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McDERMOTT & BULL

From Financial Gatekeeper to the Boardroom: How Top CFOs Have Become a Force in the Marketplace

And What Smart Candidates do to Demonstrate Relevance

The role of the finance chief is highly complex, visible, and constantly evolving. From “bean counter” to the boardroom, today’s top finance executives have evolved into business strategists, brilliant negotiators, and highly valued partners to the CEO and to the business. The most sought-after leaders know how to balance the past, manage the present, and look ahead to the future. The teams they hire and develop are a direct reflection of the strategic mindset these finance wizards have adopted, making them a powerful force in today’s competitive business climate. Chris Bull, managing partner and co-founder of McDermott and Bull Executive Search, talked to Interviewer, Samantha McDermott of SaJo Advisors, about the trends he’s seeing in the current CFO market.

Samantha: Chris, it is no secret that the market for strong CFOs is exceptionally tight right now. As someone who has been placing CFOs at many of Southern California’s top companies for nearly 20 years, why do you think this is the case?

Chris Bull: I remember last year when we talked about this, I told you that I’ve never seen the recruiting market for CFOs more active than it is today. Right now, I can tell you the market is tighter this year than it was in 2017. The challenge we face as executive recruiters is that most of the truly accomplished CFOs will not consider new opportunities this year.

Samantha: Why do you think this is the case?

Chris Bull: As you know, we are plus or minus seven years into this recession recovery, and a lot of the folks we talk to have made two, or in some cases, three moves in the last seven years. It is not unusual for me to hear that it would be an unwise career decision to make another big move. Our job is much tougher now than it was a year or two ago since a lot of finance executives are worried that making another transition will hurt their professional “brand.”

Samantha: Let’s talk about hiring trends among institutional or Private Equity sponsorship.

Chris Bull: Sponsors continue to consume closely held businesses in Southern California at a fast clip, and we have seen no signs of slowing. I can easily see this firm engaging in even more CFO searches in 2019.

Samantha: What kind of deal can a CFO expect to see from Private Equity sponsors?

Chris Bull: It took a while, but CFO cash compensation is on the rise. It was more or less stagnant through 2015, but we’ve seen a 10-15 percent increase in base salaries over the last two-three years. For PE sponsored middle market companies that are performing well, we see CFOs receiving packages which include 1-1.25 points of equity in the company. For lower-middle market businesses, that percentage might go up to two points of equity.

Samantha: While a payday or the promise of an ultimate transaction seems like a good way to motivate someone to make a move, it sounds like recruiting someone who has moved a few times in the last six or seven years is still a huge challenge. Are CEOs and sponsors willing to consider less “seasoned” CFOs?

Chris Bull: Yes, and we’re seeing more of an openness to consider first-time CFOs. Up-and-coming talent is intriguing for some sponsors and CEOs, and it has nothing to do with a motivation to save money. There is a perception (right or wrong) that many of these prospective “new” CFOs are more technologically savvy than their predecessors, faster to move, with a lot to prove. Those traits make them more desirable to sponsors and CEOs who are looking for fresh perspectives.

For instance, if we see an experienced VP of Finance or Corporate Controller who has played a key role at a large company, they may have the desired skillset required to see a sponsor company through to a successful exit. Frankly, finance leaders who have deal experience, post-acquisition integration experience, private equity experience, banking relationships and cross-functional leadership experience, are highly valued and have a leg-up over their competitors in the market.

Samantha: Let’s talk a little bit about “looking the part.” How do you advise qualified candidates who may not have an eye for style, and aren’t sure what they should wear to an interview?

Chris Bull: This isn’t something that comes up to frequently, but some of my male CFO candidates have asked about attire. To that I say, no more suit and ties. It can appear outdated or that they are trying too hard. However, I’m personally not a big fan of blazers either. It depends on the company and industry. I believe a suit and dress shirt with no tie is ideal, unless they are interviewing in a more traditionally formal environment. Banks, investment banks and insurance companies, may still have a more formal dress code in which case, I suggest they mirror the company’s dress style. Early on in the search process, we will inform our candidates, both male and female, about the culture of the organization. Surprises aren’t fun for anyone.

Samantha: A lot of businesses employ multiple generations of employees at all levels. From boomers to millennials, today’s successful finance executives combine high talent with high energy. Let’s say someone has been a CFO for a few decades. While they are more senior than their competition, they may not be perceived as someone who is as relevant as their more tech savvy junior counterparts. What are these CFO candidates doing to stand out both in person and on paper?

Chris Bull: If a candidate is looking to land a role at a cutting edge, fast-paced, growth company, it is important that they embody those traits in person and on paper. Bright and relevant candidates present better across the board. If a candidate has a hobby (or interest) such as: team-sports (current or at a collegiate level), community involvement, publications, notable achievement and/or awards, or extreme adventure sports (cycling, triathlons, etc.), they’ll often include that on their resume. This tells the hiring manager that they may have qualities that fit well within the organizational culture. Other ideas may be to highlight up-to-date programs or apps, social media (i.e., link to LinkedIn profile), and a “polished” resume. The role of the CFO is incredibly demanding. These are some ways for a candidate to demonstrate that they have what it takes to dive in and make a difference right away.

Again, those finance leaders who have significant deal experience, post-acquisition integration experience, private equity experience, banking relationships and cross-functional leadership experience, are highly valued at any stage in their career.

About Chris Bull:

Chris Bull serves as a co-founder and managing partner of McDermott & Bull, headquartered in Irvine, California. Bull has successfully built his own executive search practice catering to both private and public companies, private equity firms and their operating companies, such as: Altamont Capital Partners, Audax, Frontenac Company, Quad-C Management, Inc. and Riordan, Lewis & Haden, along with a variety of successful clients, such as: CoolSys, First American Financial, Irvine Company, Kelley Blue Book, Manhattan Beachwear, SC Fuels, Trojan Battery, United Way and Vizio, just to name a few.



Previously, Bull was an executive vice president in the Orange County office of DHR International, the nation’s 6th largest executive search firm. Earlier in his career, Bull spent six years operating the company he founded, American Liberty Capital Corporation. American Liberty combined cutting edge technology with the standards of commercial and residential mortgage banking retail services to become one of the largest privately held consumer finance companies based in Southern California.

Bull currently serves on the Board of UCP of Orange County (United Cerebral Palsy) and has served on the Boards of Big Brothers Big Sisters of Orange County, Association for Corporate Growth (“ACG”) and on the Ambassadors Board of Talk About Curing Autism (“TACA”). He resides in Coto de Caza, California, with his wife and four children. Chris received a Bachelor’s Degree in Economics and Finance from the University of Texas at Austin in 1985.

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