

Page Executive

**CFO
Barometer
Report**

Executive summary

The global economic outlook is more optimistic than expected.

The majority of respondents assess their company's financial performance in 2012 positively. CFOs in Asia and South America are particularly positive about the economic outlook. CFOs in North America only expect muted economic growth, while European CFOs expect economic output to shrink in the course of the Eurozone crisis.

Older CFOs earn more.

CFOs from every region of the world fall into a roughly similar age bracket, in particular, 72% are between 35 and 49 years of age. The age distribution within this range is relatively even. North America is the only region where CFOs are markedly older than the worldwide average: of the respondents surveyed, 39% are older than 50. This means that a large number of CFO positions will have to be newly filled in North America in the next decade. In the other regions, the share of CFOs in this age group is 20% or less.

CFOs' salaries vary greatly from one region to the next. However, age is linked to earning potential in every region: generally, the older the CFO, the higher the salary. Overall remuneration for US CFOs is higher than the global average and incomes have a larger than average variable component. It takes markedly longer to become a CFO in North America, in fact, the starting age for a CFO is higher than the international average.

In Europe, CFOs earn considerably less, with the variable salary component also being smaller.

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

Low share of women as CFOs worldwide

(percentage of female CFOs, in % of respondents)



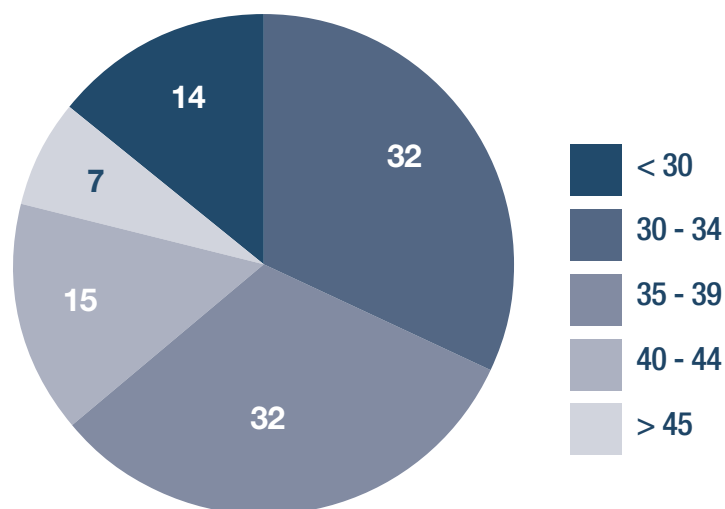
Source: PageGroup

CFOs attain their position at a young age in Europe and South America.

On average, CFOs worldwide attain their position between the ages of 30 and 39. More than 60% of CFOs surveyed assumed their current position at this age, while one in ten was younger than 30 when they became CFO.

CFOs usually attain their positions between the ages of 30 and 39

(respondents' ages when they became CFO: in % of respondents)

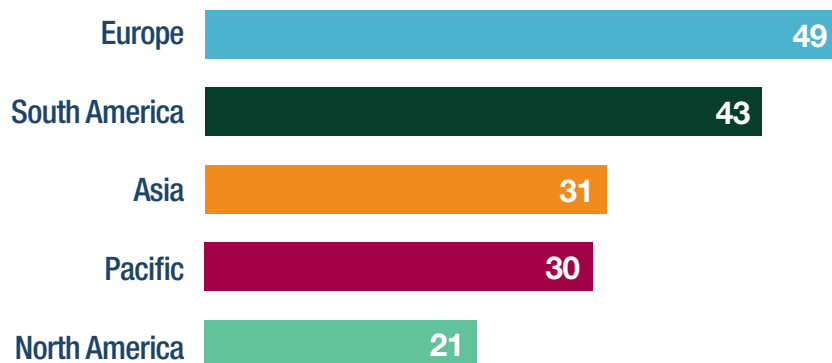


Source: PageGroup

In Europe and South America, CFOs on average attain their position at a much younger age than elsewhere. Almost half the CFOs surveyed in Europe were younger than 35 when they became CFO. In the Asia Pacific region, 30% of respondents became CFO before the age of 35. In North America, only one in five reached this position before the age of 35.

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: PageGroup

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

Generally, CFOs have a broad range of responsibilities that frequently comprise more than management of their company's finance department. Many CFOs also manage administrative, legal or human resource functions. They work in close collaboration with the CEO; 75% of respondents described their working relationship with the CEO as a partnership or a team.

Many CFOs have ambitions to become CEOs. One in every five respondents expects to make this career move by 2014. More than half of CFOs surveyed expect to be working in the same role but have greater responsibility in the next two years. European CFOs are pessimistic about their own career prospects in the next two years, reflecting the negative economic situation in Europe.

Experience of working abroad is important to CFOs, particularly if they work in large companies. It pays off too, as CFOs who have worked abroad tend to be among the higher earners. However, it is salary rather than international experience that is the most important factor influencing a CFO's career planning. CFOs see themselves as needing to develop their communication and presentation skills, almost half the respondents see themselves as needing to develop these areas further.

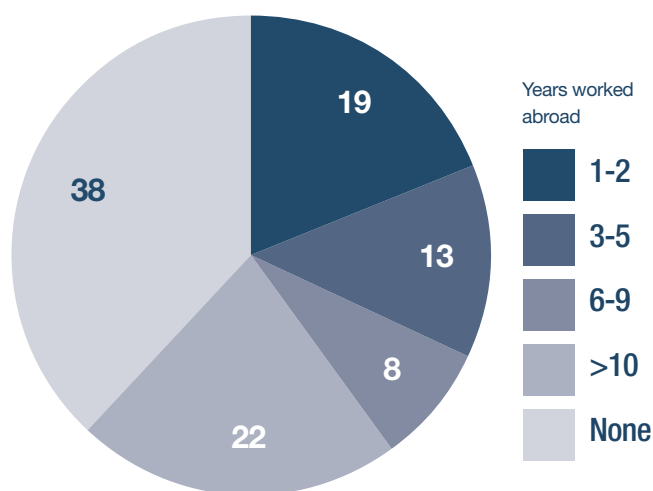
International experience

International experience is important.

Many CFOs have international experience. Six in every ten respondents spent some time working abroad. More than 20% of CFOs surveyed have more than ten years international experience. On the other hand, almost 20% kept their work experience abroad short, at a maximum of two years.

A higher than average share of CFOs surveyed from Asia and the Pacific regions have international experience.

Six out of ten CFOs have international experience



Source: PageGroup

CFOs' international experience rises with company size

| Size of company by number of employees | % of CFOs with international experience |
|--|---|
| 1 - 99 | 59 |
| 100 - 499 | 61 |
| 500 - 999 | 62 |
| 1,000 - 4,999 | 67 |
| > 5000 | 70 |

Source: PageGroup

Due to the current economic situation, European companies tend to have higher international orientation because that is where the majority of growth opportunities are. This allows them to be less reliant on regional markets, or affected by their economic difficulties.

Despite the European depression most CFOs described their own companies as doing relatively well.

| | | 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: PageGroup

In fact, the survey confirmed that over half of European companies rate the best business opportunities as being outside of their own region.

International experience is therefore more important for European CFOs, as companies need people who understand foreign markets and cultures.

CFOs in European regions tend to speak more languages and have more overseas experience than in the North American or Pacific regions.

American CFOs tend to go abroad less in the course of their careers. Only 50% of the North American CFOs and 57% of the South American CFOs surveyed can boast international experience. However, as with their European counterparts, those North American CFOs who do have international experience tend to work abroad for longer periods at a time.

The larger the company, the greater the likelihood that the CFOs will have international experience. Among companies with more than 5,000 employees, 70% of CFOs have worked abroad. At companies with less than 100 employees, 59% of CFOs 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.

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Source: PageGroup

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. In general, CFOs cannot avoid having to relocate in the course of their professional lives. For most CFOs, this does not pose a problem: more than half of respondents were prepared to leave their home country for career purposes.

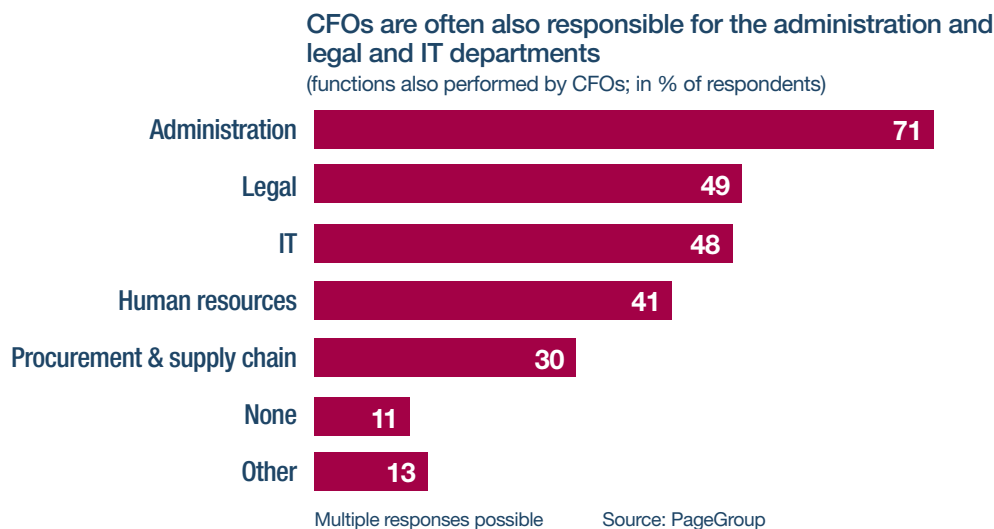
In an international comparison, CFOs in North America and the Pacific region tend to be slightly less mobile. Roughly a third of CFOs surveyed in these regions are not prepared to move for career-related purposes. Of the two-thirds that are prepared to move, more are willing to relocate for a job offer from abroad than for a job offer in their own country.

The higher the salary already achieved by CFOs, the greater 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 relocate.

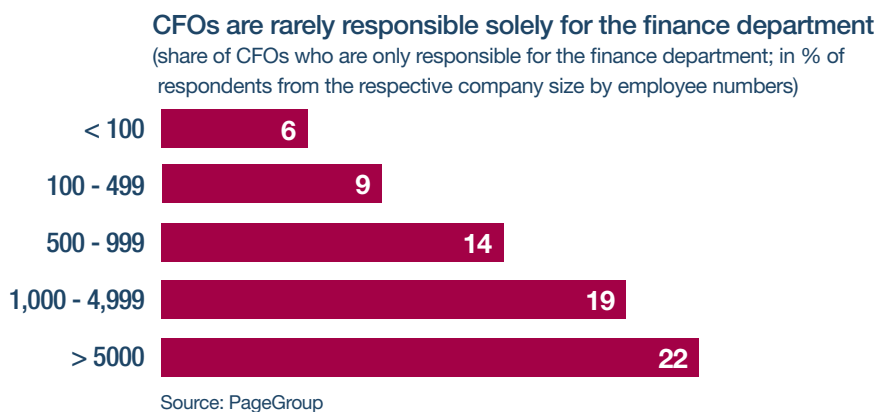
Financial expertise is not enough - CFOs must be versatile.

CFOs have a broad range of responsibilities.

CFOs are frequently responsible for other departments as well as the finance function; 89% of the CFOs surveyed state that they have additional responsibilities outside of the finance department. Seven in ten CFOs are also responsible for administrative divisions, and almost five in ten for the legal and information technology (IT) divisions.



The larger the company, the more frequently the CFO focuses exclusively on the finance department. Whereas in small companies with fewer than 100 employees 94% of respondents are also responsible for another department, this share declines to 78% in companies with more than 5,000 employees.



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% 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. 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 responsibility. In large companies, this share declines to only one in ten respondents.

CFOs assume a wide variety of tasks in companies, and these go beyond the finance department as well. This enables them to gain skills and experience that prepare them for a higher level of company management.

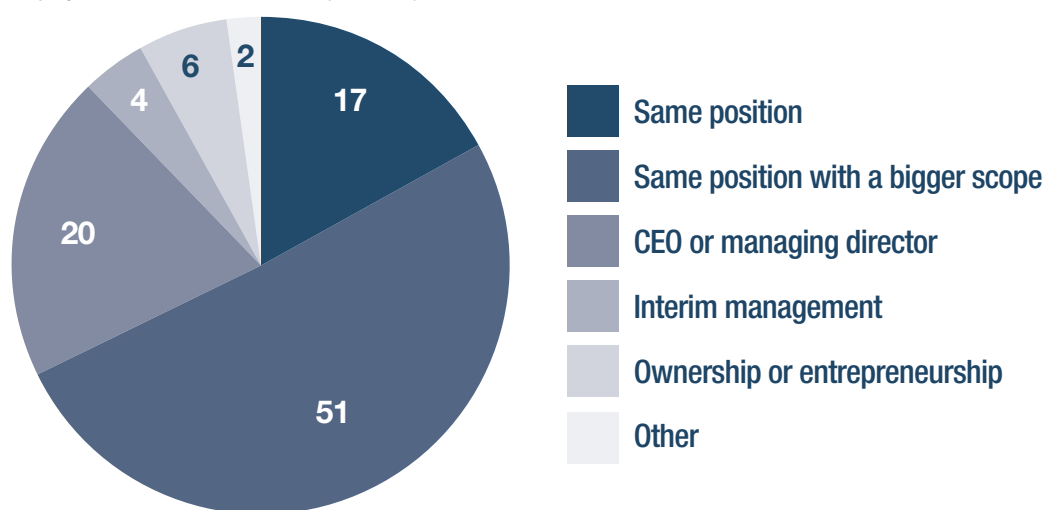
Ambitious career goals require mobility and lifelong learning.

Many CFOs aspire to be CEO or managing director...

One fifth of CFOs surveyed expect to become CEO or managing director within the next two years. In South America 31% of the CFOs surveyed expect this career leap. In North America and the Pacific region, on the other hand, only 12% and 11% respectively, foresee opportunities for such advancement within two years. It is especially the CFOs in the median age group between 35 and 49 who expect to become CEO or managing director in the near future.

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: PageGroup

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

More than half the surveyed CFOs have less ambitious career expectations for the next two years. They see themselves in the same position, but with more responsibility. This is particularly true of CFOs with five years experience or less.

More experienced CFOs are not ready to retire either: almost half the CFOs aged between 50 and 54 still expect an increase in responsibility, as do 37% of respondents aged between 55 and 60.

One in five CFOs over 60 expect to have more responsibility in their current position in the next two years. A particularly high share of CFOs in Asia and in North America expect 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 for the next two years; the highest percentage of any region in our survey. Although European CFOs assess their company's prospects as good overall, they are more pessimistic than average when it comes to evaluating their own career prospects.

Salary is paramount in career planning.

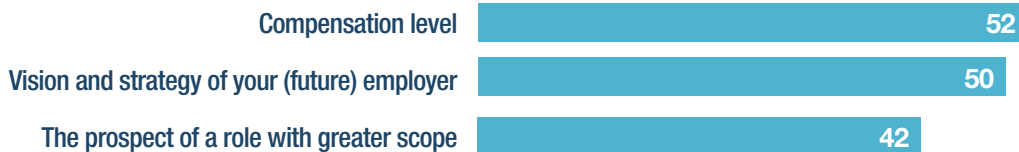
Overall, salary is the overriding factor for CFOs when making further career moves. They take into account the employer's vision and strategy as well as their own work-life balance when selecting a new employer. In Europe and Asia, CFOs rank work-life balance behind the prospect of a role with greater scope when making career plans. Remuneration is by far the most important criterion for career planning, particularly in the case of younger CFOs.

The older a CFO is the less important salary becomes. CFOs between 45 and 55 view the employer's vision and strategy as a more important factor. For those over 55, work-life balance becomes the most important concern.

Better pay is the prime criterion

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

Europe



North America



South America



Pacific



Asia

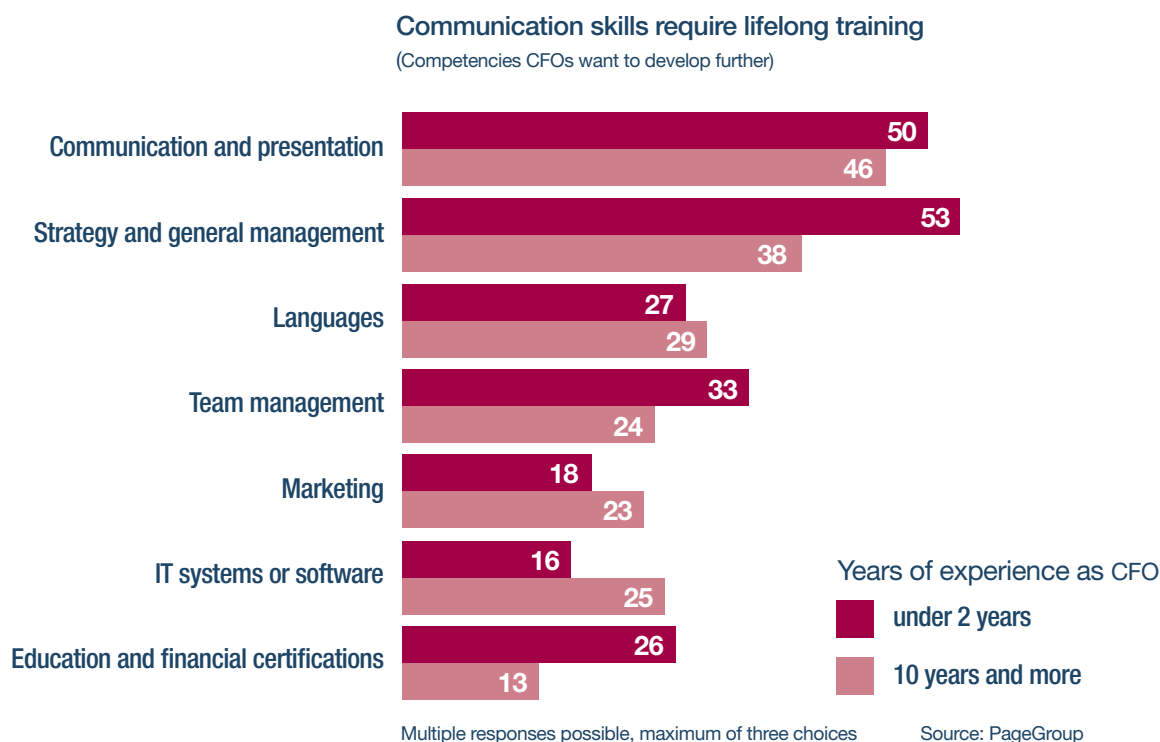


Multiple responses possible, maximum of three choices

Source: PageGroup

Communication and management strategies are top priorities for CFOs' development.

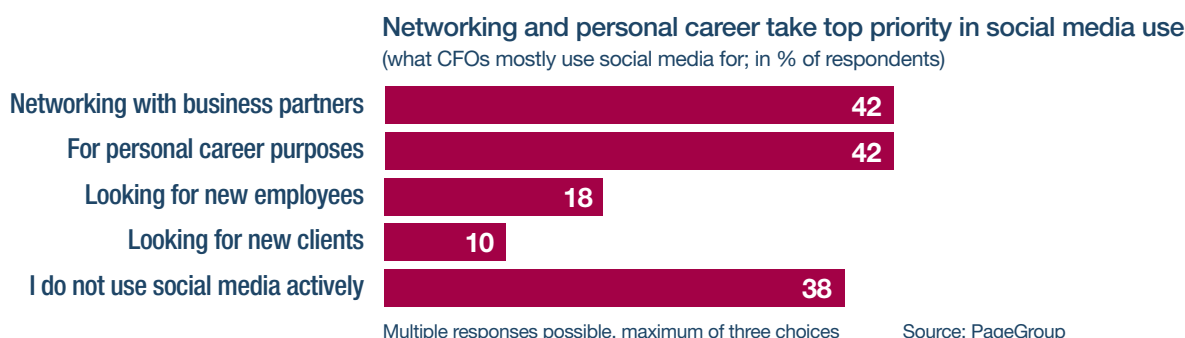
As in the 2011 European CFO Barometer survey, international respondents in 2012 identified communication and presentation skills and strategy and general management as their top priorities for personal development.



CFOs aged between 40 and 50 are particularly focused on improving their communication and presentation skills. Further development in the areas of strategy and general management is especially important to younger CFOs under 40. For both areas, a greater than average number of the less experienced CFOs assessed their development requirements as high. However, even CFOs with long professional experience view the further development of their communication skills to be especially important. Older CFOs with more than average professional experience regard their IT expertise as in need of improvement.

CFOs use social media for networking and further career purposes.

A quarter of the CFOs surveyed in South America use social media to find new employees, making them the pioneers in this area by a wide margin. Asia is the only region where at least a fifth of the respondents 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% do not use social media at all, while only 26% do not use them in Asia (North America 38%, Pacific 37% South America 31%).



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.

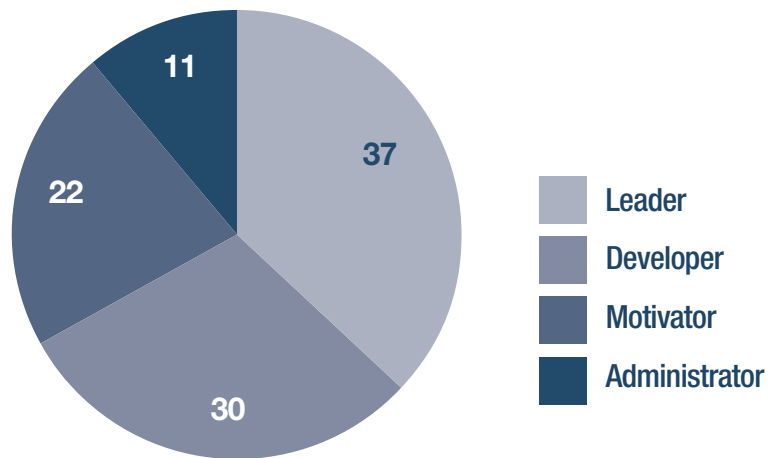
CFOs are leaders and view themselves as the CEO's partner.

Leadership role is not always a CFO's top priority.

Globally, 37% of the CFOs surveyed describe their management style as that of a leader. However, there are significant regional differences: outside Europe, CFOs emphasise their leadership role much more frequently; 59% of CFOs in North America regard themselves primarily as leaders. In Europe, on the other hand, almost the same percentage of CFOs see themselves as; developers' (30%; leaders: 33%). CFOs with higher incomes and more years of experience are more likely to describe themselves as leaders. These individuals are more frequently employed in large companies.

CFOs view themselves as leaders or developers

(respondents' own description of their management style; in % of respondents)



Source: PageGroup

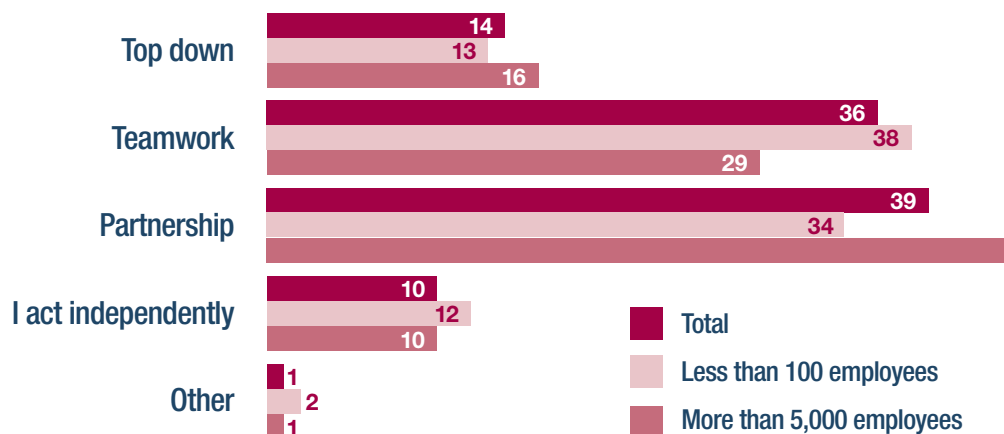
CFOs earning salaries at the lower end of the scale are more likely to describe themselves as 'motivators'. Those with less experience as CFOs tend to define their management style primarily as that of a developer.

CFO and CEO: partner or team.

Generally, CFOs already work in close collaboration with the CEO in their current position. CFOs describe their relationship with the CEO in different ways: 39% of respondents said it was a partnership; i.e. they deal with the CEO as an equal. Only a marginally smaller share of CFOs, 36%, regard themselves and the CEO as a team. Only a marginally smaller share of CFOs, 36%, regard themselves and the CEO as a team.

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: PageGroup

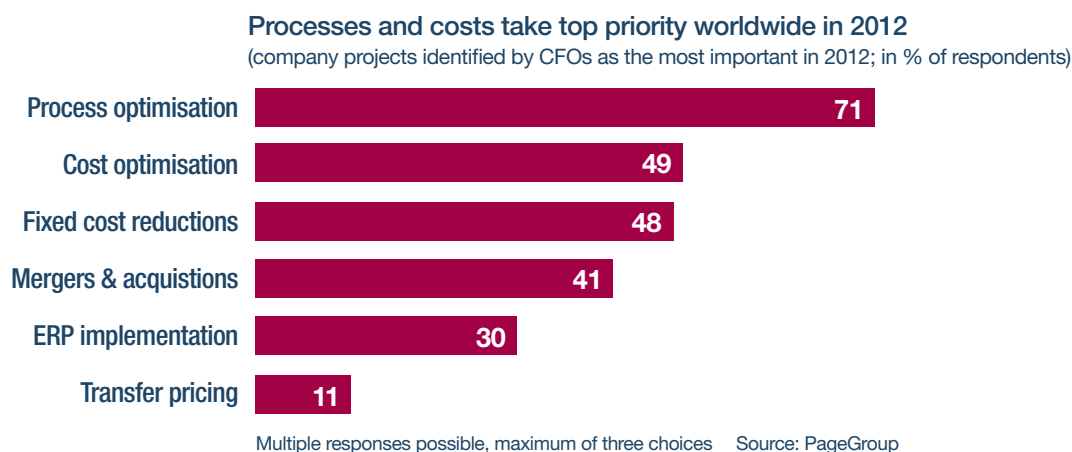
Overall, only 14% of respondents view themselves as being in a markedly subordinate position to their CEO. However, if the CFO is younger than 30, this share jumps significantly: around a quarter of the particularly young CFOs describe their relationship with the CEO as top down. Conversely, with increasing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

In large companies, a higher than average 44% of CFOs see their relationship with the CEO as a partnership, whereas in small companies with fewer than 100 employees, a higher than average 12% often act completely independently. However, even in SMEs the most common view, with 38 of responses, was for CFOs to describe themselves and the CEO as a team.

Companies want to retain employees and optimise processes and costs.

Process and cost optimisation are the top priorities for CFOs.

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



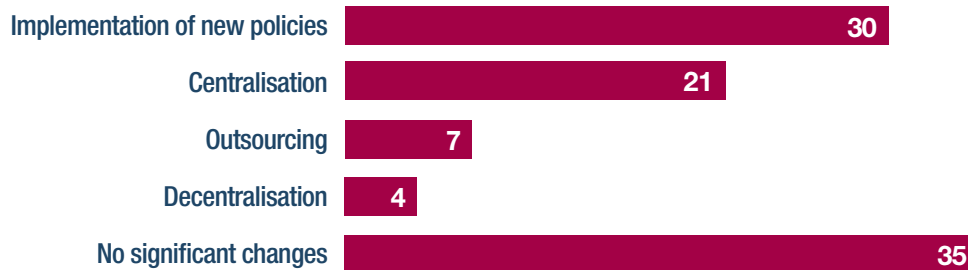
In 2012 reducing fixed costs is significantly more important to European firms than to companies in other regions. Of the European CFOs surveyed, 41 per cent regard this as their top priority in 2012, while in North America only 27% said reducing fixed costs was their main focus. Cost reduction is particularly important to companies from the industrial, manufacturing and public sectors.

Cost optimisation becomes more important as companies increase in size. Of the CFOs in small companies with fewer than 100 employees, 63% said cost optimisation was one of their 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% of CFOs surveyed reported that cost optimisation was a priority.

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% of CFOs expect no changes in 2012. However, if the finance department has more than 100 employees, only 22% of respondents expect no significant changes.

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



Multiple responses possible

Source: PageGroup

Focus on employee retention in 2012.

Training and development and employee retention, along with working atmosphere, are also key areas of focus for CFOs in 2012. Developing and retaining employees take top priority because of the tight labour market 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% are focusing on talent acquisition in 2012, while only 20% prioritise employee retention. This fact is probably attributable to the relatively high unemployment in the region, coupled with more relaxed labour laws making it much less expensive to hire and fire than in other global regions.

Workplace atmosphere is particularly important in the public sector – where it is actually the most important factor alongside training and development – and the energy sector, where the working atmosphere ranked second among the HR issues listed by CFOs.

Appendices

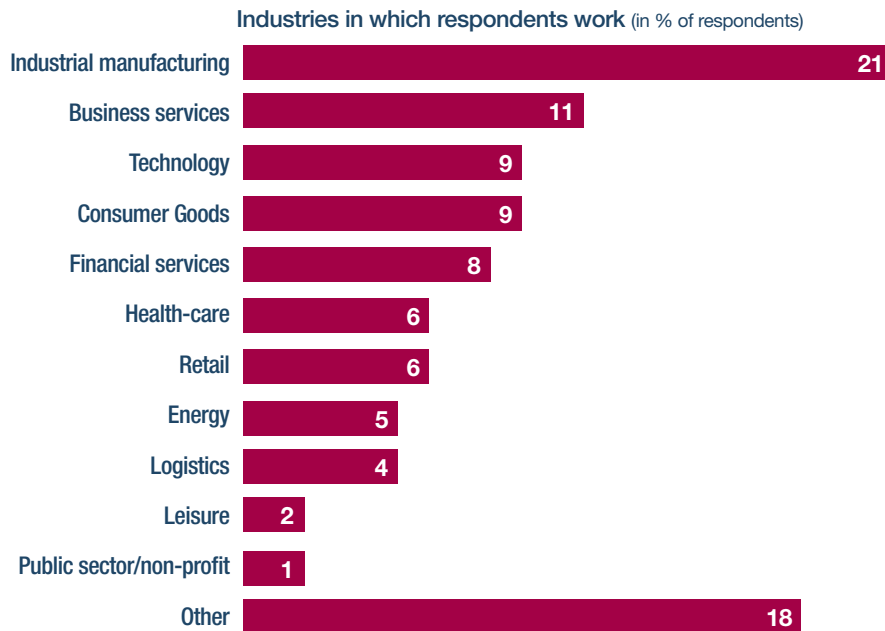
Appendix i – Methodology and data pool

The Michael Page CFO Barometer based on 4,388 completed surveys received from chief financial officers and finance directors (collectively referred to as CFOs) worldwide. The survey was completed online and participants were invited to take part by email. Survey questionnaires were translated into local languages for each participating region.

Appendix ii – breakdown of respondents

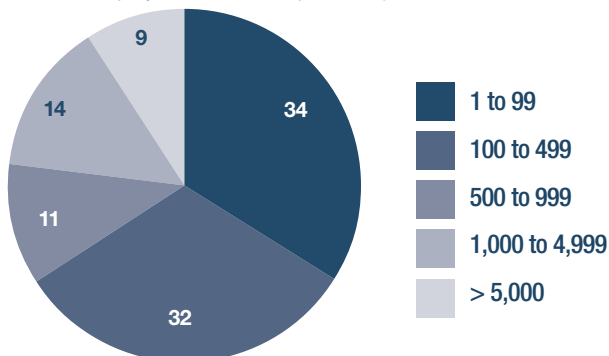
Countries or regions where respondents work
(number of CFOs surveyed by region or country)

Europe 2,863
South America 680
Asia 321
North America 175
Pacific 146
Other 176



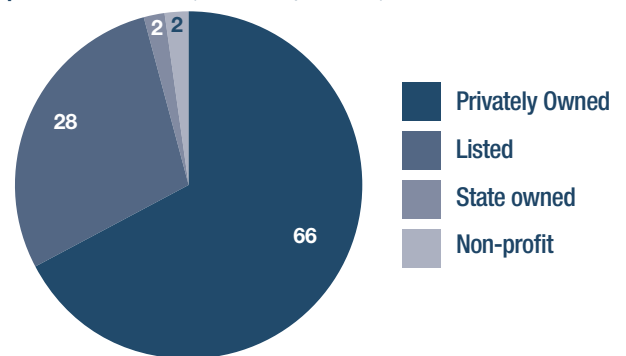
Source: PageGroup

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



Source: PageGroup

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



Source: PageGroup