

To the New or Aspiring CFO

Use this advice to maximize success in your new role.

By Greg Milano

When a first-time CFO or a CFO new to an organization takes the reins, they should be prepared to face challenges beyond spreadsheets and income statements. In many ways, the CFO serves as a “consigliere” to the CEO, an indispensable adviser and right-hand man or woman. An effective CFO takes full ownership of the financial aspects of decisions so the CEO doesn’t have to. And he or she does so in a way that builds confidence with senior management and the board of directors, as well as investors, bankers, and analysts.



One of the key areas where new CFOs need to develop expertise is corporate strategy. Understanding why a company is successful and what it must do to adapt and win in a dynamic environment is critically important.

Strategic thinking starts with understanding the company’s competitors and competitive advantages and how they relate to the organization’s growth, pricing, and market share.

Is the business model evolving, for example, from wholesale to retail or to a digital direct-to-consumer model? Did the company previously invest in brick-and-mortar stores with its balance sheet and now is shifting toward more investment in intangibles, such as brand building and digital platforms? How will the changes affect growth, margin, and capital intensity? Is it bad for the company’s financial statements to look more like Amazon’s did in its early days as the retail giant ramped up investment?

Mastering the development and analysis of strategy requires time. Take every opportunity to listen and actively participate in internal strategy meetings. Read some of the seminal books on strategy or take outside classes. Just don’t wait until you become CFO to start thinking about this side of the business or you may never get there.

What else do successful CFOs do? They are very active in growing their networks, both within their companies and outside of them. Outside the company, CFOs often network with the CFOs of customers, suppliers, and even competitors. Treasurers, controllers, and others potentially in line for a CFO spot can

do the same. If you are a treasurer, connect with other treasurers, either independently or through networking organizations such as the [Neu Group](#).

When you meet counterparts from other companies, ask them what has made them successful. Listen to them describe how they relate to their CFO, CEO, and other top executives, and emulate the best practices. In addition, reach out to your colleagues in other disciplines to better understand their roles and challenges, and seek ways for your organization to help them be successful. Networking develops interpersonal skills and signals your suitability for a more dynamic role like CFO.

The most successful CFOs I have worked with over the last 30 years are less busy on a day-by-day basis than their counterparts. They are not rushing from meeting to meeting with little ability to prioritize. Once these very successful CFOs understand the various functions they oversee and they get a capable and talented team in place, they delegate everything they can. That frees them up to engage deeply in the strategic thinking and networking efforts discussed above.

My last piece of advice for new or aspiring CFOs is the same as my advice to any leader: Worry more about the success of the people that report to you than the person you report to and those direct reports will make you look good in front of your boss.

Greg Milano is founder and CEO of [Fortuna Advisors](#), a management consulting firm focusing on strategic decision-making, resource allocation, organizational incentives, and culture.