What the CFOs Want
Their highest priorities involve giving themselves more strategic—and more powerful—roles

(The following has been excerpted.)

By Matthew Quinn

CFOs at big companies are no longer content to manage just finances or operations. They want, and say they need, a prime seat at the table when setting strategy.

So said the roughly 60 big-company finance chiefs at The Wall Street Journal’s inaugural CFO Network annual meeting last week.

Many of these CFOs already count strategic planning among their responsibilities, a shift from the past, and one that primes them to possibly take the chief executive spot someday.

Their desire to take on more responsibility became clear when meeting participants were asked to propose, and then rank, priorities for action in business and government policy. The CFOs divided into five groups to discuss managing in uncertainty, next steps on the career path for CFOs, managing cash, managing conflicts between reporting lines, and preparing for growth. Then, of the 19 recommendations for action from the working groups, four of the top five, as voted on by meeting participants, related to making CFOs more strategic and preparing them for broader roles -- like that of chief executive.

Strategic CFO
The top priority, attendees concluded, was to “become a strategic CFO,” and get deeply involved in the overall direction of the firm by setting the framework for strategic planning and drawing upon their own finance support function to help drive the agenda.

The objective for CFOs in terms of strategic planning should be “guiding it, framing it, and developing the appropriate measures to help the organization prioritize,” said Tracey Travis, CFO of Polo Ralph Lauren Corp.

To focus their attention on strategy, however, CFOs first have to make sure their own houses are in order, Ms. Travis said. “The reality is we’re CFOs,” she told the conference. “You have to make sure that your day-to-day responsibilities are adhered to.”

CFOs can insert themselves into strategic discussions by leveraging the financial data they possess, the working group on the topic recommended. In particular, the group said, CFOs should define and measure free cash flow and use that information to shape how the company allocates capital.

Capital Allocation
Cash, and how to use it strategically, was frequently discussed at the conference. As DuPont Co. CFO Nick Fanandakis pointed out, cash “is a means of fulfilling your strategy, whether that be maintaining your rating from a credit-rating agency to give you access to commercial paper, funding a strategic acquisition, or dealing with seasonality in your business.”

Pressing CEOs
Responding to the priorities put forth by the CFOs, another guest speaker at the conference, Arthur Levitt, former chairman of the U.S. Securities and Exchange Commission, noted that many of the topics, such as governance, transparency, and communicating with boards and shareholders, were areas previously reserved for chief executives.

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“This is a group that’s been empowered,” Mr. Levitt said of CFOs. “It’s been empowered because CEOs no longer can do it by themselves.