

# Beyond the Balance Sheet: Unleashing the Full Potential of Financial Services CFOs



The financial services industry is on the brink of significant C-suite turnover in the next 5 years, for the CFO role, turnover was 12% higher in 2025 than the average rate over the last 7-year period. In tandem, CFO retirement rates continue to increase. If organizations don't engage in active succession planning, they risk leadership voids - for the CEO seat, and for other pivotal executive and supervisory roles.

It's clear to see how firms benefit from active succession planning for key value driving roles like CEO and CFO positions; leadership continuity is critical to protecting investor confidence, regulatory standing, and furthering the strategic agenda. In addition, individual leaders can also gain from a structured process to channel their ambitions.

Financial services has been strong in CEO succession planning, with 68% of appointments being internal (from 2020 to 2025). In 2025, from our Global CEO Turnover index, 45% of financial services CEOs have previously held the group CFO title, a rate higher than any other industry sector. Nevertheless, the most common pathway to CEO is still divisional leadership or COO.

Could CFOs be the key to closing the potential leadership gap? And for those not destined for the CEO seat: how can firms tap into the legacy and impact these leaders are capable of delivering?

To better understand the evolution of the CFO role in financial services, and how firms can encourage career optionality for high-performing CFOs, RRA interviewed 11 leading current and former CFOs. Several of these executives have transitioned to CEO, board, and other advisory roles within financial services.

## From steward to strategist: The evolving role of the financial services CFO

The financial services CFO role has evolved from "guardian of financial discipline" to strategic and operational navigator of complexity. Once defined by stewardship and control, today's financial services CFO is expected to shape strategy, guide transformation, and act as a trusted counterweight to the CEO.

The financial crisis of 2008 and subsequent regulatory tightening elevated the function's importance, embedding CFOs deeply into the fabric of business decision-making. But in an environment now defined by digital disruption, shifting regulation, and investor scrutiny, technical excellence alone is no longer enough.

CFOs across sectors blend quantitative depth with relational agility; these capabilities are sharpened in financial services. Mastery of complex balance sheets, sustained engagement with regulators, and direct exposure to structured and interconnected financial products that underpin the global economy give financial services CFOs a distinctive enterprise-wide perspective. As a result, financial services CFOs develop a rare combination of analytical authority, external credibility, and strategic judgment. These differentiating competencies position them exceptionally well for roles beyond the CFO seat - whether as CEO, board director, or in broader enterprise leadership positions - often more so than in any other industry.

# Differentiating competencies of financial services CFOs

Given the unique environment that financial services CFOs operate in, the competencies they've developed have positioned them for broader strategic roles.

These skillsets include:

- **Regulatory strategist:** financial services has a high regulatory burden compared to other sectors, and the global scope of many diversified firms in this industry require CFOs to skilfully navigate the regulatory demands of several agencies - from the SEC, PRA, ECB or FINRA - each with competing standards and protocols. In tandem, finance leaders must balance those demands against commercial, operational, and strategic requirements.
- **Strategic communicator of financial complexity:** in financial services the "product" is often a complex and intangible financial instrument—such as derivatives, insurance contracts, or structured credit. Therefore, financial services CFOs must communicate a deeply complex financial story; showing how the financial components of their services enable business growth, translating complex financials into strategic narratives that drive the business forward—not just reporting numbers.
- **Influencer of financially perceptive stakeholders:** stakeholder influence is essential for all CFOs, but financial services CFOs face a particularly financially astute audience compared with finance leadership in other sectors. Earning credibility with this group of stakeholders requires financial services CFOs to sharpen their influencing skills through frequent engagement with regulators, boards, and investors in a highly governed environment.
- **Enterprise and commercial value creator:** CFOs across industries are undeniable value creators. In financial services, this competency is flexed in a unique way; financial services CFOs operate in a sector where value is derived from abstract constructs—trust, capital efficiency, navigating capital markets, client risk profiles, and product structuring. To bring value, CFOs here require a deep grasp of each financial institution's business mechanics in conjunction with a high degree of financial literacy and systems thinking. This elevated financial fluency positions financial services CFOs as both strategic partners and enterprise architects - where best in class leaders focus on long term strategy as a true partner to the CEO.

"CFOs used to be "guardians of financial integrity". Now, they are more of an architect, operator, visionary and help to steer the CEO through complexity."

**James Lenton**

Bupa

- **Transformation architect:** as AI becomes central to finance value creation, financial services CFOs are expected to lead technology-enabled efficiency and productivity gains—but with a distinctly higher bar for risk, resilience, and trust. Unlike many sectors, financial services leaders must balance innovation with stringent regulatory requirements, model governance, and operational controls. The stakes are also uniquely personal: a data breach can mean direct access to customers' money, making security, privacy, and reliability non-negotiable. And because many financial services firms are already at the forefront of AI adoption, expectations are high—CFOs must deliver transformation at pace while protecting consumer confidence and the trust customers place in their institutions.

“Today’s CFOs have to be intimately familiar with the technology that is here and is coming down the road.”

**Mike Cefole**

YMCA Retirement Fund

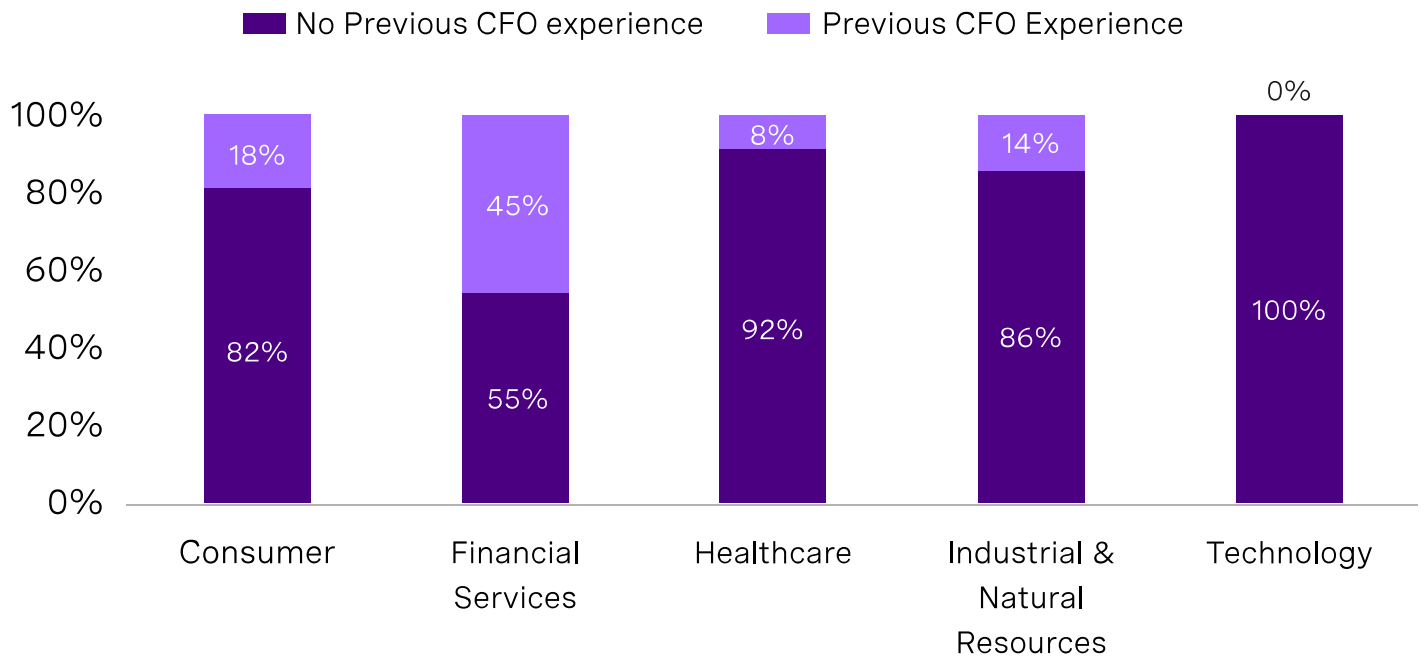
These differentiating competencies reveal both the depth and the breadth of the financial services CFO’s influence—and the opportunity for them to step into roles of even greater enterprise impact.



## Second acts: where are CFOs going next?

For many financial services CFOs, the natural 'second act' is to pursue broader enterprise leadership. Our data show that CFOs are among the most frequent functional leaders to transition into the CEO role in financial services: 45% of financial services CEOs have previous CFO experience, a rate significantly higher than other sectors. (Figure 1).

**Figure 1. Percentage of CEO Appointments with CFO Experience by Sector**



Source: Russell Reynolds Associates, Global CEO Turnover Index, 2025



While 45% of financial services CEOs appointed in 2025 have previous CFO experience, the most common immediate role prior to the CEO role remains the division or regional head role (31%), not CFO. This suggests that while many CFOs aspire for the CEO role, they must often take an intermediary role to get there.

The ambition exists — our Global Leadership Monitor finds that nearly four in five financial services CFOs say they want more responsibility, and more than a third aspire to become CEO — but fewer than half can envision how to get there.

CFOs are uniquely positioned for CEO success in financial services, but the transition requires deliberate preparation. The modern financial services CFO already operates as a strategic partner to the CEO, balancing commercial insight, financial discipline, and credibility with regulators and investors. This breadth provides a strong foundation for enterprise leadership.

However, CFOs who successfully make the leap tend to have built relationships across the business, gained P&L exposure, and mastered the art of storytelling — translating numbers into narrative that inspires confidence. In a sector where complexity dominates, the ability to connect strategic, financial, and people dimensions is what ultimately distinguishes CEO-ready CFOs.

“To transition to the CEO role, it’s more important than ever for CFOs to have a grip on the business and demonstrate a complete understanding of the company, its operations, and its products.”

**David Edelson**

Bain Capital



Beyond the CEO role, in our analysis of outgoing CFOs, we often see CFOs pivoting laterally into broader operational roles — such as COO, divisional CEO, or another role holding P&L responsibility— to gain scope and apply their strategic experience in new contexts, often still striving for the CEO position as alluded to earlier.

For others, the “second act” takes a different form — but remains equally influential. More than a third of outgoing financial services CFOs move into board roles exclusively, leveraging their governance and risk expertise as audit chairs or non-executive directors, particularly in regulated sectors or private equity.

The most successful CFOs approach their careers not as a linear climb but as a “career web” — consciously broadening their experience base, building technology and operational fluency, and cultivating relationships across the firm to keep multiple future options open.

“The best CFOs are very good at asking for help and are shameless about it - you can’t possibly know everything.”

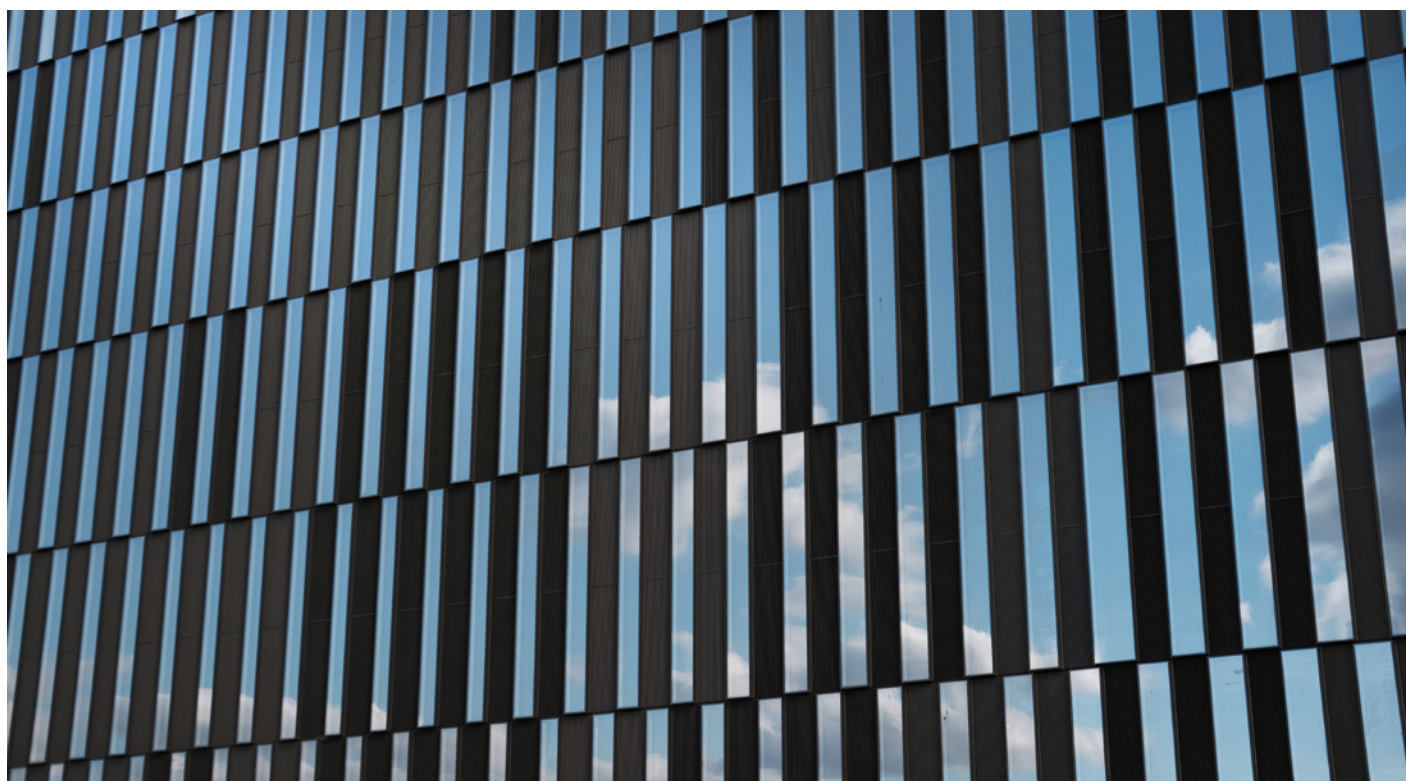
**Tushar Morzaria**

BT Group, BP Group and Legal & General

“Think about your career as a web, rather than a ladder”

**James Lenton**

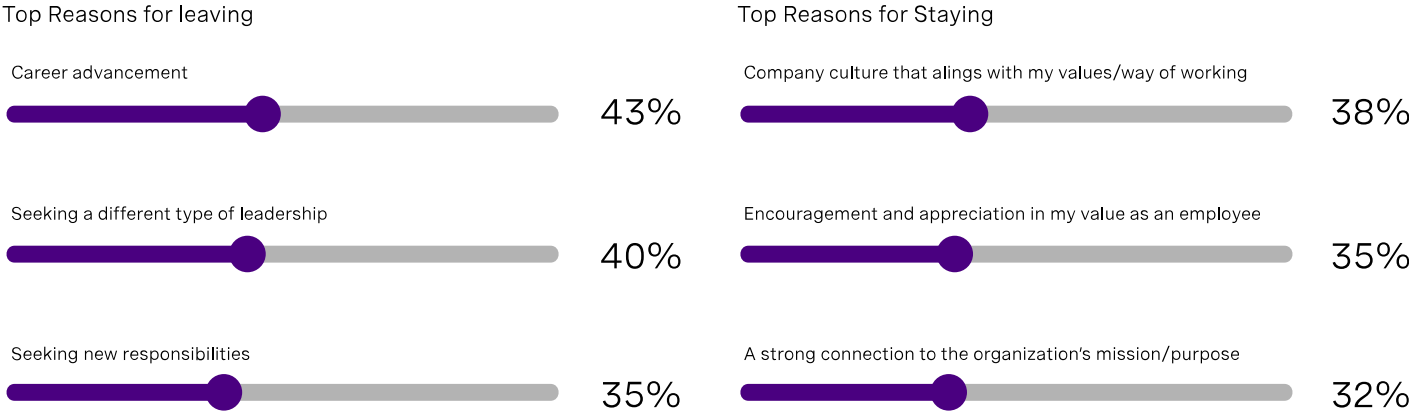
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# Charting the next chapter: practical steps for CFOs and leadership teams

For many executives, the CFO role is both a destination in its own right and a platform for broader strategic leadership opportunities. Yet many CFOs still choose to move on—often drawn by a wealth of attractive options beyond their current organization. Much of the succession challenge is understanding what motivates financial officers to leave their organizations; or, conversely, to stay. Our research shows that career advancement and a desire for a different type of leadership drives CFOs away, while alignment with company culture and clear encouragement and appreciation keep them in seat. (Figure 2.)

**Figure 2a. Top reasons CFOs cite to leave an organization | Figure 2b. Top reasons CFOs cite to stay in an organization**



Source: Russell Reynolds Associates, Global Leadership Monitor, 2025, N= 39 CFOs

To ensure CFOs in financial services can successfully transition to their next chapter—whether as CEO, board director, or another C-suite leader—both individual initiative and organizational support are essential. The following actions, when taken together, help maximize leadership continuity, talent retention, and the long-term success of both the individual and the organization:



# What CFOs can do to shape their next chapter

## Stretch your leadership span

- High performance in-role is table stakes for any next-step opportunity.
  - Whether the CFO role is your destination or a springboard, breadth of skills and experiences matters.
  - Build capability beyond finance by seeking commercial and operational exposure.
  - For aspiring CEOs: pursue P&L ownership, lead transformation initiatives, and gain hands-on cross-functional experience to deepen strategic and enterprise leadership.
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## Win in the board room

- Strong board relationships are a differentiator—and often a prerequisite for broader roles.
  - Engage in regular board interactions to strengthen strategic communication and executive presence.
  - Use these moments to signal readiness for enterprise accountability, learn governance dynamics, and deepen understanding of your target roles/functions.
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## Build a network that backs you

- Invest in mentors and peers who offer honest feedback, perspective, and sponsorship.
  - Learn from leaders who have made similar transitions, and use networks to surface development opportunities and expand your leadership approach.
  - As one leader put it, a “personal board of directors” can be immensely valuable: a small, trusted circle outside your reporting line that provides candid, objective, unfiltered counsel.
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## Cultivate followship and reach

- Build influence deliberately—internally and externally.
  - Maintain credibility with external stakeholders (e.g., analysts, shareholders, investors) to sharpen business understanding, increase visibility, and expand future options.
  - Strengthen internal partnerships, including with your direct reports; demonstrated followership, an emphasis on talent development, and the ability to inspire teams is a clear signal of enterprise leadership potential.
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## Stay opportunity ready

- Maintain agility and self-awareness to act when the right opportunities emerge.
  - Proactively shape your development path and clarify your leadership value proposition.
  - Stay open to lateral or stretch assignments that broaden impact, credibility, and visibility.
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# How Boards and CEOs can empower CFOs to take control of their next step

## Build the bench before you need it

- Identify and back next-generation finance leaders well before they enter the succession conversation.
  - Provide a mix of high-change opportunities (e.g., rotations into commercial/operational roles) & low-change opportunities (e.g., special projects, mentoring).
  - Prioritize development in P&L ownership, executive storytelling, and cross-functional exposure to build enterprise range.
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## Treat succession as enterprise strategy

- Position CFO succession as part of an integrated enterprise talent strategy—not a standalone exercise.
  - Link CFO succession planning to CEO and broader C-suite succession.
  - Define success profiles clearly for each leadership role.
  - Assess internal candidates transparently and consistently.
  - Provide multiple paths for incumbent CFOs (not just “stay or go”).
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## Build the support system that sticks

- Ensure CFOs and emerging finance leaders have access to formal mentors and trusted peer networks.
  - Include cross-functional mentoring to broaden perspective, enterprise understanding, and influence.
  - Use mentorship as both development and retention infrastructure.
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## Create space for career conversations

- Encourage open dialogue about long-term aspirations, including CEO and board ambition.
  - Normalize ambition so CFOs feel safe expressing goals without reputational risk.
  - Offer exposure to subsidiary boards, advisory roles, or governance forums to build readiness for broader accountability.
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## Turn transitions into talent wins

- Use early, candid conversations to craft transition plans that reflect the CFO’s value—whatever the outcome.
  - Provide clear pathways and credible alternatives within the business (not just one “next job”).
  - Keep development planning active even after a direction is chosen, so momentum doesn’t stall post-decision.
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CFOs bring immense value to their organizations and can continue to contribute beyond the CFO role. By combining proactive career management with robust organizational support, CFOs are empowered to realize their ambitions, and organizations are better positioned to retain top talent and ensure leadership continuity.



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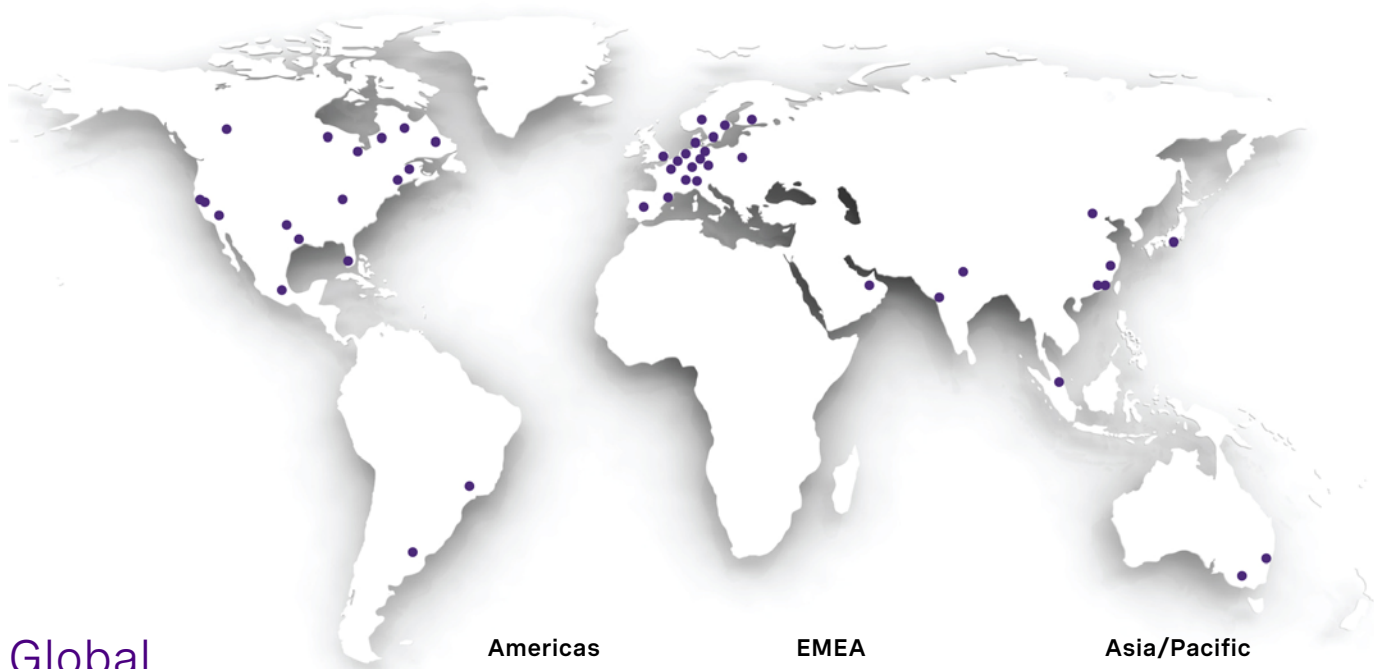
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Russell Reynolds Associates is a global leadership advisory firm. Our 500+ consultants in 47 offices work with public, private, and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic, sustainability, and political trends that are reshaping the global business environment. From helping boards with their structure, culture, and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led

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