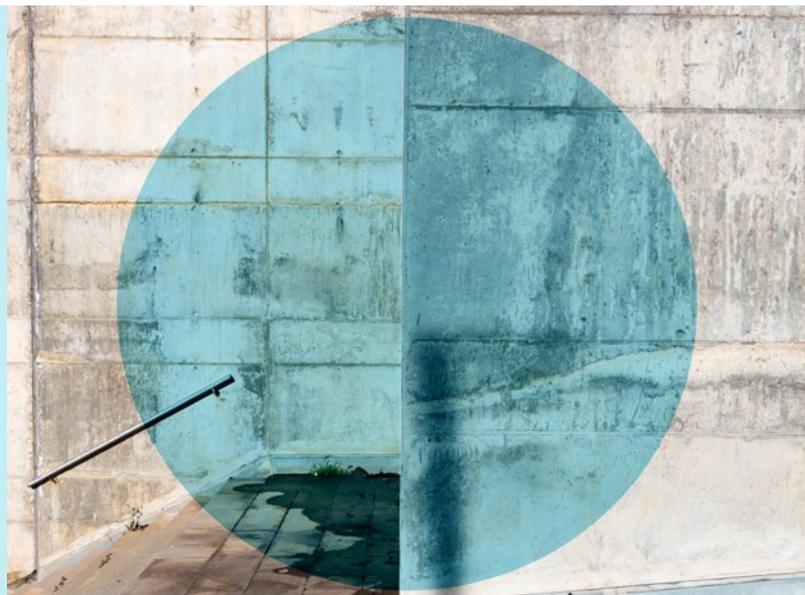


Italy CFO: Route to the Top

An analysis of the background and experience of CFOs in the FTSE MIB



Combining the data from our research with our extensive experience working with the boards of many leading European listed companies on their CFO succession planning, we have identified four key themes to consider when appointing new finance leaders in Italy:

- » **Experience.** Italian companies are less likely to appoint proven CFOs. Less than half of Italian CFOs hired from outside the company have been a CFO.
- » **Gender.** Italy has a lower percentage of female CFOs than the European average.
- » **Nationality.** Italian CFOs are nearly all Italian nationals, whereas elsewhere in Europe many more foreign CFOs are appointed.
- » **Board exposure.** Relatively few Italian CFOs have direct board-level experience — either as executive or non-executive directors.

Introduction

The findings outlined in this paper follow the data-driven approach that we take when advising clients and candidates for CFO roles. However, while trend data is useful it does not answer the question that clients often pose: “What is the ideal profile of a CFO?” A significant body of academic research, high-profile executive failures and our decades of professional experience placing CFOs and advising clients on finance leadership demonstrate that the conditions facing a CFO matter a great deal.

It is not necessarily the case that high-performing CFOs — or other business leaders — can be successful anywhere, or that the perfect CFO exists, in theory let alone in practice. An executive’s performance largely hinges upon how well the individual’s capabilities, leadership style and expertise align with the specific nature of the role and situation, including the demands and constraints from the team, organization and business environment. For more on this topic, read: [Context Matters: The Five Elements of Context That Most Impact Senior Leader Success](#).

If you would like further information on any of the issues raised in this report, or on any aspects of CFO succession planning please contact [Corrado Passera](#) or [Gianluca Raisoni](#), members of the Spencer Stuart Italy Financial Officer Practice.

Methodology

Spencer Stuart continually analyses the profiles and backgrounds of CFOs in leading European companies. By combining our detailed knowledge of CFOs and their career paths with data in the public domain we are in a unique position to share insights into CFO hiring trends.

In 2020, Spencer Stuart published research into the background and career trajectory of 372 CFOs serving the top 377 European companies in 10 leading indices, including the 40 companies that make up the FTSE MIB in Italy.

Featured indices: Germany (DAX 30), Netherlands (AEX 25), Russia (RTS 40), Spain (IBEX 35), Switzerland (SMI 20).

We analysed the career history of each individual prior to their appointment as CFO. Any additional roles or responsibilities assumed following their appointment are not included in this study.

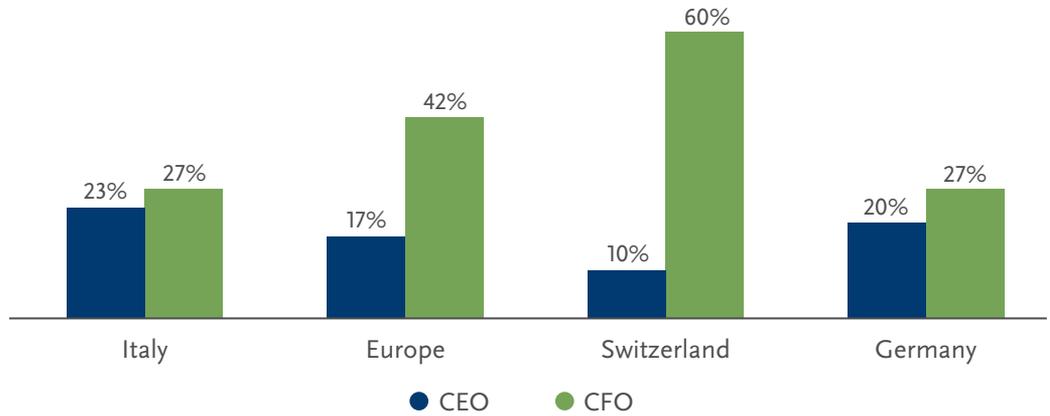
In this report we focus on the CFOs in the FTSE MIB companies. We compare Italian CFOs with their counterparts across various European indices, paying particular attention to areas where the greatest differences can be found.

Key research findings

1. Italian companies are less likely to appoint proven CFOs

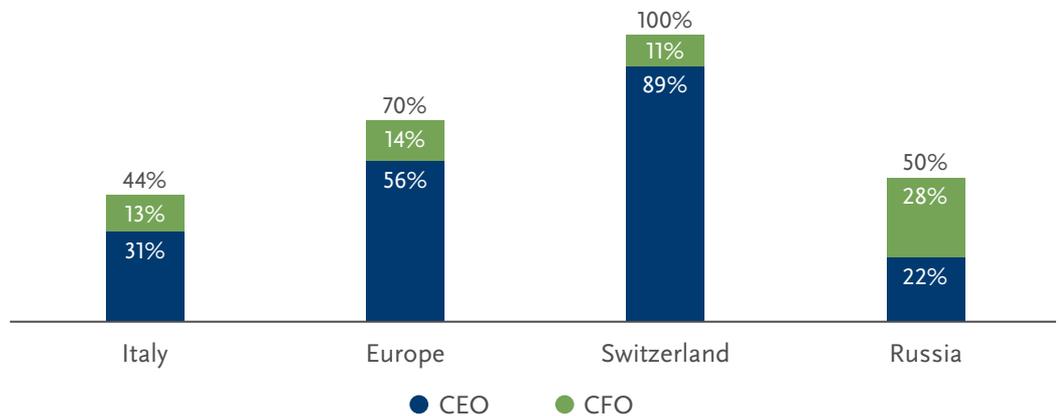
Alongside Germany, Italy has the lowest proportion of proven CFOs in Europe at 27%. Many current CFOs have never held a Group CFO position before in either a listed or privately held company.

PRIOR CFO EXPERIENCE — CEO VS CFO



Across Europe, there is a clear trend towards hiring proven CFOs: 42% of all CFOs and 70% of external hires had been a CFO before taking on their current role. As the chart below shows, Italy has the most CEOs with CFO experience at 23%.

PRIOR CFO EXPERIENCE — EXTERNAL ONLY

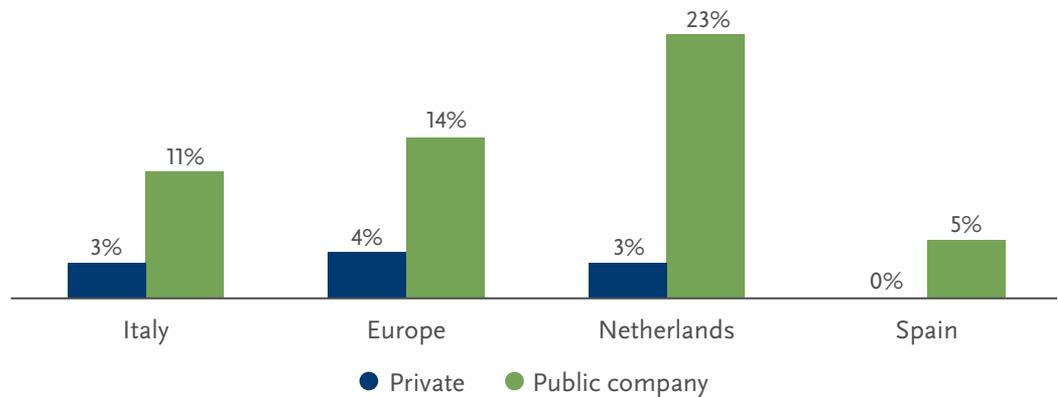


Even among external hires, less than half have prior CFO experience, as the chart below shows. This is further evidence that CFO experience is not considered essential by many Italian businesses, contrary to what many believe.

2. Italy has very few female CFOs

Only 11% of CFOs in MIB companies are women — a total of just four. This is less than the average in Europe, where the proportion of female CFOs across Europe has doubled since 2013, albeit from a very low base. Significantly, 74% of female European CEOs came from outside their industry, indicating that companies are willing to forego industry experience to introduce more diversity in their senior executive ranks. This reflects an open-mind and willingness to seek the best candidates from the widest possible pool of finance executives.

GENDER DIVERSITY — CEO VS CFO



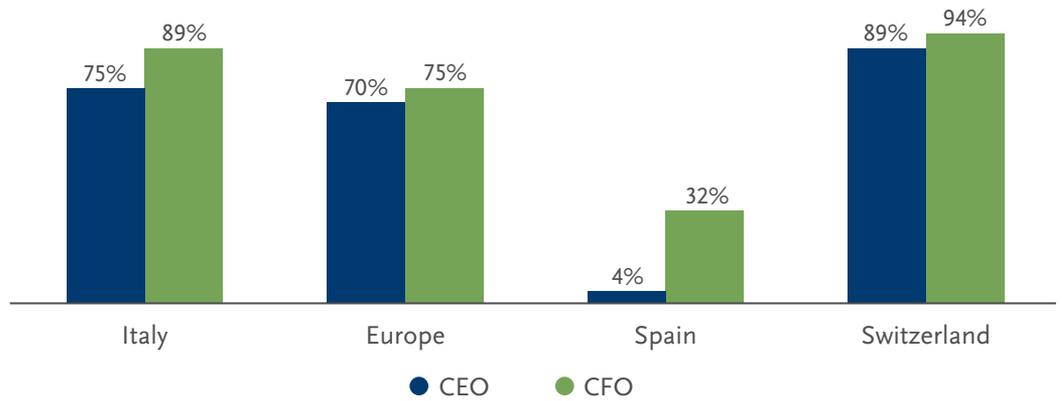
3. Few CFOs are non-nationals

Italy (89%) is among the countries with the highest number of CFOs whose nationality matches the location of corporate HQ (together with Spain (94%) and Russia (90%).

Across Europe, finance leaders are more international in terms of their mindset, experience and nationality than they were in 2013, according to our research. In France, Germany, the Netherlands, the Nordics and the UK there has been a marked increase in the number of CFOs whose nationality differs from that of the corporate HQ. 25% of CFOs in our European sample have a different nationality from that of the company they work for.

Only 27% of Italian CFOs have prior international experience, having lived and worked in at least one other continent outside Europe, compared with an average of 38% for European CFOs.

NATIONALITY MATCHES LOCATION OF CORPORATE HQ — CEO VS CFO



4. Few CFOs sit on outside boards

Across Europe, there is a mixed picture when it comes to CFOs acting as board directors, both on the boards of their own companies and on outside boards. At one extreme is the UK, where 90% of FTSE 150 CFOs sit on their own boards; at the other extreme is France, where no CAC 40 CFOs sit on their own boards. In Italy, 16% of FTSE MIB CFOs sit on their own boards, which is the second highest proportion after the UK.

The situation with CFOs sitting on outside boards is different. In France 36% of CAC 40 CFOs sit on at least one external board (frequently as the audit committee chair), whereas only 8% of Italian CFOs do. In the UK, 28% of FTSE 150 CFOs sit on an outside board as an independent non-executive director.

Other notable findings

Most companies are hiring CFOs from inside the business.

57% of the current MIB CFOs were internal hires, compared with 53% in Europe, where there has been a gradual shift towards external appointments.

Italian CFOs are less likely to have a professional services background.

Compared with the European average of 42%, only 30% of Italian CFOs have worked in professional services, mostly in public accounting roles.

Fewer Italian CFOs (38%) have previously been a group CFO, compared with Europe as a whole, where 57% of current CFOs had been a Group CFO at least once before.

Over two-thirds of CFOs (69%) hired externally had worked in a relevant industry at some point in their careers, the same as the average for Europe.

Italian CFOs have the longest average tenure, alongside Spanish CFOs at 6.7 years; the European average is 5.2 years.



SpencerStuart

About our Financial Officer Practice

Spencer Stuart is the market leader in CFO and senior finance appointments, including leaders in divisional CFO, M&A, investor relations, audit, tax and treasury. Our global network allows us to search across borders and industries to find finance leaders with the skills and cultural fit to match the needs of our clients.

Working with our industry practices, we assemble a best team for each search, recruiting leading talent and drawing on our network of board directors, CEOs, CFOs and leaders in the worlds of business and finance. Our EMEA team consists of 26 consultants who work on a wide range of financial officer assignments for clients across the region.

About Spencer Stuart

At Spencer Stuart, we know how much leadership matters. We are trusted by organizations around the world to help them make the senior-level leadership decisions that have a lasting impact on their enterprises. Through our executive search, board and leadership advisory services, we help build and enhance high-performing teams for select clients ranging from major multinationals to emerging companies to nonprofit institutions.

Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 70 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, employee engagement and many other facets of culture and organizational effectiveness. For more information on Spencer Stuart, please visit www.spencerstuart.com.

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