

Is the CFO the Right Next CEO?



The key to successful chief executive officer (CEO) succession planning? Identifying and developing [more and better options](#).

Yet our research shows that leadership succession plans are already falling short, with [less than half of board directors believing their CEO succession plans will succeed](#). Meanwhile, [CEO tenures](#) are hitting record lows amid evolving role demands, and at the same time, leaders' overall interest in the CEO role has dropped significantly in the last three years.

To meaningfully expand their CEO pipelines, organizations need to support all high potential leaders who are equipped for the top job. **One obvious player: The CFO.**

To better understand the path from CFO to CEO, we interviewed 18 CEOs who had previously held the CFO role to learn more about their transition. Additionally, we analyzed 1,228 CFOs and 2,110 CEOs Hogan psychometric data.

When we first explored [this question in 2022](#), the conversation centered on the CFO's unique vantage point — as steward of performance, partner in strategy, and trusted voice to the board and investors. Since then, the CFO role has continued to expand. The modern CFO operates as a true enterprise leader, not just a functional expert. Their command of financial and operational levers gives them visibility across the organization, and a holistic understanding that few other executives possess.

Organizations are on the brink of a looming succession crisis in the levels below as well, with [71% of next generation leaders expressing interest in leaving their employers](#).

"Our CEO recognized the importance of succession planning and developed the entire executive team to see who could develop into the CEO. ... [the CEO] was pushing us to develop ourselves. They never went all-in on one person."

- Former CFO / Current CEO

How CFOs and CEOs compare

As the CFO remit continues to broaden, CFOs are now often viewed as the de-facto COO, acting in partnership with the CEO as the face of the organization to investors and the board, and are often hired as a potential CEO successor. ¹ Corie Barry, CEO of Best Buy and a former CFO suggested that companies "don't overlook the CFO - they might have the most differentiated skillset to be successful as CEO."

Other CEOs we spoke with reiterated the sentiment and even went as far as to say that **CFOs have the best potential for transitioning to the CEO role**. They are closest to the top position both on the board and to the CEO, as well as one of the executives who most frequently communicates with external stakeholders. In fact, as the CFO role has evolved, our [Global CFO Turnover Index](#) revealed 25% of exiting CFOs across the top global public indices moved into President/CEO roles in the first half of 2026.

Yet interviewees were clear that not all CFOs are natural CEO candidates. Chris O'Shea, CEO of Centrica, suggested the distinction often comes down to orientation: "If you're a CFO who's focused on value protection rather than value creation, you might struggle becoming a CEO." In other words, while many of the capabilities required for the CEO role can be developed, some of the most important differentiators begin with mindset.

To understand what differentiates those who successfully make the transition, Russell Reynolds Associates analyzed psychometric data and found four moderate and statistically significant differences between CFOs and CEOs (Figure 1). These differences point to potential development areas for CFOs eyeing the top seat.

Figure 1: Statistically significant Hogan psychometric differences between CFOs and CEOs



Source: Russell Reynolds Associates proprietary analysis of Hogan psychometric data. n = 1,228 CFOs, n = 2,110 CEOs. Hogan's assessment tools score individuals across 28 measures including: their day-to-day behavioral tendencies (HPI), how they perform under pressure (HDS), and their motivations and drivers (MVPI). Figure shows the percentage differences across samples of CFOs and CEOs and highlights differences that are statistically significant and of the highest magnitude.

Additionally, these psychometric trait differences corroborate the development areas that were identified through RRA's interviews. Creativity and innovation underpin a strong strategic and transformational mindset, while a greater propensity for risk-taking reflects the reality of leading through ambiguity. Comfort with self-promotion supports the shift to external orientation, enabling CEOs to more effectively represent the enterprise and engage stakeholders. Finally, a higher design-orientation reflects a broader leadership aperture with greater attention to brand and customer experience.

The interviews reinforced this finding, consistently pointing to a set of capabilities that distinguish successful CFO-to-CEO transitions. Many of the characteristics that differentiate CEOs from CFOs — comfort with ambiguity, external engagement, transformation leadership, and broader organizational influence — are increasingly central to leading modern organizations — and the bar itself keeps rising.



The CEO role is a moving target – CFOs must stay nimble to hit it

To CFOs aspiring to become CEOs, interviewees warn the role isn't what it once was. An increasing lack of trust in our foundational institutions like government and religious institutions,² along with gamechangers such as geopolitical uncertainty, activist investors and significant social unrest have many looking to the CEO for a response. Additionally, a new wave of technological transformation and the proliferation of AI means that often workplaces are stuck playing catch up instead of being able to stay ahead and innovate.

No longer is the CEO mandate to command and control the enterprise — it is now a balancing act of creating culture, nurturing relationships, demonstrating business acumen, and working with myriad outside stakeholders. Nimesh Patel, Group CEO of Spirax Group, noted that the role increasingly demands a different style of leadership than many organizations historically rewarded. As businesses become more complex and stakeholder expectations rise, CEOs must create environments where people feel empowered to contribute ideas, challenge assumptions, and help shape the organization's future.

Emphasizing the CEO's immense role in today's climate, Carol Tome, CEO of UPS and former CFO of Home Depot, said, "Anyone who is a CEO must look at their potential successor candidates and ask yourself, 'Is this person a talent magnet and people leader?'"

Taken together, the interviews point to four critical competencies CFOs must cultivate to successfully step into the CEO role. These four competencies are the behavioral expression of the trait gaps in Figure 1 — translating creativity, risk appetite, self-promotion, and design-orientation into how a CEO actually leads day to day. As the CEO role continues to evolve, the bar is no longer defined by experience, but by a broader leadership "portrait" — a combination of competencies, traits, drivers, and the capacity to grow into new demands. CFOs must not only understand these shifting expectations, but also develop the self-awareness to assess whether, and how, they can expand their leadership profile to meet them.

External orientation and stakeholder influence

As CFOs, leaders are grounded in credibility with investors and the board; as CEOs, they become the organization's external persona. This requires an evolution from reporting the story behind the numbers to shaping and projecting a compelling enterprise narrative — a shift supported by CEOs' stronger psychological orientation towards brand, experience, and meaning. CEOs must build trust across a wider, more diverse ecosystem of stakeholders, forging strategic partnerships and embodying the company's purpose. For aspiring CEOs, this means deliberately expanding beyond investors and the board to build visibility and influence with customers, partners, and broader stakeholders who shape the organization's success.

People and culture leadership

The CEO role dramatically expands both the scale and depth of people leadership. As Joe Dziedzic, former CEO of Integer, noted, "CFOs lead quantitatively; CEOs lead... by winning hearts and minds." This shift aligns closely with RRA's psychometric analysis, which shows that CEOs are more comfortable operating in the spotlight, an important trait as they become increasingly visible symbols of the organization and its culture. CEOs must move beyond metrics to understand individual motivations, shape culture intentionally, and create an environment where teams can perform and grow. Clement Kwok, former CEO of Hong Kong Shanghai Hotels Group, said it best, "Being a captain [CEO] is not just a title... you have to serve others and lead for the benefit of the group". With increased visibility comes heightened scrutiny — requiring leaders to operate with authenticity, emotional intelligence, and consistency in how they show up. For aspiring CEOs, this means investing intentionally in people leadership — not just managing performance, but shaping culture, building followership, and leading in a way others want to rally behind.

Strategic acumen and transformational mindset

While CFOs are often well-positioned for the CEO role, their success hinges on their ability to operate as enterprise-wide, forward-looking leaders. Our analysis underscores the importance of balancing analytical rigor with the capacity to challenge conventional thinking and act decisively amid uncertainty. For aspiring CEOs, this means seeking opportunities to lead enterprise-wide transformation initiatives, taking ownership of growth agendas, and making decisions with incomplete information rather than waiting for perfect data. As Mick Beekhuizen, President and CEO of The Campbell's Company, observed, strong CFOs understand how financials reflect the business; standout CEO candidates go further, using that insight to anticipate change and make decisions through the lens of long-term value creation for customers and shareholders.

Curiosity and adaptability

Curiosity and adaptability are both defining predictors of CEO potential. Success depends less on experience and more on the ability to learn quickly, adapt, and operate beyond one's functional expertise. For CFOs stepping into the CEO role, this means actively expanding beyond financial expertise to become true students of the entire business — operations, commercial strategy, talent, and culture. The CEO role has no clear playbook, requires credibility across functions, and demands constant navigation of unfamiliar terrain. As Mike Speetzen, CEO of Polaris Inc., noted, "It's important to fill in the gaps of the job, even down to the way marketing is run." Those who actively close these gaps, seek new perspectives and challenge their assumptions, are best positioned to transition successfully into the CEO role.

Charting the next chapter: Practical steps for CFOs and leadership teams

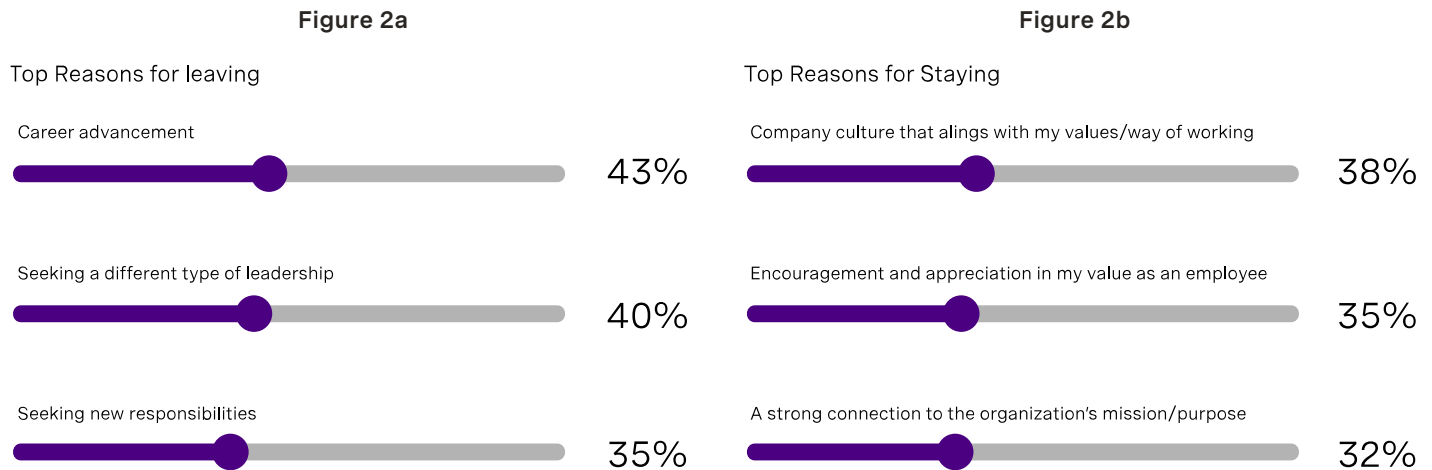
Building these competencies only strengthens the CEO pipeline if organizations can keep their best CFOs long enough to develop them — which makes retention the other half of the succession equation.

For many executives, the CFO role is both a destination in its own right and a platform for broader strategic leadership opportunities. However, the CFO role is also an essential feeder for the CEO role, meaning that many financial officers, when left unchallenged, take their talent and experience elsewhere.

Much of the succession challenge is understanding what motivates financial officers to leave their organizations; or, conversely, what keeps them in seat. Our [Global Leadership Monitor](#) 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
 % of CFOs naming the below as the reason they leave/stay at their organization



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

To retain high-potential CFOs and strengthen the CEO succession pipeline, 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 can CFOs do to shape their next chapter?

Stretch your leadership span

Broaden your base: this is where strategic acumen and a transformational mindset get built.

All ambitious CFOs must be delivering on results to be considered for a future CEO opportunity. Move beyond finance by seeking commercial and operational exposure. CFOs must pursue P&L ownership, lead transformation initiatives, and gain hands-on experience across functions to build strategic breadth and enterprise leadership.

Win in the board room

Engage with the board: external orientation and stakeholder influence in practice.

Strong board relationships are a differentiator — and often a prerequisite for the CEO role. 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 the CEO role.

Cultivate followership and reach

Build and nurture strategic relationships: the relationship core of people and culture leadership.

It is imperative to develop connections both inside and outside the organization. Tight relationships and creating a positive impression with the external community – such as analysts, shareholders, and investors – are essential for understanding the business, building influence, and accessing future opportunities.

Beyond external stakeholders, it's equally imperative to build and maintain strong relationships with internal stakeholders – including those that report to you. Displaying the skill of building and maintaining strong followership will demonstrate aptitude for broader leadership opportunities. Chris O'Shea, CEO of Centrica, notes "I get great pleasure...watching people develop and do things they thought weren't possible".

Build a network that backs you

Invest in mentorship and networks: this is how curiosity and adaptability are sustained.

Cultivate relationships with mentors and peers who provide honest feedback, perspective, and sponsorship. Learn from those who have navigated similar transitions, and leverage networks to identify development opportunities and broaden your leadership approach.

Nimesh Patel, Group CEO of Spirax Group stressed "Having a mentor can be incredibly helpful...someone who has been through what we're facing and actually knows where the potential landmines are buried."

Stay opportunity ready

Position for growth: the foundation for agility, self-awareness, and continued development.

Maintain agility and self-awareness to seize emerging possibilities. Proactively shape your development path to CEO, clarify your value proposition, and remain open to lateral or stretch assignments that broaden your impact and visibility.

How boards and CEOs can empower CFOs to take control of their next step:

Build the bench before you need it

Assess against the CEO success profile: Evaluate CFOs against the capabilities required for CEO success rather than finance leadership alone. Identify strengths, development priorities, and potential derailers, then create a tailored development plan to address gaps in areas such as enterprise leadership, strategic vision, commercial orientation, board influence, talent leadership, and external presence.

Invest in development early: Identify and invest in next-generation finance leaders before they reach the succession pipeline. Offer both high-change opportunities (e.g., rotations into commercial roles) and low-change opportunities (e.g., special projects, mentoring), prioritizing areas like P&L ownership, storytelling, and cross-functional exposure, so up and coming finance leadership can broaden their base early-on.

Facilitate access to mentorship

Foster cross-functional connectivity: Ensure CFOs have access to formal mentors or trusted peer networks, including cross-functional mentoring to broaden perspectives and build influence across the enterprise. Use mentorship as both development and retention infrastructure.

Create space for career conversations

Design thoughtful transition and development plans: Use early, honest conversations to craft transition plans that reflect the CFO's value, regardless of whether they step into a new role. Provide clear pathways and alternative career routes within the business and ensure development planning continues post-decision. Normalize ambition so CFOs feel comfortable expressing their goals and offer exposure to subsidiary boards or advisory roles to prepare them for broader responsibilities.

CFOs bring immense value to their organizations and are clear CEO succession candidates. By combining proactive career management with targeted organizational support CFOs can successfully transition into CEO roles – and organizations can strengthen their leadership pipelines.

Methodology

To better understand the transition from CFO to CEO, Russell Reynolds Associates interviewed a select group of highly successful CEOs who transitioned from CFO to CEO (see appendix for full list). In conjunction, we analyzed Hogan psychometric data of 3338 CFOs and CEOs, as well as an analysis of CEOs at global leading public companies.

Appendix

Thank You!

Our insights would not be possible without the generous time and input from our esteemed participants.

Alberto Weisser Former CEO, Bunge

Bob Swan Former CEO, Intel

Carol Tome CEO, UPS

Chris O'Shea CEO, Centrica

Chris Peterson President and CEO, Newell Brands

Christa Quarles CEO, Parallels

Clement Kwok Former Group CEO, Hong Kong Shanghai Hotels Group

Corie Barry CEO, Best Buy

Denise Paulonis CEO, Sally Beauty

Gerard Arpey Former CEO, American Airlines

Hans Erik Vestberg Former CEO, Verizon Communications

Joe Dziedzic Former CEO, Integer

Kevin Clark CEO, Aptiv

Mick Beekhuizen President and CEO, The Campbell's Company

Mike Bless Former CEO, Century Aluminum

Mike Speetzen CEO, Polaris Inc.

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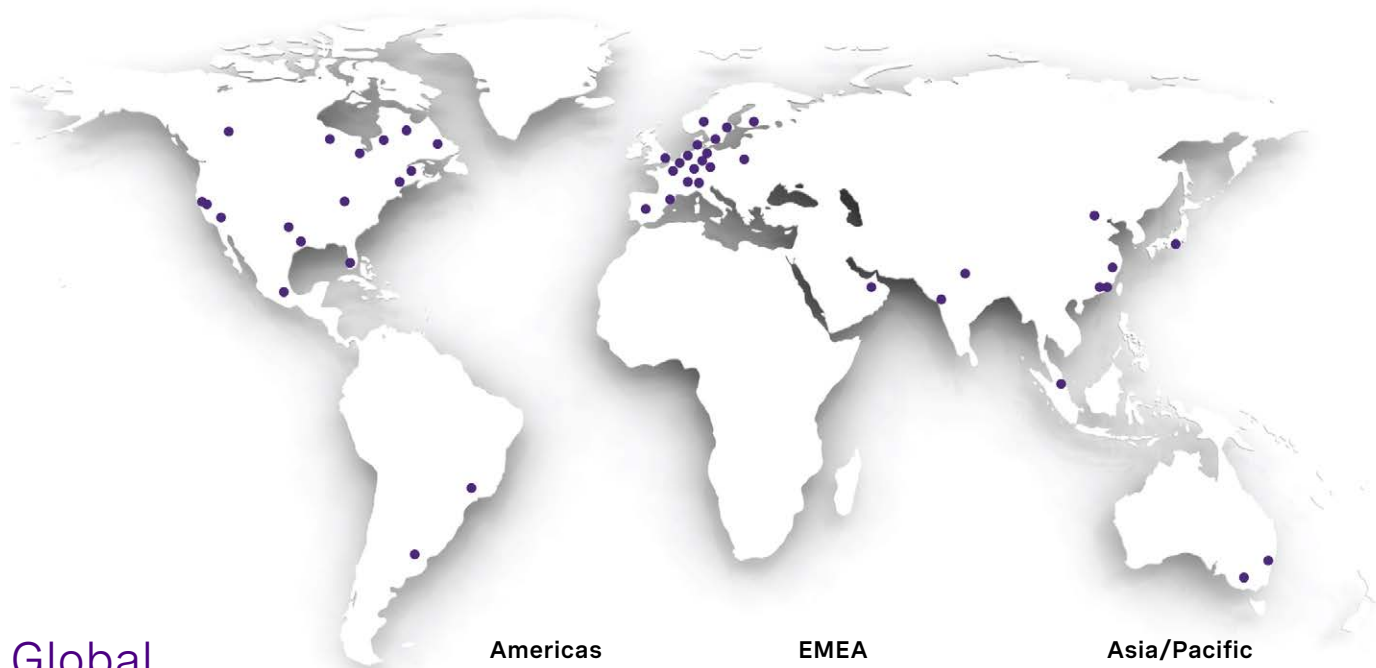
¹[Great Expectations: Where Next for the CFO Role? | Russell Reynolds Associates, 2025](#)

²[2026 Edelman Trust Barometer Reveals Trust is In Peril As Society Slides from Grievance into Insularity | Edelman](#)

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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