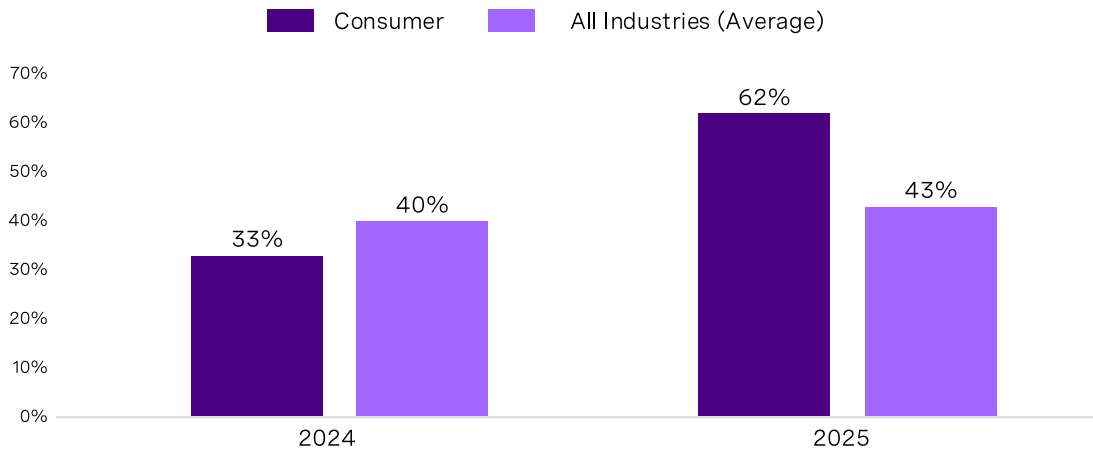


Fewer CFOs, Higher Stakes: How Consumer Organizations Can Mitigate Succession Risks

In 2025, consumer organizations faced extended uncertainty, [navigating compounding disruptions](#), including shifting consumer behavior, AI-driven transformation, supply chain pressures, and evolving trade policy. Publicly-listed consumer organizations responded by reaching for experienced CFOs. Per RRA's [Global CFO Turnover Index](#), more than 60% of incoming consumer CFOs had prior CFO experience, nearly double the 33% recorded in 2024 and well above the 43% average across industries (Figure 1).

Figure 1: CFO appointment experience by industry

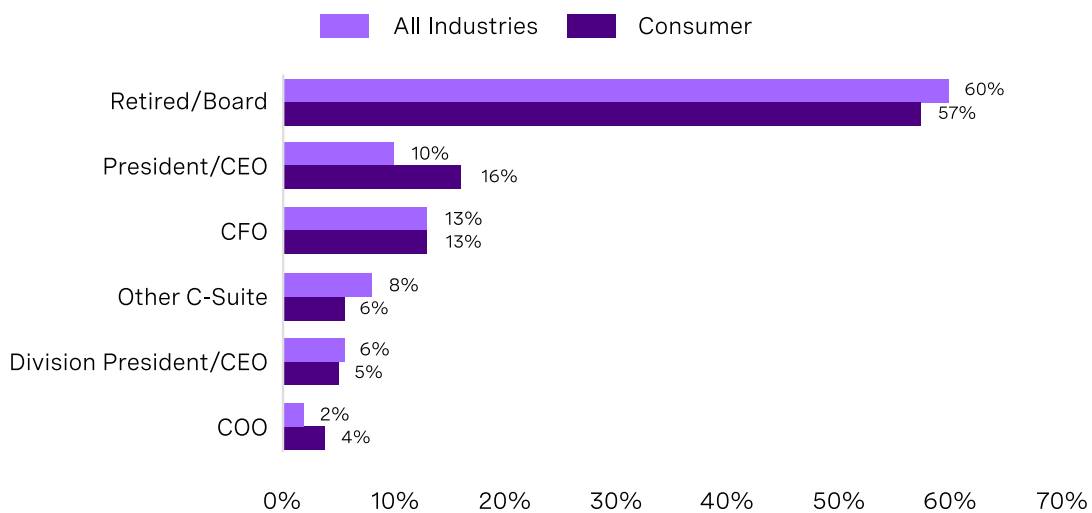


Source: Russell Reynolds Associates' CFO Turnover Index, n = 46 consumer CFOs in 2024, 287 CFOs across all industries, 58 consumer CFOs in 2025, 316 CFOs across all industries

But as that demand grew, the available talent pool shrank.

In 2025, across all industries, 60% of outgoing CFOs globally (and 57% of consumer CFOs) retired or moved into advisory or board roles, and only 13% moved into another CFO position (Figure 2). The remainder moved into broader executive roles including CEO, COO, and division president positions. Compounding the challenge, global CFO turnover among publicly listed consumer organizations¹ reached 18% in 2025, consistent across regions.

Figure 2: Outgoing CFOs' next role by industry



Source: Russell Reynolds Associates' Global CFO Turnover Index, n = 54 outgoing consumer CFOs, 270 outgoing CFOs all industries.

As the CFO role grows more demanding—requiring greater agility, more scenario planning, and sustained investor scrutiny—consumer organizations are forced to pay a premium when competing for this shrinking talent pool.

Additionally, increased CEO turnover adds further pressure on an already constrained market. [Consumer CEO turnover](#) reached a seven-year high of 17% in 2025; 78% of incoming CEOs were first-timers. CEO transitions can be natural inflection points at which organizations reassess their senior leadership team, and the CFO role is no exception. When a first-time CEO steps in, organizations increasingly look to anchor that transition with an experienced CFO; someone who can provide strategic counsel to a new leader and establish credibility with the market and investors.

The solution is not just casting a wider external net by remaining open to high-potential first-time CFOs. **The consumer organizations best positioned to navigate this market are those that build their internal talent pipeline through stronger succession planning.**

Yet even the most proactive plans can break down in the face of market realities. We explore the four issues that most commonly stunt succession plans and what consumer organizations can do to get ahead.

“With a large number of incoming first-time CEOs, demand for experienced CFOs rose sharply, and without a strong internal bench, many companies were forced to look externally for this talent.”

[Kristi Maynor](#)

Russell Reynolds Associates



Where CFO succession planning breaks down

Through our work with consumer leaders, we identified four areas where CFO succession planning most commonly breaks down.

It starts too late

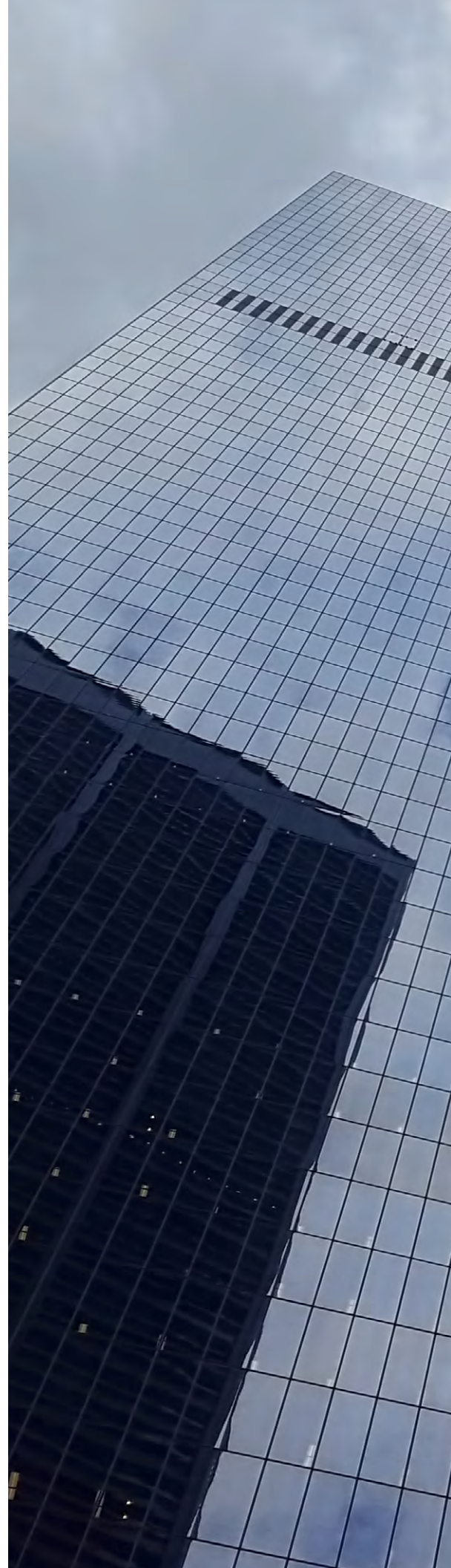
When organizations begin succession planning only when a transition is imminent, they often find themselves with less runway than the process requires. In consumer organizations, that runway is getting shorter. With an average CFO tenure of 6.1 years in consumer organizations, and development often taking up to 5 years, best practice is to start CFO succession planning when a new CFO is appointed. By the time a departure occurs, there is not enough time to properly prepare an internal successor.

It's easy to underestimate the ripple effect that starting late creates. Without early and visible investment in their development, high-potential finance leaders are left without clarity on their career path and are more likely to disengage or leave the organization. The result is an organization without internal options, competing for external talent in a market that is more expensive and more competitive than most organizations expect.

“When succession planning starts too late, the runway is already gone. Organizations are left without ready successors and forced into a costly, competitive external search.”

Romain Clio

Russell Reynolds Associates



Succession efforts don't go deep enough

When organizations rely on one or two internal candidates for CFO succession, the pipeline becomes fragile. If those individuals are not ready, move on, or are not the right fit when the seat becomes available, options diminish quickly. In 2025, 33% of consumer CFO appointments came from within the organization, compared to 54% across all industries. This suggests that, in most cases, succession plans were either not in place or did not come to fruition.

Building a more resilient pipeline requires thinking differently about who gets senior finance roles and how they are developed once there. Candidates who have not built broad experience across both corporate finance functions and business unit leadership roles may lack the commercial and technical range the CFO role now requires. As AI adoption, transformation agendas, and shifting business conditions continue to reshape organizations, the success profile for the CFO role is evolving too. Organizations that define that future profile deliberately and develop a portfolio of candidates across different readiness horizons will have more meaningful choices when a transition comes. And where internal bench strength does not fully align with that future profile, a strategic external hire at the CFO-1 level two to three years before an anticipated succession can bridge the gap, bringing in the right capabilities while still allowing time to assess fit and readiness before the seat opens.

“A thoughtful development plan anchored in cross-functional and cross-business rotations equips executives with the exposure and building blocks needed to step confidently into the broader CFO role. Without a clearly defined path for expanded scope and mobility, growth can feel constrained, often prompting executives to look outside the organization for that progression.”

Callie Bennett

Russell Reynolds Associates



No single person owns CFO succession

When CFO succession planning is left without a clear owner, it tends to stay informal and fragmented. The incumbent CFO, CEO, and CHRO each play a role, but the process often lacks accountability. Development conversations that need to happen directly and intentionally are instead avoided or delayed, and succession planning remains reactive rather than deliberate.

Lack of ownership and accountability often means that internal candidates rarely get the board exposure the CFO role requires. When no one is actively creating those opportunities, high-potential finance leaders go unseen by the board. Our [Board Cultures and Director survey](#) found that only about half of consumer board directors are consistently building relationships with executives beyond the CEO, yet we've found that boards are becoming increasingly interested in CFO succession, with a keen desire for visibility into the process. Without deliberate effort to increase board exposure, even capable internal candidates can appear untested when the CFO seat becomes available.

“CFO succession efforts tend to be on everyone’s agenda, but no one’s priority. Without clear ownership, CFO succession drifts, leaving the organization under prepared for unexpected succession needs.”

Clare Metcalf

Russell Reynolds Associates

Organizations underestimate the attractiveness of their bench

Organizations that invest in developing strong finance talent can inadvertently create their own retention challenge. The better the development, the more visible and attractive those leaders become to competitors. What feels like a stable bench internally can look very appealing from the outside, and organizations are often caught off guard when a key succession candidate fields an offer or decides to move on.

When succession plans depend on too few people, the pipeline can collapse quickly if those individuals leave or are not ready. Maintaining an external market map helps mitigate that exposure: it provides a clear view of the external talent landscape, allows organizations to benchmark internal candidates against the broader market, and ensures that if the internal pipeline falls short, organizations are positioned to move quickly and with confidence.

Retaining strong bench talent requires the same intentionality with which it was developed. Structured development, executive coaching, mentoring, and clear career pathways for strong internal talent signal that the organization is committed to their future. That commitment can be as important as financial retention incentives in keeping the right people engaged and in place.

“High quality CFO-1 talent is in demand, with many considering group CFO roles alongside CFO-1 roles with a clear path to succession. If organizations don’t actively work to retain strong talent, through deliberate development and rotational opportunities, they risk losing their bench.”

Georgie Deane

Russell Reynolds Associates



How consumer organizations can overcome these succession breakdowns

To close the gap between [CFO turnover](#) and succession readiness, leading consumer organizations should take a more deliberate, system-wide approach:

01 Start early and plan proactively

Formal [CFO succession](#) planning should begin three to five years before a contemplated transition and, at a minimum, two to three years prior. While ownership of the process often sits with the CHRO, it is the CEO who is accountable for the outcome, and the CFO who's responsible for the development of the internal bench. Effective succession requires active engagement from all key stakeholders: the CEO, the board/audit committee chair, and the incumbent CFO. When each stakeholder understands their role, succession planning shifts from an informal assumption to a standing discipline.

02 Treat CFO succession as a standing governance discipline

Refresh the CFO success profile regularly so it reflects the future strategy and organizational context (e.g., evolving business models, political and economic volatility, activism)—and use it to assess both internal and external candidates consistently, not only when a transition is imminent.

03 Build real bench strength, with internal and external options not a single-name plan

Maintain “ready-now” and “ready-soon” options with clear timelines, and invest in [targeted development](#) moves that close gaps before the organization is under pressure. [CFO assessment](#) can help boards and CEOs calibrate readiness and pinpoint development priorities, while signaling to those leaders that they are valued and invested in. Maintaining an external market map alongside internal development efforts ensures organizations can benchmark their pipeline against the broader market and identify potential strategic hires at the CFO-1 level before the need becomes urgent.

04 Create opportunities for board exposure

Having candidates present to the board offers visibility on both sides, familiarizing the board with potential successors while giving candidates a valuable developmental experience.

05 De-risk transitions with structured transition support

In a tight talent market, remaining open to first-time CFOs can meaningfully broaden the viable candidate pool, but structured transition support is not just for external or first-time appointments. Whether a successor is internal or external, experienced or new to the seat, treat [transition planning](#) as part of the appointment decision. Align the [transition plan](#) to the CEO and board agenda so the CFO can build confidence early and deliver impact faster. Consider additional support for first-time CFOs, such as [executive mentoring](#) and coaching between the CEO and CFO, to ensure success.

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Authors

Romain Clio is a member of Russell Reynolds Associates' Financial Officers, Consumer, and Board & CEO Advisory practices. He is based in Brussels.

Kristi Maynor is a member of Russell Reynolds Associates' Financial Officers, Consumer, and Board & CEO Advisory practices. She is based in Dallas.

Clare Metcalf is a member of Russell Reynolds Associates' Financial Officers, Consumer, and Board & CEO Advisory practices. She is based in Chicago.

Georgie Deane is a member of Russell Reynolds Associates' Financial Officers, Consumer, and Board & CEO Advisory practices. She is based in London.

Callie Bennett is a member of Russell Reynolds Associates' Financial Officers, Consumer, and Board & CEO Advisory practices. She is based in San Francisco.

Alex Madronal is a member of Russell Reynolds Associates' Consumer Commercial Strategy and Insights team. He is based in Boston.

Kate Heikkinen is a member of Russell Reynolds Associates' Consumer Commercial Strategy and Insights team. She is based in Boston.

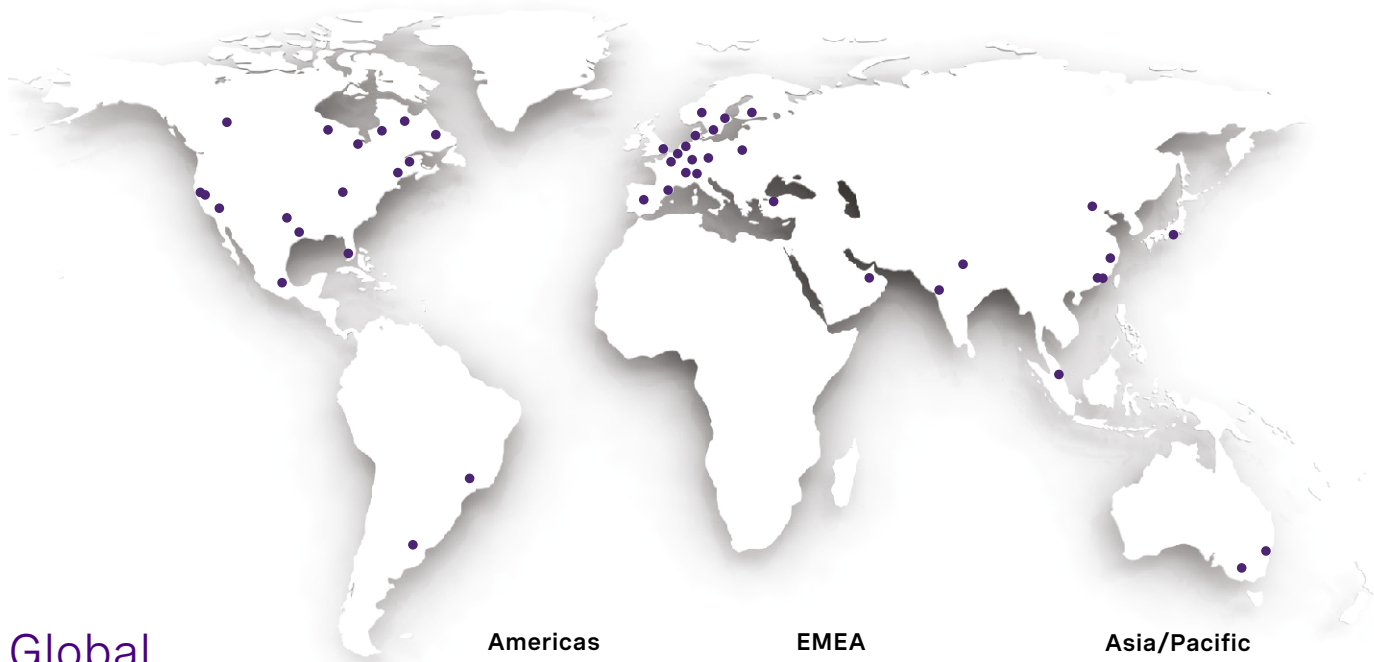
Footnotes

¹ Indices tracked include S&P 500, FTSE 100, ASX 200, CAC 40, DAX 40, EuroNext 100, FTSE 250, HANG SENG, Nikkei 225, NSE Nifty 50, S&P/TSX Composite, STI, SMI

About Russell Reynolds Associates

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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