

The Inaugural SGX 100 CFO Route to the Top

As a firm, we frequently explore how different leaders across the C-suite rise to the top of their function. Within the CFO function, we have seen a sharp increase in transition activity over the last couple of years. More and more, companies are looking for strategic and commercially minded CFOs — especially those with strong financial planning & analysis (FP&A) backgrounds — who are increasingly viewed as potential CEO successors. On the flipside, finance executives with a pure accounting and financial control background are finding opportunities more limited at the top. There are also other desired niche talent spikes depending on the company situation, such as investor relations, capital raising or M&A.

This inaugural study examines the backgrounds of CFOs of the 100 primary listed companies on the SGX. Secondary-listed companies such as Prudential or Jardine Matheson Holdings were not included. We have compared our findings against similar studies from other major market listings, including the FTSE 100, ASX 100 and Fortune 500. All data was as of the end of September 2019.





MAKING PROGRESS ON DIVERSITY

Compared to other markets, gender diversity is relatively high among CFOs of the top 100 SGX companies. This is hugely encouraging but leaves an opportunity for further improvement. Thirty-nine percent (39%) of the SGX CFOs are women, considerably more than other developed markets, including the ASX 100, FTSE 100 and Fortune 500 (averaging 12%). A further highlight for diversity is that the two largest companies on the SGX each have a female CFO.

Gender diversity among CFOs in the SGX



International comparison

Gender	ASX 100	FTSE 100	Fortune 500
Women	11%	11%	13%
Men	89%	89%	87%

MOST CFOs ARE INTERNALLY PROMOTED

Slightly more SGX 100 CFOs are internally promoted than hired from the outside. This suggests that many companies are prioritizing leadership development and succession planning for the CFO role. Internationally the trend varies: Fortune 500 companies are even better at developing CFO successors whereas the ASX 100 (49%) and FTSE 100 (41%) companies look outside of their organizations more often than inside.

Insiders versus outsiders

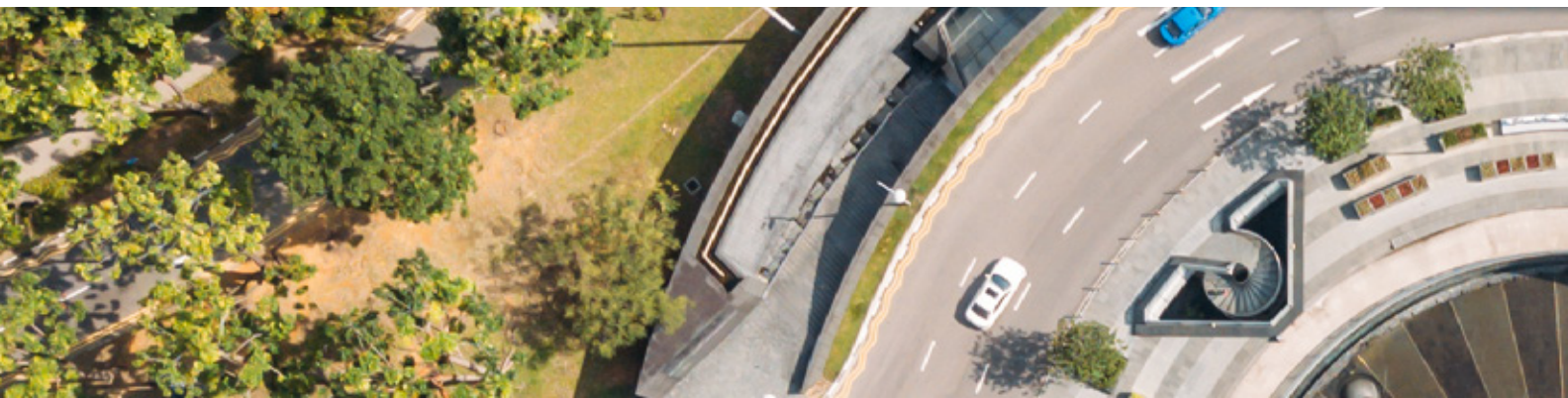
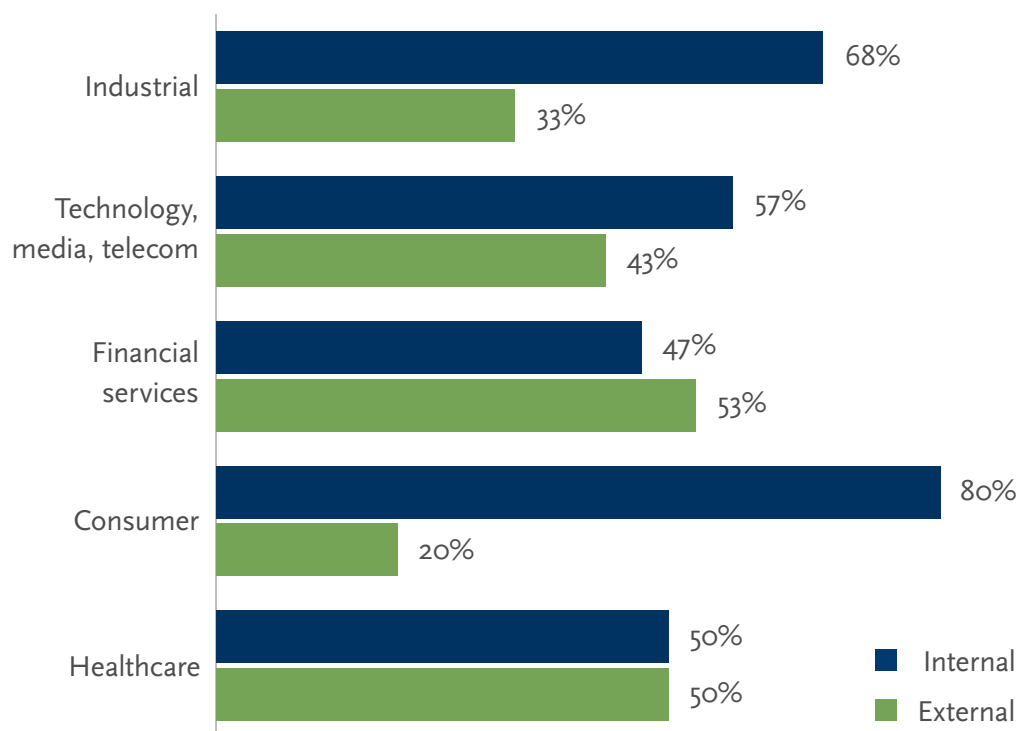


International comparison

	ASX 100	FTSE 100	Fortune 500
External hires	51%	52%	39%
Internal promotes	49%	48%	61%

Looking at the specific industry segments, there was no notable trend across financial services, healthcare or technology, media and telecom. However, we saw a greater tendency within industries such as industrial (68% of 25 companies) and consumer (80% of 5 companies) to rely on internal talent.

Internal versus external CFO appointments by industry sector

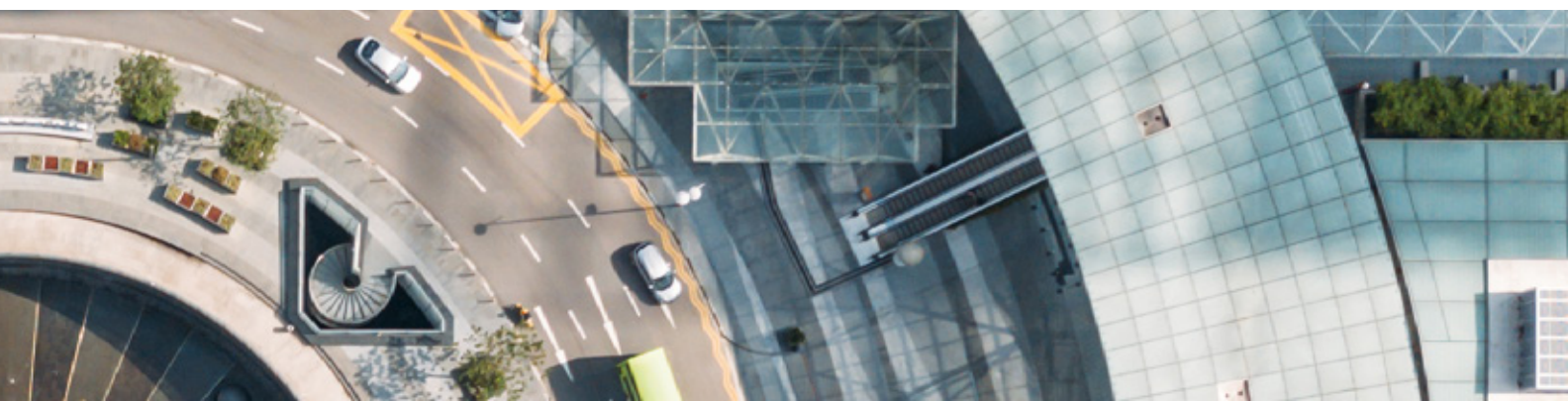
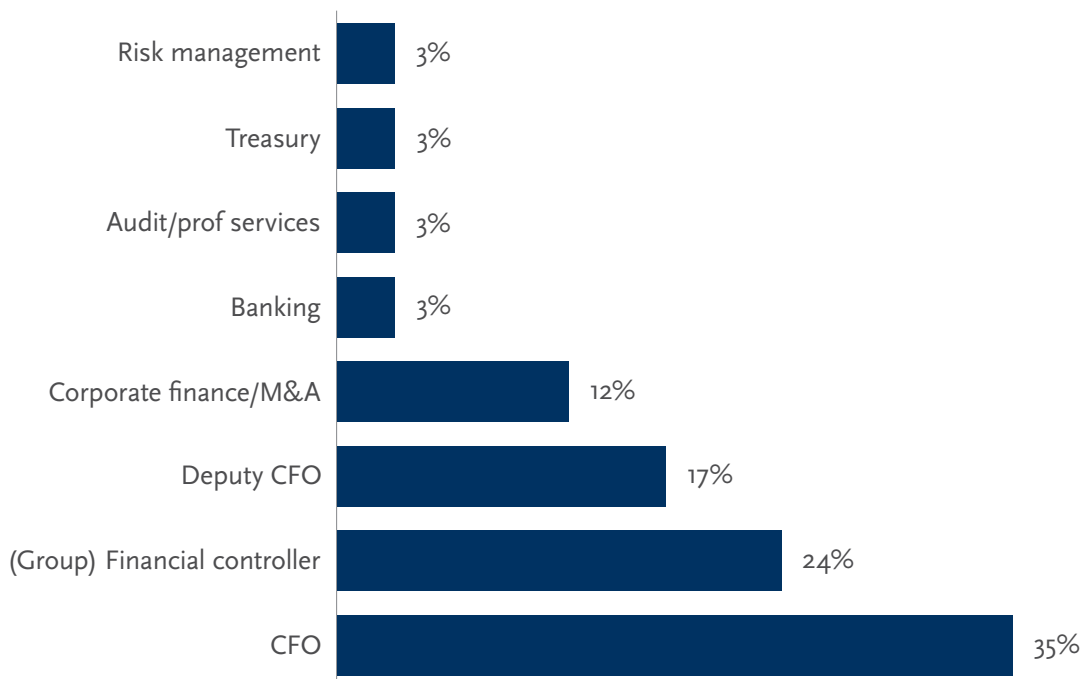


PRIOR CFO EXPERIENCE AT THE GROUP AND DIVISIONAL LEVEL IS HIGHLY VALUED

Across the SGX 100, 35% of CFOs moved into their current role from either another group CFO position or from a divisional or regional CFO position. The remaining 65% were either promoted from deputy CFO (17%) or (group) financial controller (24%), or were previously running another sub-segment within finance, e.g., corporate finance/M&A (12%).

We saw an even stronger trend among the top 25 companies on the SGX: the vast majority (68%) of CFOs were either CFOs or deputy CFOs in their immediate prior role. Another 24% came from either risk management (12%) or corporate finance (12%) backgrounds. None of the CFOs in the top 25 were previously in a (group) financial controller (or equivalent) role prior to their appointment. By contrast, in the next 75 companies, nearly one-quarter came directly from a (group) financial controller (or equivalent) role.

CFO immediate prior role



BANKING EXPERIENCE IS MORE COMMON IN TOP 25 SGX COMPANY CFOs

Banking experience is another useful benchmark, often indicating companies that have a significant capital-raising or M&A agenda; 28% of SGX 100 company CFOs have banking experience. Among the top 25 SGX 100 companies, 44% of CFOs have some banking experience.

Banking experience in top 100 & top 25 CFOs

Comparison of top 100 and top 25 companies		
Ranking	No banking experience	With banking experience
Top 100	72%	28%
Top 25	56%	44%

MORE THAN A QUARTER OF CFOs BRING AUDIT PEDIGREE

An audit pedigree from a Big 4 audit firm remains a desired criterion for many companies selecting a new CFO. Within the SGX 100, 30% of CFOs have an audit firm background, and in the SGX 25, 28% of CFOs have an audit foundation with EY, PwC, Deloitte or KPMG (or their predecessor organizations).

Big 4 audit experience

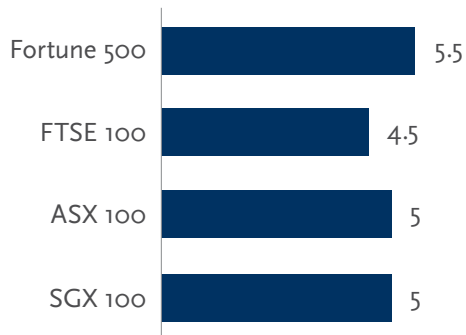
Comparison of top 100 and top 25 companies		
Ranking	No Big 4 experience	With Big 4 experience
Top 100	70%	30%
Top 25	72%	28%



CFO TENURE AVERAGES FIVE YEARS

Sixty-eight percent (68%) of SGX 100 CFOs have been in their role for less than five years, while at the other end of the spectrum, 14% have held the role for more than 10 years. There have been many new appointees in the last two years, which is not surprising given the evolution of the CFO role; 41% of the SGX 100 CFOs have been in the role for less than two years. The average tenure of the SGX 100 CFOs is five years.

CFO average tenure

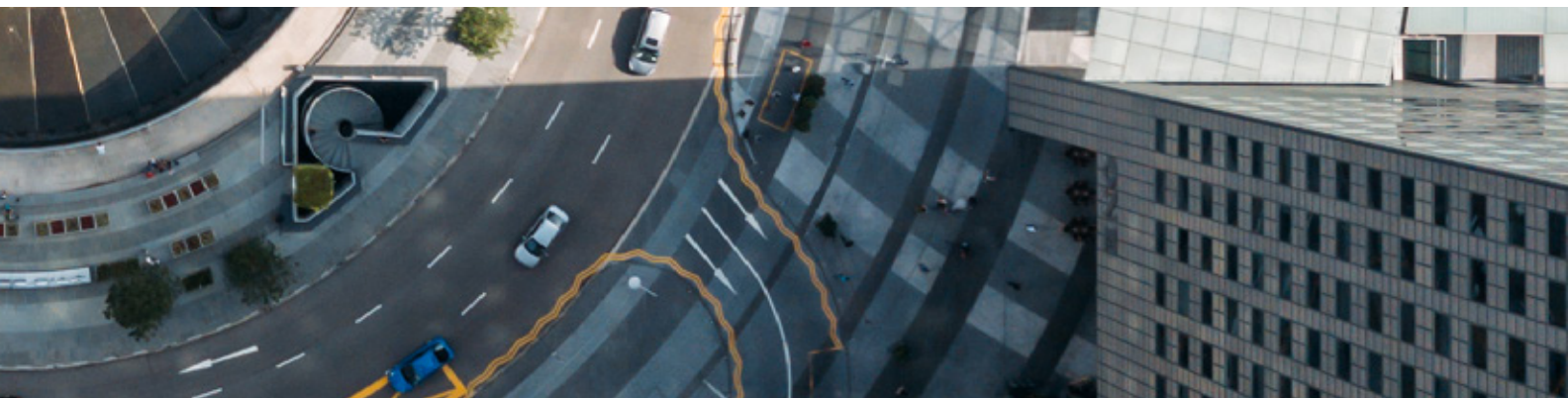


SGX 100 CFOs ARE YOUNGER ON AVERAGE THAN INTERNATIONAL COMPARISONS

The average age of the SGX 100 CFOs is 50. This is in line but slightly younger than the average in other markets (FTSE 100 at 52, ASX 100 at 51 and the Fortune 500 at 52).

CFO average age

	Fortune 500	FTSE 100	ASX 100	SGX 100
Age	52	52	51	50



MOST CFOs ARE SINGAPOREAN

The majority (66%) of SGX 100 CFOs are from Singapore. The percentage of native executives is lower than in other markets, which is not surprising given the inherent diversity of the Singapore population. Singapore remains a regional and global talent magnet. The main sources of non-Singaporean CFOs are Malaysia, Greater China and the United Kingdom in that order.

CFO country of origin



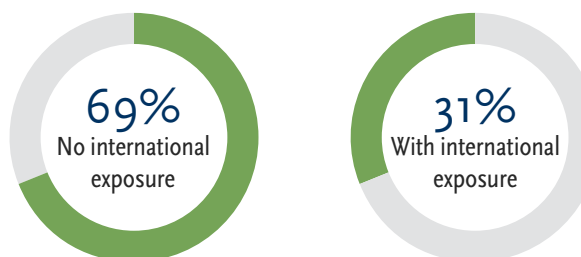
International comparison

Birthplace	ASX 100	FTSE 100	Fortune 500
Non-native	20%	23%	5%
Native	80%	77%	95%

ABOUT ONE-THIRD OF CFOs HAVE INTERNATIONAL EXPOSURE

There continues to be a lack of international exposure for many SGX 100 CFOs, with only 31% having had an international posting. By comparison, 64% of Australian CFOs have had an international role. Given the growing international nature of the Singapore market and increasing opportunities outside of Singapore for SGX 100-listed companies, we would expect more CFOs to have international experience going forward.

CFO international exposure



CONCLUSION

The role of the public company CFO continues to evolve. While each company has its own unique needs, we are seeing a clear trend in favor of more commercially minded advisers able to provide the financial story and lens to leadership. These leaders use financial data to adapt, change course and more accurately predict business performance and make decisions in ever more challenging markets. Beyond experience, clients are seeking financial executives with three key leadership capabilities: the ability to collaborate and influence, think strategically and drive results. Across industries, these capabilities are vital ingredients in an effective CFO and unsurprisingly go hand-in-hand with a more commercially minded, strategic and FP&A-focused CFO profile.

DESIRED CFO CAPABILITIES

Spencer Stuart Financial Officer Practice in Singapore is seeing the following three capabilities as most critical in our CFO related assignments

» Strategic Thinking

Getting behind the story, driving the numbers, understanding the levers the finance function is able to use to better course correct or predict future performance



» Collaborating and Influencing

Breaking down the finance silo via increased cross-functional collaboration and influencing the CEO or other divisional leaders



» Driving Results

Being the key sounding board of the CEO or business leaders to better understand performance and to base critical strategic decisions on detailed financial data



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