

KNOWLEDGE BASE

Finance Forum Explores “The Super CFO”

They may not leap tall buildings in a single bound, dress for work in cape and cowl or turn green when they get angry, but modern chief financial officers do require an astounding array of supernatural powers.

The fall CFO Forum, a high-powered roundtable convened by the Business School's department of finance and business economics, explored the new requirements of the “Super CFO” in an increasingly complex corporate landscape. CFOs from around the region joined in the discussion with expert panelists Kerry Killinger, CEO of Washington Mutual, Doug Southern, chairman of Cutter & Buck, and Raj Aggarwal, Firestone Chair in Corporate Finance at Kent State University. *Washington CEO* magazine was so intrigued that it featured extended excerpts from the proceedings in its January 2006 issue.

“Today's CFO must be something to everyone: the firm's top accountant, the CEO's strategic partner, the gatekeeper for new initiatives, the chief metrics officer, the head of financial reporting compliance, a spokesperson for external constituencies, and the board of directors—or at least the audit committee's—new best friend,” began Forum director Jonathan Karpoff, the Norman J. Metcalfe Endowed Professor in Finance. “And in this post-Enron, post-WorldCom, post-Tyco world, the CFO must be as squeaky clean as Clark Kent.”

Discussion ranged from reining in overreaching CEOs, to new rules that have resulted in constrained relation-



ships with auditors, to the CFO's greater visibility to the board of directors, to the necessity of being the strong voice of reason on new initiatives. As always, the challenges brought forth by Sarbanes-Oxley—recent federal legislation enacted to hold public corporations in better fiscal check—was on everyone's mind.

“Let's face the reality,” offered Killinger. “There are significant pressures facing CFOs that come from a variety of constituencies. It can be pressure from capital markets to meet the numbers. It can be pressure from the board. It could be a CEO who might be pressuring to grow the business a bit more than what the company can handle in a prudent manner. It can be the employees, the press and others. Having that backbone, that when pushed against the wall you feel really

good, that your integrity is unassailable, is absolutely critical.”

Amid all of these added pressures, the participants agreed, the Super CFO can and does still exist.

“I think that the CFO job is still doable...” concluded Southern, former CFO of Immunex. “But I think it's great if you have a CFO who is a workaholic and thinks that a half-day is 12 hours.” □

Visit bschool.washington.edu/cfoforum for a link to the entire transcript of the Super CFO Forum in Washington CEO.

The May 17 CFO Forum, “Putting Integrity into Finance Theory and Practice,” will feature finance oracle Michael C. Jensen, the Jesse Isidor Straus Professor of Business Administration, Emeritus, at the Harvard Business School.