

## Study Finds Volatility in the C-Suite

By David Shadovitz

Personnel changes at the chief-financial-officer level are outpacing those of chief executive officers, according to a recent study by Crist Associates, a Chicago-based executive-search firm.

Projecting activity through the end of last year, Crist estimated 96 new CFOs at the nation's 658 largest companies, compared to 74 new CEOs.

The figure was in line with Crist's 2005 study, which reported 107 new CFO appointments, compared to 93 CEO appointments. The average tenure for CFOs in 2006 was 4.5 years.

One reason there's greater volatility at the CFO level than at the CEO level is because there's simply more room to grow as a CFO, says Scott Simmons, vice president of Crist Associates. "CEOs typically can only move to a [larger company], while CFOs can move to the CEO post."

Simmons says he's seeing more and more CEOs and CFOs leaving public companies for private-equity firms, where there are significant opportunities and fewer restraints and headaches.

Technology and finance represented the most volatile industries, the study found.

The number of chief operating officers at the nation's largest companies, meanwhile, continued to drop from 219 in 2005 to 213 in 2006, according to the study. There are 17 percent fewer COOs today than in 1999.

"Today, in the wake of the [dot-com] bubble bursting and Enron imploding, there's much more pressure on CEOs to have their thumbs on what's happening in their day-to-day operations," Simmons says.

"Couple that with the CFO position rising in prominence and taking on a greater role, and we're seeing more and more CEOs and CFOs begin to take on the COO duties."

**February 1, 2007**

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