

Do You Have What It Takes to be a CEO?

A guide for CFOs and senior finance executives

"The board is in agreement. We'd like you to be our next CEO. Congratulations."

Chief financial officers (CFOs) and business leaders of every stripe frequently aspire to hear those words from an organisation's nominating committee (NomCo). Such desire is perfectly understandable.

For many people, serving as a chief executive represents the pinnacle of professional achievement. The ladder has been climbed. The ascent is complete. But more than that, it comes down to the palpable opportunity to achieve growth. To improve the livelihoods of colleagues. To deliver a societal impact.

And so it is little wonder that when a CEO succession is looming, there will be no shortage of candidates competing for the role. Prominent among them will likely be that organisation's own CFO. As we have explored in our previous article, [Is the CFO the best successor to the CEO? Well, it depends...](#) CFOs are often well-equipped for a seamless transition into the CEO hot seat.

But it doesn't always work out that way.




As the data attests, there is no guarantee that a CFO will become a successful CEO. Our [CEO Last Mile research](#) found that CEOs promoted from the CFO role are on average slower to drive top-line growth than CEOs from other backgrounds. At the same time, contenders from different parts of the business can also stake a powerful claim. External candidates can prove persuasive. And the CFO's background might not be attuned to the sector or business cycle of that particular organisation.

All this means that there are plenty of obstacles that lie in wait for financial leaders seeking to step up into the CEO role. We recently sat down with more than 40 CEOs and other senior business leaders who have previously served as CFOs. What were the skills and capabilities they needed to develop to become a credible CEO candidate? What is their development advice for financial executives seeking a CEO role?

Here's what they had to say.

Wanted: The next CEO


- » In 2024, 16% of transitions in the top 630 listed companies in Europe were CFO to CEO, compared to 15% in 2023 and just 5% in 2022.
- » 18% of FTSE100 CEOs have previously been a CFO, compared to 27% in 2023.
- » US financial services firms are most likely to appoint a CFO to the top job — 28% of new financial services CEOs were previously CFO.
- » In the US, 13% of new S&P 1500 CEOs came from the CFO role, compared to 5% in 2023.
- » In 2023, 19% of ASX100 CEOs were appointed from a CFO role as an internal promotion or successor.
- » Although there are many levers to value creation and organisational performance, when it comes to top-line growth, our research shows that that [only 8%](#) of CEOs promoted from the CFO role steer their companies into the top-quartile. By contrast, “leapfrog” CEOs — those promoted from two or more levels down — and divisional CEOs had far higher odds of out-performance on top-line growth.




It's important to recognise that understanding what makes an effective CEO is always a work in progress. Circumstances shift, challenges proliferate and strategies evolve. What worked once might not be applicable in the future.

As our recently published book, [The Life Cycle of a CEO](#) points out, nearly a third of CEOs don't make it to three years in post, and there are many misconceived stereotypes about what constitutes an effective CEO. This can cause great harm when it comes to managing expectations, effective decision making, and building relationships with the board.

It is also clear that there are [universal challenges](#) that any of today's CEOs have to address — starting with navigating an ongoing cocktail of economic, technological and geopolitical volatility.




“One critical issue encompasses many: change,” said Natalia Barsegijyan, non-executive director at Domino's Pizza Group and former CFO of Taco Bell. “The consumer is changing in every aspect, and businesses must respond. The technological revolution is also pushing us to revise economic models and the way businesses operate.”



But it's not just about what is happening outside — internal challenges abound too, such as how to best manage hybrid working patterns.

“Having some flexibility to work is very welcome but the current situation is untenable,” a leading British retail CEO told us. “I think that's going to create real long-term issues because if you're not in the office, if you're not working in teams, if you're not building the business together, it's a problem.”




Such examples illustrate the sheer range of issues that any new CEO has to quickly adjust to, according to Guy Hayward, former CEO of Massmart Holdings. “There's this breadth of stuff coming at you, and it doesn't stop even when you're home as there is a lot that can go wrong in a business of 40,000 people,” he said.

Pietro Scott Jovane, CEO of Allianz Investitori, agrees. “The variety of the day-to-day and the type of topics that you have to manage as a CEO are really diverse,” he said. “You are always on your tiptoes.”



Perhaps unsurprisingly, this variation is reflected in the abundance of stakeholders that any CEO has to manage — far more than a CFO would have to face, a point made by Arthur Yu, president of Baozun e-commerce. “As CFO I mainly dealt with investors, customers and government bodies,” he said. “But being CEO, I also need to face large customers, including multinational brands.”



The organisational structure underpinning the transition to CEO is also crucial. “When it comes to governance, I recommend this transition only when there is a dual governance system in place, a chair and CEO,” said Caroline Parot, CEO of Technicolor Group.

So with all this in mind, what skills and capabilities should CFOs seek out in order to strengthen their chances of becoming a CEO?

The skills and capabilities you need as CEO

A focus on learning

An important starting point is understanding that as a newly appointed CEO you can't rest on your laurels. Sure, you should absolutely take a moment to bask in the satisfaction and excitement of your appointment, but you also have to recognise that your learning has only just begun. It's not just accumulating granular knowledge about the company itself, it's also about its place in the market, the opportunities on offer, the risks to address, the talent to manage and much more besides.



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FRANCESCO BALESTRIERI
CEO OF ALFASIGMA

“You always have to learn,” said Francesco Balestrieri, CEO of Alfasigma. “I think I learn every day. In a large corporation in particular, you have many more people trying to influence the outcome. You need to be able to manage all of that, filter what's right and what's wrong, or where you agree or disagree, and also learn to progressively understand what are the trusted sources of input.”

Darragh Lyons, former CEO/CFO of Malin plc and non-executive director at Chemifloc Group, cites the need for CEOs to gain industry credibility — a particularly pressing concern in the private equity market where he was originally based.

“The need for industry knowledge and competitive intelligence ramped up to the next level and so I did an immense amount of reading,” he said. “I was constantly reading books and articles, researching scientific materials, looking at the competitors and reading equity analyst reports, all that sort of thing.”

An extensive network

After a busy and draining day, you might well want to head home to relax and decompress. The idea of attending an evening drinks reception or dinner event might leave you aghast but attending such functions is essential if you're genuinely keen to expand your network.

Getting to know your peers, exchanging ideas and discussing the latest business trends all helps raise your personal profile and leaves you better placed for the CEO role. “The ability to network internally and externally is crucial,” said Pietro Scott Jovane. “Networking means building communities — it's a communication skill with a blend of segmentation.”



No matter how busy you are, make time for your external network and keep on top of it or you can lose those natural relationship skills.”

NIALL CORBETT
CEO OF AVANT MONEY

Niall Corbett, CEO of Avant Money, admits that he should have spent more time as CFO maintaining and developing his external network. “The demands of the role meant I was too internally focused during that period of my career and I wasn’t maintaining my external network” he said.

“Every Friday morning I now have at least two external engagements. So, no matter how busy you are, make time for your external network and keep on top of it or you can lose those natural relationship skills. It is great for connecting with people, support and even finding inspiration.”

A first-class communicator

As a CFO, you will have clocked up plenty of communication experience during your time in post. Presentations to analysts, investor calls, financial updates, not to mention smaller chats with colleagues, all ensure that you will be no stranger to the spotlight.

Charl de Villiers, CEO of Libstar, said that this aspect was his favourite part of the role. “What I enjoyed most about being a CFO was serving as the custodian of the storyline for the business in connecting with investors,” he said. “I had the full value chain view of business — both backward looking and forward looking.”

But as CEO, these demands are only going to intensify.

Not only will you need to inspire your entire workforce but you will also need to win over disparate external audiences, from the media to customers to investors. Your ability to tailor messages, together with your fluency and confidence either in-person or on different digital platforms, will heavily influence the success of your CEO tenure.

A senior Spanish business leader told us that learning how to win hearts and minds is vital. “As a CFO you have authority because you manage investment and numbers, people just need you,” we heard.

“But it’s also necessary for them to want to follow you. When I made the jump to CEO, I struggled with how to motivate people. If we say, ‘we need to grow our revenues by 10%’, this message connects little with the general interest of your employees. In the end, it’s about connecting with people’s purpose, which is not about numbers.”

Severina Pascu, senior vice president for commercial and operations at Liberty Global, points out that much of a CEO’s success is rooted in the work of their colleagues. “Mastering the skill of building a strong team and accomplishing tasks through others is something I’ve had to learn over the course of my career,” she said.

“This required me to develop more gravitas. It’s about how you convey an inspiring story and how you present yourself in front of the broader audience, as well as how quickly you build a strong team that believes the story and is ready to execute the strategy.”

However, it is not only about large-scale events. Smaller, more intimate environments are also important, emphasises Dominika Bettman, general director of Microsoft Polska. “The ability to conduct the so-called small talk, tackling complex topics, explaining what is possible and what is not, and presenting it in a way that is accessible and credible to the client, means that communication skills are key,” she adds.

And Danuta Dabrowska, board member of Santander Polska and former vice president of finance at Pandora, adds that it comes down to achieving several key goals at once. “It’s about getting the right message across,” she said. “Communication that shares information and facts, but also explains events and points towards future steps and plans.”

Rounded leadership

Although the financial remit is itself high-pressured and pivotal to company performance, as a new CEO you will face a step-change in the variety of tasks awaiting your attention. Adapting quickly and effectively to this eclectic smorgasbord is vital.

Craig Miller, CEO of Anglo American Platinum, believes that new CEOs need to make sure they listen to a variety of perspectives, internally and externally. “It’s different to when you are CFO,” he said.


“You have to be much more open minded, much more engaged with broader teams and more focused on creating an enabling culture to deliver on strategy. People also knew me as CFO in the same company. This meant I had to break down the perception that the finance person’s primary focus is on the numbers, and emphasising the more holistic view of the business.”

CEOs also have to adapt to fast-changing environments, not to mention external pressures outside of their control. After all, effective leadership is rooted not only in technical prowess but also in your ability to make the right decisions under pressure, often with ambiguous and imperfect information.

These types of issues require an understanding of both the detail and wider strategic challenges, according to Melt Hamman, former CEO of Attacq. “I’m extremely analytical and always focus on detail but that’s not necessarily what you would like from a CEO,” he said. “It is quite a mindset shift for a CFO to get out of the detail and be aware of the big picture.”

International experience

As we stated in our [previous article](#), there are myriad benefits to working in different countries during your career. But it’s also important to note that expat life is not for the faint of heart.



While moving abroad can undoubtedly unlock new avenues of opportunity and fulfilment it can be daunting, too. There will be a new language, culture and customs to get used to. And then there's potential feelings of isolation and loneliness, not to mention the need to quickly get up to speed at a new job — particularly pertinent for those in a leadership role.

But it's *exactly* this willingness to step out of your comfort zone, away from the quiet reassurance of life at home, that NomCo members are looking for.


"I think it's very difficult to do these jobs if you've not worked internationally," a leading energy CEO told us. "So go get that experience and make sure that you're in a place that will value that experience. If you're not, then either change your company or change your expectation."

Development advice for CFOs

While few jobs are as onerous as a CFO's, those of you with your eyes on a CEO role also need to make the time to complement your financial expertise with extra knowledge and capabilities to enhance your CVs.

But where should you focus your attention? What developmental aspects should you prioritise?

Embrace revenue growth




One of the key traits which fuelled your ascent to CFO — namely your ability to control expenses and watch the bottom line — is not going to be quite as potent when serving as CEO. Of course, no chief executive wants costs to spiral on their watch but as CEO you also need to be focused on playing offence and growing the top line.

"As a CFO, you're naturally more focused on the dark clouds and potential risks," said Steffen Munz, CEO of Schaltbau. "But as a CEO, you also have to be growth-oriented, and you have to be willing to make bold moves, otherwise you're not moving the needle."

In order to help drive growth, Nilesch Pandya, CEO of mydentist, suggests that CEOs who used to be CFOs need to focus on changing their mentality. "In the transition from CFO to CEO, it is easy to stay in that CFO mindset, and you've got to keep pulling yourself out of that," he said. "And I think the more you do that, the more it becomes normal. And then you realise the importance, actually, of having different attributes in those two different roles."

Broaden your company knowledge



Ambitious CFOs need to actively get to know the other facets of the business — from operations to marketing to R&D. But there's no time to waste, according to Steffen Munz.

“It is never too early — if you get the opportunity, take it,” he said. “Collect different responsibilities, and core business functions as early as possible. If you could combine that with being in charge of a business unit, that is perfect.”



Being CFO gives you strong exposure to strategy, commercial, board stakeholders and investors. But equally important is gaining real world experience with customers and business operations.”

JOLIE HODSON
CEO OF SPARK NZ

Gaining such knowledge is vital, according to Anthony Leeming, CEO of Sun International. “If you want to change the organisation then you need to understand how things work,” he pointed out. “And so having a really good foundation knowledge of the workings of what drives the business is critical.”

Jolie Hodson, CEO of Spark NZ, believes that the CFO role, while very valuable to aspiring CEOs, doesn’t tick every box. “Being CFO gives you strong exposure to strategy, commercial, board stakeholders and investors, which is all good for CEO readiness,” she said. “But equally important is gaining real world experience with customers and business operations and it can be hard to get that lived experience as a CFO.”

So how could you gain this know-how while balancing your day-to-day CFO responsibilities? It’s not easy but it *can* be done, according to John Maltby, chair of Allica Bank.

“There are opportunities where CFOs could participate in subsidiaries or external boards as non-executives to gain a broader perspective and exposure to some of the broader issues,” he said. “They could potentially make sure that in their team they have people that are dealing with the daily finance functions to free up the time so that they can be more of a co-pilot to the chief executive.”

This approach is what worked for Anders Hagh, CEO of Salling Group. “I think the reason why the board looked at me was because I took a broad responsibility in my former role,” he said. “So it was an obvious choice because I was not locked in only to finance and the classic CFO position. But it’s a delicate balance. I never tried to play the CEO. I don’t think my predecessor felt threatened that I was somehow trying to move into his job.”

Prioritise operational experience

A frequent theme of our conversations has been the need for ambitious CFOs to augment their finance knowledge with some operational experience. This will develop new relationships and lead to a better understanding of different problems and challenges.

“It is *imperative* to have operational experience, even in adjacent industries” said Kat Stapleton, CEO of Queensland Rail. “Moving from CFO to CEO is made easier if one has ‘walked in operational shoes’ and has an understanding and empathy for frontline/operational teams.”



Get away from your spreadsheets. Go and get involved in a breadth of topics.”

“Get away from your spreadsheets,” said Amanda Nelson, CEO of Vodafone Ireland. “Go and get involved in a breadth of topics. Look at a balanced score card for your business that goes beyond the P&L and think creatively with your CEO about what might drive other metrics than just profit. Look at employee engagement, look at operational stability. You know, just get out of just a very narrow view.”

AMANDA NELSON
CEO OF VODAFONE IRELAND

For Steffen Munz, the priority should be gaining some commercial experience, which he believes is something that is furthest away from the normal CFO role. “You have to get experience of being in front of a customer,” he said. “You also have to be part of commercial negotiations.”

Learn about leadership

It stands to reason that if you want to be an effective CEO you need to absorb leadership lessons during your career. Some of this will stem from your own experience of leading the finance function — learning by doing is always powerful. You will also have learned much from your exposure to managers both good and bad during your career progression — the habits to avoid, the behaviour to emulate and so on.

Ángel Vilá, chief operating officer at Telefónica, believes that a good way to do this is by building relationships with senior leaders across the organisation. “Establish and develop gravitas with the rest of the Excom by actively participating and supporting in these meetings and business discussions while in your role as CFO,” he said. “And also attend board meetings as much as possible as this will also allow you to understand the business from a different perspective.”

Kat Stapleton also believes that developing and investing in a strong culture and relationships is absolutely crucial. “You cannot succeed without a great team around you” she said. “As a CEO, you need to spend time investing in leadership and building a high performance team. An engaged workforce with a great culture are a critical ingredient for success, this to me is more important than just navigating the numbers.”

But for a CFO who is appointed as CEO, their immediate task will be to manage the transition. So how should they go about it? “They need to be restless and to have drive and ambition for the firm, not just for themselves, but for the firm,” according to a senior British retail leader. “The thing that would make them different from being a number two to being a number one I think is that restlessness. It’s this ambition to make the business so much better every year.”

Change your approach to risk

As CFO, your focus will (quite rightly) have been on the numbers. Tracking cash flow, ensuring financial reports are accurate on time, budgeting — the list goes on. But such tasks may well have made you wary of taking risks, particularly in a macro-environment pockmarked by ongoing geopolitical tensions and technological churn.

This mindset is one that will not be as applicable when serving as a CEO where the leader needs to be able to look beyond the financial lens. “CFOs are typically focused on delivering financial results and risk management,” said Eimear Moloney, non-executive director.

“So when you’re moving towards or looking towards positioning yourself for the CEO role, you do need to get more involved in the development of corporate strategy and expand your role beyond the finance function into areas such as deal activity and sustainability. You need to understand the risks and use your intuition, as well as your analytical skills, if you really want to go down the road of becoming a CEO.”

Stay agile and expect the unexpected

It’s also important to understand that however much you prepare for the CEO role, there’s no substitute for doing it for real. What might appear to be a straight line will zig and zag in response to unexpected events. Priorities will shift, surprises will abound and digital advances are likely to render old assumptions obsolete.



The new CEO is stepping through the looking glass where it is easy to lose perspective. make sure you have open and trusted people who will tell you what’s really going on.”

GUY HAYWARD
FORMER CEO OF MASSMART HOLDINGS

Against this shifting backdrop, a British CEO told us that you have to trust your judgement. “You’ve got to back yourself,” he said. “You’ve got to recognise that you can have the most amazing plan, but the world’s going to change. And that’s why I think intellectual agility is very, very important. So you’ve got to be lucky enough to get the opportunity and you’ve got to be quick enough to capture it and you’ve got to be good enough to capitalise on it, but a lot of it comes down to luck.”

Guy Hayward says this turbulent environment means CEOs need to have strong co-pilots to work alongside. “The new CEO is stepping through the looking glass where it is easy to lose perspective. Although you have to be comfortable with uncertainty and ambiguity, make sure you have open and trusted people who will tell you what’s really going on,” he said. “Make sure you know who they are before you step into the role: the CHRO and CFO must be on your side.”

Checklist for CFOs: Ten Top Tips

- 1. Keep on learning.** Becoming a CEO is no time to rest on your laurels.
- 2. Build up your network.** Developing a personal community of supporters and contacts will serve you well.
- 3. Develop a growth mindset.** Yes, controlling costs is important but CEOs have to grow the business too.
- 4. Communication is critical.** Improve your in-person and online communication skills and seek training if required.
- 5. Brace for the step-change.** A larger, more extensive and often ambiguous set of tasks is headed your way.
- 6. Look beyond finance.** Seek out opportunities outside of the financial remit, particularly in operations.
- 7. Go global.** CEOs will be stronger if they have experienced living and working overseas.
- 8. Learn about leadership.** Learn from your own experiences and develop your own bespoke leadership style.
- 9. Embrace the right level of risk.** CEOs can't always be cautious — you need to be bold when required.
- 10. Expect the unexpected.** However much you prepare, plans change and effective co-pilots are essential.



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