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Independent Study and Mentorship

September 1, 2022

## Research Assignment 1: Business Finance

[Link to Annotations](#)

### **Job Title**

The Corporate Financial Management field, specifically the role of the Chief Financial Officer (CFO), analyzes cash flow and financial risk to advise upper management about the best financial decisions and investments. This field requires the application of advanced math and financial systems, communication skills to present financial information, and a proficiency in computer applications to create visual aids. I have a natural talent for these specific skills; however, I believe that only experience will help me improve. I am more interested in the development of financial models and creating visual aids rather than the mathematical side, but I think that uninterest comes from a place of unfamiliarity. Once I learn financial analysis, I will be able to use that knowledge and make creative decisions.

### **Job Description**

Daily tasks for a Chief Financial Officer include reviewing financial statements, getting coffee with clients, checking emails, scheduling meetings, and drafting budget proposals. Weekly tasks would include meeting with the CEO to stay updated on the current changes in the company, creating financial models, checking in with the finance department to assure they are completing the tasks in coordination with the CFO's proposals. Long term goals include meeting

the financial income goals of the company, therefore making shareholders happy, reviewing financial statements for the quarter, and leading the team to make the best financial decisions. I am surprised that the Chief Financial Officer meets with clients often because I had previously thought that because this role is in upper management, they did not communicate with customers. After reviewing these tasks, I feel affirmed that the CFO's tasks seem very structured and diverse. While some of the work is exclusively independent, some of the work is communication-based and team-oriented, which is perfect for someone who needs time to work alone and with others. I like the idea of having a financial team that can follow through my proposals; however, a large financial department is mainly found in large corporations, meaning I will thrive best in a large environment.

### **Skills and Qualities**

Necessary skills to be a successful Chief Financial Officer include creative decision making, leadership, and communication skills. Being a CFO also requires great time management and financial analysis and synthesis skills. I think the most important thing is being able to make detailed financial reports and present the information to upper management in a way that appeals to their best interests. This source helped me understand that a CFO is not only an analyst, but an analyst that is able to communicate their findings to those who are not familiar with the topic.

### **Training, Education, and Certification**

In order to be a Chief Financial Officer, it is important to have a bachelor's or master's degree in accounting, finance, or business administration. The majority of CFO had prior

experience in senior management where they proved to be effective team members and experts in financial analysis. Most CFO's start as an entry-level job in the finance department such as junior accountant and financial analyst and work their way up to a senior level. This advancement depends on company policy and the value of your current work. This process of advancement reminds me that to get to the position I want, I have to start off at a lower level. Although this tests my patience, I know that this lower level management position will ultimately benefit me by giving me experience with a particular company and observing how upper management does their job efficiently.

### **College or Post High School Programs and Recommended High School Courses**

This main recommendation for future CFO's is to earn a master's in business administration. Although some CFO's only have their bachelor's degree, the majority of CFO's have completed their master's degree. The primary goal in high school is to be accepted into a good business program that can provide you with preparation for the role in the corporate world and connect you with other professional contacts for future job opportunities. The way I will take initiative to get into a good business school is to have business experience and knowledge through both ISM and an internship, maintain a high GPA, and score well on my SAT. These statistics will help me convince college programs that I am dedicated and curious about the business field and I am a high achieving student. Since the business world has a structured hierarchy in which time and education helps one move up, I will find internships while completing my bachelor's and hopefully have a job while completing my master's. I think this will be beneficial to me because if I can find a corporation that I like with a good working

environment, getting experience at the corporation the earliest I can will help me move up faster to my intended career.

## **Salary**

The annual salary for a CFO varies widely depending on the company and how much education the CFO has. The US average salary for a CFO ranges from \$316,754 to \$532,355; however, most likely, I will have to complete my master's degree and go through many years of lower level management. Other careers below the CFO include a corporate financial analyst that makes between \$67,674 to \$81,669 and a Sr. Finance Manager that makes a median salary of \$185,856. The salary of a CFO at a large corporation is very encouraging, but I know it will take many years to reach that point. This motivates me to get my master's degree in finance, so I can have the opportunity to work in upper management and receive a higher salary. This makes me curious about the differences between a financial analyst and a CFO and how their rules make such a difference in their salary.

## **Career Outlook**

Because of ongoing economic activity, the outlook for CFOs remains constant and growing. Opportunities for CFOs with specialties in investments and finance are particularly strong. Furthermore, because understanding risk plays such an important role in a business' success, the newly created role of the CRO, Chief Risk Officer, has begun to take some CFO responsibility. Overall, those who have a solid understanding of the overall financial picture of a business and a special acumen for understanding risk will continue to play a vital role in businesses around the world. Seeing the potential for employment in growth in these areas

affirms my decision to pursue a career in corporate finance. I anticipate that with experience and education, I will be able to find a role in the future that suits my skills, abilities, and passions.

## Works Cited

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