

Hiring a Chief Financial Officer

By Jesse McCurry

The money is raised. The plant is nearing construction. Many of the headaches, though, are just beginning. This is when the hiring of key staff can help ensure success. Hopefully by this point, you are on top of staffing needs. None is more key than a good chief financial officer (CFO).

"By managing accounting tasks, financing and other financial functions efficiently, a good CFO will improve company decision-making and free up time for other managers to focus on products and customers," says Bruce Ferguson, chairman and president of Edenspace Systems Corp., a commercial leader in the use of plants for renewable fuel production.

Edenspace is closing in on that key hire as well as competing against everyone else trying to do the same. "CFO compensation is highly competitive, particularly for candidates (that are certified public accountants and have) experience in independent accounting firms," Ferguson says. Salary is going to depend largely on location and can be influenced by responsibilities, size of accounting staff and whether the company is publicly traded. The base salary, which is a considerable investment, is

only a portion of the total package. Bonuses, benefits, stock options and maybe even a car allowance are among the important tools in recruiting, hiring and retaining a CFO.

In smaller companies, the CFO and controller functions are often merged, combining finance and strategic roles within the accounting function.

Experience and job duties often distinguish CFOs from controllers. CFOs should be a senior executive who can serve as a second-in-command for the organization. "Management style, ability to work cohesively with the CEO and board, and communication style are all important characteristics to look for in finding the right candidate," says Robyn Heinz, human resource consultant with InterAct Training Group, a division of Kennedy and Coe LLC.



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In addition to establishing suitable experience and training, ask questions designed to confirm that a candidate will be comfortable in your company's location. Organizational culture is also important and the new hire needs to fit in within a team environment.

Recruitment and Retention

There are many resources and tools available in recruiting, but looking for a qualified senior executive is a little different. Most are currently employed so they may not be surfing the want ads. Professional recruiters are an excellent source for qualified candidates, but are often considered expensive without a clear plan and expectations in place. In biofuels and agriculture, industry-specific placement

resources might be a better option. Professional or trade associations are also a good place to look. The level of experience you're seeking will help determine methods and tactics used in your search strategy.

Keeping CFOs engaged and energized is key to retention. Open communication will help determine their needs, so you can create a package that meets their current and evolving needs and concerns. "What motivates them now may be different as they experience life," Heinz says. "Marriage, birth of a child, aging parents, children going to college ... these must be taken into account in a dynamic (human resources) program."

Profit sharing, stock ownership, performance bonuses and decision-making rights in acquisitions are just a few potential methods to keeping your key people contributing to the success of the company.

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