The Evolving Leadership Role of the Canadian CFO
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Panel Session
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The Evolving Leadership Role of the Canadian CFO was prepared by the Canadian Financial Executives Research Foundation (CFERF) and was sponsored by Knightsbridge Human Capital Solutions.

The results comprise of findings gathered through three primary sources:

1. An on-line survey conducted between February 15, 2011 and March 11, 2011 of senior financial executives across Canada. 263 surveys were completed, of which 174, or 66%, were CFOs.

2. Semi-structured interviews with fifteen CEOs and Board Directors to examine their perceptions of the evolving role of the CFO.

3. Insights obtained through Executive Research Forums with CFOs, CEO and board members held in Winnipeg on February 23, 2011 and in Vancouver, Toronto and Montreal on March 31, 2011. The latter forum took place simultaneously.
Overview of Key Findings & Panel Discussion
Forces Impacting the Future Role of the CFO

• There was general consensus that today’s role of the CFO is evolving

• Currently, there is a dynamic tension in play between the CFOs ability to add value through technical expertise (accounting/finance) and being a strategic and enterprise-wide business leader

• There are several key external forces that are collectively acting to aggressively drive the evolving role of the CFO from where it stands today to where it needs to be in the future:
  – Growing complexity and competitiveness of business environments
  – Increasing compliance issues regarding governance and regulatory requirements
  – The necessity of finding and retaining the best talent
Most Important Leadership Capabilities

- By far the most important leadership capability was the ability to demonstrate integrity, both in their words and actions.
- The ability to translate strategic direction, building internal relationships, and holding teams accountable.
- Build a strong base of relationships with key stakeholders (internal & external).
CEO/Board Expectations

• CEOs/Board members are aligned in their view that there is room for improvement in how CFOs fulfill the strategic value they can bring to organizations.

• Three specific capabilities were deemed as most important for CFOs both today and in the future:
  – The Ability to Interpret & Anticipate
  – The Ability to Understand Operations
  – The Ability to Be an Objective Advocate

• It is important to note that the ability of a CFO to add greater value is a function of the organization and the growth state of a company.
  – CFOs need to get clarity from the CEO and Board regarding the value they are expected to provide.
How CFOs Can Get There

1. Maintain the strategic role they play in supporting the business, while dealing with increasing compliance/regulation demands

2. Enhance technical capabilities in the areas of risk management, supporting executive team decision making, and corporate governance

3. Continue to build an understanding of global markets and the financial implications of doing business across borders

4. Build strong relationships with internal/external partners and stakeholders (will require strong influencing, collaboration and negotiation skills)

5. Augment their leadership skills, particularly in:
   - Translating strategic direction into clear organizational and team goals
   - Communicating a vision and strategy that creates enterprise value
   - Helping finance team members build an enterprise wide perspective
Final Insights
Final Insights

Implications of Study Findings

- CFOs & Senior Finance Executives
- CEOs & Boards
- Finance & Accounting Profession