

The Sarbanes-Oxley Act of 2002 requires companies not only to certify their financial results, but also to 'look under the hood,' and endorse the processes by which they determine the numbers.

Chadick Ellig's Trend Sightings MBA vs CPA...Today's Financial Environment

As the role of the CFO evolves and changes over time, so do the necessary skills and expertise required for a CFO to be in demand and add value to a corporation.

In this age of heightened financial scrutiny and governance reform, companies are examining their internal control infrastructure and ability to comply with new, more stringent reporting requirements. As a result, many companies are also taking a closer look at the financial executives they have running their accounting, reporting and internal audit functions. When companies have an opportunity to bring in new financial talent, they look for candidates with strong accounting and control backgrounds to add rigor to the financial process.

"This is different from several years ago," states Stacy Lauren Musi, "when clients typically looked for a CFO with an MBA who could be a strategic business partner with line management. During the Internet boom, companies wanted finance executives to help position the company for growth. Therefore, the CFO with strategic planning experience and broad, general management perspective was more in vogue than a CFO with expertise in 'nuts and bolts' accounting."

"After the market went bust and we experienced an economic downturn, clients started to focus on finance executives with expertise in re-engineering and restructuring. CFOs were often required to lead initiatives to cut costs, gain efficiency and productivity, and impact

profitability by streamlining back-office or middle-office operations," continues Stacy.

"Today, the CPA is hot. I'm finding that now we are seeking skills and knowledge around accounting, controls and regulatory requirements. Companies want to make sure that their names are not in the media and that they are above reproach as they take steps to comply with heightened accounting standards and reporting regulations. For instance, Section 404 of the Sarbanes-Oxley Act of 2002 requires companies not only to certify their financial results, but also to 'look under the hood,' and endorse the processes by which they determine the numbers. This places additional demand on a company's financial discipline."

"In response, there is a need for CFOs with more technical backgrounds. Clients prefer candidates with CPA, rather than MBA, credentials. Today's ideal CFO started in a public accounting firm, progressed up through corporate controllership roles, and brings strong technical expertise and a process orientation to the finance function. This makes sense because if you don't do the basics right, particularly in today's stricter corporate environment, nothing else matters."

"Having said that," concludes Stacy, "even the most technical CFO also needs to possess excellent interpersonal and communication skills, strong leadership ability and be politically savvy enough to know how to navigate through the personalities and nuances of a company's culture." **CE**