



# The Relationship between the CEO and CFO

For a CEO and CFO to have a productive working relationship, there needs to be respect, openness and integrity. **Robert Leeming** reports on how to set about ensuring these two key figures within an organisation are working together in the right way

**A** wise chief executive knows they only stand to gain from the support and counsel of a strong chief financial officer. The two of them must be able to work in tandem, complementing each other's skills, so that they can improve organisational performance in a way that is sustainable and has integrity.

**Andrew Minton**, Managing Director of Criticaleye, comments: "The CEO and CFO must be aligned on the big issues as the relationship is make or break for any business. However, for this to happen, they need to challenge constructively and listen to one another's

objections or concerns. Problems occur when only one voice dominates the conversation."

Here CEOs and CFOs recommend the best ways to ensure that a company's most important relationship has the right blend of dynamism and productivity. >



**John Duffy**  
CEO, Finsbury Food Group

## Develop an Equal, Open Partnership

A CEO must build a partnership with the CFO rather than a reporting relationship. Yes, the CEO has responsibility for the CFO's career development, but the relationship should be built on the ability to influence the other, rather than on formal authority.

In public-facing relationships, for example with shareholders, the CEO is the boss. But on a one-on-one basis, the CEO and the CFO need to afford each other the opportunity to speak openly. A CEO must know what a CFO really thinks about budgets and strategy and this dialogue should take place with complete openness.

I believe that the CFO is the financial conscience of the business. By the very nature of their position, CEOs tend to be 'glass-half-full' people and CFOs tend to take the 'half-empty' view. For the relationship to work, you have to recognise each other's strengths and weaknesses.

When I moved to Finsbury we were a deeply indebted business; the CFO was struggling and not suited to the role. I chose to move quickly and brought in a very experienced CFO who I had worked with in the past.

You can't choose whether to have a strong CEO-CFO relationship; it isn't optional. I think it should be the strongest, most important partnership in the business.

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**Gerard Keenan**  
CFO, CitySprint

## Be United for the Board

It is very important that the CEO and CFO present a united front to the board, who understand they are both aligned and delivering on goals. The last thing you want are distractions and a dysfunctional team.

Nevertheless, a CFO can't be a lapdog. My CEO lets me have my own voice; we have healthy debates sometimes and that's good for the business.

When working directly with the CEO, my job is to stand up and make sure that my views and opinions are heard. If the CEO knows that the CFO will offer an honest, unvarnished opinion, then this acts to build trust in the relationship. You need to get to the point where the CEO is not questioning

if your numbers are right, because they will do that in the early days of the relationship. When that level of trust is flourishing, you can really start to influence strategy within the company.

It is crucially important that CFOs are not just number-crunchers. They need to be part of the overall strategy by suggesting ideas and helping to assist the growth of the business.

A good relationship doesn't happen overnight. You must understand each other's characters and know how to deal with the quirks. It's like any relationship, you have to work at it to earn mutual trust and respect.



**Amanda Nelson**  
CEO, Vodafone Malta

## Be Forward Looking

CEOs have responsibility for the future of the entire operation, yet CFOs tend to be good at analysing the past. What they need to do is to help the CEO look forwards in order to safeguard the future of the business.

It is the role of the CFO to keep an eye on the risks and the trends, but in my opinion some CFOs go too far. They need to be an enabler, someone who looks for positive outcomes and does not just close things down.

CFOs must be storytellers too – as a CEO I'm looking for someone who can help me use numbers to tell the story of the company in a compelling and interesting fashion.

The CEO, CFO and the HRD, form the key triangle in the company. They are the most involved in resource allocation decisions and they decide how the organisation will look going forward. If this triangle works well, it means the CEO, CFO and HRD are able to decide if money and people are being allocated to the right places.

If these three are not aligned, the company's ability to make difficult decisions will start to falter. Similarly, if you have a weak CFO or CEO, who just doesn't want to make tough calls, then the relationship is not going to work.

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**Shatish Dasani**  
CFO, Forterra

## No Sacred Cows or Hidden Agendas

Neither the CEO nor CFO should be afraid of expressing their views to each other, and it's really important that the CFO provides a challenging voice at the boardroom table.

For example, when we were looking at doing a divestment at my last company, or an acquisition in my current role, there were moments when I didn't agree with the course of action the CEO wanted to take. During board meetings, he was very happy for me to give an alternate view as he could see there were shades of grey that the board needed to understand.

A complementary skillset is important and, as a CFO, I have had to adapt my style. For instance, I've worked with CEOs who have been strategic, which means I've

had to take much more of a tactical view. The CEO and the CFO don't necessarily need to be the best of friends, but they must work well together and be able to have a bit of a joke during stressful times, as both jobs can be quite gruelling.

My own relationships with CEOs have been good – with the last company I worked for, TT Electronics, I joined on the same day as the new CEO, which is very unusual.

Starting with a completely blank sheet of paper meant there were no sacred cows or hidden agendas; we could be completely open with each other, without any fears. I think that was very beneficial to the organisation.

Criticleye inaugural [CFO Retreat](#) was held in association with IBM, Ashurst and BIE Executive.