



GLOBAL CFO BAROMETER 2012

The CFO's outlook on today's changing financial climate, professional responsibility and career aspirations

Table of contents

Editorial	3
Executive summary	4
Company's financial performance diverges from regional economy	6
The image of the stereotypical CFO is only partially correct	8
Financial expertise is not enough – CFOs must be versatile	12
Ambitious career goals require mobility and lifelong learning	13
CFOs are leaders and view themselves as the CEO's partner	15
Companies want to retain employees and optimize processes and costs	16
Sluggish job market for finance experts	18

Editorial

Dear reader,

We are pleased to present you with the results of the global CFO Barometer 2012. While the survey for the European CFO Barometer 2011 was only carried out Europe-wide, this year 4,388 chief financial officers and finance directors worldwide answered questions regarding their job responsibilities, qualifications and career opportunities.

Consolidated into the regions of North America, South America, Europe, Asia and the Pacific, the results reveal regional differences and similarities. Thus CFOs in North America are considerably older than their colleagues worldwide. In Europe, on the other hand, CFOs are younger than the international average when they attain their position. Worldwide, the statement holds that the level of salary depends on the age of the CFO.

Apart from quantitative findings, the global CFO Barometer also provides subjective information about CFOs' near-term career aspirations and their working relationship with the CEOs in their company. In addition, the survey participants disclose where they see themselves as still having skills deficits. Worldwide, communication and presentation skills ranked top of the list in this regard.

Another point of interest, of course, is the CFOs' assessment of the economic situation in their own respective countries and their companies' financial performance compared with this. One key finding in this area is that despite the strained economic environment in Europe, CFOs still rated their own company's situation positively.

We would like to thank each and every one of 4,388 individuals who participated in the survey. It was a highly rewarding collaboration.

We hope you find this survey thought-provoking and interesting to read.

Michael Page International

Executive summary

Countries or regions where respondents work (number of CFOs surveyed by region or country)

Europe	2,863
Austria	49
Belgium	253
France	317
Germany	269
Italy	188
Luxembourg	21
Netherlands	158
Poland	250
Portugal	206
Russia	240
Spain	330
Sweden	129
Switzerland	207
Turkey	161
United Kingdom	52
Other	33
South America	680
Argentina	74
Brazil	434
Chile	22
Mexico	144
Other	6
Asia	321
China	82
Hong Kong	43
India	91
Japan	34
Singapore	58
Other	13
North America	175
Canada	55
United States	120
Pacific	146
Australia	146
Other	203

Source: Michael Page International

Companies are performing well

The economic situation for companies in 2012 is good, particularly in Asia and South America. North America can only expect muted economic growth, while Europe's economic output is likely to shrink in the course of the Eurozone crisis. Yet the majority of companies surveyed worldwide assess their own financial performance in 2012 as good, or at least satisfactory. The ongoing Eurozone crisis is having surprisingly little effect on companies' management decisions, not even in Europe, contrary to expectations.

Older CFOs earn more

CFOs' salaries vary greatly in an international comparison. However, a CFO's income depends on his or her age: generally, the older the CFO, the higher the salary. In North America, CFOs are significantly older than the international average; as a result, remuneration is more handsome and incomes have a larger than average variable component. In addition, the starting age for a CFO is higher than the international average – it takes markedly longer to become a CFO in North America.

In Europe, CFOs earn considerably less; however, the variable salary component is also smaller there. In addition, Europeans attain the position of CFO at a young age: almost half the respondents had not reached the age of 35 when they became CFO.

Furthermore, female CFOs, who are still markedly in the minority in terms of numbers, tend to be found more frequently in the lower income groups.

Experience working abroad is important to CFOs, particularly if they work in large companies. Moreover, it pays off too, as CFOs who have worked abroad tend to be among the better earners in the CFO league. CFOs see themselves as having deficits in the area of communication and presentation, almost half the respondents see themselves as needing to develop these skills further.

CFOs are versatile, mobile and ambitious: many want to become CEO

Generally, CFOs have a broad range of tasks that comprise not only their companies' financial issues, but frequently also general administrative tasks, legal or human resource functions. They work in close collaboration with the CEO; three-quarters of respondents described their working relationship with the CEO as a partnership, or at least as a team.

Today, changing locations or employers is part and parcel of a CFO's career planning. CFOs are accordingly mobile; relocation poses no problems to them, and many do not shrink at the idea of moving abroad either. Regularly, however, salary is at the forefront in a CFO's career planning.

Thus CFOs are predestined to occupy the position of CEO or managing director themselves in the next stage of their career. One in every five respondents expects to make this career move by 2014. More than half the CFOs expect to have a bigger scope of responsibility in the same position in the next two years. The over-50s do not see themselves as an exception in this regard either. Particularly European CFOs are pessimistic about their own career prospects in the next two years, reflecting the negative economic situation in Europe.

Process and cost optimization is companies' top priority

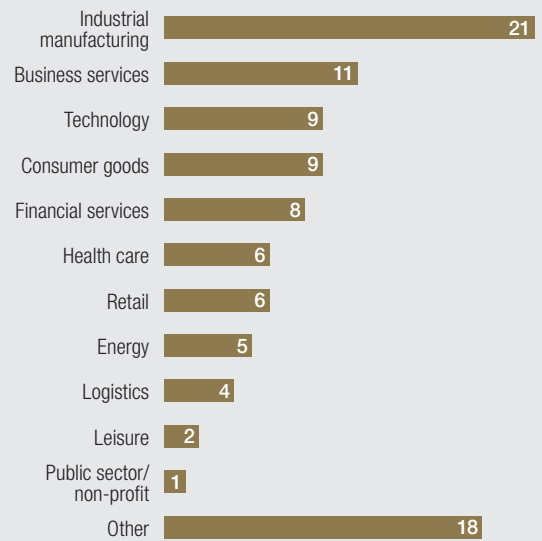
Human resource (HR) planning is restrained in finance departments worldwide. More than half the CFOs are not planning on hiring any new staff.

This is in line with the companies' most important projects, as process and cost optimization takes priority. The HR topics at the focus of companies' attention are employee training and development as well as employee retention, as there is a shortage of qualified staff in many regions of the world. North America is the sole exception in this regard. As a rule, employees there on average stay at one company for a considerably shorter period than for example in Europe or Asia. Thus talent acquisition is the focus of attention among HR topics in North America, and not employee retention.

Methodology and data pool

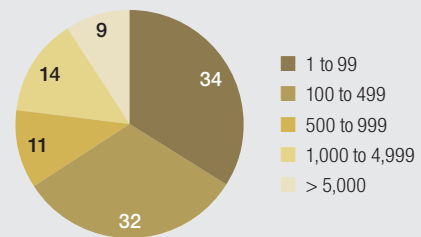
In February and March 2012, some 80,000 chief financial officers and finance directors worldwide – in the following referred to collectively as CFOs – were invited by Michael Page International to participate in the online survey for the global CFO Barometer. To keep language problems in the survey to a minimum, the questionnaire was translated into the respective national language. Of the responses returned, 4,388 complete surveys were evaluated. Most respondents work in European countries. Two in every ten respondents work in industrial manufacturing. Around one in ten respondents is employed in the areas of business services, technology or consumer goods. Two out of every three respondents work in companies that have fewer than 500 employees, thus small and medium-sized companies predominate. As to legal structure, 68 per cent of companies are in private ownership, while 28 per cent are listed on the stock market.

Fig. 1 Industries in which respondents work (in % of respondents)



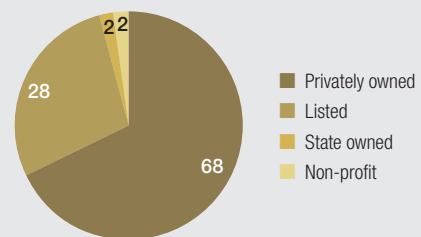
Source: Michael Page International

Fig. 2 Size of companies at which respondents work (number of employees; in % of respondents)



Source: Michael Page International

Fig. 3 Legal structures of companies at which respondents work (in % of respondents)

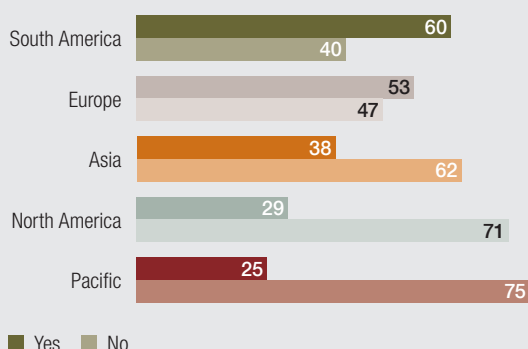


Source: Michael Page International

Company's financial performance diverges from regional economy

"The Eurozone crisis plays a role in management decisions in 2012."

Fig. 4 Eurozone crisis is affecting management decisions in South America and Europe
(effect of Eurozone crisis on management decisions in 2012; in % of respondents)¹



1) "Yes" includes the responses "yes, moderately" and "yes, significantly"
"No" includes the responses "no, it won't" and "yes, slightly"

Source: Michael Page International

A CFO's responsibilities and his or her freedom to take action do not just depend on internal company policies. CFOs also have to evaluate the business environment and their companies' economic performance – and adapt their actions accordingly.

Company's financial performance and regional economic situation assessed differently

(evaluation of economic situation in own country and assessment of the company's financial performance; in % of respondents)

		Excellent	Good	Satisfactory	Poor
South America	Company's financial performance	12	48	30	10
	Economic situation	8	53	32	7
Europe	Company's financial performance	7	36	38	19
	Economic situation	1	17	32	50
Asia	Company's financial performance	9	31	43	17
	Economic situation	1	29	50	20
North America	Company's financial performance	18	38	36	8
	Economic situation	1	15	50	34
Pacific	Company's financial performance	15	36	36	13
	Economic situation	3	42	49	6

Source: Michael Page International

Europe is in the midst of an economic crisis ...

This is in line with the assessments made by respondents from the respective regions. More than half the respondents in South America gauge the economic situation in their own country to be good; three out of ten consider it to be currently satisfactory. Thus South America receives the most positive evaluation of the economic situation. Respondents in the Pacific region rate the situation in their own country as only marginally worse. In Asia, the predominant assessment among respondents is "satisfactory", likewise in North America. However, while a marked tendency towards a positive assessment is discernible in Asia – 29 per cent of respondents rate the economic situation as "good" – the tendency in North America, on the other hand, is towards a more negative assessment, as 34 per cent of respondents there rate the economic situation as "poor". Europe is the only region where the assessment of the local economic situation tends to be most negative.

... but European companies are performing well

While the assessments of companies' financial performance in South America and the Asia Pacific region are in line with the good assessment of the economic situation for the regions, respondents in North America and Europe rate their companies' performance as significantly better than the general economic situation. Of the respondents from North America, 38 per cent

assess their companies performance as “good” and 36 per cent at least as “satisfactory”. Among the European respondents, 36 per cent rate their own company’s situation as “good” and 38 per cent as “satisfactory”.

The Eurozone crisis is affecting management decisions

With still no end in sight at the moment, the ongoing Eurozone crisis is having an effect on companies’ management decisions. In the survey taken for the European CFO Barometer 2011, the majority of CFOs already only had little confidence in the euro or none at all. A good half of the European companies surveyed in 2012 expect that management decisions in their own company will be affected by the Eurozone crisis. In South America, companies are focusing even more on the Eurozone crisis: six in every ten respondents in this region see it having an effect in 2012. In the other regions, significantly fewer companies respectively see their management decisions affected by the Eurozone crisis.

Regional markets are the main focus of attention

Although in general the companies surveyed are internationally active, too, the most attractive economic region for the respective company is nonetheless the region where the company is located. The regional connection is highest in the Asia Pacific region, with a share of 87 per cent. Overall, respondents rate Europe and the Asia Pacific region as the most attractive regions for their businesses in 2012. While the majority of respondents come from Europe, and, as a result, a good showing for this region can be expected, this explanation does not apply to the Asia Pacific region.

European companies think on an international scale

The share of European companies who see the greatest business opportunities for their own companies in their own region in 2012 is considerably smaller than elsewhere at only 45 per cent. However, it also indicates that in a global comparison, European companies have a much stronger international orientation. The fact that the European internal market is comparatively small is significant here. Almost a quarter of respondents see their best opportunities in the Asia Pacific region in 2012, and about a fifth of respondents see them in Latin America or the Middle East and Africa, respectively. This also explains why European respondents assess their company’s financial performance as better than the regional economic situation. They have particularly high exposure to foreign markets.

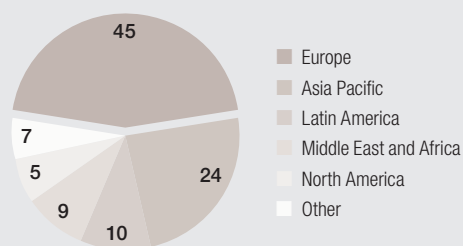
“The greatest business opportunities are in a respective company’s own region in 2012.”

CFO’s own region is the most attractive in 2012
(percentage of respondents who consider their own region to be the most attractive for their business in 2012; in %)

Pacific	87
Asia	87
South America	70
North America	65
Europe	45

Source: Michael Page International

Fig. 5 European companies see good business opportunities worldwide in 2012
(most attractive region for their business in 2012; in % of European respondents)

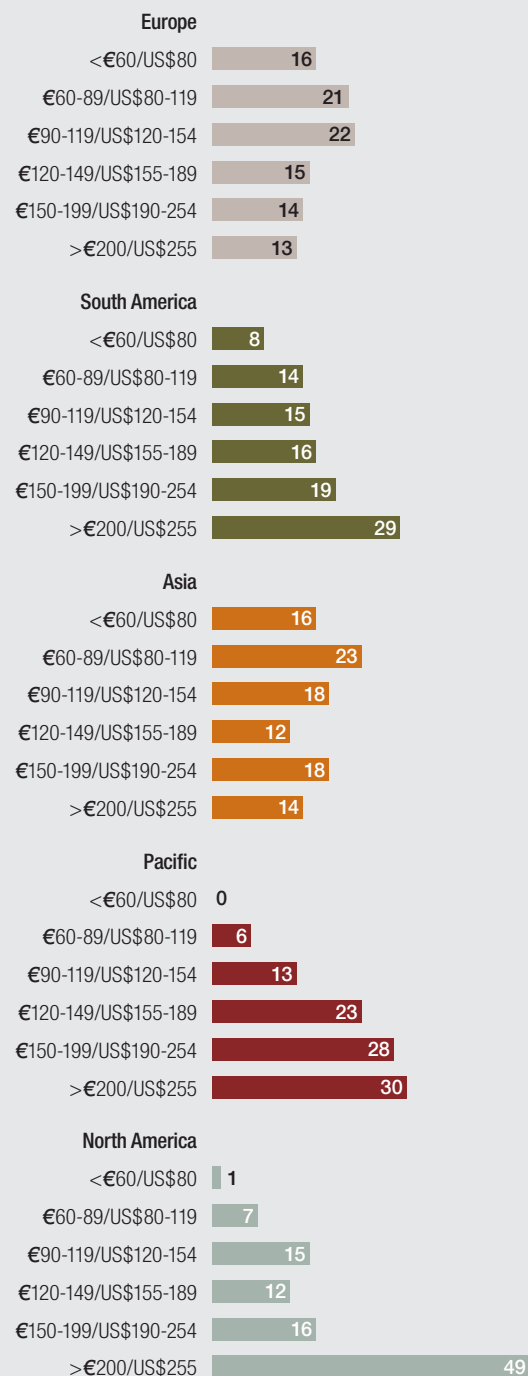


Source: Michael Page International

“Because of their high level of foreign activity, European companies are more reliant on the economic situation in Europe.”

The image of the stereotypical CFO is only partially correct

Fig. 6 Broad range of compensation
(total annual compensation including bonus and benefits in thousand €/US\$; in % of regional respondents)



Source: Michael Page International

CFOs have a relatively homogenous age structure worldwide. Of the respondents surveyed, 72 per cent are between 35 and 49 years of age, whereas the age distribution within this range is relatively even. North America is the only region where the CFOs are markedly older than the worldwide average: of the respondents surveyed, 39 per cent are older than 50. Thus a large number of CFO positions will have to be newly filled in North America in the coming years. In the other regions, the share of CFOs in this age group is 20 per cent or less.

CFOs in Europe and Asia earn less

Compensation varies greatly among the CFOs surveyed. While 13 per cent of respondents receive annual gross salary, including bonus and other benefits, of less than €60,000/US\$80,000, 18 per cent of respondents nonetheless achieve an annual salary of more than €200,000/US\$255,000. The majority of respondents enjoy an income of between €60,000/US\$80,000 and €119,000/US\$154,000 (39 per cent).

Large regional differences are noticeable here. CFOs are paid particularly well in North America, where almost half the respondents enjoy an annual gross income of more than €200,000/US\$255,000. Only 8 per cent of respondents receive an annual salary of less than €90,000/US\$120,000.

In this case, the age structure is particularly significant, as CFOs earn more as their age goes up: while 20 per cent of those under 35 only receive an annual gross income of less than €60,000/US\$80,000, only 2 per cent of the respondents in this age group are in the over-€200,000/US\$255,000 income range. However, 20 per cent of those over the age of 50 are in this top earners' range.

CFOs in South America and the Pacific region are also paid especially high salaries. In an international comparison, European and Asian CFOs are relatively badly paid. Of the European respondents surveyed, 16 per cent have an annual income of less than €60,000/US\$80,000, while 43 per cent of respondents earn between €60,000/US\$80,000 and €119,000/US\$154,000. As in the European CFO Barometer 2011 survey, only 13 per cent are in the top earners' range, where annual income exceeds €200,000/US\$255,000.

Above-average CFO salaries are paid in financial services companies. One in every four CFOs in this sector reports annual income of more than €200,000/US\$255,000. CFOs in the energy, technology and health-care sectors also get better salaries than the average.

Variable component of salaries differs greatly according to region

CFOs worldwide receive part of their compensation as a variable component. Of the respondents surveyed, 98 per cent stated that a portion of their income is variable. The share of the variable component varies between less than 5 per cent up to more than 30 per cent.

Marked regional differences have been observed. In South America, more than 50 per cent of the CFOs surveyed receive a variable component of between 10 per cent and 29 per cent of their compensation. Conditions are similar in Asia.

In the Pacific region, on the other hand, the variable component tends to be smaller. About half the respondents receive a variable component of less than 10 per cent. In Europe, too, variable components make up smaller shares of total income than the international average. In North America, large variable income components are prevalent. 38 per cent of the CFOs in the region have a variable income component of more than 30 per cent.

Large regional differences (percentage of the variable performance-based component by region; in % of respondents)

Variable performance-based payment	South America	Europe	Asia	North America	Pacific
< 5%	20	27	19	23	30
5 - 9%	12	14	15	9	19
10 - 19%	24	24	31	11	22
20 - 29%	27	20	21	19	16
> 30%	17	15	14	38	13

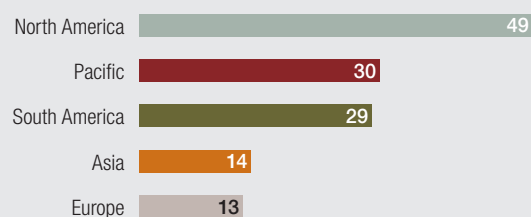
Source: Michael Page International

CFOs attain position at young age in Europe and South America

On average, CFOs worldwide attain their position between the ages of 30 and 39. More than six of every ten CFOs surveyed assumed their current position at this age, while one in ten was actually younger than 30 on becoming CFO.

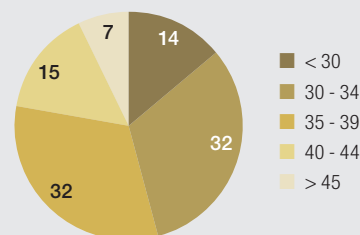
However, marked regional differences can be seen here, too. In Europe and South America, CFOs attain their position at a much younger age on average than in North America. In the Pacific region and Asia, it takes considerably longer to be appointed CFO. Almost half the CFOs surveyed in Europe had not reached the age of 35 when they became CFO. In North America, only

Fig. 7 Europe's CFOs income is lower
(percentage of income group earning >€200,000/
US\$255,000; in % of respondents)



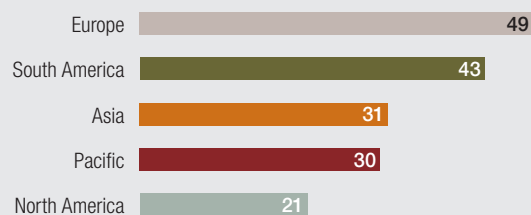
Source: Michael Page International

Fig. 8 CFOs usually attain their positions between the ages of 30 and 39 (respondents' ages when they became CFO; in % of respondents)



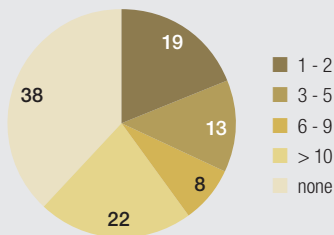
Source: Michael Page International

Fig. 9 CFOs in Europe and South America attain their positions at younger ages (percentage of CFOs who were younger than 35 years old when they attained their position; in % of respondents in the respective region)



Source: Michael Page International

Fig. 10 Six CFOs in ten have international experience (years worked abroad; in % of respondents)



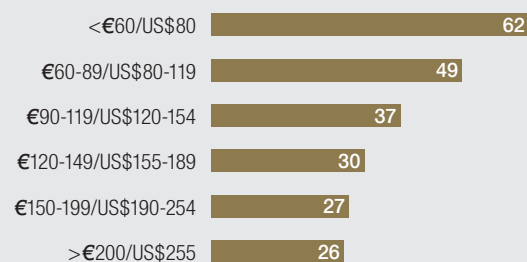
Source: Michael Page International

CFOs' international experience rises with company size (share of CFOs with international experience; in % of the respondent group)

Size of company by number of employees	Percentage of CFOs with international experience
1 - 99	59
100 - 499	61
500 - 999	62
1,000 - 4,999	67
> 5,000	70

Source: Michael Page International

Fig. 11 International experience pays off (percentage of CFOs without international experience in the various income groups in thousand €/US\$; in % of respondents)



Source: Michael Page International

one in five reached this position at that age. In the Asia Pacific region, on the other hand, almost one in every three respondents respectively already occupied the position of CFO before the age of 35.

International experience is important ...

Many CFOs gather international experience. Six in every ten respondents spent some time working abroad. The picture here is one of extremes: the greater share of CFOs either go abroad for a relatively long time, i.e. for more than ten years, or alternatively for a relatively short period, i.e. for less than two years. More than 20 per cent of CFOs surveyed can look back on more than ten years' international experience. On the other hand, almost 20 per cent kept short their work experience abroad, at a maximum of two years.

A high share of CFOs surveyed from Asia and the Pacific region have international experience. A good six in every ten Europeans have international experience and thus rank exactly in the average range on a global scale. However, they can boast long international experience.

American CFOs tend to go abroad less in the course of their careers. Only half of the North American surveyed CFOs and 57 per cent of the South American CFOs can boast international experience. However, similar to their European counterparts, those North Americans who have international experience can look back on long terms abroad.

The larger the company, the larger the share of CFOs who can boast international experience. Among companies with more than 5,000 employees, seven in ten CFOs (70 per cent) have worked abroad. At companies with less than 100 employees, just below six in ten CFOs (59 per cent) have worked in a foreign country. However, there is no discernible correlation between the length of work experience abroad and the size of the company.

... and pays off too

International experience pays off in real money directly for CFOs. The share of respondents who have no international experience is highest in the lower income groups and decreases as gross annual income rises. Six in every ten CFOs with an annual income below €60,000/US\$80,000 have no international experience. On the other hand, the share of those earning more than €200,000/US\$255,000 a year without a certain amount of work experience abroad is 26 per cent.

Poor language skills in North America and Pacific region

English is the language of CFOs, and 93 per cent of respondents speak the language fluently. No other language is even remotely as widespread.

While CFOs in Europe, South America and Asia can boast other language skills apart from English, few other languages are present in North America and the Pacific region. More than one in every three European respondents speak French (35 per cent), one in every four speaks German (26 per cent), Spanish (18 per cent), Dutch (14 per cent) and Italian language skills (10 per cent) are widespread. Though Spanish and Portuguese language abilities are widespread in South America, they are still not universal: 48 per cent of South American CFOs surveyed do not speak Spanish and 46 per cent do not speak Portuguese. In Asia, one in every four CFOs can communicate fluently in Hindi or Mandarin, respectively.

Apart from English, only limited further language skills can be found among CFOs in North America and the Pacific region. In North America, only one in five respondents has mastered French; in the Pacific region, only a few isolated respondents were versed in another language.

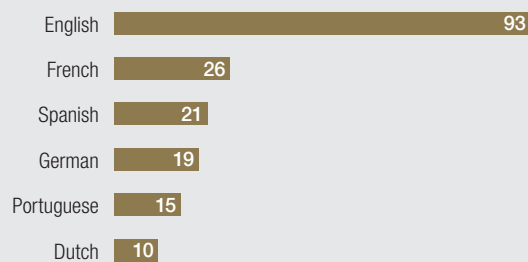
Finance departments are male dominated

The number of female CFOs remains low. Only 14 per cent of the total pool of CFOs surveyed were women. In South America, the share of women working as CFOs is particularly low, at only 5 per cent. The Pacific region shows the highest share of female CFOs, but even here that share is only 18 per cent and thus only slightly higher than in Asia, Europe and North America.

Female CFOs earn less on average than their male colleagues and their numbers are especially high in the lower income brackets, while conversely they are under-represented in the higher income brackets. In the income group earning less than €60,000/US\$80,000 a year, 25 per cent are women. In the middle-income group, the share of women CFOs drops already to 15 per cent or 12 per cent, respectively. In the top income group, who earn more than €200,000/US\$255,000 a year, the women CFOs' share is only 6 per cent.

However, the fact that women CFOs are relatively young is certainly significant here. While 14 per cent of the total number of CFOs surveyed are women, this share nonetheless rises to 24 per cent among CFOs under 30. The share of women CFOs in the age group under 40 is also particularly high at 18 per cent.

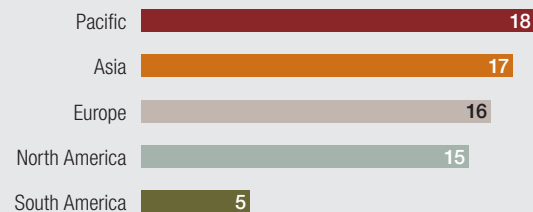
Fig. 12 More than nine in ten CFOs speak English fluently (languages that respondents speak fluently; in % of respondents)¹



1) Multiple responses possible

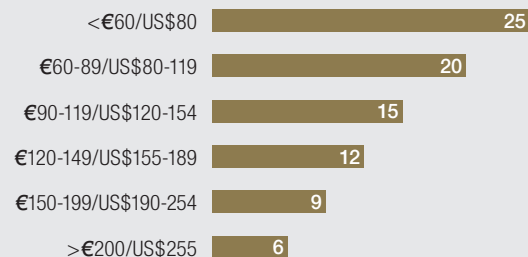
Source: Michael Page International

Fig. 13 Low share of women as CFOs worldwide (percentage of female CFOs, in % of respondents)



Source: Michael Page International

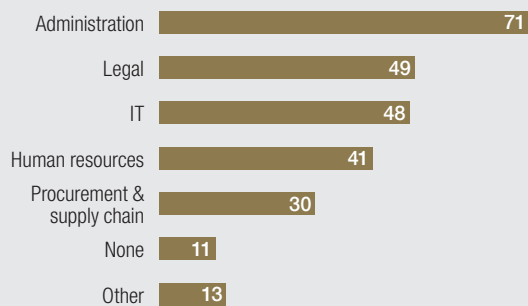
Fig. 14 Female CFOs earn less (percentage of women in the income groups in thousand €/US\$; in % of respondents)



Source: Michael Page International

Financial expertise is not enough – CFOs must be versatile

Fig. 15 CFOs are often also responsible for the administration and legal and IT departments (functions also performed by CFOs; in % of respondents)¹

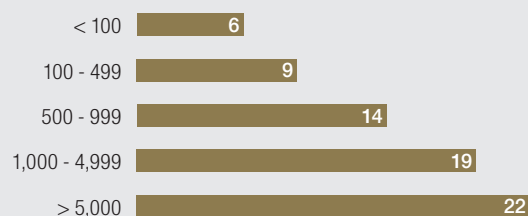


1) Multiple responses possible.

Source: Michael Page International

“The CFO is tasked with a broad range of functions that often extend far beyond the area of finance.”

Fig. 16 CFOs are rarely responsible solely for the finance department (share of CFOs who are only responsible for the finance department; in % of respondents from the respective company size by employee numbers)



Source: Michael Page International

CFOs have a broad range of functions

Apart from the classical finance functions, CFOs are frequently responsible for other departments as well. 89 per cent of the CFOs surveyed state that they have additional responsibilities outside of the finance department. Seven in ten CFOs are additionally responsible for administrative divisions, and almost five in ten for the legal and Information Technology (IT) divisions.

Admittedly, the larger a company is, the more frequently the CFO's responsibility is concentrated on his or her classical tasks. Whereas in small companies with fewer than 100 employees 94 per cent of respondents are additionally responsible for another department. This share declines to 78 per cent in companies with more than 5,000 employees.

All the same, almost eight in ten CFOs at large companies oversee other business areas as well. Half the CFOs surveyed in large companies are tasked with administrative duties, while 36 per cent are responsible for IT.

For CFOs at small companies, HR expertise is crucial

CFOs in small companies have to be particularly versatile. In these companies, the share of CFOs also responsible for general administration, HR and the legal department is higher than average. CFOs in larger companies are far less frequently responsible for HR issues. In companies with fewer than 100 employees, six in every ten respondents are also responsible for HR, whereas in companies with between 100 and 1,000 employees, only around three in ten CFOs have this additional function. In large companies, this share declines to only one in ten respondents.

CFOs in South America have a broad remit

The importance of CFOs' diverse duties differs minimally across the various regions of the world. South America is the only region where fewer CFOs than average concentrate solely on the finance business, even when calculated by the size distribution of the surveyed CFOs' companies. CFOs' responsibilities outside the area of finance are mainly in: administration (81 per cent), IT (59 per cent), legal (55 per cent) and HR (48 per cent).

Ambitious career goals require mobility and lifelong learning

CFOs assume a wide variety of tasks in companies, and these go beyond the actual finance department too. This enables them to gain skills and knowledge that predestine them for tasks at a higher level of company management.

The highest career goal: CEO or Managing Director...

One-fifth of the surveyed CFOs see themselves becoming CEO or managing director within the next two years. A high share of the South American CFOs surveyed expects this career leap (31 per cent). In North America and the Pacific region, on the other hand, one in ten (12 per cent and 11 per cent) foresees opportunities for such advancement within two years. It is especially the CFOs in the medium age group between 35 and 49 who expect their advancement to CEO or managing director in the near future.

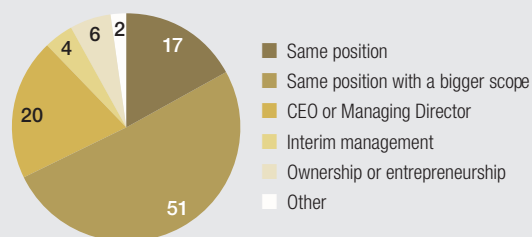
...but the majority only expect more responsibility in the next two years

More than half the surveyed CFOs (51 per cent) have less ambitious career expectations for the next two years. They see themselves in the same position, but with more responsibility – particularly CFOs with a maximum of five years' experience in this position. They are also still relatively young, being generally under 40. But CFOs of more mature years are not ready to retire either: while almost half the CFOs aged between 50 and 54 still expect an increase in responsibility, the respective share of older CFOs between 55 and 60 is nonetheless still more than a third (37 per cent). Moreover, a good fifth of the CFOs over 60 still expect to have more responsibility in their current position in the next two years. A particularly high share of CFOs in Asia (61 per cent) and in North America (57 per cent) see an increase in their responsibilities in their current position in the next two years. In Europe, one-fifth of all respondents see no change in their position. In no other region worldwide is this share so high for the next two years. Although the company's prospects are assessed as good overall, European CFOs are more pessimistic than average when it comes to evaluating their own career prospects.

Salary is paramount in career planning

Worldwide, salary is the overriding criterion for CFOs when making further career moves. In addition, they take into account the employer's vision and strategy as well as their own work-life balance when selecting a new employer. In Asia and Europe, a CFO's work-life balance ranks behind the prospect of a role with greater scope when making career plans. Remuneration is by far

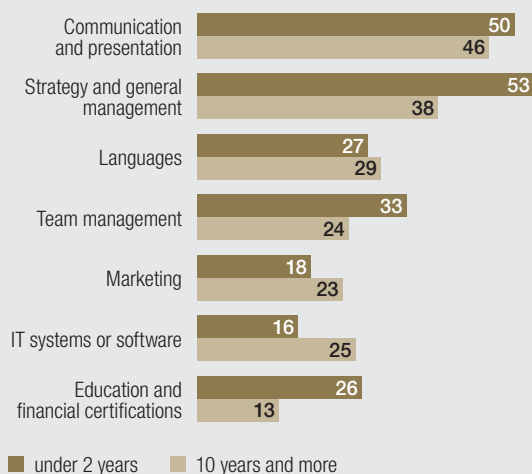
Fig. 17 CFOs want greater scope of responsibility (where respondents see themselves in 2 years – either with their current employer or a new one; in % of respondents)



Source: Michael Page International

"CFOs in Europe are more pessimistic than average regarding their career opportunities in the next two years."

Fig. 18 Communication skills require lifelong training (competencies where CFOs still see room for further development in themselves; in % of respondents according to experience in years as CFO)¹

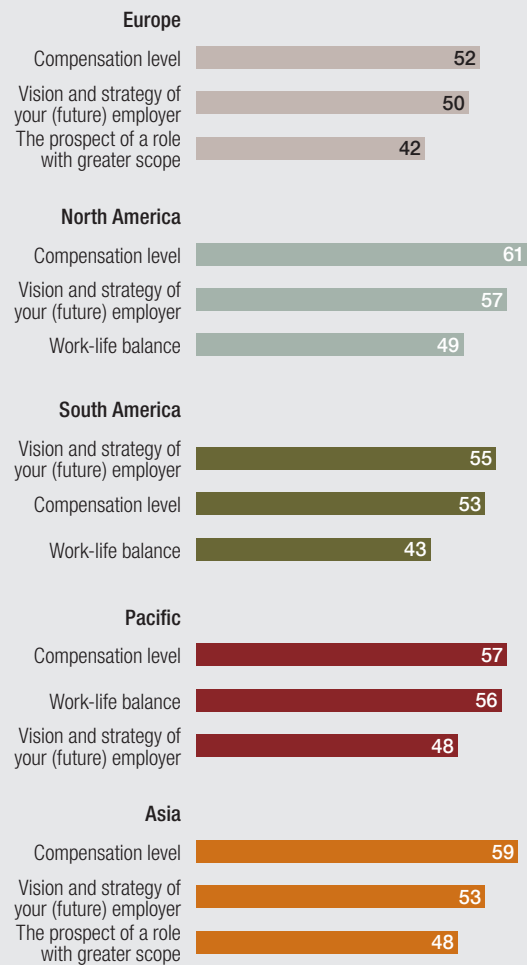


¹) Multiple responses possible, maximum of three choices

Source: Michael Page International

Fig. 19 Better pay is the prime criterion

(criteria that will influence respondents' career choices; in % of respondents)¹



1) Multiple responses possible, maximum of three choices

Source: Michael Page International

"96 per cent seek to hone their abilities; lifelong learning is indispensable today."

the most important criterion for career planning, particularly in the case of younger CFOs. The older a CFO is, the lesser the sway salary holds when planning one's further career. From as early as 45, the CFOs surveyed view the employer's vision and strategy as a more important criterion. For those over 55, work-life balance comes to the fore in career planning.

More than half the respondents are prepared to leave their home country for career purposes

Today, changing locations or employers is part and parcel of CFOs' career planning. Thus they generally cannot avoid having to relocate in the course of their professional life. For most CFOs, this does not pose a problem: more than half the respondents are actually prepared to leave their home country for career purposes. In an international comparison, CFOs in North America and the Pacific region tend to be slightly less mobile. Roughly a third of CFOs surveyed in these regions are not prepared to move for career-related purposes. Of the two-thirds that are prepared to move, more are willing to relocate for a job offer from abroad than for a job offer in their own country. The higher the salary already achieved by CFOs, the greater too is their willingness to relocate abroad for their next career move. The highest level of readiness to move abroad for the sake of a good job is among CFOs aged between 30 and 34. Below and above this age, the level of readiness drops. The older CFOs are, the less willing they are to make such a radical relocation.

Communication and management strategies have top priority in further education

Lifelong learning is a prerequisite for successful professional development. This applies to CFOs too. Only 4 per cent of respondents worldwide see no need to develop their competencies further. As in the 2011 European CFO Barometer survey, international respondents in 2012 identified the greatest deficits in the areas of communication and presentation (45 per cent) as well as in strategy and general management (44 per cent). Particularly CFOs aged between 40 and 50 would like to improve their communication and presentation skills. Further education in the area of strategy and general management is especially important to younger CFOs under 40. For both areas, a greater than average number of respondents with less experience as CFO assess their education requirements as high. However, even CFOs with long professional experience view the further development of their communication skills to be especially important. CFOs with long professional experience and generally at an older age regard their IT expertise to be in need of improvement.

CFOs are leaders and view themselves as the CEO's partner

CFOs must have leadership qualities to be able to discharge their broad range of tasks adequately. Despite this fact, by no means all CFOs see the leadership aspect as a high priority of their management style, but rather also define their role as that of a developer and a motivator.

Leadership role is not always a CFO's top priority

A good third of the surveyed CFOs worldwide describe their management style as that of a leader (37 per cent). However, there are significant regional differences: outside Europe, CFOs emphasise their leadership role much more frequently; particularly CFOs in North America regard themselves primarily as leaders (59 per cent). In Europe, on the other hand, almost the same percentage of CFOs see themselves as developers (30 per cent; leaders: 33 per cent). CFOs with higher incomes and more years of experience give their leadership function top priority. In addition, these tend to be found more frequently in large companies. There is no direct correlation between those factors and a CFO's age. If CFOs earn a relatively low salary of less than €60,000/US\$80,000, they view themselves for the most part in the role of a motivator (30 per cent). In the event that they have limited experience as a CFO, they define their management style primarily as that of a developer (36 per cent).

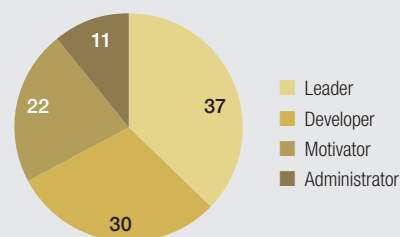
CFO and CEO: partners or team

For many CFOs, the next career goal is a position as CEO or managing director. Generally, CFOs already work in close collaboration with the CEO in their current position. This collaboration can be arranged in different ways: 39 per cent of respondents describe their relationship with their CEO as a partnership; they deal with them on an equal footing. Only a marginally smaller share of CFOs, 36 per cent, regard themselves and the CEO as a team.

14 per cent of respondents view themselves as being in a markedly subordinate position to their CEO. However, if the CFO is younger than 30, this share jumps significantly: around a quarter of the particularly young CFOs describe their relationship with the CEO as "top down." Conversely, with increasing years of experience, the share of CFOs who have a strictly hierarchical relationship with the CFO declines noticeably.

In large companies, the relationship between CFO and CEO is described particularly often as a partnership (44 per cent), whereas in small companies with fewer than 100 employees, a higher than average share of CFOs often act completely independently (12 per cent). However, in the most frequent instance, they act as a team with the managing director or CEO in these companies (38 per cent).

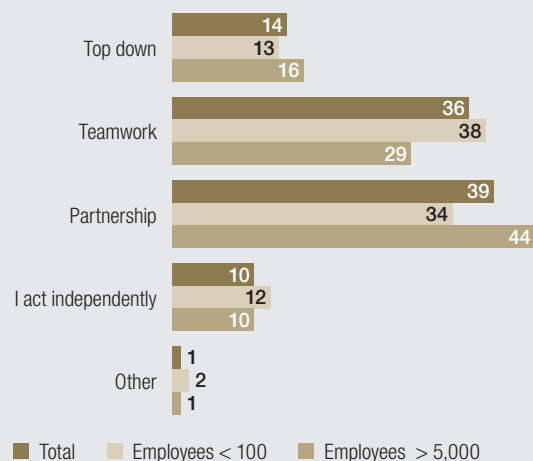
Fig. 20 CFOs view themselves as leaders or developers (respondents' own description of their management style; in % of respondents)



Source: Michael Page International

"European CFOs emphasise their management role far less than their North American colleagues."

Fig. 21 In large companies, CFOs see themselves as the CEO's partner (respondents' own description of relationship to CEO; in % of total respondents and by company size)



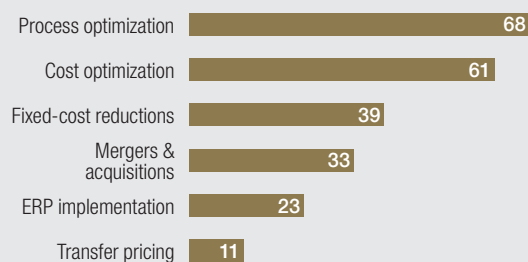
Source: Michael Page International

"CEOs have to direct young and inexperienced CFOs more."

Companies want to retain employees and optimize processes and costs

“European companies have to cut their fixed costs.”

Fig. 22 Processes and costs take top priority worldwide in 2012 (company projects identified by CFOs as the most important in 2012; in % of respondents) ¹



1) Multiple responses possible, maximum of three choices

Source: Michael Page International

“The key aim of large finance departments in 2012 is centralization.”

Process optimization and cost optimization are top priority – worldwide

CFOs worldwide identify process and cost optimization as the most important projects for their companies in 2012. While process optimization is the top priority in South and North America, as well as in Europe, cost optimization is viewed as most important in Asia and the Pacific region. Thus the regional differences are surprisingly small.

The 2011 European CFO Barometer survey asked about a slightly modified project list. At that time, surveyed European CFOs put the most emphasis on improving procurement processes and implementing new IT and ERP systems.

In 2012 reducing fixed costs is significantly more important to European countries than to companies in other regions. Of the CFOs surveyed in Europe, 41 per cent regard this as a particularly important project in 2012, while in North America only 27 per cent attach a high level of importance to the fixed costs area. Particularly companies from the public sector and in industrial manufacturing aim to reduce fixed costs in 2012.

Cost optimization processes become more important as companies increase in size. Of the CFOs in small companies with fewer than 100 employees, 63 per cent named cost optimization as one of the most important projects for the current year. As the number of employees rises, so does the share. In companies with more than 5,000 employees, 71 per cent of CFOs surveyed listed cost optimization.

New policies seen in finance departments

As in the European CFO Barometer 2011 survey almost one in three surveyed CFOs (30 per cent) expects new policies to be implemented in the finance department in 2012. Particularly public-sector/non-profit-companies, companies in the energy sector and in retail foresee changes in this regard.

A further 21 per cent of respondents estimate that centralization will occur in their area. Particularly the finance departments in health-care companies are affected in this regard.

Just over a third (35 per cent) of CFOs surveyed see no significant changes lying ahead for their department in 2012. Especially companies in North America are likely to be quiet, with as many as 45 per cent of CFOs surveyed expecting no changes.

Changes seen particularly in large finance departments

The greater the number of employees in the finance departments, the smaller the number of CFOs surveyed who state that no significant changes are planned in their department. If a department has fewer than ten employees, 42 per cent of CFOs expect no changes in 2012. However, if the finance department has more than 100 employees, only 22 per cent of respondents expect no significant changes.

Large finance departments in particular will be affected by centralization efforts in 2012. While only 21 per cent of respondents on average expect centralization measures in 2012 in the finance department, this share rises to 31 per cent of respondents in departments with between 50 and 99 employees. If the finance department is bigger still, as many as 35 per cent of CFOs expect centralization measures in 2012.

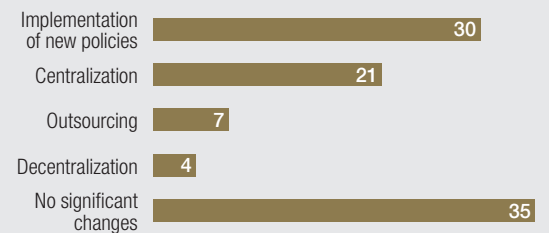
Focus on employee retention in 2012

Training and development and employee retention, along with working atmosphere, are the key focus of HR topics in 2012, from a CFO viewpoint. Developing employees and retaining them in the company take top priority because of the tight labour market situation for qualified staff in many regions of the world.

Whereas in other regions of the world, employee retention plays a more important role than talent acquisition in 2012, North American companies view this differently. Among North American companies, a much higher than average 31 per cent are focusing on talent acquisition in 2012, while only 20 per cent prioritize employee retention in their HR policy. The fact that unemployment in the region is still high in an international comparison plays a role here as well, as does certainly the fact that employees traditionally tend to stay in companies for shorter periods.

The working atmosphere is a focus of HR policy in two sectors in 2012. This applies particularly to the public sector – where it is actually the most important topic alongside training and development – but also to the energy sector, where the working atmosphere ranks second among HR topics.

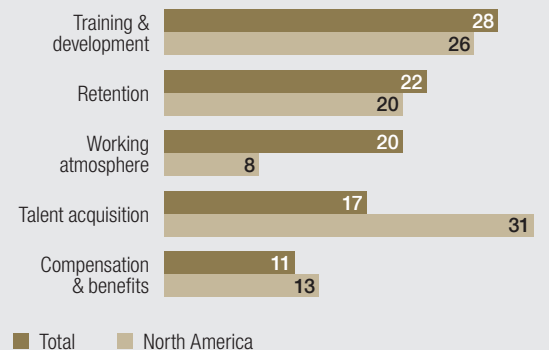
Fig. 23 Implementing new policies in finance departments will be a key focus in 2012 (changes in the finance departments in 2012; in % of respondents)



Source: Michael Page International

“Improving the working atmosphere takes top priority among HR topics in the public sector.”

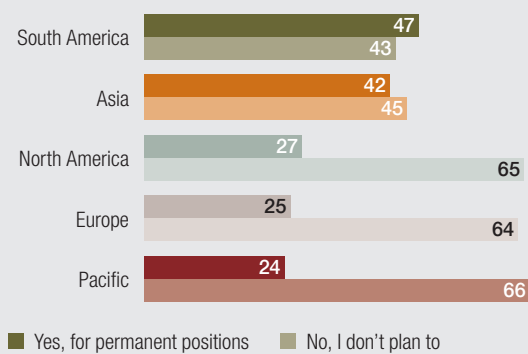
Fig. 24 More North American companies aim to acquire new talent (focus of companies’ attention among HR topics; in % of total respondents and those from North America)



Source: Michael Page International

Sluggish job market for finance experts

Fig. 25 Finance departments in South America and Asia are hiring (CFOs plan to fill positions in their finance departments in 2012; in % of respondents by region)^{1,2}



1) Multiple responses possible

2) Out of the entire 100%: "yes for interim projects" and "no, I don't plan to"

Source: Michael Page International

"There are few new positions to be filled in the European and North American finance departments in 2012."

Fig. 26 Networking and personal career take top priority in social media use (what CFOs mostly use social media for; in % of respondents)¹



1) Multiple responses possible, maximum of three choices

Source: Michael Page International

"CFOs also look for new employees in social media."

HR planning for finance departments worldwide is rather restrained. More than half the CFOs are not planning to do any new hiring. South America and Asia are the only regions where this situation is different.

Big finance departments are looking for new staff in 2012

Whereas on a world average only just under one respondent in three plans to hire for permanent positions, almost half the CFOs in both South America (47 per cent) and in Asia (42 per cent) intend to do so. The frequency of hiring plans for these positions is particularly low in Europe (25 per cent) and North America (27 per cent).

Temporary or project-specific positions do not hold great significance in finance departments overall. Not even one in every ten CFOs wishes to fill such positions in his and her finance department in 2012.

Hiring for permanent positions in the finance department is markedly more frequent in 2012 as company size and also the size of the finance department rise. Less than a quarter of CFOs (23 per cent) whose finance department comprises fewer than 10 employees plan to hire for permanent positions in 2012. If the department has between 50 and 100 employees, the share is more than twice as large at 48 per cent.

CFOs use social media for networking and further career purposes

A quarter of the CFOs surveyed in South America (25 per cent) use social media to find new employees. Thus the South Americans are the pioneers by a wide margin in this area. Asia is the only region where at least a good fifth of the respondents (22 per cent) state that they use social networks to look for employees. CFOs worldwide tend to be active in social networks primarily to further their own careers or to conduct networking with business partners. The number of CFOs who are not active in social networks at all fluctuates greatly from one continent to the next. In Europe, 41 per cent do not use these new media at all, while only 26 per cent do not use them in Asia (North America 38 per cent, Pacific 37 per cent, South America 31 per cent).

Overall, the CFOs who are in the age group between 30 and 45 are the ones who use social media most frequently. However, they use these new media primarily for their own career purposes. Networking is most important to young CFOs under 30, and they are the age group who use social media most frequently to look for new employees (22 per cent).

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editorial office:

Michael Page International (Deutschland) GmbH, Carl-Theodor-Str. 1, 40213 Düsseldorf, Germany
Managing Directors: Steve Ingham, Olivier Lemaitre, Goran Baric
www.michaelpage.de
F.A.Z.-Institut für Management-, Markt- und Medieninformationen GmbH,
Mainzer Landstr. 199, 60326 Frankfurt am Main, Germany
Managing Directors: Volker Sach, Dr. André Hülsbömer
www.faz-institut.de

Contact:

Malik Aibache, Director Marketing, Communication & Web Central, Eastern & Northern Europe
malikaibache@michaelpage.com
+49 (0) 211 17722 0

Managing Editor:

Jacqueline Preußer, F.A.Z.-Institut

Translation:

English-Language Services, F.A.Z.-Institut

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Elisabeth Stein, Michael Page International

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