

CFOs still looking in from the outside of big U.S. company boards

By Jeff Nash
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Chief financial officers may be considered top candidates for director jobs, yet they remain largely outside of the boardrooms of the U.S.'s biggest public companies.

The average CFO currently sits on less than one board—0.37 of one, to be exact—according to research from **Crist Associates**, a Chicago-based recruitment firm, which analyzed the 657 companies included in both the Fortune 500 and the Standard & Poor's 500. Meanwhile, the average chief executive officer serves on about two boards of directors.

Of course, active and recently retired CEOs have long been first choice when it comes to selecting directors. But in recent years, as CEOs have been asked to scale back their increasingly time-consuming outside directorships to prevent conflicts of interest as well as to concentrate on their own businesses, CFOs have emerged as strong second options. And for good reason: CFOs bring much-needed financial expertise at a time when regulatory requirements are only getting more complicated, and there are plenty of available CFOs with no directorships to their name.

Philip McCall, vice president at Crist, said that while many companies support their CFOs sitting on an outside board to broaden their knowledge, some are still reluctant. "Some chief executives are saying to their finance chiefs, 'Look, your job is here, and we need you focused on it,'" he said. He also noted that many CFOs, well aware that they're likely to sit on just one outside board, are taking their time to find the right fit. "They're getting so many overtures, and they know they have one bullet to use, so they're waiting for that perfect board they can see themselves on for the next 10 or 15 years."

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