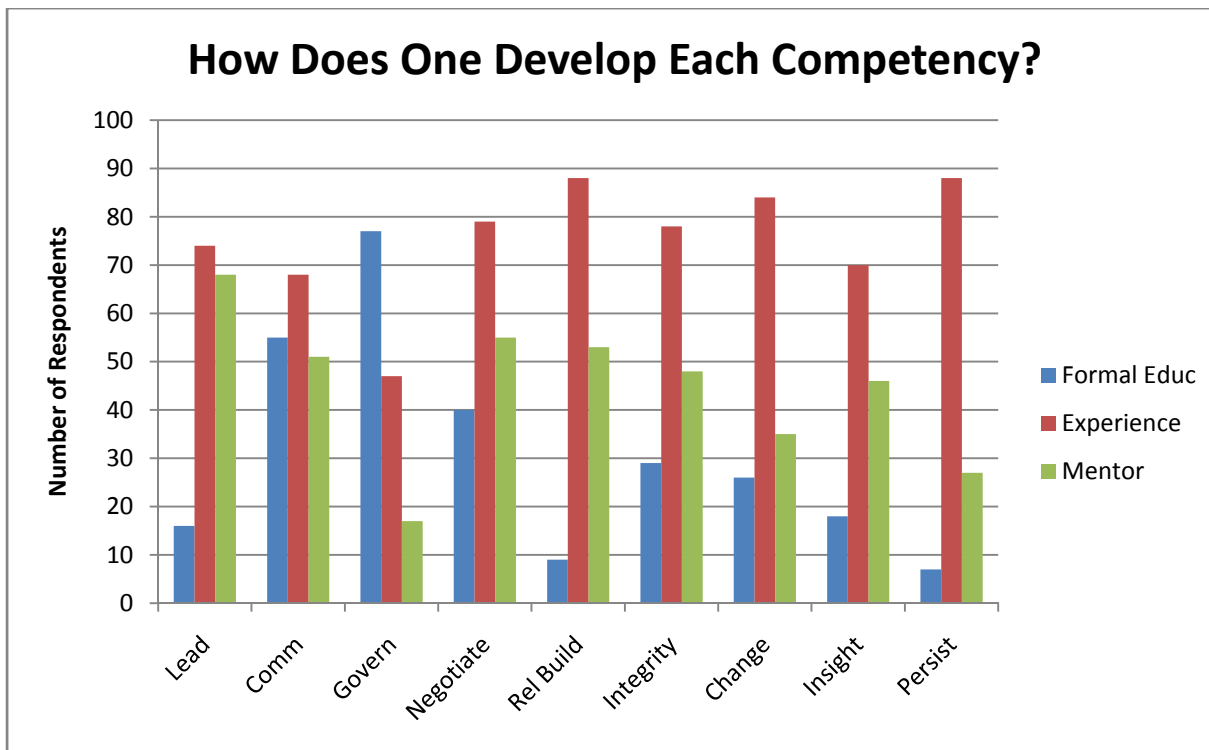
Importance of Each Catalyst Competency

Once again, all the competencies are ranked as important to the CFO's job. Personal integrity and ethics ranked the highest, as shown below, and had the greatest consensus. One respondent characterized personal integrity as "the price of admission."



Developing Each Catalyst Competency

Overall, 80% of respondents report that experience is the best way to develop the Catalyst competencies compared to mentors (47%) and education (33%). Corporate governance is the only Catalyst competency to develop primarily through formal education. All the other competencies are achieved primarily through experience.



Results of the open-ended question asking how respondents developed their own competencies are summarized as follows:

Response Category:	Description:	Number:
Experience	Experience, public accounting experience, parental influence, experience working for different organizations, trial and error, working in sales	280
Education	Education, university, extra-curricular activities at school, CA training, ICD, DDI, human behavior courses, teamwork in university courses, media training	126
On own	Using observation (13) and self-study (90, including own insight, learning what motivates others, examining mistakes of others, practice, reading financial press, being humbled)	103
Mentor	Mentor	80
Working with others	Networking, teamwork, peer review (360° feedback), volunteering (with junior achievement, charities, volunteer to lead projects)	19
Discussions	Discussions with audit committee (1), communications experts (3), customers (1), investment bankers (1), and lawyers (3)	9
Total		617

Some respondents felt that many Catalyst competencies are at least partially innate but can be further developed through other means. A few individuals believed certain competencies were absolutely innate and

cannot be developed. Following is a list of competencies and the number of respondents indicating they *can't* be developed:

- Relationship building and collaboration (1 respondent)
- Personal integrity and ethics (7)
- Change management and flexibility (2)
- Self-awareness and insight (1)
- Persistence (7)

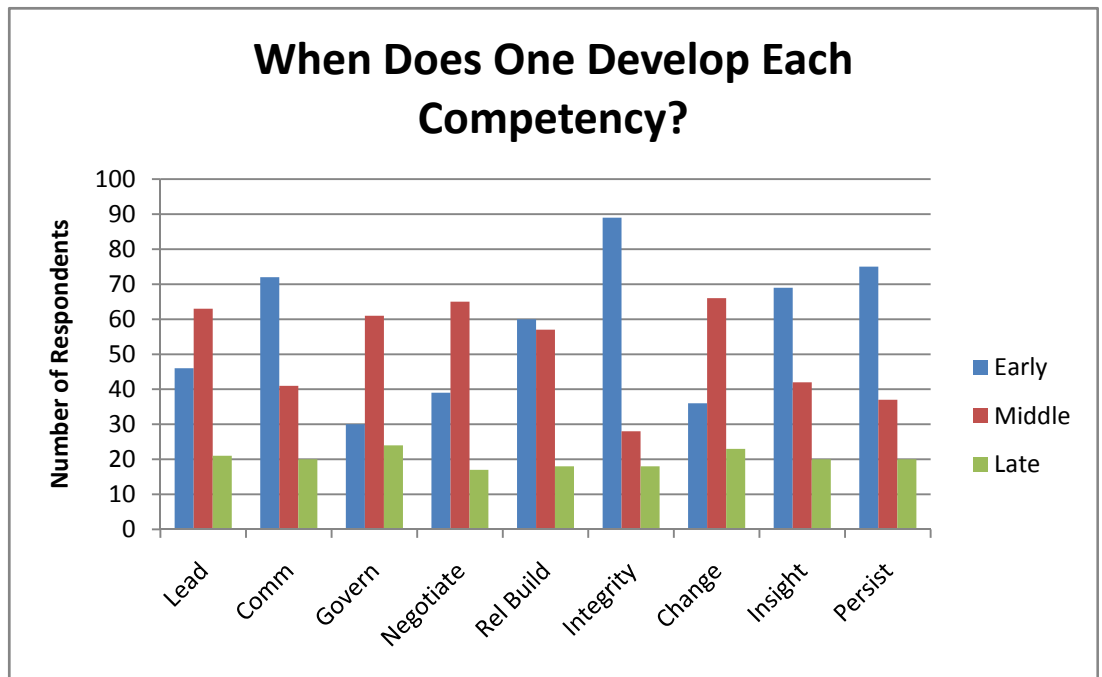
One respondent tells an interesting story with respect to self-awareness and insight::

“...I learned to accept my limitations. But also to focus on life balance. Following a major project where I worked day and night, I was called to [my superior’s] office and told to go away for two weeks and reflect on what is important to me in life. [My superior] reminded me that one needs to spend time reflecting and focusing on all aspects of one’s life, including family.”

Overall, 61% of respondents report that Catalyst competencies should be developed early, 54% say in mid-career, and 21% say late in a career. Communication/presentation skills and executive presence, personal integrity and ethics, self awareness and insight, and persistence should be developed early in one’s career.

Leadership and relationship building should be developed both early and in the middle, while the remaining competencies are primarily developed in the middle of one’s career.

Leadership and relationship building should be developed both early and in the middle, while the remaining competencies are primarily developed in the middle of one’s career.



Strategist Role

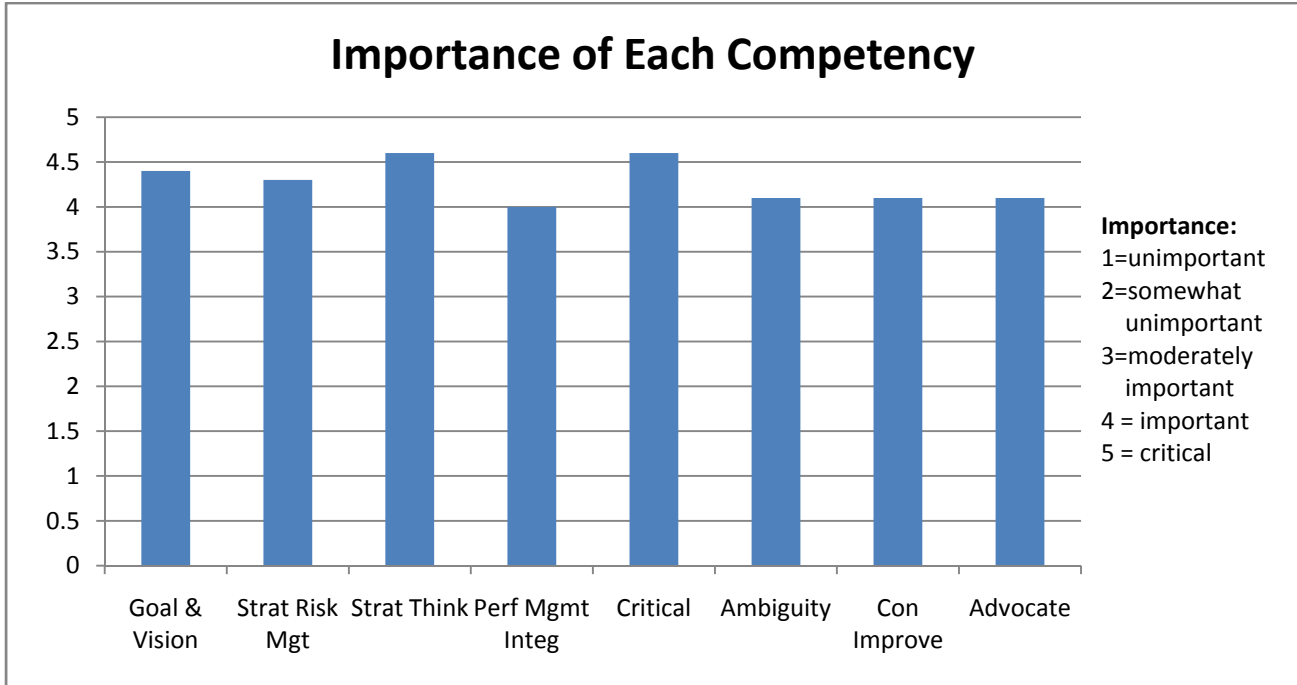
Following is the list of competencies under the Strategist role:

1. Goal setting and visioning (Goal & Vision)
2. Strategic risk management (Strat Risk Mgt)
3. Strategic thinking and decision-making (Strat Think)
4. Performance management integration (Perf Mgmt Integ)
5. Critical thinking (Critical)
6. Managing ambiguity (Ambiguity)
7. Dedication to continuous improvement (Cont Improve)

8. Advocate/ambassador for the organization (Advocate)

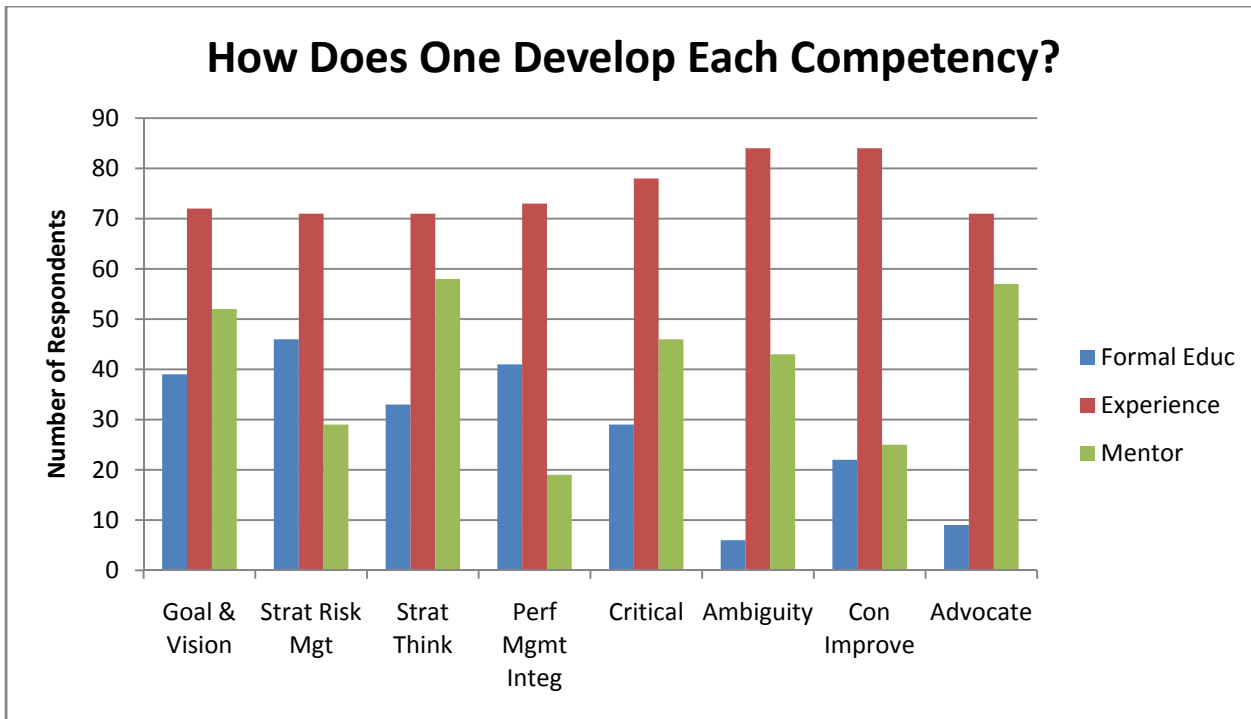
Importance of Each Strategist Competency

As with Catalyst competencies, all the Strategist competencies are deemed to be quite important. Both strategic and critical thinking were ranked the highest, with the greatest consensus on critical thinking.



Developing Each Strategist Competency

According to 81% of respondents, virtually all the Strategist competencies are best developed through experience. Mentoring was chosen second (44%) and education last (30%). Below is the chart of how each competency should be developed.



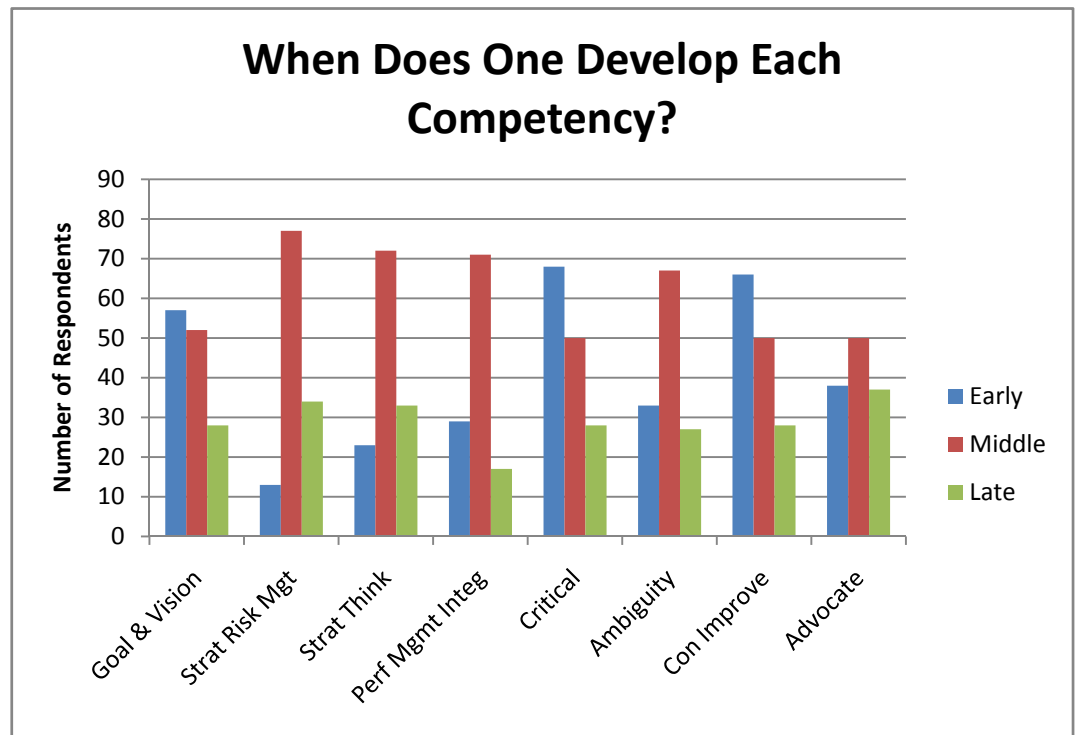
Results of the open-ended question asking how respondents developed their own competencies are summarized as follows:

Response Category:	Description:	Number:
Experience	Experience, learning from competitors, “getting burned,” establish and work toward common goals	224
Education	Education, university, extra-curricular activities at school, CA training, seminars from DDA and The Deming Charter	104
Mentor	Mentoring from senior management and board members	66
On own	Using observation (8) and self-study (51, including practice, self-discipline, asking a lot of questions). Being proud and believing in what you do	59
Working with others	Networking, teamwork, peer review (360° feedback), volunteering (taking opportunities to speak before external groups, joining action committees)	10
Discussions	Discussions with auditor (2) and consultants (1)	3
Total		466

Five respondents indicated that dedication to continuous improvement was innate.

Taken together, Strategist competencies should be developed during the middle of a career, as reported by 66% of respondents. 44% report that Strategist competencies should be developed early, while 31% said late in a career.

According to respondents, goal setting and visioning, critical thinking, and continuous improvement should begin to be developed early in one's career. The remainder should begin in the middle. These competencies also received the highest scores for developing late in one's career.



Further Analyses

It is important to understand whether particular groups of individuals view the CFO roles and competencies differently. We examined whether respondents from public vs. private organizations differed, and whether CFOs vs. non-CFOs responded differently. Overall, there were no significant differences in responses to the four roles of CFO and CEO. However, we found several differences in the answers to questions about the importance of certain competencies as well as about the development certain competencies.

Public vs. Private Organizations

- Those in **public organizations** thought the following competencies were significantly *more* important:
 - external financial and regulatory reporting knowledge (Steward)
 - mergers and acquisitions, strategic alliances (Operator)
 - strategic thinking and decision-making (Strategist)
 - critical thinking (Strategist)
- Those in **private organizations** thought the following competencies were significantly *more* important:
 - Working knowledge of risk management, budget and forecasting tools (Steward)
 - Understanding of financial information systems and informational needs of decision makers (Steward)
 - Organizational and administrative skills (Operator)
- Those in **private organizations** use *education* to develop leadership and influence skills significantly more than those in public organizations.

CFO vs. non-CFOs

- Those who are **CEOs** thought the following competencies were significantly *more* important than those who are **CFOs**:
 - Understanding of financial information systems and informational needs of decision makers (Steward)
 - Fraud prevention, detection, and investigation (Steward)
 - Organizational and administrative skills (Operator)
- **Non-CFOs** use *education* significantly more than CFOs to develop the following competencies:
 - External financial and regulatory reporting knowledge (Steward)
 - Staff planning (Operator)
 - Relationship building and collegiality (Catalyst)
 - Change management and flexibility (Catalyst)
 - Self awareness and insight (Catalyst)
- **CFOs** use mentors significantly more than non-CFOs to develop change management and flexibility (Catalyst).
- **CFOs** thought that Catalyst competencies should be developed primarily during the middle of a career, while non-CFOs thought they should be developed early on. This difference is especially true for corporate governance.
- **CFOs** also thought goal setting/visioning (Strategist) should be developed primarily in the middle of a career, while non-CFOs thought early on.
- **CFOs** use experience significantly more than non-CFOs in developing critical thinking skills.

Relative to each other, CFOs use more experience and mentors while non-CFOs use more education in developing several competencies. Additionally, CFOs feel that the middle of a career is a suitable time to develop certain Catalyst and Strategist competencies, versus non-CFOs who suggest earlier.

Summary and Implications

Summary

- Six of the eight most important competencies fall within the Catalyst or Strategist roles. They are, in order:
 - Personal integrity and ethics (4.8 average, Catalyst role)
 - Critical thinking (4.6, Strategist role)
 - Communication / presentation skills and executive presence (4.6, Catalyst)
 - Strategic thinking and decision making (4.6, Strategist)
 - Leadership and influence (4.6, Catalyst)
 - Understanding the business environment (4.5, Steward)
 - Goal setting and visioning (4.4, Strategist)
 - Staff management, empowerment, team building, and accountability (4.4, Operator)
- Seven of the “least” important competencies fall within the Steward and Operator roles. However, these competencies still rank above moderate importance. They are, in order of importance ranking:
 - Corporate governance (4, Catalyst)
 - Mergers and acquisitions, strategic alliances (3.9, Operator)
 - Treasury and investment management (3.9, Operator)

- Investment and credit risk knowledge (3.8, Steward)
- Project management (3.8, Operator)
- Staff planning (3.6, Operator)
- Fraud prevention, detection, investigation (3.6, Steward)
- Outsourcing (3.2, Operator)
- The “soft” skills found most important by respondents are similar to those identified in the prior literature as “best in class”, and are sometimes found to be deficient in CFOs.
- Overall, respondents found experience to be the best way to develop competencies, especially in the Catalyst and Strategist roles. However, education and mentorship are also significant and important for well-rounded development.
- The vast majority of competencies should be developed early and continue on through the middle of one’s career. Late development is also acceptable, but not nearly as frequent. The Strategist role had the highest level of late development.

Implications

- CAs should carefully develop all competencies, but pay particular attention to several of the “soft” competencies within the Catalyst and Strategist roles. Being especially competent in the soft skills can set a CA apart from others.
- CAs and future CAs should volunteer throughout their lifetime to develop several “soft” competencies. Volunteering can take any of the following forms:
 - At school, in sports, student council and other extra-curricular activities
 - At work, to lead or participate on special teams or committees, and talk in front of groups such as business clubs, investors, or industry groups
 - In life, to help charities or sit on their boards
- The ICAO and Queen’s University should consider the many opportunities for early and mid-career educational programs. The following list is developed by examining respondents’ answers for competency importance and whether education is one of the top two best methods of development:

Competency:	Early or Middle *
Working knowledge of risk management, budget and forecasting tools	both
Investment and credit risk knowledge	both
Accounting knowledge	early
External financial and regulatory reporting knowledge	both
Understanding of systems, processes and internal controls over financial information	both
<i>Fraud prevention, detection, and investigation **</i>	both
Project management	both
<i>Corporate finance</i>	both
<i>Treasury and investment management</i>	both
<i>Mergers and acquisition, strategic alliances</i>	middle
<i>Organizational and administrative skills</i>	both
<i>Leadership and influence</i>	both
<i>Communication / presentation skills and executive presence</i>	both
<i>Corporate governance</i>	both

Negotiation	both
Personal integrity, ethics, ability to identify ethical dilemmas and make ethical decisions	both
Strategic risk management	middle
Strategic thinking and decision-making	both
Critical thinking	both
Performance management integration	both

* Early educational programs are likely incorporated into University undergrad coursework and CA training, whereas educational programs during the middle of a career are likely provided through executive education, post-graduate programs, and CPE.

** Many of the above competencies are already incorporated into existing educational programs. The bolded competencies represent opportunities for expanding or offering new programs.

General Questions

The survey ends with broad and open-ended questions regarding what should be added or deleted from the list, how the competencies or roles may change in 5 to 10 years, and how the competencies or roles are different for CEOs vs. CFOs.

Respondents had several suggestions for adding competencies, including the following:

- Understanding the needs of different stakeholders and how to work with them (e.g. presentations made to the board require different skills than those made to labour unions)
- Intellectual property management
- Bridge builder with different groups within the organization
- Social conscience
- Cross-operational experience
- Business development and operations
- Marketing
- Emotional control
- Forward thinker
- Level headedness
- Respect from peers

Several respondents indicated that working with people at all levels is critical. This theme included developing subordinates, team building, empowering subordinates, and networking. The Competency Map in Appendix 2 includes these items.

The Future CFO

An important question in the survey is whether and how the importance of competencies may change over the next 5 to 10 years. Answers were wide-ranging, and are summarized as follows:

- Less accounting and more business development and operations
- Refocus on technical skills with the implications of IFRS
- Implications of environmental factors on the business
- More integration of regulatory environment outlook with business environment outlook

- Better and continuous communication with many stakeholders
- Information management
- Outsourcing as more individuals retire
- As globalization increases, better understanding of the world economy and being multi-lingual
- Even more adaptability and flexibility
- Ethics and social responsibility
- Risk management due to heightened corporate risk
- IT capabilities
- Corporate governance and internal controls

Given this list, it appears that each role will remain important with its own future considerations (i.e. IFRS relates to Steward, outsourcing relates to Operator, corporate governance relates to Catalyst). However, it appears that most of the items relate to the Strategist role (i.e. implications of environmental factors, communication with stakeholders, understanding of world economy, adaptability and flexibility, ethics and social responsibility).

Role Differences: CEO and CFO

Finally, the survey asks an open-ended question regarding the differences in these roles and competencies for a CEO vs. CFO. The theme in the answers is unmistakable. The CEO must excel in the Strategist competencies, as well as some of the Catalyst competencies. Of those who responded to this question, almost 75% listed visionary, strategist, external focus on stakeholders, macro level, and strong interpersonal skills as more important to a CEO than a CFO. Several (20%) indicated that these skills are also required for CFOs but the weighting is greater for CEOs.

CFO Qualifications

Given that there are many ways to develop competencies, respondents were asked about the importance of each of the following qualifications for obtaining a CFO position. Selections include the following:

1. Multi-industry experience (Multi Ind)
2. Organization's industry experience (Org Ind)
3. International experience (Intl)
4. Experience outside finance function (Not Fin)
5. MBA
6. Other postgraduate degree (Other Grad)?

The most important, on average, is experience within the organization's own industry. Education in the form of an MBA or other post-graduate degree received the lowest level of importance from respondents. There are several interesting differences in responses due to demographics. Following is a summary:

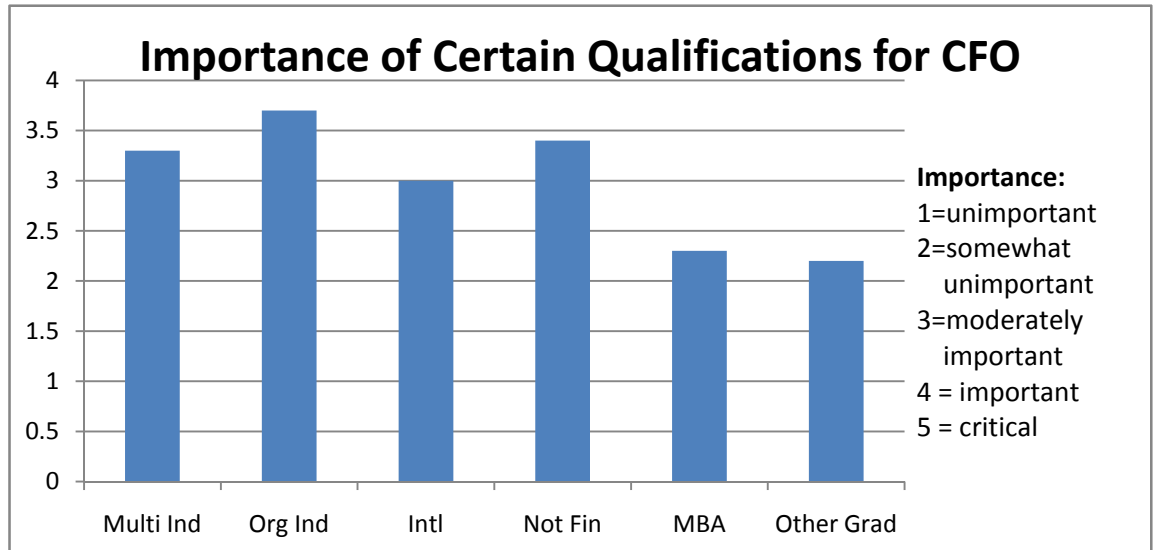
The following groups felt ***international experience*** was *more* important:

- Younger respondents vs. older respondents
- Non-CFOs vs. CFOs

- Respondents from smaller companies vs. larger companies

The following groups felt *experience outside the finance function* was more important:

- Non-CFOs vs. CFOs
- Respondents from smaller companies vs. larger companies



The following groups felt an *MBA* was more important:

- Respondents in their current job more than 20 years vs. those in their jobs less than 20 years
- Respondents in the financial services, insurance and real estate industries vs. those in manufacturing

The following groups felt *other post-graduate degrees* were more important:

- Older respondents vs. younger respondents

Respondents were also asked whether a career path within industry (rather than the traditional path through CA firms) would be equally well-suited for a CFO role. Respondents appear to be divided with 38 respondents (45%) answering yes and 47 respondents (55%) answering no. When asked why, respondents often articulated details about how their own career path served them well.

Summary and Implications from General Questions

Summary

- Respondents identify future issues within every CFO role, with the predominance being within the Strategist role.
- The CEO role is somewhat similar to the CFO role but with much greater weighting on the role of Strategist, and greater weighting on that of Catalyst.
- Industry experience is important for becoming a CFO.
- International experience is more important to younger individuals and is identified as becoming more important in the future.
- Respondents are divided—and appear to be strongly opinionated based on their own experience—on whether an industry path is equally well suited to a CFO position as a traditional path through CA firms.

Implications

- CAs should seek out industry experience, experience within non-finance functions, and international experience.
- ICAO/Queen's should consider offering special industry training and non-finance training sessions.
- University MBA programs should focus marketing efforts on individuals in the financial services, insurance, and real estate industries.
- Organizations should consider offering—and employees within finance should request—job rotation.

Future Questions

Several questions naturally arise from survey responses. Following are three key questions that should be considered:

- Why do CFOs tend to use education less than non-CFOs (vs. experience and mentorship), and why do public organizations use education less than private organizations for leadership development?
- What are the factors that contribute to the differences between public and private organizations? (The results of this survey included only 25 respondents from publicly-held organizations; of those, 14 were CFOs.)
- What are the competencies required of a CEO? (This survey examined the importance of the four roles and did not go into detail about CEO competencies).

V. Competency Map

Appendix 2 contains the CFO Competency Map and related development ideas for CAs. The coloured bars visually show at what point in a career—early, middle, or late—a CA should be developing each competency. Each bar approximates the percentage answers to the timing question in the survey. Within each bar, the Map indicates the ranking of the top three methods of developing the competency—experience, education, and mentor. The pages that follow the Map provide the definitions of each role and competency, and specific ways to develop each competency as taken from the survey.

VI. Bibliography

The Agile CFO. (2006). IBM Global Business Services.

Based on an analysis of effectively functioning finance functions, this paper concludes that to accelerate the provision of insight, CFOs must be able to:

- Update the finance strategy to reflect changes to business goals. Update and align the current finance strategy with business strategy and requirements for information and insight.
- Establish an enterprise process framework. Promote and ensure executive ownership of data and processes, implement a formal program to provide data and process standards, and drive common processes enterprisewide.
- Integrate the portfolio of capabilities. Utilize both internal shared services and external outsourcing for non-strategic activities; provide differentiating functions through the retained organization.

Balancing Risk and Performance with an Integrated Finance Organization: The Global CFO Study 2008. (2008). IBM Global Business Services.

This extensive study explored the ways CFOs and senior finance professionals are affected by and deal with performance, risks, operational levers and governance. The primary thrust of the research focused on hypotheses about the CFO's choice to use differing financial management governance models, and their role and effectiveness in risk management.

Des Roberts, G. (2003). *CFOs: A return to core values.* CA Magazine, March.

Eldridge, C. B. and Brousseau, K. R. (2007). Navigating the Uncertain Road From CONTROLLER to CFO: The Leadership Imperative. Korn Ferry Consulting.

The information presented in this report is based on the mining of the Korn Ferry database which consists of 500,000 profiles of business executives worldwide. This analysis suggests that effective CFOs tend to focus on people issues as well as their traditional financial governance responsibilities. They tend to leverage interpersonal relationships to help them make better decisions and tend towards a highly interactive, consensus-oriented leadership style. In comparison, controllers tend to be more task-focused and less inclined to build consensus. The report concludes that CFO success hinges on the development of strong, positive relationships and the establishment of a trusting network of people at different levels.

The Four Faces of the CFO. (2007). Deloitte. Source:

<http://www.deloitte.com/dtt/article/0,1002,cid%253D181433,00.html>, accessed April 1, 2008.

A framework that structures the CFO role based on “4 faces”: Catalyst, Strategist, Operator and Steward.

Militello, F. C. and Schwalberg. (2002). *Leverage Competencies: The key to financial leadership success*. Upper Saddle River, NJ: Prentice Hall.

Propeo Perspectives: CFO. (2008). Propeo Executive Search.

Propeo is an executive search firm and they list five key competencies/abilities that companies are looking for in a CFO:

- *Integrating the Finance function with the rest of the organization, redefining its role and retraining staff to fully understand business operations and drivers*
- *Strategically thinking through how the business should best apply its capital resources, bringing to bear traditional powers of analysis and commercial judgment to answer this question*
- *Developing management control methods, producing new sets of strategic measures that managers can use to anticipate challenges and monitor progress*
- *Putting in place long-term cost management programs that replace traditional "cost accounting" activities*

Tucker, Simon. (2007). The CFO 2.0: From Bean Counter to Someone You Can Count On. Business Foundation.

This provides a brief comment on the evolution of the CFO role from “bean counter” to one that requires a much more strategic orientation that must balance regulatory pressures, the need to perform as promised to the stakeholders and growth year after year.

Appendix 1: The Survey (administered via the web)

ICAO CFO Competency Survey

Introduction

Thank you for taking the time to complete this 10 – 20 minute survey. By doing so, you will assist Chartered Accountants in planning a career towards becoming a CFO for a publicly-held company.

The purpose of this research is to:

1. identify the key competency needs that recently qualified Chartered Accountants need to develop through the various stages of their careers with the ultimate goal of becoming a Chief Financial Officer in a public company, and
2. identify the key areas that a Chief Financial Officer needs to address to advance to Chief Executive Officer if and when the opportunity arises.

Please read the [Combined Letter of Information and Consent Form](#) and print a copy for your own records.

1. After you have read the consent form, please choose the appropriate button below.

I have read the consent form and agree to participate

I do not agree to participate

[Previous](#)[Next](#)

[Click here to see the list of competencies and definitions.](#)

Following are four roles of the CFO:

Steward

Accounting, control, risk management and asset preservation are the province of the Steward. The Steward must ensure company compliance with financial reporting and control requirements. Information quality and control rationalization are top-of-mind issues for the Steward.

Operator

Efficiency and service levels are the primary areas of focus for the Operator. The Operator must dynamically balance cost and service levels in delivering on the finance organization's responsibilities, and adapt finance's operating model as necessary. Talent management, offshoring and shared service decisions are often the key issues to be addressed. This role is oriented toward best practices of the finance function itself.

Catalyst

The Catalyst is an agent for change, focused on establishing a value attitude throughout the organization. The Catalyst gains business alignment to identify, evaluate and execute strategies, and serves as a business partner to other decision makers including business unit leaders, the chief information officer, and sales and marketing leaders. The Catalyst establishes a structure of enterprise accountability for results, drives enterprise execution and gains acceptance from business management as the organization's catalyst. This role is oriented toward best practices of the entire organization.

Strategist

The Strategist is a director, focused on defining the future of the company to enhance business performance and shareholder value. The Strategist provides a financial perspective on innovation and profitable growth; leverages this perspective to improve risk-awareness, strategic decision-making and performance management integration; and translates the expectations of the capital markets into internal business imperatives. This role is oriented toward long-term, strategic issues, and is outwardly directed.

1. Do the 4 roles of the CFO described above accurately capture the main activities of the **CFO**?

Yes

No

If no, please explain (i.e., what other roles might you include or which roles might you remove?)

[\[Top\]](#)

ICAO CFO Competency Survey

2. Please indicate how important each of the different roles is to the effective functioning of a **CFO**:

	Unimportant	Somewhat Unimportant	Moderately Important	Important	Critical
Steward	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Operator	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Catalyst	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Strategist	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3. Please indicate how much time a **CFO** spends on each of these roles:

	Least 1	2	3	4	Most 5
Steward	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Operator	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Catalyst	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Strategist	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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4. Please indicate how important each of the different roles is to the effective functioning of a **CEO**:

	Unimportant	Somewhat Unimportant	Moderately Important	Important	Critical
Steward	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Operator	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Catalyst	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Strategist	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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This section lists eight or nine competencies within each of the four CFO roles. To view the definition of each competency, click on the link below.

[Click here to see the list of competencies and definitions.](#)

Competencies Required for the Steward Role

Accounting, control, risk management and asset preservation are the province of the Steward. The Steward must ensure company compliance with financial reporting and control requirements. Information quality and control rationalization are top-of-mind issues for the Steward.

1. Rate the importance of the following competencies for the **CFO** in the role of Steward.

	Unimportant	Somewhat Unimportant	Moderately Important	Important	Critical
Working knowledge of risk management, budget and forecasting tools	jñ	jñ	jñ	jñ	jñ
Investment and credit risk knowledge	jñ	jñ	jñ	jñ	jñ
Accounting knowledge (GAAP and taxation)	jñ	jñ	jñ	jñ	jñ
External financial and regulatory reporting knowledge	jñ	jñ	jñ	jñ	jñ
Understanding of financial information systems and informational needs of decision makers	jñ	jñ	jñ	jñ	jñ
Understanding of systems, processes and internal controls over financial information	jñ	jñ	jñ	jñ	jñ
Understanding the business environment	jñ	jñ	jñ	jñ	jñ
Fraud prevention, detection and investigation	jñ	jñ	jñ	jñ	jñ

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ICAO CFO Competency Survey

2. Which are the best ways to develop the following competencies in the role of Steward? (Select any or all.)

	Formal education program/seminar	On own through job experience	With the help of a mentor
Working knowledge of risk management, budget and forecasting tools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investment and credit risk knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accounting knowledge (GAAP and taxation)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
External financial and regulatory reporting knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Understanding of financial information systems and informational needs of decision makers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Understanding of systems, processes and internal controls over financial information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Understanding the business environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fraud prevention, detection and investigation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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ICAO CFO Competency Survey

3. From your experience, please describe the ways in which you developed the following competencies in the role of Steward. (Up to 100 characters.)

Working knowledge of risk management, budget and forecasting tools

Investment and credit risk knowledge

Accounting knowledge (GAAP and taxation)

External financial and regulatory reporting knowledge

Understanding of financial information systems and informational needs of decision makers

Understanding of systems, processes and internal controls over financial information

Understanding the business environment

Fraud prevention, detection and investigation

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ICAO CFO Competency Survey

4. Approximately when during one's career should the following competencies be developed in the role of Steward? (Select any or all.)

	Early	Middle	Late
Working knowledge of risk management, budget and forecasting tools	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investment and credit risk knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Accounting knowledge (GAAP and taxation)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
External financial and regulatory reporting knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Understanding of financial information systems and informational needs of decision makers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Understanding of systems, processes and internal controls over financial information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Understanding the business environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fraud prevention, detection and investigation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Competencies Required for the Operator Role

Efficiency and service levels are the primary areas of focus for the Operator. The Operator must dynamically balance cost and service levels in delivering on the finance organization's responsibilities, and adapt finance's operating model as necessary. Talent management, offshoring and shared service decisions are often the key issues to be addressed. This role is oriented toward best practices of the finance function itself.

1. Rate the importance of the following competencies for the **CFO** in the role of Operator.

	Unimportant	Somewhat Unimportant	Moderately Important	Important	Critical
Staff planning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Project management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Staff management, empowerment, team building, and accountability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Treasury and investment management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mergers and acquisitions, strategic alliances	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Outsourcing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Achievement / results orientation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Organizational and administration skills	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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ICAO CFO Competency Survey

2. Which are the best ways to develop the following competencies in the role of Operator? (Select any or all.)

	Formal education program/seminar	On own through job experience	With the help of a mentor
Staff planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Project management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Staff management, empowerment, team building, and accountability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate finance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Treasury and investment management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mergers and acquisitions, strategic alliances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Outsourcing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Achievement / results orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Organizational and administration skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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3. From your experience, please describe the ways in which you developed the following competencies in the role of Operator. (Up to 100 characters.)

Staff planning	<input type="text"/>
Project management	<input type="text"/>
Staff management, empowerment, team building, and accountability	<input type="text"/>
Corporate finance	<input type="text"/>
Treasury and investment management	<input type="text"/>
Mergers and acquisitions, strategic alliances	<input type="text"/>
Outsourcing	<input type="text"/>
Achievement / results orientation	<input type="text"/>
Organizational and administration skills	<input type="text"/>

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ICAO CFO Competency Survey

4. Approximately when during one's career should the following competencies be developed in the role of Operator? (Select any or all.)

	Early	Middle	Late
Staff planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Project management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Staff management, empowerment, team building, and accountability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate finance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Treasury and investment management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mergers and acquisitions, strategic alliances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Outsourcing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Achievement / results orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Organizational and administration skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Competencies Required for the Catalyst Role

The Catalyst is an agent for change, focused on establishing a value attitude throughout the organization. The Catalyst gains business alignment to identify, evaluate and execute strategies, and serves as a business partner to other decision makers including business unit leaders, the chief information officer, and sales and marketing leaders. The Catalyst establishes a structure of enterprise accountability for results, drives enterprise execution and gains acceptance from business management as the organization's catalyst. This role is oriented toward best practices of the entire organization.

1. Rate the importance of the following competencies for the **CFO** in the role of Catalyst.

	Unimportant	Somewhat Unimportant	Moderately Important	Important	Critical
Leadership and influence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Communication / presentation skills and executive presence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate governance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Negotiation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Relationship building and collaboration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personal integrity and ethics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Change management and flexibility	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Self-awareness and insight	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Persistence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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ICAO CFO Competency Survey

2. Which are the best ways to develop the following competencies in the role of Catalyst? (Select any or all.)

	Formal education program/seminar	On own through job experience	With the help of a mentor
Leadership and influence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Communication / presentation skills and executive presence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate governance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Negotiation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Relationship building and collaboration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personal integrity and ethics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Change management and flexibility	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Self-awareness and insight	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Persistence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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3. From your experience, please describe the ways in which you developed the following competencies in the role of Catalyst. (Up to 100 characters.)

Leadership and influence	<input type="text"/>
Communication / presentation skills and executive presence	<input type="text"/>
Corporate governance	<input type="text"/>
Negotiation	<input type="text"/>
Relationship building and collaboration	<input type="text"/>
Personal integrity and ethics	<input type="text"/>
Change management and flexibility	<input type="text"/>
Self-awareness and insight	<input type="text"/>
Persistence	<input type="text"/>

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ICAO CFO Competency Survey

4. Approximately when during one's career should the following competencies be developed in the role of Catalyst? (Select any or all.)

	Early	Middle	Late
Leadership and influence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Communication / presentation skills and executive presence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corporate governance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Negotiation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Relationship building and collaboration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Personal integrity and ethics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change management and flexibility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Self-awareness and insight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Persistence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Competencies Required for the Strategist Role

The Strategist is a director, focused on defining the future of the company to enhance business performance and shareholder value. The Strategist provides a financial perspective on innovation and profitable growth; leverages this perspective to improve risk-awareness, strategic decision-making and performance management integration; and translates the expectations of the capital markets into internal business imperatives. This role is oriented toward long-term, strategic issues, and is outwardly directed.

1. Rate the importance of the following competencies for the **CFO** in the role of Strategist.

	Unimportant	Somewhat Unimportant	Moderately Important	Important	Critical
Goal setting and visioning	jn	jn	jn	jn	jn
Strategic risk management	jn	jn	jn	jn	jn
Strategic thinking and decision-making	jn	jn	jn	jn	jn
Performance management integration	jn	jn	jn	jn	jn
Critical thinking	jn	jn	jn	jn	jn
Managing ambiguity	jn	jn	jn	jn	jn
Dedication to continuous improvement	jn	jn	jn	jn	jn
Advocate / ambassador for the organization	jn	jn	jn	jn	jn

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ICAO CFO Competency Survey

2. Which are the best ways to develop the following competencies in the role of Strategist? (Select any or all.)

	Formal education program/seminar	On own through job experience	With the help of a mentor
Goal setting and visioning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strategic risk management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strategic thinking and decision-making	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Performance management integration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Critical thinking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managing ambiguity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dedication to continuous improvement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Advocate / ambassador for the organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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3. From your experience, please describe the ways in which you developed the following competencies in the role of Strategist. (Up to 100 characters.)

Goal setting and visioning	<input type="text"/>
Strategic risk management	<input type="text"/>
Strategic thinking and decision-making	<input type="text"/>
Performance management integration	<input type="text"/>
Critical thinking	<input type="text"/>
Managing ambiguity	<input type="text"/>
Dedication to continuous improvement	<input type="text"/>
Advocate / ambassador for the organization	<input type="text"/>

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ICAO CFO Competency Survey

4. Approximately when during one's career should the following competencies be developed in the role of Strategist? (Select any or all.)

	Early	Middle	Late
Goal setting and visioning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strategic risk management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strategic thinking and decision-making	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Performance management integration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Critical thinking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managing ambiguity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dedication to continuous improvement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Advocate / ambassador for the organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Please answer the following general questions.

1. Are there any competencies that **do not belong** in this list or are included under the wrong role? If so, which ones and why?

2. Are there any other competencies **you would add** to this list? If so, please explain.

3. Are there any competencies whose importance for a CFO are likely to change in the next 5 to 10 year? If so, which ones and in what way?

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4. How might these competencies be different for the role of **CEO** rather than **CFO**?

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5. Acknowledging that there are different ways to gain competencies, how important are the following qualifications for being considered for a CFO position (assuming the individual has a CA)?

	Unimportant	Somewhat Unimportant	Moderately Important	Important	Critical
Multi-industry experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Organization's industry experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
International experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Experience outside finance function	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
MBA	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other postgraduate degree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please specify other postgraduate degree:

6. Do you think a CA career path within industry (rather than the traditional path through CA firms) would be equally well suited for a CFO role?

Yes

No

Please explain.

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ICAO CFO Competency Survey

Demographic Information

Please provide the following demographic information.

1. Age (in years):

 Less than 30 31 - 40 41 - 50 51 - 60 60 +

2. Gender:

 Male Female

3. What is your job title within your organization?

 CEO CFO VP - Finance President Executive Recruiter Other (please specify)

4. Length of time in current job (in years):

 0 - 5 6 - 10 11 - 20 20 +

5. What was your previous job title?

6. Length of time in previous job (in years):

 0 - 5 6 - 10 11 - 20 20 +

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7. Do you have a CA certification?

 Yes No

If yes, how long have you held it (in years)?

8. In which broad industry category does your organization belong?

 Agriculture, Forestry, Fishing Retail Trade Transportation & Public Utilities Wholesale Trade Construction Services Mining Finance, Insurance, Real Estate Public Administration Oil and Gas Manufacturing Other

9. What is your 4-digit Standard Industrial Classification (SIC) code?

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10. Is your organization publicly traded?

Yes

No

11. What is the approximate current value of your company's assets (in Canadian dollars)?

Less than
\$10 Million

\$10 - \$100
Million

\$100 - \$500
Million

\$500 -
\$1000 Million

\$1 - \$10
Billion

More than
\$10 Billion

N/A

12. What is the approximate value of your company's annual sales (in Canadian dollars)?

Less than
\$10 Million

\$10 - \$100
Million

\$100 - \$500
Million

\$500 -
\$1000 Million

\$1 - \$10
Billion

More than
\$10 Billion

N/A

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ICAO CFO Competency Survey

Conclusion

This completes the survey. Thank you very much for your time!

If you would like to receive information on the results of this survey, please contact Pamela Murphy at pmurphy@business.queensu.ca.

Moving From CA to CFO: A Competency Framework

Moving From CA to CFO: A Competency Framework

This document assists CAs in developing the competencies necessary for becoming a CFO. It is based on a combination of prior literature and a comprehensive survey of Ontario C-suite executives. It begins with a list of 34 competencies structured within four general roles of a CFO:

- 1) **Steward:** Accounting, control, risk management and asset preservation are the province of the Steward. The Steward must ensure company compliance with financial reporting and control requirements. Information quality and control rationalization are top-of-mind issues for the Steward (8 competencies).
- 2) **Operator:** Efficiency and service levels are the primary areas of focus for the Operator. The Operator must dynamically balance cost and service levels in delivering on the finance organization's responsibilities, and adapt finance's operating model as necessary. Talent management, offshoring and shared service decisions are often the key issues to be addressed. This role is oriented toward best practices of the finance function itself (9 competencies).
- 3) **Catalyst:** The Catalyst is an agent for change, focused on establishing a value attitude throughout the organization. The Catalyst gains business alignment to identify, evaluate and execute strategies, and serves as a business partner to other decision makers including business unit leaders, the chief information officer, and sales and marketing leaders. The Catalyst establishes a structure of enterprise accountability directed toward results, drives enterprise execution and gains acceptance from business management as the organization's catalyst. This role is oriented toward best practices of the entire organization (9 competencies).
- 4) **Strategist:** The Strategist is a director, focused on defining the future of the company to enhance business performance and shareholder value. The Strategist provides a financial perspective on innovation and profitable growth; leverages this perspective to improve risk-awareness, strategic decision-making and performance management integration; and translates the expectations of the capital markets into internal business imperatives. This role is oriented toward long-term, strategic issues, and is outwardly directed (8 competencies).

For each competency, the Competency Map indicates approximately *when* during a career each competency should be developed—early, middle, or late—in addition to prioritizing *how* to develop each competency—through education, experience, or with the help of a mentor. Finally, this Map provides additional detail about each competency, along with ways to develop that competency.

Most important CFO role and competency

Ontario C-suite executives agree that, although all four CFO roles are important, the Steward role is most important. Of all 34 competencies, the executives agreed that personal integrity (within the Catalyst role) is the single most important competency.

Looking ahead

Looking forward 5 to 10 years, executives indicate that all four roles will remain important for a CFO, but more respondents indicated that the Strategist role will increase in importance the most. For those interested in moving from a CFO to a CEO, the executives believe all four roles still apply to a CEO but with different weightings. The Strategist role is most important for the CEO.

Steward Competencies:

.....EARLY.....MIDDLE.....LATE.....
-----------------	------------------	----------------

Working knowledge of risk management budget, and forecasting tools

1) experience, 2) education, 3) mentor

Investment and credit risk knowledge

1) experience, 2) education, 3) mentor

Accounting knowledge (GAAP and taxation)

1) education, 2) experience, 3) mentor

External financial and regulatory reporting knowledge

1) education, 2) experience, 3) mentor

Understanding of financial information systems and informational needs of decision makers

1) experience, 2) mentor, 3) education

Understanding of systems, processes and internal controls over financial information

1) experience, 2) education, 3) mentor

Understanding the business environment

1) experience, 2) mentor, 3) education

Fraud prevention, detection, and investigation

1) education, 2) experience, 3) mentor

Operator Competencies:

.....EARLY.....MIDDLE.....LATE.....
-----------------	------------------	----------------

Staff planning	1) experience, 2) mentor, 3) education	
Project management	1) experience, 2) education, 3) mentor	
Staff management, mentoring, team building, and creating accountability	1) experience, 2) mentor, 3) education	
Corporate finance	1) education, 2) experience, 3) mentor	
Treasury and investment management	1) education, 2) experience, 3) mentor	
Mergers and acquisitions, strategic alliances	1) experience, 2) and 3) education and mentor (tied)	
Maximizing capital employed	1) experience, 2) mentor, 3) education	
Achievement-/results orientation	1) experience, 2) mentor, 3) education	
Organizational and administrative skills	1) experience, 2) mentor, 3) education	

Catalyst Competencies:

EARLY.....MIDDLE.....LATE.....
Leadership and influence		1) experience, 2) mentor, 3) education	
Communication/presentation skills and executive presence		1) experience, 2) education, 3) mentor	
Corporate governance		1) education, 2) experience, 3) mentor	
Negotiation		1) experience, 2) mentor, 3) education	
Relationship guiding and collaboration		1) experience, 2) mentor, 3) education	
Personal integrity, ethics, ability to identify ethical dilemmas and make Ethical decisions		1) experience, 2) mentor, 3) education	
Change management and flexibility		1) experience, 2)mentor, 3) education	
Self-awareness and insight		1) experience, 2) mentor, 3) education	
Persistence		1) experience, 2) mentor, 3) education	

Strategist Competencies:

.....EARLY.....MIDDLE.....LATE.....
-----------------	------------------	----------------

Goal setting and visioning	1) experience, 2) mentor, 3) education	
Strategic risk management	1) experience, 2) education, 3) mentor	
Strategic thinking and decision-making	1) experience, 2) mentor, 3) education	
Performance management integration	1) experience, 2) education, 3) mentor	
Critical thinking	1) experience, 2) mentor, 3) education	
Managing ambiguity	1) experience, 2) mentor, 3) education	
Dedication to continuous improvement	1) experience, 2) mentor, 3) education	
Advocate/ambassador for the organization	1) experience, 2) mentor, 3) education	

Competencies for the Steward Role

Steward role: Accounting, control, risk management and asset preservation are the province of the Steward. The Steward must ensure company compliance with financial reporting and control requirements. Information quality and control rationalization are top-of-mind issues for the Steward.

Competency:	Description:	How to Develop (from those who have done it):
Working knowledge of risk management, budget, and forecasting tools	Risk management activities such as the use of monitoring, reporting, historical comparisons, evaluation tools, predictive analytics, risk-adjusted forecasts and process controls. Knowledge of budgeting and forecasting for units of an organization and the organization as a whole.	Experience in various jobs, trial by fire, discussions with vendors and other experts, university, formal education courses, industry seminars, CA training and experience, CFA training, self instruction through reading or computer assisted tools, learning from mentors.
Investment and credit risk knowledge	Knowledge of risks and returns for investments and credit (e.g. customer credit).	On the job experience, reading financial press, securities courses, interaction with other professionals and experts (such as treasury analysts or investment/commercial bankers), CFA training or CICA CFQ program, learning from mentors.
Accounting knowledge (GAAP and taxation)	Up-to-date knowledge of generally accepted accounting principles and taxation in Canada and all countries in which the company accesses capital markets.	University, CA training, public accounting experience, experience preparing financial statements, reading industry journals and CA magazine, CPE, CRA experience, discussions with auditors or lawyers.
External financial and regulatory reporting knowledge	Knowledge of regulatory reporting requirements in Canada and other countries in which the organization does business. If the organization is cross-listed, must understand the requirements of the Sarbanes-Oxley Act of 2002 (SOX) in the United States. Knowledge of industry-specific requirements.	University, CA training, public accounting experience, experience preparing financial statements for SEC companies, reading industry journals, CPE, discussions with auditors and company attorneys and regulators, FASB/CICA web sites, Knotia and CFO.com.
Understanding financial information systems and informational needs of decision makers	Thorough understanding of the informational needs of decision makers within the organization (from top level down through the organization). Overseeing a financial information system that is capable of producing useful information to meet those needs (e.g. budgeting, profitability of products, business units, and customer relationships)	Experience in general as well as in different industries, in an IS group, and in SOX work; university and CA training; lots of interactions with vendors, industry colleagues, IT and related experts; active listening to the needs of others; participation in special projects within the organization; self teaching; web searches.
Understanding of systems, processes, and internal controls over financial information	Ability to create or oversee IT systems, processes, and internal control policies and procedures to ensure high quality of information.	Experience in general as well as audit experience and implementing SOX; university and CA training; professional training and CPE; reading industry journals; discussions with auditors and IT specialists; learn from mistakes.
Understanding the business environment	Understanding the environment in which the organization operates. This includes the industry, the regulatory environment, and economic environment, etc.	Experience and asking questions; visiting different business units within the company; reading (e.g. Business Week, Wall St. Journal); mentors can help significantly; listening well and being aware.
Fraud prevention, detection, investigation	Understanding of the types of fraud that can be committed within the organization and the conditions that often lead to fraud. Continuous monitoring of control systems to watch for weaknesses that could make committing fraud easier. Having a healthy skepticism to investigate possible fraud when red flags appear.	University and CA training, public accounting and CRA experience, CPE, reading and/or learning about specific frauds, being aware and developing a sense for fraud risk, networking with others, working with mentors.

Competencies for the Operator Role

Operator role: Efficiency and service levels are the primary areas of focus for the Operator. The Operator must dynamically balance cost and service levels in delivering on the finance organization's responsibilities, and adapt finance's operating model as necessary. Talent management, offshoring and shared service decisions are often the key issues to be addressed. This role is oriented toward best practices of the finance function itself.		
Competency:	Description:	How to Develop (from those who have done it):
Staff planning	Branding the company as a career destination for finance professionals is critical for attracting top talent.	Formal education, public accounting experience, trial by fire, working with increasingly larger teams, courses and seminars, observing how others do this and learning from their mistakes, discussions with HR
Project management	Identifying, developing, and overseeing projects that create value and meet or exceed financial goals.	University, CA training, audit experience, being a member of project teams, observing how others manage projects, trial and error, mentors.
Staff management, mentoring, team building, and creating accountability	Manage staff not only for maximum performance, but also for advancement within the organization. CFOs must provide their own future leaders with similar advancement opportunities, and give them room to excel, even beyond the realm of finance. Ability to manage a diverse staff with differing backgrounds, expectations, and goals; ability to build/facilitate effective teams.	University, CA training, audit and industry experience, observation and analysis of results, special training courses, peer review, help from HR, being an advisor for Junior Achievement, help from a good mentor.
Corporate finance	Develop sets of strategic measures that can be used to anticipate challenges and monitor progress	University, CA training; direct experience where possible (e.g. in M&A, financing activities, etc); discussions with vendors, industry colleagues, consultants, CF professionals, bankers.
Treasury and investment management	Monitoring financing activities and adapting strategies and tactics to changes in debt and equity markets. Knowledge and use of financial instruments to gain the greatest risk/return on investments.	University, CA training, CSC and CFA program; on the job experience; banking experience; discussions with the organization's treasurer, bankers, investment managers, industry colleagues; outsourcing the function and learning from suppliers.
Mergers and acquisitions, strategic alliances	Ability to analyze potential M&A deals and strategic partnerships for strategic benefit.	Some coursework; try to get experience ("baptism by fire"), teamwork with lawyers and investment bankers.
Maximizing capital employed	Enhance value and service to the organization while holding down costs. Carry out cost-effective services without disruption. Outsourcing may be one alternative.	This competency appears more important for smaller and/or private organizations than large public ones. Develop through experience; discussions with industry colleagues, suppliers, mentors; if outsourcing, start small and learn from mistakes.
Achievement / results orientation	The CFO must be able to translate performance into results. Being responsive to the needs of the organization and meeting those needs using measures that are appropriate and understandable.	One can begin developing this early through extra-curricular activities in school, setting and meeting deadlines and goals, choosing to become a CA; combination of courses, experience, observation, and help from mentors.
Organizational and administration skills	Ability to organize and prioritize effectively. The CFO must be able to process large amounts of information within limited time constraints, and must identify situations in which digging into details is necessary versus remaining in an oversight position. Being organized oneself, the CFO is better able to run the finance function most effectively.	Starts with education but continues primarily through experience, audit experience, observation, executive education, help from mentors.

Competencies for the Catalyst Role

Catalyst role: The Catalyst is an agent for change, focused on establishing a value attitude throughout the organization. The Catalyst gains business alignment to identify, evaluate and execute strategies, and serves as a business partner to other decision makers including business unit leaders, the chief information officer, and sales and marketing leaders. The Catalyst establishes a structure of enterprise accountability directed toward results, drives enterprise execution and gains acceptance from business management as the organization's catalyst. This role is oriented toward best practices of the entire organization.		
Competency:	Description:	How to Develop (from those who have done it):
Leadership and influence	Inspiring and motivating others in the organization. Providing the necessary guidance and direction to meet and exceed organizational goals and objectives.	One can begin developing this competency early on through extra-curricular activities, student council, university courses, CPE or in-house courses, volunteer to lead teams, gain respect from decision makers by learning the business, observation, practice, and mentors.
Communication/presentation skills and executive presence	Ability to communicate effectively in writing and verbally, to connect with others, to persuade others, and to communicate complex information in an easy-to-understand manner. Ability to act appropriately for each occasion and with each audience. To be accessible to and respected by others at all levels in the organization.	University (including team projects in classes), CA training, presentation skills courses, media training, experience in sales or marketing, observation, practice, self learning and continuous improvement.
Corporate governance	Understanding elements of corporate governance and instituting best practices for creating a culture of excellence and ethical performance.	University and CA training; specific courses; discussions with auditors and audit committee, professional advisors, investment bankers, lawyers; reading relevant publications; learning from the mistakes of others.
Negotiation	Ability to negotiate with others in both friendly and adverse circumstances. Being a good listener is an important element in negotiation. Ability to resolve conflict.	Formal courses, experience negotiating with suppliers or vendors, observation, practice.
Relationship building and collaboration	CFOs interact widely with members of the entire organization. Networking with others, developing strong relationships, being a good team player and good collaborator. Being a good bridge-builder.	Can start early in school, volunteering, on the job experience, observation, practice, feedback, strong mentors.
Personal integrity, ethics, ability to identify ethical dilemmas and make ethical decisions	Understanding motivations of oneself and others, and recognizing the very real possibility of unethical behavior. Taking active and public steps to thwart misbehavior and encourage ethical behavior. Being a role model. Setting the "tone at the top". Having a social conscience.	Some argue this is innate – you either have integrity or you don't. Much of it is acquired early in life from parents. However, ethical dilemma identification and decision making can be developed through courses, experience, observation of others (both "good" and "bad"), and practice. Mentors are quite helpful.
Change management and flexibility	Manage change with minimum disruption; being a positive change agent. Being flexible and assisting others within the organization to be the same.	Sponsoring and leading significant projects, or being a manager in a CA firm; read financial press; courses with correct timing (where it can be immediately applied to the job); observation.
Self awareness and insight	To be able to see one's own faults or mistakes and take responsibility for them. To assist others to do the same without doing so in a patronizing manner or with harsh criticism/blame.	Experience or courses with 360 degree feedback, personality testing, working with a mentor, observing those who are good or bad at it, continuous self-teaching and learning.
Persistence	Having the courage and resilience to persist in the face of adversity. Being passionate about one's work enables persistence.	To some extent, this is innate, but it can be further developed by working hard at school and thereafter, playing sports, getting feedback and help from mentors, CA training, on the job training. Never quitting.

Competencies for the Strategist Role

Strategist role: The Strategist is a director, focused on defining the future of the company to enhance business performance and shareholder value. The Strategist provides a financial perspective on innovation and profitable growth, leverages this perspective to improve risk-awareness, strategic decision-making and performance management integration, and translates the expectations of the capital markets into internal business imperatives. This role is oriented toward long-term, strategic issues, and is outwardly directed.		
Competency	Description:	How to Develop (from those who have done it):
Goal setting / visioning	The ability to develop visions that prompt buy-in from a wide range of organizational stakeholders. As well, the ability to align finance function's priorities with business strategy and organizational goals. Being a forward thinker.	University and MBA; experience by trial and error, volunteering for committees dealing with vexing issues; in-house courses; setting goals for oneself, ensuring one's goals are congruous with those of the team and company; observation.
Strategic risk management	Understanding the "big picture," that is, how the environment could impact the organization both negatively and positively. Understanding how internal and external factors can interact to create or reduce risk.	University; experience from auditing, dealing with surprises; observation; personal research; strong mentors.
Strategic thinking and decision-making	The ability to take a holistic and futuristic perspective of the organization that recognizes the synergies and interdependencies between the different parts. This perspective is leveraged in the use of information to create strategies that enable growth. This ability uses innovation and creativity, and often involves thinking "outside the box".	Academic foundation built upon with experience; access to meetings of senior executives and board; studying the business environment; strong mentors; observation; practice.
Performance management integration	Performance management integration is a holistic approach that spans all the processes and technologies related to performance management, and consists of the integration of reporting and performance measurement, budget planning and forecasting, and organizational alignment. This includes the elimination or reduction of "non-value-added" activities, measuring financial performance, establishing efficiency metrics, measuring non-financial performance and measuring customer satisfaction.	Observation of and experience with implementing significant change in systems and processes, as well as meetings with senior executives and board; post-performance feedback; formal training to establish formats etc., but critical determination of milestones/metrics learned on the job; alignment of goals across the organization.
Critical thinking	The ability to make assertions based on sound logic and evidence. This consists of being able to distinguish between fact and opinion, ask questions, make detailed observations, and uncover assumptions. Make sound conclusions based on appropriate information.	University and CA training; watching senior management debate critical issues; adopting a questioning attitude, curiosity, or distrust of "proven" solutions; trial and error; start practicing these early on.
Managing ambiguity	The ability to deal effectively with uncertain situations. This requires the ability to control one's anxiety levels so that a level of clarity in thinking is maintained in order that an accurate evaluation of the situation can be ascertained and an effective response made.	Keep an open mind and practice being comfortable with situations in which there is "no right answer"; experience--especially in multiple functions or organizations; mentoring; asking a lot of questions; observation; reading.
Dedication to continuous improvement	Having a desire to learn and to never be satisfied with current knowledge. Being inquisitive; taking every opportunity to learn new things and continually working on self-improvement. Self-motivated.	University should instill this; job experience; mentors; increasing one's own expectations, not being satisfied with status quo; self-improvement seminars; developing a win-win mentality; self-criticism.
Advocate / ambassador for the organization	As the #2 person in the organization, the CFO must represent the organization to the outside world. This includes networking with shareholders, analysts, suppliers, customers, and the public at large. The CFO must have a keen sense of when and how to best portray both positive and negative information about the organization.	Experience; mentors; volunteering to speak at industry seminars, investor forums, in front of clients, Jaycees, or Chambers of Commerce; believing in what you are doing; observing great corporate leaders; practice.