

The CFO, in the Search for the Ideal Job

By Minerva Cernea from the executive search firm Pedersen & Partners



Minerva Cernea is a Senior Consultant and Head of North America. Ms. Cernea has worked in executive search since 1997 and has completed over 300 searches. Ms. Cernea holds a Masters Degree in Electronics and Telecommunications from the Polytechnic University of Bucharest and an Executive MBA from the International Executive Development Centre in Bled, Slovenia. In addition to her native Romanian, she speaks fluent English and French.

minerva.cernea@pedersenandpartners.com

Evolution of the CFO role in CEE. What makes CFOs move: paycheck or challenge?

This article focuses on the changes of the CFO position in CEE, what motivates these people and what they understand to be their mission.

Changed accounting standards, increasing responsibility to shareholders and the need for transparency has made the CFO position more demanding. Larger turnovers, diverse shareholders structures, M&As, IPOs are just some of the components of the job.

During the last 15 years the Central and Eastern Europe (CEE) has produced many local CFOs, working closely with expatriates who mainly held these positions in the early '90s. But there are still cases when CFOs from more developed economies are asked to take a position in a CEE country. While local know-how is important, the CFO skills are exportable.

These days CEE is a region, where many exciting things are happening: privatizations, mergers & acquisitions, start-ups, expansion to international markets, all in all many opportunities for diverse working experiences as a CFO. The chance to take an active part in the evolution of the company, with a direct 'touch', compared with the jobs in multinationals, where decision is lost many times in the bureaucratic apparatus, makes CEE positions very attractive.

Knowledge of the local market and culture, plus developed network of contacts are, in many cases, important and therefore international companies, when opening local operations in CEE region are interested in attracting experienced locals to fill the CFO positions. However a new trend can be observed, as local, entrepreneurial firms emerge with the aim to become national, regional or even international. Although strategy, sales and marketing are playing major roles, without the right CFO such ambitions will not become reality, therefore these local firms are also out on a search for highly qualified finance professionals. Interestingly enough, there is an increased tendency among CFOs to accept such roles, as a means to develop professionally much faster than in a 'multinational' type of firm.

We find CFO candidates moving within the CEE region with the aim to gain international exposure, either in more developed economies in a role with less responsibility or in younger private economies where they can use their expertise in more complex assignments. Professional challenge seems to be the word of the day.

While financial rewards are part of the motivational structure that makes CFOs accept or refuse a job, more and more the reasons behind a move are the cultural 'fit', the working environment and mostly, the professional challenge. The CFOs are attracted by the opportunity to make a difference, to be exposed to complex responsibilities, to build up, to improve.

If some years ago a candidate with 'potential' could be accepted on a CFO role, today it is a very rare case. Companies are interested in candidates with previous experience in a similar role, 'technically proven' and the fifteen years of free market economy already allowed for such executives to develop. In addition, while it was previously acceptable to have a CFO with an MBA, but no relevant experience or qualification in accounting, now it is a rare case, especially due to well-known accounting scandals in the recent past.

Another trend for the CFO roles, in relation to these scandals, is the development of the responsibility towards the financial practices. When accepting a job the CFOs are assessing the ways the company is thinking finances and only if they feel comfortable with the respective practices they accept the position.

The successful CFO in CEE has to understand the fast paced economic environment, the business in its complexity, the ways finances can support company's development, but also risks associated with mishandling of finances. He or she needs to be creative and have a strong legal sense combined with high ethical standards, has to know the local regulations, as well as international practices and trends, be an equal partner to CEO and other members of the Executive Board, and strive to develop professionally with the firm. This is definitely a strategic role in an organization! And while money has its' own importance between the motivators, the professional challenge wins.

Pedersen & Partners is a leading international executive search firm. We operate 33 wholly owned offices in Almaty, Athens, Baku, Belgrade, Bratislava, Bucharest, Budapest, Chisinau, Helsinki, Istanbul, Kiev, Ljubljana, Minsk, Moscow, Munich, Nicosia, Prague, Riga, Sarajevo, Skopje, Sofia, St. Petersburg, Tallinn, Tashkent, Tbilisi, Tehran, Tel-Aviv, Tirana, Toronto, Vienna, Vilnius, Warsaw and Zagreb. Our values Trust - Relationship - Professionalism apply to our interaction with clients as well as executives. More information about Pedersen & Partners is available on www.pedersenandpartners.com