



The Road Less Traveled: IRO to CFO

Spectra Energy's now-finance chief wasn't sure an investor relations role was the best thing for his career, but it ended up allowing him to see the workings of a corporation in a whole new light.

[Kate Plourd](#), CFO.com | US

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Like most career-minded finance executives, Spectra Energy's Greg Ebel was always aiming for the CFO seat — even when, back in 2002, he accepted a role that seemingly directed him away from his envisioned career path.

At that time, Ebel was managing director of mergers and acquisitions at Duke Energy Corp., a multinational company that, like others in its industry, was feeling the backlash of the Enron debacle in the form of an alarming drop in its stock price. Duke's then-CEO Richard Priory tapped Ebel as the one to alleviate investors' insecurities, switching to a new role as vice president of investor and shareholder relations.

Like most finance executives, Ebel is a team player, and he took this one for the team. "I have to admit that when he offered me the position I said, 'Investor relations? What's that?' " It was a step back into a mere public communications role, he feared.

But the unease shortly began to wear off, and Ebel says he started to see the value of increasing his breadth of experience and perfecting his ability to communicate complicated financial matters to those outside of finance. "You get real-life experience of what investors want you to do — which helps, as it turns out, when you're running a business later as a CFO," he says.

Duke and Spectra both favor using investor relations as a developmental role for executives — finance and otherwise — to rotate through on their way to other positions. But Ebel said the experience, far from taking him away from finance, actually kept him enmeshed in it. "A company's chief investor relations officer is expected to know business strategies as well as the CEO and the financials as well as the CFO," he says. "You have a license to look into every aspect of the company."

In fact, serving in a variety of roles has been the hallmark of Ebel's career. He began as an analyst at Decima Research in Toronto. Later he served as chief of staff to the minister of finance and deputy prime minister of Canada, and was executive director of the World Bank Group in Washington, D.C. In 1998 he joined Westcoast Energy, where he was vice president of strategic development and secretary of the capital allocation committee until Duke acquired the company in March 2002, when he took over the M&A role.

The eclectic approach paid off big in 2004, when Ebel was named president of Duke's distribution unit. And in December 2006, when Duke spun off Spectra, he was named CFO of the new company.

"My view is that CFOs who have experience in operations, strategy, M&A and elsewhere will serve the company better than if they just go through the standard finance roles like treasury and accounting," he says.

To be sure, investor relations isn't often a pit stop on the road to the C-suite, let alone a background that companies specifically look for in CFO candidates. Scott Simmons, a CFO recruiter for executive search firm Crist Associates, says he can't recall a single time a company inquired about recruiting an IR chief to head up finance.

"It's a good position to have on your resume because it shows you know how to handle investors, analysts and the street," Simmons allows. "But it's not critical."

Finance executives who do take on an IR role should try not to stay in it for more than a year or two, according to Simmons, and Ebel agrees. "IR has a very steep learning curve that flattens out very quickly," he says.

One residual effect of Ebel's IR experience is sympathy for his current investor relations officer. "You understand that their job is to give you good news and the bad news, whether you want to hear it or not," he says. "It is important to listen to them. You learn to not shoot the messenger."