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FINANCE LEADERSHIP

Boards Embrace Diversely Skilled CFOs

Today's current finance chiefs have increasingly followed less traditional routes on their way to the CFO position.

Sandra Beckwith
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Photo: Luis Alvarez

As the CFO's role has expanded beyond financial reporting to become the CEO's strategic partner, U.S. organizations took off the blinders that had kept them oblivious to CFO candidates outside of the traditional accounting and auditing career path.

to be from the controller or chief accounting officer role in 2020 than they were a decade before, according to Heidrick & Struggles.

"There's an evolution from being more of a technical expert to truly partnering to drive operations and shape strategy," said Samuel John, a partner with Heidrick & Struggles.

The latest Crist | Kolder report on C-suite volatility showed the changes in the CFO office go well beyond. After all, boards of directors, too, read the academic studies that show mixing people of diverse backgrounds and experience in the C-suite can boost performance. For example, at Fortune 500 and S&P 500 organizations, the percentage of female CFOs (about 15%) hit an all-time high in 2021, according to the study.

Below we explore the professional backgrounds of three current CFOs. Besides illustrating how requirements and demands for the top finance job have evolved and gotten more complex, these individuals' stories reveal something else: how a non-linear professional path increasingly works to the advantage of CFO candidates rather than against them.

Team Defense

Alex Amezquita

CFO, Herbalife Nutrition

- First CFO job: 2020
- Outside hire
- Notable previous employers:
  - Centerview Partners
  - Moelis & Co.
  - Merrill Lynch

investment banker Alex Amezquita's relationship with multi-level marketer Herbalife Nutrition were not typical.

As a senior vice president with Herbalife's investment bank, Moelis & Co., Amezquita began working with the health and wellness company's top executives in 2012 when Bill Ackman's hedge fund launched a high-profile assault against Herbalife.

"I worked with Herbalife over an intense, five-year period on a broad range of issues while the company was going through a great deal," he said. In the crucible of an activist fight, Amezquita got to know the CEO, CFO, and the whole C-suite very well. It was an unusual assignment, he said, as he helped the company develop messaging that addressed multiple audiences and defended Herbalife's distribution network and business model.

When Herbalife's then-CFO John DeSimone searched for a successor, there was already a top candidate nearby. Amezquita's relationships and his intimate knowledge of Herbalife's financial position, afforded by his consulting role, gave him a unique advantage.

Amezquita left a 10-year banking career to join Herbalife in 2017 as senior vice president of finance, strategy, and investor relations. Confident he understood the company's financial position, he spent much of his first year in the field, learning about the brand's direct-selling channel.

"How does the channel work? What are the motivations, pitfalls, and turnoffs for salespeople? I needed that next layer of knowledge to see from a strategic standpoint how we could grow," said Amezquita, adding, without that, "it's hard to have conviction."

financials. "Finance needs to enable the business, to say 'you can spend this dollar because this is the best way forward.'"

Even so, Amezquita said, "Forward-looking finance is the wild west with no defined rules you can learn in a textbook."

Calculating Uncertainty

Andreana Santangelo

EVP and CFO, Blue Cross Blue Shield of Massachusetts

- First CFO job: 2016
- Promoted; 19 years with company
- Board seat: HarberOne Bank
- Notable previous employers:
  - CIGNA Healthcare

Andreana Santangelo became interested in business when she was just 14. She learned about everything from customer service to operations while working in a pastry shop in Boston's North End.

Her official business career, though, started 30 years ago when she parlayed a mathematics degree into a job as a senior actuary at CIGNA Healthcare.

After more than a decade at the insurer, Santangelo accepted a position at Blue Cross Blue Shield of Massachusetts in 2003; she was promoted to senior vice president and chief actuary eight years later. She was promoted to executive vice president and CFO in 2016.

Santangelo acknowledges longevity with the company contributed to her rise to the CFO position, in part because of the company's emphasis on succession planning. Even so,

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"In that position, you get embedded in a number of different parts of the strategy. That made it easy to transition to the CFO role and take on the other components of the job," Santangelo said.

The actuary's role is to help identify and manage risk, not an unusual task for a CFO. "Blue Cross Blue Shield has a number of functions, but we survive and thrive when we're managing risk. In this environment, the CFO role is a logical progression for an actuary," she said.

Santangelo has a well-established practice of viewing any position she's held from the broadest perspective possible. "When I start a new role, I look at what my boss is doing to see what I can take off their plate."

Santangelo likes to see her staff embrace that attitude, as well. She encourages her finance team to continually seek assignments that "take them a little bit out of their comfort zone" so they learn about other parts of the business.

"It's important [for them] to be curious so [they] understand our business broadly enough. If they don't understand it, they could be very short-sighted," she said.

Auditing Overseas

Guy Melamed

CFO and COO, Varonis Systems

- First CFO job: 2017
- Promoted; 11 years with company
- Notable previous employers:
  - KPMG
  - EY (Israel)

accounting. “Accounting helps you organize everything, whether it’s your thoughts or your direction. It is the language of business,” he said.

Melamed started practicing that language at KPMG’s Chicago office while getting his CPA license. A year later, he accepted a position at Ernst & Young (EY) in his native Israel. With a heavier client load than he would have had in the United States — he worked with two publicly traded and as many as 40 private companies at once — Melamed quickly learned how to manage expectations.

The three-and-a-half-year experience was phenomenal, he said. While the firm provided support, he alone did the work. “When you dig into the material yourself, you will know it way better than if you experience it without practicing it,” Melamed said.

From Israel, Melamed worked with many companies listed on NASDAQ. His client list also included privately held New York-based Varonis Systems, a young data security and analytics firm planning to go public. Impressed with the company’s metrics-driven, hands-on culture, Melamed joined the firm in 2011 as director of finance before becoming vice president of finance two years later. Varonis went public in 2014, and three years later, Malamed moved up to CFO. He then added chief operating officer duties in 2018.

Adding COO responsibilities to his job made sense, he said, because of the company’s emphasis on using data analysis to make operating decisions. “We’ve always looked at things through numbers,” Melamed said. “We analyze everything possible.”

Melamed knows that his big four accounting firm background not only introduced him to the numbers-focused tech firm but also provided the kind of experience valued by Varonis’ founders.

trying to anticipate risks.

“You have to take risks, but also watch for them, and it’s a combination that you build over time,” Melamed said.

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Sandra Beckwith is a freelance business writer.

DIVERSITY

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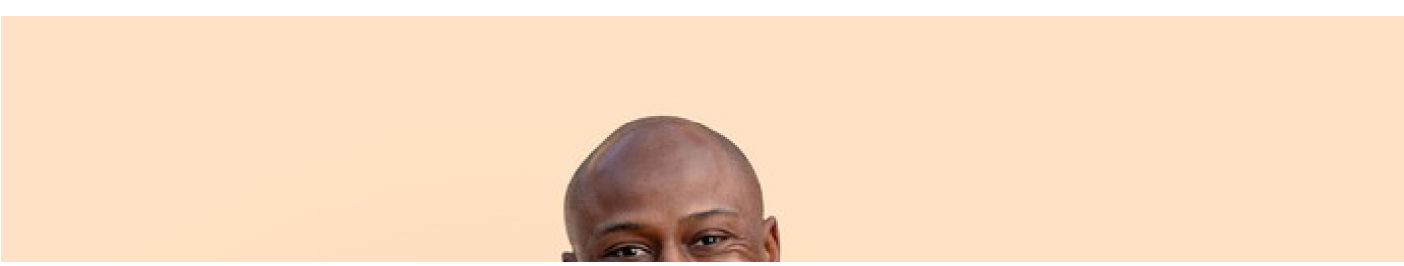

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