

How to Become A CFO



Climbing the corporate ladder to the role of chief financial officer (CFO) is a dream shared by many toiling in the trenches of accounting and procurement.

Traditional wisdom says the path to the corner office lies in patience, years of experience, and diligent application of skills—which is to say, hard work.

But in today's fast-paced corporate environs, career paths are no longer so long—or winding—as they were in decades gone.

The CFO position is alluring for a number of reasons—greater compensation, a more rewarding and strategic role in your company's growth, more direct control over, and responsibility for, your company's risk exposure, financial health, technology profiles, etc.

And while there's no “yellow brick road” leading directly to the CFO's chair, you can definitely hasten your progress by investing in your skills, personal growth, and education.

Becoming a CFO: A New Approach

Few, if any, financial professionals become CFO by accident. It takes careful and strategic management of your career, and it might require more than a few

personal sacrifices and growth experiences, too.

Until recently, it also meant “putting in your time” and slowly rising through the ranks.

But the information age and digital transformation have accelerated career growth in much the same way they have enhanced speed and scope of commerce itself, making it possible for those with the will and dedication in the current job market to climb that fabled ladder more quickly than their predecessors might have dreamt.

So while the conventional wisdom is true to some extent—it’s unlikely you’ll be in the mailroom today and the boardroom tomorrow—it’s what you can do, and how well, that marks a viable candidate.

Rather than relying absolutely on those with long years of experience, companies are increasingly focusing on a set of core competencies to qualify those they’re considering for the CFO’s chair.

An aspiring CFO’s *curriculum vitae* should include:

- **A broad skill set, including strategic planning, effective risk management, financial expertise, information technology, etc.**
- **Advanced education, diverse experience, or (ideally) both.**
- **Broad *and* deep knowledge of not just a company’s financial position, but the goods and services it offers, its production and marketing operations, and its staff, suppliers, and customers.**
- **Willingness and ability to adapt and expand existing competencies in support of company growth and innovation.**

Naturally, every company is different, but those who value proactivity and innovation have proven themselves open to embracing the fire of youth as an asset that’s as powerful as the wisdom of years.

One of the most famous examples of this trend is Precious Metals Wheaton, a mining firm that, driven to new success in large part by the innovative methodologies and insights of twenty-six-year-old analyst Nolan Watson, made him their CFO in 2006—the youngest in the history of the New York Stock Exchange.

The great artist Michelangelo, despite his fame and accomplishments, is said to have made two words his lifelong motto: Ancora imparo, Italian for “I am still learning.” Wearing as many hats as they do, and playing such a critical role for their organizations, CFOs need a similar attitude toward their own knowledge, skills, and disciplines.

Charting Your CFO Career Path

There’s no one single answer to the question of how to become CFO. But any financial professional can improve their chances through:

Financial Acumen

The heart of a CFO’s role is finance, so you’ll need to develop a comprehensive understanding of financial planning, risk management and compliance, budgeting, data analysis, and other fundamental principles of accounting.

The reasons for developing a firm foundation go beyond the everyday financial workings of an organization.

CFOs play a strong strategic role, in partnership with the rest of the C-suite, and will need to have the knowledge and skills necessary for intelligent and reliable decision making.

The more well-developed your financial expertise, the more readily you can glean not just information, but insights and inspiration from financial statements.

Well-Developed Business, Communication, and Operational Expertise

Beyond financial planning and decision making, CFOs need the knowledge, communication skills, and practical experience required to connect and collaborate with not just senior management, but stakeholders and experts from across their company and industry.

That’s why it’s so important to have more than just finance arrows in your career quiver when you’re aiming for the top.

If your personal experience falls short of your ambitions, consider connecting with a seasoned mentor.

It's a practice long favored by small business owners looking to navigate the perils and challenges of commerce, and it can help an aspiring CFO gain first-hand knowledge they won't get anywhere else.

In addition to mentorship, you can also round out your business, communication, and operational skill sets through additional work experience, such as:

- Cross-training.
- Job shadowing.
- A leadership role in a nonprofit, industry association, or business unit(s) throughout your organization.
- Controller or treasury roles to develop stronger ancillary skills such as project funding, financial strategy development and execution, and both financial and process auditing.

Education and Licensing

One of the most exciting things about pursuing a career as a CFO in today's market is the lack of rigid restrictions on educational and experiential backgrounds.

However, it's almost always beneficial for a would-be CFO to meet common certification and education requirements, such as:

- Certified Public Accountant (CPA) licensing, for versatility and diversity of knowledge.
- A Master's degree in Business Administration (MBA), which can enhance your experience with cross-training, job shadowing, etc. by providing additional context and understanding of essential operational and business processes.

Teamwork and Customer Service Skills

It's the human resources of an organization that truly drive its success, so being able to connect with people working in a variety of roles is essential for a CFO.

Because they play such a critical part in the company's health and growth, a good CFO will focus on honing their team-building and leadership skills.

Customer service experience isn't just useful in connecting with clients and customer service staff, of course.

CFOs have their own customers—namely, investors and board members—and having a solid understanding of needs analysis and customer satisfaction can help ensure you're ready to nimbly navigate the communication pathways between the board, your company, and its investors.

Technological Savvy

Big data just keeps getting bigger, and with more and more businesses investing in digital transformation, CFOs need to know how to discuss, use, and leverage important tech such as cloud-based data management, artificial intelligence, process automation, Software as a Services (SaaS), spend analytics supported by machine learning, and more.

Technological know-how can also help you get more from the tools you'll be using.

Insights gleaned from analytics, continuous improvement through process automation, and transformative cost savings achieved through supply chain optimization are just a few of the ways CFOs can tap into the power of tech to support company goals and improve the financial health of their business.

A Lifelong Commitment to Growth and Learning

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Wearing as many hats as they do, and playing such a critical role for their organizations, CFOs need a similar attitude toward their own knowledge, skills, and disciplines.

The modern CFO connects not just with executives, investors, and board members, but stakeholders from all strata of the business world, in finance and procurement, technology, human resources, marketing, and more.

Staying up to date on best practices, leadership techniques, and the latest and greatest tech tools takes time and commitment, but it's well worth the investment for those who seek to improve not just the bottom line, but their company's total health and success.

The C-Suite Awaits

The climb can be challenging, and the stakes high—and you'll need pluck, luck, and perseverance to go with your CPA.

But if you have the foresight, ambition, tech and business savvy, ethical character, communication skills, and financial aptitude, you can plot a successful course to a career as CFO.

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