

FISCAL FITNESS

The Evolving Role of the CFO

BY BILL ANDERSON

Never has there been a time when beverage companies have been in greater need of an outstanding Chief Financial Officer. Sales across higher-margin products are declining, sales and warehouse operations are in turn being forced to become more efficient and M&A and consolidation activity is likely to increase at the end of this year in many segments of the industry.

The CFO position is rarely an easy hire because CFOs have traditionally fallen into two camps: 1) the strategic CFO who sees the entire playing field, but only occasionally prepares the financial statements, or 2) the traditional bean-counter who is detail-oriented, but unfocused on the big picture.



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In today's beverage world, a new type of CFO who is neither a bean-counter nor an aloof, strategy-only executive is needed. Today's CFO must adopt a hybrid leadership style that is inclusive, comprehensive, long-term and transparent. Given the current economic demands and the rapidly changing competitive landscape, the "new" CFO must be a strong leader who sets the tone for the firm's culture.

The new CFO must be a strategic and tactical ally and advisor to the CEO. A recent *Wall Street Journal* article (Aug. 17, 2009) went so far as to make the case that the CFO should now be considered a "co-leader," in part because of the economic demands of this downturn but also because the CEO job has become "too large, too complex and too demanding for one person."

For many CFOs, this change will demand that they step out of their comfort zones. They will be required to develop new leadership skills, including relationship and team management, effective communication and greater self-awareness.

The next wave of CFOs will need to be more relationship-minded than the CFOs and controllers of the past. It used to be that just knowing your local banker might be enough. In today's tougher financing environment, the CFO who excels will constantly cultivate new financing leads.

One of the benefits of this downturn may be the death of the old bean-counter and the birth of a new leader-CFO. **BW**



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