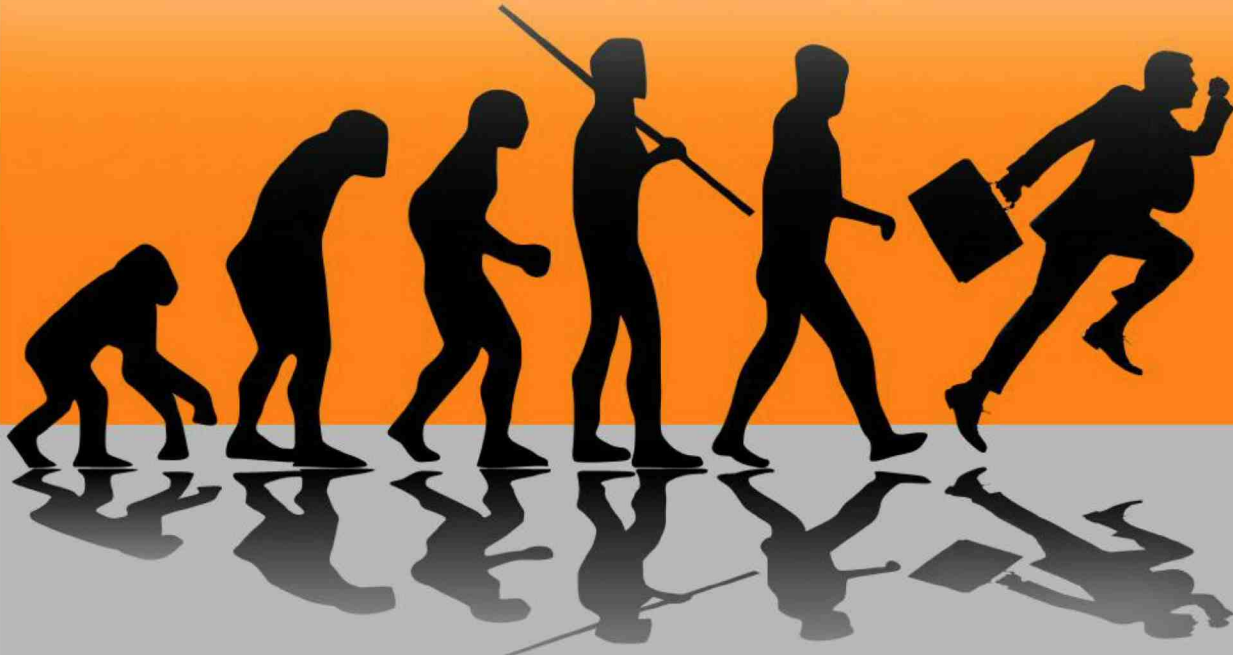


Evolution of the CFO

Stereotype of number cruncher has moved on to become key player with tech-savvy acumen



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BY COLE EPLEY

he chief financial officer has come a long way from being an organization's chief bean counter to being a diversified asset with intimate understanding of a company's human resources, compensation and benefits structure and, increasingly, the technology that ties it all together.

A November 2011 survey by Robert Half Management Resources found that 44 percent of CFO respondents reported they had become more involved in technology-related decisions, thanks especially to information technology and company finances becoming more closely entwined.

"Generally, the old stereotype of the accountant was that it was a green eyeshade-wearing number cruncher that was more

of a gatekeeper or a tracker of historical information," says Dan DeNisco, a senior vice president at Robert Half. "That is certainly not the case today."

Perhaps now more than ever, DeNisco says clients are looking to do more with less. And as companies continue to evolve, so does the CFO. The post-financial crisis in banking and finance and health care reform have created as many opportunities as they have obstacles for success within the sectors, and a CFO with acumen can make all the difference.

Joe Fracchia, a partner in the Memphis office of executive recruiter Vaco, says ever-changing regulatory matters are contributing to the new shape of organizations' top financial executives.

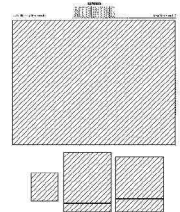
"These executives are having to get more involved in compliance

B2B CFO

Financial executives for hire

Partner: Kevin Campbell

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matters, both from an operations standpoint as well as a public relations standpoint," he says. "CFOs have to be more involved in those

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discussions about how much risk to take, keeping in mind both penalties and what happens if a company's name shows up in the paper."

But for companies looking to fill the post, knowing what is needed and actually getting it can be two very different things. Small businesses, especially, may not have the required capital for a full-time CFO, so they are forced to either make do with what they've got or get creative in finding solutions.

Tony Armstrong, owner of Armstrong Transportation & Trailers LLC, reached out to Kevin Campbell, a partner with [B2B CFO](http://www.b2bcfo.com), to satisfy his growing company's need for a deft financial executive about two and a half years ago.

"I had been in business for almost 11 years before I brought Kevin on," Armstrong says. "Once we got about \$10 million (in annual sales), we started requiring more precision and planning."

Campbell functions as a virtual CFO-for-hire for small businesses that need a dedicated financial executive, but either don't have the capacity to hire in-house or realize they need one in the first place.

"What I've seen is business owners have started a business, have gotten it off the ground and everything is great, but at some point in their growth, it becomes basically impossible to keep their hands on every aspect of the business," Campbell says. "They get mired down in the minutiae of the business."

Steve McGhee, president and owner of Bartlett-based Special Event Service & Rental Inc., found himself in a similar position to Armstrong's. His company is nearly 20 years old and has grown from a home-based business to one that now occupies 24,000 square feet on 10 acres.

"Managing cash flow got to the point where it was more than we could take on and certain things just continued to fall through the cracks," McGhee says.

Bringing Campbell on as a contracted CFO has helped the company continue its growth trajectory, but the inclusion of a perceived outsider was met with some reluctance at first.

"We had a lot of interest in bringing someone on (as CFO), but we were a little apprehensive," McGhee says. "It was hard to think about opening up and letting someone else have access to those things that were so closely held between a few of us in the company."

The benefits, however, have far outweighed any remnants of apprehension, and Armstrong says he's seen his banking relationships improve because of the company's increasingly healthy financial accountability.

"Bankers are able to come in and see what we have going instead of just having to take my word for it," he says. "We can bring them in and show them the results of what we're doing and that has helped our relationships."

Both Armstrong and McGhee plan to continue their work and growth with Campbell on board, but the position will continue to evolve much as it already has.

“One thing needed for all this to work are the soft skills, or the people skills, so the CFO can communicate with various personalities,” says Robert Half’s DeNisco. “The soft skills are equally important and as the position evolves, you’ll see the CFO become more involved on the operational and soft-skills side.”

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Skill sets: Selected local CFOs bring business educational acumen to key corporate positions



BJ Losch
Executive vice president, CFO
First Horizon National Corp.
Years with present employer: 4

Education: B.S. in business administration from University of Richmond; MBA from Virginia Commonwealth University

Background: Before joining the First Horizon executive team in January 2009, Losch spent nearly a decade with Charlotte, N.C.-based Wachovia.

There he served in various CFO capacities prior to the bank’s sale to San Francisco-based Wells Fargo & Co., including a two-year stint as CFO of Wachovia’s general bank, the largest of the institution’s four major business lines. He also held the chief financial post over Wachovia’s retail and small business banking lines of business.

At First Horizon, Losch is charged with leading the entirety of the bank holding company’s finances, including treasury management, accounting, taxes, and financial and strategic planning.

Key business moves made in 2012 included the organization’s \$272 million pretax charge announced at the end of the second quarter, designed to move First Horizon beyond the fallout of the housing crisis and its home mortgage business it sold in 2008.

First Horizon also announced in October a top-to-bottom cost-reduction campaign that included reductions in compensation for company executives and directors as well as a voluntary buyout program for employees at First Tennessee Bank.



Daniel Shumate
CFO, Campbell Clinic
Years with present employer: 2

Education: B.S. in business management from University of Alabama; MBA and MSHA from University of Alabama at Birmingham

Background: Shumate came to Campbell Clinic

in November 2010 from Louisiana Cardiology Associates in Baton Rouge, La., where he held the position of chief administrative officer.

Overseeing the various procedures and operations for that practice’s six clinics has translated smoothly for Shumate at Campbell Clinic, the second-largest physician practice in the city.

Shumate’s responsibilities include negotiating contracts with commercial insurers and this year, he helped formulate an innovative payment methodology with Blue Cross Blue Shield of Tennessee.

In his two years with the organization, Shumate has led other strategic planning initiatives, which in 2012 included a \$13 million Certificate of Need filing with the Tennessee Health Services Development Agency; that endeavor will nearly triple the space of Campbell Surgery Center, the clinic’s ambulatory surgery center.



Jason Lee
CFO, Orion Federal Credit Union
Years with present employer: 2

Education: B.A. in finance from Texas Tech University; MBA in-progress at University of Memphis

Background: Lee joined Orion in December 2010 just as the credit union began a complete overhaul under the direction of CEO Daniel Weickenand.

Formerly Memphis Area Teachers’ Credit Union, Orion is the largest credit union in Memphis with more than \$552 million in assets as of March 31, 2012.

Lee brings considerable experience to the post at Orion, having lent his financial acumen as CEO at Houston-based TexasOne Community Credit Union prior to coming to Memphis.

Since joining Orion, Lee has shored up the credit union’s finances and helped steer it to profitability. The institution introduced a brand-new internal operating system in fall 2012 in a move that it expects to further improve its internal processes and efficiencies.



Alan Graf
Executive vice president, CFO
FedEx Corp.
Years with present employer: 32

Education: B.S. in business administration, MBA from Indiana University

Background: Graf was announced as CFO at FedEx in 1998 after having spent seven years as CFO for FedEx Express.

The company reported revenue of \$42.7 billion in the fiscal year ending May 31, 2012.

Graf has a finger to the pulse of the company's global financial operations, as he oversees the finances of each of FedEx's four major operations: FedEx Express, FedEx Ground, FedEx Freight and FedEx Services.

Additionally, he serves on two executive committees within FedEx along with his roles as a director on the boards of Nike Inc. and Memphis-based Mid-America Apartment Communities Inc.

FedEx in August announced its intent to improve profits by \$1.7 billion by the end of fiscal 2016, a project that includes improvements to the company's information technology infrastructure as well as a voluntary buyout plan detailed in early December.

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compliance matters.'**

Joe Fracchia
Partner
Vaco