

For CFOs, Few Gold Watches

The average tenure of big-company finance chiefs is less than five years, according to a recent study.

[Joseph McCafferty](#), CFO Magazine

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The career-life expectancy of the top finance spot at large public companies continues to decline. In the past few months, several high-profile CFOs left after short stints in top finance positions, including Sallie Krawcheck, who spent just more than two years as CFO of Citigroup, and Alvaro de Molina, who lasted only 16 months as CFO of Bank of America.

Executive recruiters blame the difficulty of the job at a public company. "We hear from some CFOs who say 'get me out,'" says Lorraine Hack, a partner at executive search firm Heidrick & Struggles. Many finance executives are opting to work in private companies or for private-equity firms, she adds.

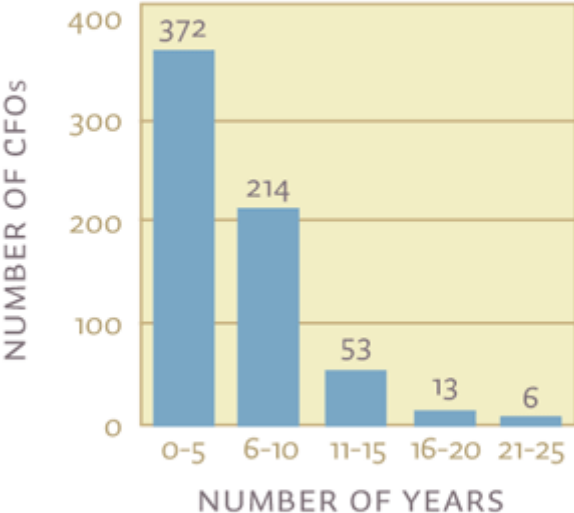
They continue to cite regulatory pressures and the tedious work required by the Sarbanes-Oxley Act as their reasons for leaving. For example, when de Molina stepped down from Bank of America in December, he told Bloomberg news service that regulatory constraints made his job, "a little less fun." And before Krawcheck left her post, rumors circulated at Citigroup that she was unhappy in the role. In January, Citigroup announced that she would return to her old job as head of the wealth-management division, replacing former CFO Todd Thomson, who left the bank. Her move to CFO and her return to head of wealth management were both characterized as "promotions" for Krawcheck by Citigroup CEO Charles Prince. Other large-company CFOs who recently left their jobs include Christopher Dodds of Charles Schwab and Robert Wayman, who announced that he was retiring from Hewlett-Packard in December. His tenure, however, hardly resembles the brief stints that are now common for CFOs; he spent 37 years at HP.

Scott Simmons, an executive recruiter at Crist Associates, says careers like Wayman's will be rare. They expect the life cycle of one position to last three to five years, he explains. A study by Crist puts the average tenure of a *Fortune* 500 or S&P 500 CFO at four-and-a-half years. In addition, Simmons says, CFOs are increasingly specializing in one aspect of the finance position, such as merger-and-acquisition work, turnarounds, IPOs, or compliance, that a company requires for only a short time.

And even though more than four years have passed since Sarbox went into effect, says Hack, the legislation is still having a dramatic impact on CFO turnover. But finance executives don't always leave because of Sarbox burnout; some companies are replacing their CFO after realizing that they were overly conservative in their choice due to the regulatory environment. "There are plenty of companies making course corrections," she says. Hack adds that companies are increasingly looking for CFOs with a strategic focus, and that they are slightly less concerned

about finding a CPA or someone with Big Four experience. However, many searches reflect the enduring complexity of the CFO job, she says: "Companies still want everything."

Shrinking Tenure



658 *Fortune* 500 and
S&P 500 companies, 2006

Source: Crist Associates