HOW TO BE AN EFFECTIVE CEO?

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Summary

A C-Level job is all about “managing complexity”, a defining trait of a leader. A Chief Executive Officer is involved in strategic decision making, responding to unanticipated events and directing the interaction of different functions in the organization. A leader defines an organization. A skillful Chief Executive Officer is always prepared for rapid escalation of complexities in the world of business.

It is generally assumed that complexities arise largely from external factors like globalization and unexpected crisis. While external complexities endanger the growth of a company, high levels of internal complexity significantly bring down an organization's ability to respond effectively to complex and unanticipated events.

Trade is liberated beyond geographical borders and the bitterness of financial crisis clarifies the fact that businesses are globally intertwined. A global overview of business and its performance will be the foundation of our discussion.

In today’s global business scenario, the role of Chartered Accountants in steering in their financial acumen and business expertise is sure to bring a flavor of professional approach to all that is done, right from understanding the financial stand of the company to appraising a strategic move. Undoubtedly, a person who can see through all the hidden risks (financial, operational, regulatory, legal, tax) an organization is likely to face, is capable of leading the organization in the best interest of its goals, management and the stakeholders.

The aim of this paper is to bring into the limelight the similar traits possessed by chartered accountants and Chief Executive Officers of companies. Chartered Accountants are recognized as the cream of our society, who can understand, guide and lead the society, in the best interest of its requirements and goals. Rising from being a strong finance professional to becoming the finance lead of an organization, a Chartered

Accountant best suits the role of a Chief Executive Officer in terms of his education, expertise, efficiency.

A Chartered Accountant defined by his qualities of integrity, financial acumen, independence and objectivity is best suited to lead an organization. All that the transition of chartered accountants from being advisers to leaders requires is an understanding that their education and training equips them to lead organizations in the best interest of the organization and society at large.

A leader defines his way, while others follow it. Some of the best managed companies with Chartered Accountants as their Chief Executive Officer are standing examples of the evolving roles of a Chartered Accountant. This paper gives a bird's eye view of the various roles, responsibilities, traits, qualities, limitations of a Chief Executive Officer and how a Chartered Accountant can handle the transition from being a full fledged finance professional to an all performing Chief Executive Officer.

A Chartered Accountant always evolves himself as the most sought after professional be it practice or industry, the former as an advisor and the latter as a performer. A professional with a clear understanding of what things where, are, and will be.
A Chartered Accountant is better placed over other professionals given his understanding of business and commercial laws, taxation, regulatory framework and above all the concept of business and its performance.

"If you don't see yourself as a winner, then you cannot perform as a winner". A burning desire to emerge successful with the help of efficient goal setting process and implementation ensures he is the right man, at the right place for the right cause. Being a leader from within makes all the difference.

THE CHIEF EXECUTIVE OFFICER (CEO)

WHAT IS 'CEO'?

CEO is an abbreviation of a Chief Executive Officer. A Chief Executive Officer (CEO, American English) is also known as Managing Director (MD, British English), Executive Director (ED, American English) for non-profit organizations, or Chief Executive or President.

WHO IS A 'CEO'?

A **CEO** is the highest-ranking corporate officer (executive) or administrator in charge of **Total Management** of an organization. An individual appointed as a CEO of a corporation, company, organization, or agency typically reports to the board of directors. The highest ranking executive in a company whose main responsibilities include

- making major corporate decisions,
- developing and implementing high-level strategies,
- managing the overall operations and resources of a company, and
- acting as the main point of communication between the board of directors and the corporate operations.

The CEO in general takes a position on the board, while some cases he is the Chairman.

THE UNIQUE ROLE OF A CEO

The role of a CEO varies from one company to another depending on its size and organization. In smaller companies, the CEO will often have a much more hands-on role in the company, making a lot of the business decisions even lower-level ones such as the hiring of staff. However, in larger companies, the CEO will often deal with only the higher-level strategy of the company and directing its overall growth, with most other tasks delegated to managers and departments.

The meaning of "chief executive officer" depends on whether a business is a company or not, that is, whether it has a board of directors or not. In an organization with board of directors, the "chief executive officer" is an individual organizational position which is primarily responsible to carry out the strategic plans and policies as established by the board of directors. In this case, the chief executive reports to the board of directors. In a form of business that is usually without a board of directors, the "chief executive officer" is the singular organizational position that sets the direction and oversees the operations of an organization.

The responsibility of an organization's CEO is set by the organization's board of directors or other authority, depending on the organization's legal structure. They can be wide or limited and it is a typical delegation of authority.

A CEO has responsibilities as a communicator, decision maker, leader, and manager. The communicator role can involve the press and the rest of the outside world, as well as the organization's management and employees; the decision-making role involves high-level decisions about policy and strategy. The CEO advises the board of directors, motivates employees, and drives change within the organization. The CEO manages to preside over the organization's day-to-day, month-to-month, and year-to-year operations.

It is expected that a person should possess a great deal of experience in the company's field in order to become CEO. A chief executive provides vision and a plan for the company to navigate, which is difficult to do without extensive experience and a working knowledge of the potential risks and opportunities that lie ahead for the company.

A senior-level managerial experience is generally a must. In order to run a multimillion- or multibillion-dollar company with hundreds or thousands of employees he or she has to have previous experience managing and/or overseeing other employees.

Definitive examples of individuals who worked their way up the ranks are

- **K. V Kamath**, born on December 2, 1947, graduated from IIM-A in 1971, Kamath started his career with ICICI (Industrial Credit and Investment Corporation of India), in the Project Finance division and moved on to different departments to gather experience which included setting up of new businesses such as leasing, venture capital, credit rating as well as handling general management positions. As part of his general management responsibilities he initiated and implemented ICICI's computerisation programme. Substantial investments in technology from the early years have resulted in systems that are today a competitive advantage for ICICI. Kamath has generally been credited with expanding ICICI's businesses to evolve it into a technology-enabled financial organisation catering to the financial needs of corporate and retail customers. In 1988, Kamath joined the Asian Development Bank, Manila in their Private Sector Department. His principal work experience at ADB was in various projects in China, India, Indonesia, Philippines, Bangladesh and Vietnam. He was the ADB representative on the Boards of several companies. In May 1996, Kamath returned to ICICI as its Managing Director and Chief Executive Officer. Kamath was instrumental in expanding the Group's services to the retail customers. He initiated a process of a series of acquisitions of non-banking finance companies in 1996-98, and led the way to the formation of ICICI Bank.
- **Subramanian Ramadorai**, born on October 6, 1944, began his career with TCS as a junior engineer in 1969, he rose through the ranks and eventually was charged with setting up TCS' operations in the United States in 1979 in New York City, which has since grown to over 40 offices throughout the country. Since taking on the role of CEO, Ramadorai focused his efforts on building relationships with large corporations and academic institutions, planning and directing technology development and acquisitions and overseeing the company's research and development activities. He has played a pioneering role in establishing Offshore Development Centers (ODCs) in India to provide high-end solutions to major corporations including IBM, Microsoft, General Electric, Hewlett Packard, Morgan Stanley, Tandem-Compaq, American Express, Merrill Lynch, Capital Bank, Target

Corporation, Citibank, Qwest, Lucent Technologies, Ericsson and Nortel. Under his leadership TCS set up Technology Excellence Centers in India that have acquired knowledge, expertise and equipment in specialized technology areas like IBM, Oracle Corporation, SAP, AS400, DEC, HP, Microsoft, Silicon Graphics, Sun and Tandem. Recently, he led TCS in forging new partnerships and alliances with the American International Group of Companies, Citibank, Microsoft, Oracle and Keylabs, and widening existing relationships with Capital Bank (Bank of Scotland Group), Prudential Insurance Company of America, Hewlett Packard and Unigraphics Solutions Inc.

Ramadorai spearheaded TCS' quality initiatives, taking sixteen of its Development Centers to SEI's CMM Level 5, the highest and most prestigious performance assessment issued by the Software Engineering Institute (SEI). TCS also attained the distinction of being the World's first company to have all centres assessed as operating at Level 5 of PCMM (People-CMM).

- **Chanda Kochhar** (born November 17, 1961) is currently the Managing Director (MD) of ICICI Bank and Chief Executive Officer (CEO). ICICI Bank is India's largest private bank and overall second largest bank in the country. She also heads the Corporate Centre of ICICI Bank. Kochhar had joined the erstwhile ICICI as a Management Trainee in 1984. When ICICI decided in 1993 to enter the commercial banking, she was deputed to ICICI Bank as a part of the core team to set up the bank. She was instrumental in setting up and scaling up the retail business for ICICI Bank. In April 2001, she took over as the executive director, heading the retail business in the ICICI Bank. In April 2006, she was appointed as deputy managing director. She has often featured in the *Fortune* magazine's annual lists of most powerful business women across the world.
- **Vikram Shankar Pandit** (born 14 January 1957) is an Indian-born American banker. He is the chief executive of Citigroup, a position he has held since December 2007. He holds a B.S. and M.S. degree in Electrical Engineering from Columbia University, and an M.B.A. and Ph.D. in Finance from Columbia Business School. During his early professional years, he taught economics

at Columbia, then had a stint as a professor at the Brock University in St. Catharines, Canada.

He joined Morgan Stanley as an associate in 1983, one of the first Indians to join the company. In 1990, Vikram Pandit was chosen as the managing director and head of the US Equity Syndicate unit of Morgan Stanley and by 1994, he had risen to become managing director (MD) and head of its worldwide Institutional securities division.

He was instrumental in building Morgan Stanley's electronic trading and prime brokerage division and in 2000, ultimately rose to the post of president and chief operating officer (COO) of its worldwide operations of the Institutional securities and Investment banking businesses. In 2005, after more than two decades with Morgan Stanley, Vikram Pandit decided to leave the firm along with John Havens after being passed over by Philip J. Purcell.

In March 2006, Pandit and John Havens, along with Guru Ramakrishnan (former global head of trading, technology and new products in the equities group at Morgan Stanley), started the hedge fund Old Lane LLC. Citi bought the company in 2007 for $800 million bringing both Pandit and Havens into Citi leadership. Citi named Pandit chairman and CEO of Citi Alternative Investments (CAI) unit and he later led Citi's Institutional Clients Group.

On December 11, 2007, Pandit was named the new CEO of Citigroup, replacing interim-CEO Sir Winfried Bischoff. Pandit was strongly supported by then interim chairman of Citigroup Robert Rubin, the effective successor to Chuck Prince. Prince had resigned as chairman and CEO of Citigroup in November 2007, due to unexpectedly poor third-quarter performance, mainly due to CDO- and MBS-related losses.

- **Bhaskar Bhat** (57 years) B.Tech., PGDM has been the Managing Director of Titan Industries Ltd., a subsidiary of Tata Sons Limited since April 1, 2002. Since 1983, Mr. Bhat has been associated with the Tata Watch project that later became Titan Watches and is now Titan Industries. He started as a management trainee at Godrej & Boyce Manufacturing in 1978. After spending five years at Godrej, he joined the Tata Watch Project initiated by Tata Press. He serves as an Executive Non Independent Director of Titan Industries Ltd. Mr. Bhat serves as a Director of Titan International Holdings BV; Titan Watches & Jewellery International (Asia Pacific) Pte Ltd; Titan Holdings Ltd; Titan Properties Ltd and Titan International Marketing Ltd. He has been an Independent Non-Executive Director of Trent Ltd. since September 27, 2010. Mr. Bhat received a B Tech (mechanical engineering) from Indian Institute of Technology (IIT), Madras in 1976 and has completed his postgraduate diploma in management from Indian Institute of Management (IIM), Ahmedabad in 1978.

ROLES OF A CEO

As a Focussed Leader

- Advises the Board
- Advocates / promotes organization and stakeholder change related to organization mission
- Supports motivation of employees in organization products/programs and operations

The Visionary

- Ensures staff and Board have sufficient and up-to-date information
- Looks to the future for change opportunities
- Interfaces between Board and employees
- Interfaces between organization and community

Strategic Decision Maker

- Formulates policies and planning recommendations to the Board
- Decides or guides courses of action in operations by staff

Full Fledged Manager

- Oversees operations of organization
- Implements plans
- Manages human resources of organization
- Manages financial and physical resources

Board of Director's Guiding Force

- Assists in the selection and evaluation of board members
- Makes recommendations, supports Board during orientation and self-evaluation
- Supports Board's evaluation of Chief Executive

RESPONSIBILITIES OF CHIEF EXECUTIVE OFFICER

Of course there is no standardized list of the major functions and responsibilities carried out by position of chief executive officer. Given below is a list which includes the major functions which typically details the job descriptions of chief executive officers.

1. Administration and Support to the Board of Directors

Supports operations and administration of Board by advising and informing Board members, interfacing between Board and staff, and supporting Board's evaluation of chief executive

2. Overseeing (the Program, Product and Service) Delivery

Oversees design, marketing, promotion, delivery and quality of programs, products and services

3. Financial Management

Recommends yearly budget for Board approval and prudently manages organization's resources within those budget guidelines according to current laws and regulations

4. Human Resource Management

Effectively manages the human resources of the organization according to authorized personnel policies and procedures that fully conform to current laws and regulations

5. Business Image and Public Relations

Assures the organization and its mission, programs, products and services are consistently presented in strong, positive image to relevant stakeholders

6. Raising Capital

Oversees fundraising planning and implementation, including identifying resource requirements, researching funding sources, establishing strategies to approach funders, submitting proposals and administrating fundraising records and documentation

SKILLS OF AN EFFECTIVE CEO

The core areas of knowledge and skills required by Chief Executive Officers are as follows:

Management and Leadership

- Managing oneself
- Basic, Entry-Level Skills in Organizational Management
- Core Competencies for Leading
- Boards of Directors

Business & Strategic Planning

Business Planning - planning a new business organization, product, business department, etc.
Strategic Planning - establishing organizational goals and how to reach them

Organizing Functions

- Human Resources Management
- Organizing Staff
- Organizing Various Types of Groups
- Organizing a New Business (whether for-profit or non profit)
- Guidelines to Reorganize a Current Organization

Showing the Way Forward

- Leading Other Individuals
- Leading Groups
- Leading Organizations

Coordinating Departments, Activities and Resources

- Ethics Management Systems
- Finances
- Fundraising
- Employee Performance Management
- Group Performance Management
- Organizational Change Management
- Organizational Performance Management
- Policies and Procedures
- Product/Service Management
- Program Management
- Marketing and Promotions and Public and Media Relations
- Systems Thinking

Every CEO exhibits unique set of characteristics to the role assumed, while there are some commonalities between those that are able to take their companies in the path of success and those that fall short of their potential.

ESSENTIAL ATTRIBUTES OF A SUCCESSFUL LEADER

1. **Focus & Communication** - Ability to focus on the vision and to communicate that vision to stakeholders.
2. **Awareness** - Awareness of operational details, however, not involved with them.
3. **Hub of Information** - On top of industry trends -- an avid reader.
4. **Managing Management** - Hires strong management teams and supports their decisions.
5. **Customer Management** - Meets with customers and can articulate customer needs, challenges and business goals.

A CEO'S EDUCATION

A LEADER IS DEFINED AS ONE WHO……

1. Has a Vision

Being at the top, an effective CEO should be able to clearly send across the vision of the company to the organization as a whole, inspire staff, motivate investors and satisfy customers. As the flag-bearer of the organization, all eyes turn to the **CEO** for direction and example.

2. Prioritizes Management

While it is important for the CEO to understand the every-day activities of the organization and how all the parts fit together to move the company forward, the best CEOs do not involve themselves in micro managing granular details. Instead they maintain a highly trained management team that tactfully handles these tasks.

This helps in building an undeterred focus on the primary duties of increasing revenues, expanding business boundaries and meeting the goals identified in the vision.

3. Leverages Industry Trends

Staying abreast of happenings and trends through reading, attending conferences and joining trade associations is an essential requirement for CEOs to ensure that the direction and vision for the company is on track. The ability to foresee the future happenings is important for handling potential threats and capitalizing on future opportunities.

This is critically important given the constantly evolving nature of the technology industry where the head of the organization needs to bifurcate between issues that will have long-term impact and those which are merely fads with little real value.

4. Develops Strong Management Team

An organization emerges successful with a strong management team. Each member must perform as a leader that knows and is accountable for his or her job responsibilities. Managers in turn should know how to mentor and acknowledge the accomplishments of their staffs in order to keep them motivated, involved and on track to meet the business goals of the company.

5. Considers Customers as the Focal Point of Operation

An effective CEO sees beyond technology and focuses on finding ways to help customers solve their problems. Their product description addresses the needs and challenges of their customer's instead of listing product capabilities.

Well informed CEOs use their customer requirements in their goal setting process. Through weekly meetings with customers, CEOs have an opportunity to share with stakeholders, which help create a better product and a thorough understanding of the customer requirements for a successful business relationship.

To perform their best in today's unpredictable atmosphere, leaders must possess set of three unusual qualities. These attributes account for being the catalyst behind exhibition of accomplishments by the best CEO thereby redefining leadership:

1. **Realistic optimism –** A Chief with this quality possess confidence with irrationality. They pursue top goals, which others would typically view as impossible, while at the same time remaining completely aware of the magnitude of the challenges confronting them and the difficulties that lie ahead.
2. **The Goalful Life -** Leaders with this ability see their professional goal as so profound in importance that their lives become measured in value by how much they contribute to furthering that goal. In the sense, they pursue a professional goal in order to feel a purpose for living. In essence, that goal is their reason for being. They do not deviate from their purpose, as their mind finds satisfaction in its occupation with their goal. Their level of dedication is directly proportional to the remarkable importance they place on their goal.
3. **Ordering the Chaos -** Leaders with this quality find taking on multidimensional problems invigorating, and their ability to bring clarity to issues that baffle others makes their contributions invaluable.

Real leadership is recursive*:* It's a continuous process that starts with a leader and is echoed in that leader's people. Leaders who embody these traits of realistic optimism, a goalful life, and the ability to find order in chaos use these catalysts to craft contexts in which they and others can realize potential. We are all born with an ultimate need for success, but are unfortunate not aware of this need within us and way to meet it. It is up to a leader to create a work environment in which every employee can experience the deep satisfaction of working towards a goal worth achieving.

The most critical responsibility leaders have is to help their people move the focus from engagement toward realizing their potential as human beings. When leaders create a context for people to realize their potential, they create a virtuous cycle that elicits people's best selves. The selves that induce the gratification we all feel when we overcome significant challenges and realize our potential.

This is how a leader creates an organization that harnesses the maximum effort and resiliency from its employees. In today's business environment of ever-escalating competition, such an organization is the only kind that is built to survive.

A CEO PERSONIFIES…..

To become one, know who he is. Here are some of the qualities you are going to need to become a CEO.

1. **The leader**
   Successful people are often great leaders.
2. **Goal Keeper of the Company**

   The CEO is the keeper of the company's overall vision. The CEO needs to be able to keep things on course for the current quarter to make sure that the large overarching vision of the company can be achieved. It takes a great CEO to keep the company on track to achieve that vision. An effective CEO will often judge upcoming initiatives to see if they fit in as a piece of the large puzzle for the bigger vision.

3. **An Optimist**

   Successful people who want to be CEO's are positive. They are driven by success. There are various companies started by optimistic people with the desire to become number one

4. **Be the Shock Absorber for The Team**

   A CEO should be able to take on a strong burden of stress, pain, and torture all while making level headed decisions. A good CEO will absorb the stress, so the rest of the team can carry on. He also needs to be able to mask this pain and stress. Most of the day to day stresses aren't worth having the entire team worry.

5. **Locate the Smartest People**

   A CEO should possess the knack for finding talent. The key is to find people that are smarter than you on specific topics. It might be technical team members or it might be a new VP of Business Development. A CEO should to have the ability to find these people and make relatively fast decisions to hire them. They also have to be able to show the fire and passion to convince them to leave what is most likely a better paying and more secure job to join the company. The real key to hiring as a CEO comes after the hire. A great CEO will be able to trust the hires that they make and defer to them on areas of domain expertise.

6. **Handle Complexity**

   The higher up in the ladder, the decision are more complex. Hence it requires thinking ahead of things through much more carefully and thoroughly, as every decision potentially affects the whole organization.

7. **Investor Friendly**

   A good CEO will be a good link between progress, issues, and areas where they need help with investors. A good portion of early stage companies that raise money will have a board comprised of 3 people: the CEO founder, the investor, and an independent board member.

8. **Desire to Grow**
   Becoming a CEO is an effort that begins from the bottom and working one’s way up, while never forgetting the mission is to become successful.

9. **Being Close to the Product Vision of a Company**

CEOs of some of the best run companies are close to the product vision of the company. The management gaps if any is filled by COO and other board members, and heads of divisions.

10. Pay attention to details

Aspiring CEO’s have to be aware of all the details that are needed to run a successful company. Accounting, marketing, finance, computers, dealing with people, time management etc...

11. Real Time Learning

Learning hands on is wonderful provided an Executive aims at getting the best out of it; otherwise it could prove to be really expensive.

12. Competitiveness

A competitive spirit gets the best out of business. Only successful people stand to compete.

13. No Experience Almost Preferred

It's almost better to have a blank slate as a CEO. If you come in with preconceived notions it actually hurts.

14. Work with People

Learning to interact with others and manage human capital in order to make the most of the organization's resources is a skill set a CEO should be a master at. People skill is an essential quality of a CEO, who deals with people all the time.

15. Learn to Say No

It is important to be level headed and understand the reality of requests from potential partners, investors, employees, and more. Sounding wonderful does not assure being one. Never say yes to please somebody. This helps to keep track of the company and its large vision. This keeps the team laser focused and rewarded as they are able to focus on one thing unperturbed.

16. **Work Hard**

Running a business is not a jog in the park. A lot of hard work is required to get the job done. Be the first to come to work and the last to leave.

17. Technical Sound and Skill Set

A good CEO should be able to venture into the technicalities. It is important that they understand the technical/professional requirements. It is especially important to know what it takes to achieve a feat.

18. Integrity

Honesty Is the Best Policy. In business, reputation counts for a lot, so one should be sure to be ethical in dealings with one' co-workers and clients. It takes years to build a reputation and a minute to destroy it.

19. Have the Targets Clear

It is important to break the goals into sizable chunks and milestones for the rest of the team to understand it. A strategic move of prioritizing things is of great importance.

20. Earn Profits

A CEO's job is to capitalize on this. The great CEO of Berkshire Hathaway Warren Buffett states that in business the first and foremost rule is to "never lose money" and he always followed that statement with the second rule which is "never forget rule number one". In a society like ours the main function of a CEO is to make money for the company and for clients as well.

21. Have the Ability to Work Through Disaster

Nothing goes according to plan. People quit, servers crash, and other random things create chaos. A CEO has to deal with it really fast. Come up face to face with things which are unexpected. Quick, sensible and a safe approach are required in such situations.

22. Motivate through Thick and Thin

A great CEO will be able to take those moments of public despair and keep the company focused. They will be able to overcome or even approach them head on by keeping the members of the company focused on the bigger mission at hand. It can come in simple 5 minute talks or motivational emails. Never avoid the situation, be prepared to face with absolute confidence.

23. Communicate Well

You need to be able to pour out the energy and passion that you feel into others over and over again on a daily basis. As the head, he should communicate the vision and hope for the future of the organization to the rest of the world. He should be able to break down the overall vision of the company into something that laymen can understand. Talking in crazy technical jargon or industry terms serves no purpose. It needs to be simple and clear. He should be able to substantiate his point as well.

THE TRANSITION – CFO to CEO

"As you think, so shall you become"

ESSENTIAL SKILLS OF A CFO

1. **Information management** skills are important when managing complexity. This is vital, considering the changes in the market, confusing external factors and the need to integrate with internal financial and operational management to form decisions and opinions. In addition, CFOs will have to justify decisions by modeling scenarios and reporting.

2. Traditional **interpersonal management** skills and responsibilities have evolved to include external stakeholders and even the public.

3. **People management** has also evolved as the team could be smaller, due to cost cutting, and more diverse. This is significant in companies where shared service centers are located outside the home country, which can mean cultural, language and time-zone differences.

4. **Task management** – finance leaders will have to learn to use their technical capabilities not only for their own success but to deliver a message that is accessible to internal and external audiences in spite of its technical origins.

CFO’S ROLE IN BOARD RESPONSIBILITY

A Board’s Responsibility lies in approving the organization’s level of risk tolerance and in overseeing Risk Management**.** A CFO’s organizational responsibilities can be divided into 2 categories.

I. Core Risk Responsibilities – Risk pertaining to

- **i.** Organization’s financial system
- **ii.** Records

iii. Reporting
iv. Internal Financial Controls
v. Providing Information, advice and guidance to boards and management
vi. On areas pertaining to Strategy, Operations and Investments which have financial implication

II. Extended Risk Responsibilities

i. Advising and reporting to board on risk

A CFO'S RESPONSIBILITY TOWARDS RISK IS DIVIDED INTO THE FOLLOWING AREAS

a. Strategic Planning

i. Quantification of (Risk Tolerance) Limits
   a. Converting tolerance limits into financial terms
   b. Developing scenarios and financial projections to test implications of limits
   c. Developing methodology for providing accurate financial data for measuring risk tolerance limits
   d. Reporting historical and projected data on risk
   e. Identifying trends that call for investigative and corrective action

ii. Evaluation of (Strategic) options
   a. Checking the compatibility of strategies with Organizations SWOT analysis
   b. Financial projections (capital requirements, revenue)
   c. Identifying key performance drivers
   d. Financial Capacity to deal with risk
   e. Stress testing of strategies
   f. Financial strategies

g. Identifies potential Financial outcomes

iii. Development of Risk Measures and Warning Signs

a. Acceptable ranges of financial ratios
b. Non financial measures
c. Credit ratings
d. Regulatory compliance requirements
e. Early warning signs
    a. Rapid growth
    b. Employee turnover
    c. Transaction breaks
    d. System downtime
    e. Introduction of new products

EXTENDED RESPONSIBILITIES OF CFO IN RISK MANAGEMENT

1. Preparing corporate risk profile
2. Maintaining a registry of key business risks
3. Communicating Status of Risk Management to senior team management and audit committee

b. Risk Management Processes – CFO contribution includes

i. Establishing and maintaining internal financial control(IFC)

a. Certification of IFC

ii. Maintaining BCP(business continuity planning)

a. establish measures to protect and preserve the company's capital and liquidity
b. Back up and recovery plans for corporate financial records and systems
c. Maintaining essential financial operations even during times of business disruptions
d. Managing cash flows during crisis

e. Plans for accumulating cost associated with the crisis and recovery plan

Extended Responsibilities in Risk Management Preparations

1. Maintaining appropriate structures
2. Methodologies
3. Procedures

c. Risk Monitoring and Reporting

- i. Risk monitoring and reporting
  - a. Report on operating results
  - b. Report on financially related Key Performance Indicators, Key Risk Indicators and Early Warning Signals
  - c. The reports should follow a consistent format
  - d. The report should highlight unusual items, concerns and variances and technical issues that will affect the quality of earnings
- ii. Providing assurance on IFC
  - a. Effective internal control over
    - a. Receipts and payment
    - b. Accounting records
    - c. Records of assets and liabilities
    - d. Liabilities critical to the status of the company
    - e. Risk Transfer process
- iii. Preparing corporate disclosures
  - a. Overseeing the preparation of financial statement, financial disclosure documents
  - b. Coordination with the external and internal auditors
  - c. Reports on Corporate Governance to Regulators and Rating Agencies

Extended Responsibilities

Reports on non financial risk management issues

d. **Board Effectiveness**
    i. Ensures receipt of appropriate information on risk related financial matters

Extended Responsibilities

Advice board on increased participation in the areas of risk management

CFO IS GENERALLY REQUIRED TO ANSWER THE FOLLOWING QUESTIONS

a. **How Much? –** Risk can we tolerate
b. **What Could? –** Go Wrong
c. **What Would? –** Happen if it did
d. **What can we do? –** About it
e. **What do we need to know?**

A CFO HAS TO KNOW AND CONSTANTLY REVIEW

a. Business Model
b. Risk Profile
c. Market Risk
d. Economic Factors
e. Risk Tolerance Limits
f. Value Drivers
g. Formulas, Mechanics and Metrics
h. Early Warning Systems

A CFO'S CAUTION!!!!!

a. Should be on **emerging risks**
b. **Unknown Threat** are far more dangerous
c. Should **Live and Breathe Risk to sense the pulse of risk**
d. **Regulatory Risks** are of critical importance
e. Tab on **International Economic Developments essential**
f. **Stay one step ahead of what's coming**
g. **Recognize factors that combine to create emerging risks**

According to **Global CFO Study 2008** which conducted a study of 1,200 CFOs and senior finance professionals reveals that CFOs may be taking the wrong approach to resource and risk management on a global scale

e. Sixty-two percent of enterprises surveyed with revenues over $5 billion (U.S. dollars) encountered a material risk event in the last three years
f. Almost ½ of them were not prepared for the event
g. Only half of the survey participants have any formal risk management program.
h. Survey results indicate that CFOs have trouble prioritizing risk and ranked almost all risks equally as "very important."
i. They also may be missing some important strategic imperatives:
j. 2 agenda items that the CFOs ranked lowest in importance – managing/mitigating enterprise risk and driving integration of information across the enterprise – are key differentiators for outperformers in revenue and stock price growth.
k. Risks arise from many activities beyond financial related risk drivers.
l. 85% of risk types that led to a company's market capitalization decline of 30 % or more were non-financial in nature.
m. Only 42 % of respondents do historic comparisons to avoid risks and only 32 % set specified risk thresholds, with only 29 % creating risk-adjusted forecasts and plans.

ROLES OF A CFO

a. Strategic planner
b. Business translator
c. Corporate spokesperson
d. Risk manager
e. Internal control coordinator
f. Regulatory compliance expert
g. Audit committee advisor

A CFO'S REQUIREMENTS

a. Need for influential relationships
b. The CEO – CFO Relationship – trust advisor, confidant, partners, source of information, co-spokesperson,
c. CFOs and Board Committees – Trust and Open communication
d. CFO and the Executive Management Team – a member, decision maker, positive contributor,
e. CFO and External Relationships
    i. Shareholders
    ii. Institutional investors
    iii. Financial institutions
    iv. Investment bankers
    v. Banks and capital markets
    vi. Regulators
    vii. Tax, statistical and other government agencies
    viii. External legal counsel
    ix. Customers and suppliers
f. Key areas for the success of finance function
    1. Human resources
    2. Expertise

3. Systems and tools
4. Financial resources
5. Outsourcing

CHANGING ROLE OF CFOS

a. From being a pure financial scorekeeper to being an entrepreneur partner to CEO
b. Under the **Corporate Sustainability Platform** CFO's role is looked forward in 3 critical areas namely
   i. Investor's Relation
   ii. External Reporting
   iii. Financial Risk Management
c. Sustainability and Financial Risk Management

HOW TO PROCEED WHEN MANAGING RISK?

a. Choose the "vital few" from the "trivial many" or in other words concentrate on top risk
b. Drive in board involvement in hand with finance work, so CFOs must make a conscious effort to enhance their ability to get their message across.

THE TRANSITION

Financial acumen and an understanding of key financial levers make it easier for CFOs to transition into the top role than some other functional specialists. A sales or marketing specialist, for example, may develop a fairly single dimensional view of the company's finances, whereas a CFO will have a deep understanding of the use of capital, liquidity, cash flow and balance sheet management.

INSTITUTE OF CHARTERED ACCOUNTANTS OF ENGLAND & WALES (ICAEW) CHARTERED ACCOUNTANTS

Key facts about ICAEW Chartered Accountants

- 84% of FTSE 100 companies have an ICAEW Chartered Accountant on their board.*
- 58% of UK FTSE 100 companies have an ICAEW Chartered Accountant as chairman, CEO or CFO.*
- 55% of UK FTSE 250 companies have an ICAEW Chartered Accountant as chairman, CEO or CFO.*
- 46% of FTSE 100 company FD's are ICAEW Chartered Accountants, compared to 8% CIMA, 6% ICAS and 5% ACCA.**
- 37% of Group CFOs in UK have a chartered accountancy qualification, compared to 33% who have a business/accountancy degree, and 15% who have an MBA. Source: Ernst & Young Finance Forte report, February 2011
- 51% of CEOs in FTSE 100 companies have strong financial backgrounds, and half of those are chartered accountants. Source: Robert Half salary survey 2010

* Source ICAEW member data as at 1 Jan 2011, FTSE 350 data at December 2010

** Source: Accountancy Magazine, November 2010

HOW CA CFO, CEOS STAND APART

1. A Chartered Accountant is a thorough professional is excellent at Knowledge Management especially those in pertaining to Industry, Treasury and Law
2. His insight and understanding in the following Business Laws aid his Business Decision namely
    1. Anti Money Laundering Laws
    2. Laws relating to Alternate Dispute Resolution

3. Laws relating Real Estate
4. Family and Succession Laws
5. Legal Metrology laws
6. Laws Relating to Charity
7. Labour Laws
8. IPR
9. Insolvency Laws/BIFR
10. Securitization Laws
11. Laws relating to Non Banking Financial Institutions
12. Competition Laws
13. Consumer Laws
14. Laws relating to Cooperative Societies
15. Corporate Laws
16. Laws Relating To Limited Liability Partnership (LLP)
17. Laws Relating To Micro, Small And Medium Enterprises (MSMES)
18. Banking Laws
19. Insurance Laws
20. Securities Law
21. Laws relating to International Trade
22. Foreign Exchange Management Laws
23. Right to Information Law
24. Laws relating to Special Economic Zones (SEZ)
25. Energy Laws
26. Carriage Laws And Multi-Modal Transportation Of Goods
27. Laws relating to Aviation Sector
28. Laws relating to Telecom Industry
29. Laws relating to Pharmaceuticals
30. Information Technology and Cyber Laws
31. Environmental Laws
32. Carbon Credit

3. His clear approach towards Capital Market Regulations and its Performance helps him foresee the future of organizational performance.
4. His flair for Accounting and Taxation keep his decision well thought out, especially while dealing with cross border transactions in the like of mergers and acquisitions.
5. On the whole is a well groomed all rounder who is self dependent on both financial and business information and has an all rounded approach towards managing business decisions and proceeding with strategic moves.

SUCCESSFUL CA CFO'S

1. **Mr. Ravi S. Gupta** serves as the Senior Vice President of Finance at Jubilant Foodworks Limited. Mr. Gupta served as the Compliance Officer and Company Secretary of Jubilant Food works Limited until May 10th 2010. Mr. Gupta worked with companies including Larsen & Toubro Limited, Hutchison Max India Limited (now Vodafone) and Comsat Max Limited. Mr. Gupta joined Jubilant Food works on April 15, 2002 and heads various departments in such as accounts and finance, legal and secretarial and information technology. He has over 18 years of experience in corporate finance, strategy and accounting. He is a Fellow Member of the ICAI and an Associate Member of the ICWA and ICSI. He holds a Diploma in business finance from ICFAI. Mr. Gupta holds a bachelor's degree in commerce from the Shri Ram College of Commerce, University of Delhi.

2. **Ramesh Swaminathan -** President – Finance & Planning – Lupin Ltd. A Chartered Accountant with over two decades experience, Mr. Swaminathan leads the Finance and Planning function and will facilitate the organization in strengthening its processes resulting in sustainable growth, improved cost management and world class practices in Financial Management. Prior to joining Lupin Mr. Swaminathan was with Henkel, Germany where he held corporate

responsibilities as Regional Financial Controller for several countries across Central and Eastern Europe and the Middle East. Prior to that assignment, he was the CFO of Henkel India. He has also worked with companies such as VST Industries, the SPIC group and Standard Chartered Bank. Mr. Swaminathan is a member of the Institute of Chartered Management Accountants, UK and the Institute of Company Secretaries in India.

3. **Mr. Sridharan Rangarajan** has been appointed as Chief Financial Officer of Carborundum Universal Limited with effect from Jun 27, 2011. Mr. Sridharan is a Chartered Accountant and a graduate of the Institute of Cost and Works Accountant of India. He has more than two decades of multinational and cross-cultural work experience in manufacturing, service & distribution, banking and contracting industries. He was working in the Timken Company where he was Chief Financial Officer for its India operations. He has also worked in Trane, Metito Overseas Ltd., Sharjah, LG Electronics, Jebel Ali, Dubai and Industrial Development Bank of India.

4. **Amit B. Jain,** CFO of Zydus Wellness - at 31, one of the youngest CFOs. He is a Member of the Institute of Chartered Accountants of India.

5. **Shobinder Duggal**, Director of finance and control, Nestlé India. He has been with Nestlé since 1986, after a brief stint with Voltas and a few years of practicing as a chartered accountant. Having joined as an assistant internal auditor, he has held several responsibilities at Nestlé – including an assignment in its Swiss headquarters – culminating in his current role, which he assumed in 2004. He spent considerable time in each position, fully understanding its nuances and mastering its complexities.

6. **Mr. A.K. Sinha**, aged 57 years, is the Director (Finance) of Coal India Limited. Mr. Sinha graduated with honours in physics from Belur Ramakrishna Vidyamandir, Calcutta University in 1971 and became a member of the Institute of Chartered Accountants of India in 1977. He has also obtained a bachelor's degree in law from Calcutta University in 1976. Mr. Sinha has over three decades

of experience as a finance executive in the mining industry. He was associated with ECL in various capacities from 1977 to 2001 and was also the General Manager (Finance) of BCCL and Director (Finance) of ECL. Mr. Sinha joined Coal India Limited as Director (Finance) on March 13, 2010 and is responsible for overall financial management and audit functions of Coal India Limited and its Subsidiaries and in advising the Board on all financial matters. Mr. Sinha is experienced in the field of management accounting and has held the post of chairman of Asansol Chapter of Chartered Accountants. He has also participated in the 'Advanced Management Programme' at Queens' College, Cambridge, United Kingdom and has completed the 'Scope-IMI Global Leadership Advance Management Programme' on strategic issues of national and international leadership.

7. **Ms. Jyotsna Sharma**, B.Com, C.A, CPA., has been the Chief Financial Officer of NRB Bearings Ltd., since March 23, 2009 and serves as its Vice President of Information Technology. Ms. Sharma has over 15 years experience. Ms. Sharma served as a Global Manager of Finance at SKF Asia Pacific Pvt.Ltd. She served as a Vice President of NRB Bearings Ltd., since March 23, 2009

8. A multitalented individual, **V.S. Parthasarathy** joined Mahindra & Mahindra in 2000 as Head of Performance Management and IT. He worked his way through several key positions and initiatives such as CFO, Business Planning, International Operations, Policy Deployment, Strategy, and Mergers & Acquisitions for the Farm Equipment sector. Partha, as he is fondly known, holds a Bachelor's Degree in Commerce from Gujarat University and is a fellow member of the Institute of Chartered Accountants of India. He started his career with Modi Xerox as a management trainee and worked his way up over 15 years to Finance Controller and Associate Director. In his current role as Executive Vice President of Finance and M&A at the M&M Corporate Center, Partha has set up systems and processes to enable Group-wide inorganic growth. As a part of this role, he also handles Corporate Finance, Investor Relations, Corporate Projects & Budget Cell and Shared Services. Under his leadership, the M&A

team has executed more than 25 acquisitions and transactions around the world. As Group CIO, Partha took charge of the ambitious Project Harmony, a Group-wide initiative to implement common processes on a single IT platform in order to leverage synergies across the entire Mahindra Group. He is also leading initiatives on Information Security, Business Process Management (IT-BPR), and Knowledge Management.

9. **Seturaman Mahalingam or "Maha**", as he is better known, started his professional career with Tata Consultancy Services in 1970. In his 40-year career with TCS, Maha has been involved in myriad aspects of the Company's operations and growth, before being appointed as the Chief Financial Officer of the Company in February 2003 and as Executive Director in August 2007. A chartered accountant by qualification, Maha began his career as an IT consultant and thereafter played a major role in marketing TCS services across the globe, developing processes and creating large software development centers for the Company. As an early starter in the Indian IT industry, Maha has played a key role in helping TCS become a $ 6 billion global company with over 160,000 employees. Prior to becoming the Chief Financial Officer in February 2003, Maha has managed many of the key functions in TCS including Marketing, Operations, Education and Training as well as Human Resources. He managed the company's operations in London and New York in the early days of TCS' global journey. Maha's experience, during the formative years of the IT industry in the 1970s and 1980s, has given him significant standing within the IT industry. He has been the President of Computer Society of India. He is a former Chairman of the Southern Region of Confederation of Indian Industry (CII); He was also the President of the Institute of Management Consultants of India. He is on the board of several subsidiaries of TCS as well as other Tata Group Companies. Maha was chosen as the best 'CFO of 2009' by Business Today. He was also voted as the best CFO of India, (2010) by Finance Asia magazine's annual poll of investors and analysts. He was conferred the 'CFO of the Year' award 2006 announced by International Market Assessment (IMA). Maha was also the winner of CNBC TV18's Best Performing CFO Award in the Technology Sector for 2007.

10. **Mr. Tarun Jain,** Director of Finance, Sterlite. Mr. Jain is also a director of Bharat Aluminium Co Ltd, Vedanta Aluminium Ltd, Sterlite Infra Ltd, Sterlite Shipping & Ventures Pvt Ltd, Sterlite (USA) Inc and Twinstar Holdings Ltd. He is responsible for strategic financial matters at Group level. Mr. Jain has been with Sterlite since 1984 and is a graduate of the Institute of Cost and Works Accountants of India, a member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India.

11. **Mr. D.D. Jalan** is the Chief Financial Officer of Vedanta Resources Plc. Mr. Jalan joined Sterlite in January 2001 as President of Australian operation responsible for its mining operation and moved to the position of Chief Financial Officer of Sterlite Industries Ltd. and then to Chief Financial Officer of Vedanta Resources Plc. Mr. Jalan is a Chartered Accountant and has over 32 years of experience in leadership position of companies in engineering, mining and non-ferrous sector.

12. **Anil K. Patwardhan, Vice President and Head - Corporate Finance and Governance.** Anil heads global finance and legal affairs for KPIT Cummins. In his 10 years at KPIT Cummins he has established mature business processes ensuring smooth growth of the company. Anil's career spans 25+ years of professional experience. He began his career at a Kirloskar group, followed by 10+ years in Raymond's group in the areas of Accounts & Finance. True to his profession, Anil always goes by facts and focuses on fiscal discipline even in his day to day life. He was conferred the CFO of the Year award for 2010, by the Institute of Chartered Accountants of India.
A Commerce graduate and a Chartered Account, Anil's areas of specialization are Forex and Treasury Management.

13. **Himanshu Raja**, Chief Financial Officer, Executive Director &Executive Committee member, Logica. Himanshu joined Logica as Chief Financial Officer in July 2011. He was appointed to the board in September 2011 and is also a member of the Executive Committee. Prior to joining Logica, Himanshu gained over 20 years experience in telecommunications (the last four in

telecommunications and IT), and has held a number of senior financial leadership roles with Verizon International and, most recently, with BT Group plc. He is a qualified chartered accountant (ACA) and holds an honours degree in law.

14. **Amit Soni**, Director - HSC Finance. Amit has over 18 years of experience in global financial accounting and analysis. Amit leverages his experience in strategy and business operations and financial planning and management in his current role. He has held a number of executive positions including Vice President for Operations (Finance & Accounting) at Hewlett Packard BPO. Besides this, he has also held key positions at ICICI OneSource, American Express, ATS Services and Xerox India. Amit is a qualified chartered accountant with a degree in accounting.

15. **Madhu Menon,** Chief Finance and Administrative Officer. Madhu Menon leads the Finance, Legal and Compliance, Procurement, Facilities and Administration and Information Security teams at Tesco HSC. Madhu is responsible for providing financial leadership and establishing a strong compliance, quality and control system for HSC and heading the Information Security initiatives at HSC. Madhu has over 18 years of experience in finance and accounting, audit and business process outsourcing. Madhu has lead several start up initiatives and an early stage company in his career. Prior to joining Tesco HSC, Madhu was with MphasiS, an HP company where he was instrumental in setting up the finance and accounting business process outsourcing services. He is an Associate Member of the Institute of Chartered Accountants of India.

FROM CA TO CFO TO CEO

1. **Mr. Keki M. Mistry,** C.A., C.P.A. (USA) has been the Managing Director at Housing Development Finance Corporation Ltd. (HDFC Limited), since

November 2000. Mr. Mistry has been with Housing Development Finance Corporation Ltd. since 1981 and served as its Deputy Managing Director since 1999. He served as Accounts Officer of Indian Hotels Co. Ltd. He also worked as a consultant for the Mauritius Housing Company and for the Asian Development Bank. He has been the Chairman of Gruh Finance Ltd since 2002. He serves as the Chairman of the Board at Intelnet Global Services Pvt. Ltd. He was deputed on Consultancy assignments to the Commonwealth Development Corporation (CDC) in Thailand, Mauritius, the Caribbean Islands and Jamaica to review and evaluate the operations of mortgage financial institutions in these countries. Mr. Misty has been Vice Chairman of Housing Development Finance Corporation Ltd. since October 2007 and as its Executive Director since 1993. He has been Non Executive Independent Director of Sun Pharmaceutical Industries Ltd., since August 28, 2002. He has been a Director of Gruh Finance Ltd., since 2000 and HDFC Standard Life Insurance Co Ltd., since December 2000. Mr. Mistry serves as Directors at HDFC Developers Ltd., HDFC Investments Ltd., HDFC Trustee Company Ltd., HDFC Chubb General Insurance Co. Ltd., Credit Information Bureau (India) Ltd., Infrastructure Leasing & Financial Services Ltd., Intelenet Global Services Ltd., India Value Fund Advisors Pvt. Ltd., Mahindra Holidays and Resorts India Ltd. and Great Eastern Shipping Co. Ltd. He has been Non-Executive & Non-Independent Director of Next Gen Publishing Ltd. since January 31, 2005. He serves as an Independent Non-Executive Director of Torrent Power Ltd. since February 28, 2010. Mr. Mistry has been a Non-Executive Director for HDFC Bank Ltd. since March 27, 2003 and previously served as its Director from September 12, 1994 to August 12, 2002. He serves as a Director of The Bombay Chamber of Commerce and Industry and Association of Leasing & Financial Services Companies. He served as a Director of IL&FS Securities Services Ltd. He is a Fellow of the Institute of Chartered Accountants of India and is a Member of the Michigan Association of Certified Public Accountants. Mr. Mistry holds a degree of Bachelor of Commerce in Advanced Accountancy from the University of Mumbai.

2. **K K Rathi** – CEO, Future Ventures India Ltd. A qualified Chartered Accountant and Company Secretary with approximately 24 years of professional experience in corporate finance, strategic business planning and investment advisory, Mr. Rathi has worked in organizations such as KEC International, H&R Johnson and Motilal Oswal Private Equity Advisors. He has previously worked as Group CFO with Pantaloon Retail.

3. **Rajagopa**l **Kishore Kumar**: Chief Executive Officer, Vedanta Zinc International Business Mr. Kumar joined the group in April 2003 as Vice President – Marketing for Hindustan Zinc Limited. He was Senior Vice President – Marketing for our copper India division from June 2004 to December 2006 and thereafter anchored the role of the CEO of Sterlite Industries India Ltd and Konkola Copper Mines Plc in Zambia. He moved to Zinc International Business in early 2011 with the acquisition of Anglo American's Zinc assets. He has 26 years of experience and expertise in accountancy, commercial, marketing, supply chain management, mergers and acquisitions and human capital development. Prior to joining the group, Mr. Kumar was employed by Hindustan Lever Ltd for 12 years. Mr. Kumar is a member of the Institute of Chartered Accountants of India.

4. **Mr. P. K. Mukherjee** is the managing director of SESA GOA since April 2006. Mr. Mukherjee holds a Bachelor of Commerce (Honors) from Calcutta University and has around 31 years of experience in finance, accounts, costing, taxation, legal and general management. Mr. Mukherjee joined Sesa Goa in April 1987 and held various positions before taking up the position of Director Finance from July 2000. He was elevated to the position of Managing Director in April, 2006. Mr. Mukherjee is a fellow member of the Institute of Chartered Accountants of India and an associate member of the Institute of Cost and Works Accountants of India. Mr. Mukherjee has been rated as one of India's Best Chief Financial Officers (CFOs) in the year 2005 by Business Today magazine and in Business World magazine declared Mr. Mukherjee as India's most Valuable CEO in the year 2009.

5. **Mr. Rakesh Jain**, Executive Director & CEO, Reliance General Insurance, a Chartered Accountant and Cost Accountant, has rich and varied work experience of over 17 years in leadership positions in corporate finance, risk management, underwriting, claims, broking and reinsurance functions etc. Prior to taking over the mantle of ED & CEO of Reliance General Insurance, he had worked in the capacity of Director - Corporate Centre & CFO at ICICI Lombard GIC Ltd. During his tenure at ICICI Lombard, he was conferred with 'Best CFO' award in the Financial Services Sector by the Institute of Chartered Accountants Of India.

6. **Praveen Someshwar**, CEO PepsiCo India Foods. Praveen is a Chartered Accountant and Cost Accountant, who joined PepsiCo from ICI India in 1994. Ably lead by Praveen Someshwar, PepsiCo's India Beverages business outperformed the market last year supported by some memorable game-changing marketing campaigns coupled with a well planned GTM transformation strategy. Praveen was hitherto CEO PepsiCo India Beverages.

7. **Rajiv Anand,** MD & CEO of Axis AMC, Associate Director. A Chartered Accountant with over 19 years experience in capital markets. Led an award winning investment management team at IDFC (erstwhile Standard Chartered) AMC. Awarded Business Standard's Debt Fund Manager of the year in 2004. Worked in the Treasuries of HSBC and Standard Chartered Bank.
8. **Ravi Pandit,** Chairman & Group CEO, KPIT Cummins. Ravi is a gold medalist and fellow member of the Institute of Chartered Accountants of India and an associate member of the Institute of Cost and Works Accountants of India. With masters from Sloan School of Management, MIT, Cambridge, USA, Ravi has extensive experience of over three decades in the fields of Information Technology. From his accounting roots, Mr. Pandit, along with his team, has built the global IT, engineering & BPO services company KPIT Cummins, with leadership in sharply defined focus areas. Listed on the BSE and NSE, KPIT Cummins focuses on co-innovating domain intensive technology solutions for Manufacturing corporations (with special focus on Automotive, transportation & manufacturing, Energy & Utilities and defense & Government) to help its

customers become efficient, integrated and innovative enterprises. Widely respected for integrity, innovation and dynamism, Ravi and his colleagues have successfully forged partnerships with customers and investors. Ravi is a member of the Core-Group on Automotive Research Program Committee (CAR) a Government of India initiative for automotive industry and is on the Technology Development Board formed by the Department of Science and Technology, Government of India. He is a member of the board of management of Symbiosis International University, Bhartiya Vidya Bhavan (a charitable public trust) and is a director of the Aga Khan Rural Support Program (India). He also serves on the board of Finolex Cables Ltd. He has served as the president of the esteemed Mahratta Chamber of Commerce, Industries and Agriculture and has been on the NASSCOM Executive Council twice. Ravi regularly participates as a speaker at several national and international forums on diverse subjects that include: Globalization, IT industry and its future, Engineering services opportunity and Economic, labour & industrial Policy.

9. **Kishor Patil, MD & CEO, KPIT Cummins,** Kishor is responsible for defining KPIT Cummins' technology and customer acquisition strategy across six continents. He is the champion for new technology adoption and incubation of customer centric new projects. Under his leadership KPIT Cummins has filed 38 patents and has developed over 100 IPs in cutting-edge automotive and semiconductor technology areas. A Chartered Accountant by profession Kishor began his career as a practitioner in Kirtane & Pandit Chartered Accountant in 1983 and within a year and a half was a partner in the firm. Kishor's vision and passion have been integral to KPIT Cummins' leadership in key focus verticals and in building the company from a small start up to one of the world's largest, most recognized engineering services provider for the manufacturing industry. His contributions have been pivotal in building strategic partnerships leading to a strong and prestigious customer base. He has set a standard of excellence in the areas of international operations, acquisitions, mergers and integration. His keen observation and open mind have contributed greatly to KPIT Cummins' growth as

a company. His exceptional people skills and sincerity has worked wonders in diverse cultural geographies.

10. **T K Kurien** (TK) is an Indian chartered accountant. He is the Chief Executive Officer of IT Business and Executive Director, Wipro Limited. TK is also a member of the Wipro Corporate Executive Council. Prior to taking over the role as CEO of the IT business, in Feb 2011, Kurien was President of Wipro's recently launched Eco Energy business. In June 2008, he took on the responsibility of heading Wipro's Consulting arm, WCS (Wipro Consulting Services), and spearheaded its growth, establishing it as a distinct offering by Wipro. From 2004 to 2008, TK headed Wipro BPO. In February 2003, he became the Chief Executive of Healthcare & Life Sciences, the new business segment of Wipro Ltd. formed in April 2002 to address the market opportunities in Healthcare and Life Science IT. In his early years at Wipro, TK started the Telecom Internet Service Provider business for which he managed to create a significant impact by accelerating revenue growth. Before joining Wipro, Kurien served as the **CEO** of GE X Ray from October 1997 to January 2000 and prior to that was the CFO of GE Medical Systems (South Asia). Kurien was awarded the Global BPO Industry Leader award by IQPC (International Quality & Productivity Center) in 2007 for the exceptional performance of Wipro BPO

11. **Shantanu Mitra,** Chief Executive Officer & Managing Director, Fullerton India Credit Company Ltd. Shantanu is a Chartered Accountant from England and Wales and joined Fullerton Financial Holdings, Singapore in 2010 as the Head of Consumer Risk for the Group after nearly three decades in Consumer Banking and Risk with Citibank and Standard Chartered Bank. Shantanu has worked across various Asian markets, including Singapore, Thailand and India, and was the Regional Credit Head for India, Middle East, South Asia and Africa. Shantanu took over as CEO and MD of Fullerton India in Aug 2011.

12. **Raman Roy** is one of the pioneers of the **Business Process Outsourcing** industry in India. A Chartered Accountant based out of NCR -Delhi region he is currently the C.E.O of his VC funded BPO Company Quatrro. He holds a Bachelor's

Degree in Commerce from Shri Ram College of Commerce. Raman started his BPO work with American Express in 1984, when the company started its Japan and Asia Pacific (JAPAC) support operations based out of New Delhi in India. The work was largely accounting and back office based. After American Express Raman moved to GECIS. GECIS was GE's captive BPO arm started in Gurgaon before the location had its reputation for a MNC hub. Jack Welch's personal contacts with K.P. Singh started off GECIS in India, and as the India head of G.E.Capital Pramod Bhasin was the overall head who hired Raman for his operational skills. With Raman GECIS grew rapidly from 1994 to 1999, to become a 10,000 employee organisation with offices in Gurgaon, Hyderabad and Bangalore. In 2000, with funding from a Venture Capitalist firm (ChrysCap- or Chysalis Capital) Raman started the company Spectramind in New Delhi, Spectramind was a pioneer in the Business, as it was among the first few companies in India to get into the third party business. By 2002 Spectramind had expanded to 9000 employees spread across New Delhi, Mumbai and Pune, at this time Wipro bought out Spectramind for US$ 175 million dollars. Raman served in Wipro as the CEO of the BPO entity till 2006 when he left along with a large number of senior Spectramind resources to start a new venture called Quatrro. Now Raman Roy, the chairman and managing director of Quattro BPO Solutions, has the distinction of setting of the Indian BPO revolution. His first startup Spectramind was sold to Wipro in 2002, leaving a neat sum for himself and also the venture capital backer Chryscapital. Roy, who raised $100 million from Olympus Capital for his venture Quattro, is now involved in BPO/KPO, gaming outsourcing, and legal process outsourcing. Roy is also one of the founders of Indian Angel Network.

13. **Ashok , Wadhwa,** Group CEO, Ambit Group, Ambit Holdings Private Limited. Ashok is the Group CEO for Ambit group since 2009. Prior to that, he was responsible for the Corporate Finance business as its CEO. Ashok founded Ambit RSM and built it into a world class Indian consulting house with a Corporate Finance business from 1997 to 2007 when it merged with PWC. Prior to this, he was the Managing Partner of Arthur Andersen in India. Since 2007, he embarked

on creating Ambit into a full-fledged financial services company which currently has six lines of businesses. He has received several awards / commendations, in recognition of his excellence in the field of Finance including the Priyadarshini Academy award for outstanding contribution in the field of financial management. He has served as the president of Bombay Chambers of Commerce and Industry (BCCI) and currently serves on the managing committee of Federation of Indian Chambers of Commerce and Industry (FICCI) and Young Presidents' Organisation (YPO). Ashok is a chartered accountant from the Institute of Chartered Accountants of India and a law graduate from the University of Mumbai.

14. **Sanjay Sakhuja,** CEO, Ambit Corporate Finance. Sanjay took over the reigns of Ambit Corporate Finance as CEO in April 2009. He was the Managing Director in the Mergers and Acquisitions practice at Ambit since August 2003.Prior to joining Ambit, Sanjay was a Managing Director at Lazard India, a Partner at Arthur Andersen, the Treasurer of Indal and a Vice President at Citibank N.A. An Economics graduate from St Stephen's College, Sanjay completed his Chartered Accountancy with ICAI from A F Ferguson and was merit ranked 5th across India. He has also completed the globally acclaimed Advanced Management Program at Wharton.

15. **Mr. Deepak Chopra** is the Group CEO of Anand Automotive Limited having taken over the reins from Mr. CS Patel in September 2009. He has been ably spearheading growth of the Company on various initiatives till date. Mr. Deepak Chopra, a 33-year veteran of Anand Automotive Limited having varied leadership experience, is a Chartered Accountant and Company Secretary. He started his career as a Management Trainee with Purolator India Ltd., in 1976. In a short span of time, he moved to be the Financial Controller of Anand Automotive Limited and has handled various functions for different companies including Gabriel Finance, Treasury & Secretarial. Handling increasing responsibilities, he undertook responsibility for the Company's new projects and successfully established Large and Thick Walled Bearings project in 1992. The new Joint

Venture with Faurecia Emission Control Technologies, France, for manufacture of Exhaust Systems was established by him. He was promoted as Senior Vice President & COO in 1997. In addition, he was involved with the Joint Venture with Mando Corporation, Korea right from inception. In 2002, he moved into the role of Group CFO of Anand Automotive Limited. In addition to his position as Group CEO, Mr. Deepak Chopra will continue as the Managing Director of Spicer India Limited and Chair the Boards of Degrémont Limited., Henkel Teroson India Limited., Camfil Farr Air Filtration India Limited, Chang Yun India Limited. and CY Myutec Automotive India Pvt Limited. Mr. Chopra now heads the Anand Policy Committee and is also a Trustee of the Deep C Anand Foundation, playing a very vital role. An avid reader and a music & sports enthusiast, Mr. Chopra was born in December1954.

16. **S. SIVAKUMAR (CEO, Brand Capital)**. Sivakumar is a fellow member of the Institute of Chartered Accountants of India as well as Institute of Cost and Works Accountants of India. He has been with the BCCL group for over 19 Years and has handled diversified functions such as Finance, M & A, and Marketing & Sales and now leads the Brand Capital business. At the BCCL group he has played a pivotal role in all its new business initiatives i.e. Internet, Radio, OOH Ventures etc and is on the board of some of these companies. Sivakumar also works very actively with the Vice-Chairman of the group, Mr. Samir Jain in ideating, incubating and implementing ideas for BCCL's media business. Sivakumar pursues his hobby of physical exercise and spirituality which he believes are essential for fitness of mind and body. He enjoys his occasional treks to the Himalayas.

FOUNDERS

1. **Mr. R S Agarwal,** Executive Chairman is a Chartered Accountant, Company Secretary, LLB and a Master Degree holder in Commerce. Co-founder of Emami Group of Companies, he is endowed with a brilliant financial acumen. A doyen of Indian industry, he is also a master in strategic planning and corporate affairs.

Besides Emami Ltd, he is also a Board member of several other companies including Emami Paper Mills Limited, Emami Realty Limited, Advance Medicare and Research Institute Limited, South City Projects (Kolkata) Limited Rupa & Company, among others.

2. **Arun Nanda**, Chairman, The Founder, Director, and Chairman of Mahindra Holidays & Resorts India (MHRIL), Arun led MHRIL to become India’s leading vacation provider. His contributions have been recognized with several awards including the 2010 Golden Star Lifetime Achievement Award. Arun holds a degree in Law from the University of Calcutta and is a fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India.

(The list presented above is only illustrative it does not cover the entire gamut of professionals)

INDIA'S BEST CEOs & CFOs AND THEIR SECRETS *(Source: Business Today)*

Each of the CEOs & CFOs below mentioned are the best CEO winners in each of the categories of Business Today-

1. CATEGORY: Sustained Wealth Creation (Large Companies)

WINNER: JAYESH MERCHANT, CFO and Company Secretary, Asian Paints

Brand Asian Paints has played a significant role in the company's growth. So have the distribution network and supply chain efficiency. Corporate governance and transparency have been critical: seven independent directors play an active role in the company.

Tata Motors' C. Ramakrishnan tops India's best CEOs list

We are conservative in our policies, but that does not mean that we are not aggressive in investing. When we fund projects, we don't go in for exotic instruments. We are only in debt funds for whatever surplus we have as a company. We are sensitive to working capital management. All our capex is funded through internal accruals.

Our working capital terms for the last few years have been substantial. That helped us fund operations as well as take care of future requirements. We try to balance dividend, expansion plans and growth over a period of time. We consider the environment and market, and whether we can fund plans from cash accruals. By and large, you won't find bad debts as far as we are concerned.

2. CATEGORY: Sustained Wealth Creation (Midsize Companies)

WINNER: RAVI S. GUPTA, President and CFO, Jubilant Food Works

We manage 437 of our 439 stores. Only the Mumbai and New Delhi airport stores are franchises. Our model helps us operate with negative working capital. Our consumer insight has been accurate. For example, in 2008 we observed that people were looking at the price, not the product. So we brought in the Rs 35-pizza. This coincided with the slowdown. Same-store sales grew six per cent that year, when most other categories contracted. Our hub-and-spoke supply chain model saves on expenses and helps negotiate better prices. The EBITDA in 2010/11 was 17.7 per cent, and in December 2011 it was at 18.8 per cent YTD.

Inflation is a challenge. We raised prices 12 per cent in 2011/12. We have grown at a compound annual rate of 48 to 50 per cent in the last five years. We haven't passed on the full impact of inflation to customers.

We expect Dunkin' Donuts' store-level profitability at the same benchmark as Domino's Pizza - payback of three years or less.

3. CATEGORY: Remarkable Leverage Management (Large Companies)

WINNER: RAMESH SWAMINATHAN, President, Finance and Planning, Lupin

The CFO's ability to influence decisions across the value chain is tremendous. On the cash outflows front, I keep an eye on capital allocation. Thus, amounts spent as capital expenditure, acquisitions, R&D, litigation and intellectual property management are subject to rigorous review on expected returns.

When returns are not easily quantifiable, we calibrate risk taking. Capex and RandD spends that do not meet criteria are dropped. On the MandA front, capital allocation takes into account the return on investment and ensures that the outlay on individual acquisitions is calibrated in terms of risk. We dropped projects in Latin America, West Asia and China, when they did not measure up in terms of risk.

4. CATEGORY: Remarkable Leverage Management (Midsize Companies)

WINNER: V. RAMESH, President - Abrasives, Carborundum Universal

From 2007 to 2011, the company grew by more than double its size, and still managed to reduce its consolidated debt-to-equity ratio from 0.6 per cent to 0.5 per cent. Two areas of focus played a key role in balancing leverage: one, operational cash flows and divestment of non-core assets and core investments; and two, aggressively looking at acquisitions and new investments.

In 2007, for instance, we made a strategic acquisition in Russia for our electro-mineral division, as production cost was lowest there. The finance department ensured that benefits were realised.

You need a vision, strategies for it, and a sustainable competitive advantage. Finance plays a key role. Our 25 per cent year-on-year growth is due to this.

5. CATEGORY: Consistent Liquidity Management (Large Companies)

WINNER: SESA GOA, (Director-Finance Sushil Gupta recently left the company)

Mining is a challenge in India, where there is a lot of population pressure, and in Goa, where there is pressure from villages. We expect to start mining soon in Karnataka. Margin pressures are there, primarily because of regulatory costs and royalties. Our working capital management has always been focused.

For a long time, we did not borrow for this purpose, but recently we started borrowing because we have invested cash in strategic assets. Our rate of return is not that great because we think our hard-earned money should remain safe. But at the same time, we do not want to compromise on returns. So it must be the best product with little or no risk.

6. CATEGORY: Consistent Liquidity Management (Midsize Companies)

WINNER: AMIT B. JAIN, CFO, Zydus Wellness

Liquidity management is important for bringing down operating cost, especially in FMCG where consumer demand shifts erratically. In a slowdown, good liquidity management systems work like a saving device, and can help counter inflationary pressure. In terms of liquidity management, we have a robust system in place. We have set realistic norms for working capital management. On the debtor side, we operate on 100 per cent advance payment terms. As a consumer company, we make only optimum investments in fixed assets

7. CATEGORY: Best Transformation Agent (Midsize Companies)

WINNER: N.H. BHANSALI, CEO-Finance, Strategy and Business Development, Emami

The CFO has to work with and within the company's strategies. And, before an acquisition, it's very important to have a financial plan for the company. We need to know what will increase profitability and what we can leverage. During the Zandu Pharma acquisition in 2008, we kept a close watch on every transaction.

In the fast-moving consumer goods business, you have to keep marketing aggressively, even when you are leading. You have to keep ploughing back profits. More than 80 per cent production comes from excise exemption zones; you have to leverage those benefits.

The prices of some materials are volatile, and that must not affect quality. Long-term engagement for procurement is better than looking for the lowest current prices. In raising prices, we have to be judicious

8. CATEGORY: Best CFO of an MNC

WINNER: SHOBINDER DUGGAL, Director, Finance and Control, Nestle India

The CFO must keep majority and minority shareholders at arm's length. We pay royalties, but as a multinational company, what we get back is even more important: global best practices and the range of offerings of the parent. When you get external commercial borrowings from the parent at a favourable interest rate, it is immaterial whether you lose some to forex fluctuations. If repayment is after five years, you must not look at this year's fluctuation. You must hedge against currency fluctuation only if necessary. You have to stay vigilant and not be carried away by a boom or slowdown. A CFO must stay calm. You have to think long term and seek opportunities for top-line growth. A slowdown is a good time to trim the fat. Cash is important at such times to stay steady

9. CATEGORY: Best CFO of a PSU

WINNER: ASOK KUMAR SINHA, Director, Finance, Coal India

Mining is a dynamic industry. Many factors are out of your hands. Land acquisition is a sensitive issue, so we devote a lot of resources to corporate social responsibility. It is a must in this sector. You have to provide for the development of villages and get them on your side to grow. You have to keep all stakeholders happy. This is as good as any other investment you make.

We invest a lot in parallel infrastructure. We are helping state governments build ports, roads and railway infrastructure.

Transparency is very important in this sector, as you deal with citizens' resources. Environmental issues must be taken care of at every step, too. Investment in these will pay off handsomely.

I try to keep fixed cost constant, and input cost at optimum level. If I increase my top line, the bottom line will also grow.

10. CATEGORY: Best Woman CFO

WINNER: JYOTSNA SHARMA, CFO, VP-IT, NRB Bearings

To reach the top in a man's world, a woman has to work twice as hard. I moved from Pune to Singapore to Mumbai to build my career. But today, industry is quite receptive to a woman CFO. Challenges are there, but you have to overcome them by focusing on work and being a thorough professional.

NRB Bearings has been performing well. In the past year, we recruited four more women on my team. In 2011/12, revenues have grown to Rs 540 crore from Rs 467 crore last year. EBITDA is expected to grow around 20 per cent this year. We have performed consistently because of highly engineered niche products and few competitors. Our working capital cycle is down to 87 days in 2011/12 from 115 days in 2010/11 and 194 days in 2008/09, because of improved collection.

I don't just crunch numbers. In my spare time, I work to set up rural libraries. The experiment is under way at my village Sarafwadi, in Maharashtra.

11. CATEGORY: Enhancing Competitiveness through M and A

WINNER: V.S. PARTHASARATHY, Group CIO, EVP-Group M&A, Finance and Accounts, M&M

One factor that determines whether we should make an acquisition is strategic fit in terms of the target company's technology, products, market reach and process breakthroughs.

The second factor is whether we can make the acquisition faster and with a better output than before. For instance, the Ssangyong integration was part of the acquisition from day one.

We like to follow this: one-third of the team should drop off once the acquisition is over, one-third should be involved in passing the baton, and the last third should be assimilated into the acquired company. The key thing is whether you look at it as an acquisition or a partnership.

12. CATEGORY: Commitment to Triple Bottom Line

WINNER: S. MAHALINGAM, CFO and Executive Director, TCS

We spend about 0.5 per cent of our net profit on corporate social responsibility. But 75 per cent of TCS is owned by Tata Sons, a substantial portion of which is owned by trusts that also do CSR work.

We are interested in education and health care. Most of our CSR spend is in India but we also have initiatives elsewhere. For instance, after the Chile earthquake, we supported relief and rehabilitation efforts.

We sustain our programmes. I'm still in contact with a school we helped establish in Chennai in the mid-1990s. Even in difficult times, CSR is not the first activity to be curtailed. In 2009, we had a big cost management programme and, over five quarters, we improved margins by 410 basis points. Even then, we stayed committed to CSR.

The aim of this article is to give you a broad idea on the requirements and effectiveness of being a successful CEO. Although some individuals are born leaders, most are made. Becoming a chief executive typically takes years of hard work. Extensive experience in the company's field is desirable and some companies tend to prefer those with degrees from upper-tier schools. Finally, those that have worked their way up from a low level within the organization may have an advantage, as they arguably know the company better than any outsider ever could.

EVALUATING THE 'CEO' PERFORMANCE – WHAT IS EXPECTED FROM A CEO?

One of the most important aspects of the CEO role is that it encompasses every facet of the organisation, from marketing to operations, from human resources to finance. Therefore any candidate for the top job must be both comfortable and credible when it comes to leading those responsible for each function in the organisation. This means gaining exposure to all aspects of the business whenever possible and moving out of the comfort zone of accounting and finance.

To lead a business it helps to have a sophisticated understanding of financial issues, and a talented financial executive has the advantage of being able to rely on the fundamental values of financial discipline, rigour and prudence.

Outstanding leadership ability is expected of any CEO. Learning how to engage and motivate people, be an effective project leader, and develop and communicate a vision and strategy will serve the CFO well, since the need for these qualities will be magnified in the top job. “It is vital to have a long-term vision,” says one CFO. “Finance skills tend to support execution rather than creation of a long-term vision.”

The opportunity to manage a larger and more diverse group of people drawn from different functions and areas of the business is good preparation for the CEO role.

Looking beyond the finance function and being intellectually curious about how all the pieces of a business fit together is essential for those wanting a future as a CEO.

10 MUST KNOWS OF AN ORGANIZATION’S CHIEF OFFICER

1. The very large amount of maturing corporate debt promises to make the availability and cost of capital a key strategic variable
2. Corporate debt maturity patterns appear similar worldwide, suggesting the global competition for capital will intensify
3. Public sector debt will further intensify the demand for future capital and likely generate volatility in capital markets
4. Bank regulations, failures, and collapsed markets for collateralized debt will continue to limit the availability of capital
5. Industry matters – most debt outside of financial services is concentrated in consumer services and industrial sectors
6. Size matters more – smaller companies have the highest proportion of non-investment grade debt
7. Increasing spreads will likely disproportionately challenge smaller, leveraged companies
8. The threatening debt management are CFOs capable of managing their debt servicing

9. Cash is king – in the context of limited capital, cash reserves will increasingly be called upon to drive business strategy
10. Cash reserves will be used to pay down debt

TESTING A CEO'S PERFORMANCE

1. Just as financial institutions are stress tested to show the strength of their balance sheets, leaders also need to be stress tested. How has the CEO candidate held up under sudden pressure? What serious challenges –bankruptcy, regulatory action, etc. has the potential CEO had to work through in his career? These types of events typically reveal character and capabilities. CEOs that thrive during long bull markets are not up to meet real challenges, while others rise to the occasion. Boards are looking to bet on leaders who have been tested and have demonstrated that they can thrive and even flourish when the chips are down.

2. Possessing a keen "risk radar." A leader must be able to get the whiff of smoke before it is a forest fire. CEOs today need to use Socratic leadership to ask questions and test people and the organization. They must have the acumen and sense to know when something seemingly innocuous actually can carry catastrophic risk for the company.

3. Being immersed in the global geopolitical system. "It is no longer satisfactory to 'grow up' in a single company and single industry, and nor can CEOs delegate the delicate task of managing their company's governmental relations. Boards are looking for leaders who are connected to a much broader ecosystem that includes government leaders, regulators from around the world, special interest groups, activist shareholders, and peers across industries. CEOs must work across company lines, across industries, and across cultures in order to represent their company in a meaningful way."

4. Having a purpose. "The simple yet powerful notion of 'the profit motive' is not good enough anymore. People are sick of the corporation-as-parasite extracting value from whatever it touches. CEOs need to think about symbiotic relationships that still allow them to run profitable and sustainable corporations that also have a broader purpose for all of their shareholders."

5. The CEO that is needed today is much bigger than an operations or finance master. A re-thinking of globalism, technology, and customers – as well as an acute consciousness of how stress and risk can affect corporate viability – is driving real changes in what it takes to thrive as a corporate chief."

THE CEO EVALUATION

CEO evaluation therefore is viewed as one of the most critical elements in achieving good CEO retention and successful corporate results. Great care must be taken

(i) Doing it right,

(ii) Not overdoing it, resulting in losing a good CEO or

(iii) Not underdoing it, ending up continuing with a poor CEO who ultimately should be terminated.

(iv) It must also be done in a manner that best suits the particular circumstances and objectives.

Many companies in the past did very little to effectively evaluate CEOs and suffered accordingly. Then the corporate governance regulations, guidelines and public disclosure requirements were introduced. This resulted in too many companies just going through the motions of CEO evaluations to meet such requirements, including copying evaluation precedents of other non similar companies with much different mandates for CEO evaluations. Boards of many companies are satisfied with a "Things are going ok" attitude on their CEOs. They may discover too late that they should have taken CEO evaluations much more seriously by following a better evaluation process to determine if they have the right CEO for (1) their particular objectives and strategies (assuming they have nailed these down) and (2) maintaining a successful position in their marketplace with the goal of becoming a leader or maintaining or advancing a leadership position

All of this puts forth the following questions:

- What is the profile for the right CEO for a company?

- What are the best measures in evaluating a CEO's performance?
- How capable is the board to evaluate this?
- What will work best for the company? Why?
- What should one look for and look out for?
- What should the process be? Who initiates it? Who does it?
- How competent are they? How independent or unbiased?

It should be neatly thought out process and not to forget, the ultimate responsibility in picking, evaluating and maintaining the right CEO lies with the board which is ultimately accountable to shareholders.

Starting with the Right Premises

- Evaluation starts when the company starts hiring or working on succession.
- Create the right clear and complete job description.
- Do not just use a standard form.
- Particular nuances for a specific circumstance can later be of utmost importance.
- Have the right employment contract which could later be most helpful.
- The board must clearly understand its role in order to set up the most appropriate CEO evaluation process and to achieve the best results from the process.
- Boards direct, management manage. No micromanaging unless there is a near crisis. "A board can not govern without the willing participation of the governed".
- There has to be respect and trust on both sides – the side of the CEO and the side of the board. Loss of respect either way can be most damaging to achieving the right environment and the right results.
- Good two way communication is vital.

- It should be made sure that there is constant good follow-up in the evaluation process.
- The board's role is to coach, encourage, challenge and demand, and to do it constructively.
- Performance of a CEO equates directly with the performance abilities of the board.
- Defining the right evaluation process and purpose
- Do not make the CEO evaluation process a sideline of the compensation review.
- The evaluation process must be continuous and not an annual event.
- Know what skills are most important for the CEO to have and put them in the context of that particular business and circumstances.
- Determine if the CEO or candidate for CEO has "emotional intelligence", one of the most important qualities of a good CEO and one that is often lacking. Emotional intelligence is the quality a good leader has in leading by example with the right tone, combining knowledge and intelligence, effectively combining "head and heart", resulting in getting the absolute best out of his team, with good motivational skills and a real human sense and tact on how to get the best out of his team.
- A real team approach must be led by the CEO, a truly good captain, not one who uses the word "team" when truly a team does not exist very much because of the CEO:

A leader is a decisive, multifaceted person who lives in the future but acts in the present; is a planner with a clearly communicated purpose who builds alliances that allow others to achieve the vision. The leader is recognized by the followers as ethical, decisive, consistent, communicative, and willing to share the accomplishments with all. Most of all, the leader is one who can be trusted. When the real leader finishes, the pictures on the wall are of the others who make the vision a reality and proved that the leader truly was a leader.

WHEN DOES THE CEO EVALUATION ALL START?

The CEO evaluation process all starts with the preparation for hiring a new CEO, defining who is really need, whether the organization want him or her to be on the board, clearly setting the CEO mandate and goals, thoroughly interviewing prospective CEOs, doing effective due diligence on their past and incorporating all the right provisions clearly in a very complete contract, which will include a very clear job description. Using ingenuity and exceptional care and finesse on the due diligence (e.g. on the validity of the resume check and in the interview).

The essential steps each board should take as it designs its own CEO evaluation process are as follow:

- Creating a shared understanding of the purpose of CEO appraisal.
- Designing a sequenced process for identifying goals, monitoring progress,
- And assessing year-end performance, then agreeing on who should play which roles.
- Identifying the appropriate areas on which to rate the CEO's performance.
- Deciding the best way to gather data on the difficult-to-measure
- Nonfinancial performance dimensions.
- Communicating effectively with the CEO on performance-related issues."

The problem with a really good evaluation is that it takes an enormous amount of time and knowledge, and it is not easily based on quantifiable things and that beyond that, there's a very human dimension to the process, a potential clash of egos and interests that go to the very heart of the changing relationship and the shifting balance of power between CEOs and boards".

The process is a fragile one.

- There is an appraisal paradox – the more senior the executive, and the greater his/her impact on the organization's performance, the less vigorous the evaluation process.
- Many CEOs may view their boards as their boss strictly in an abstract legal sense.
- There is a distinctly personal dimension in assessing CEOs
- Some directors are intimidated.
- Directors must face their challenge head-on.

The Purpose of the Process is to ……

(1) To establish clear objectives with a clear focus on the company's future direction by specifying strategic objectives and performance metrics for the year ahead and

(2) To set goals and provide ongoing feedback in areas where the CEO needs to change behavior, learn new skills, or focus additional attention, and that

(3) All of this leads to better decisions on the CEO's compensation and continued employment.

Caution is expressed on time constraints and on distinguishing between a review of past performance for compensation and an assessment of a CEO's personal strengths and weaknesses, combined with separate distinct developmental discussions on future objectives.

Caution is also expressed on making sure that such developmental discussions do not get a short shrift. On the subject of Implementing the CEO Advisory and Process: Critical Roles and Activities, it is emphasized that there is no particular model for structuring the CEO evaluation process but that they all share two elements:

(1) A fairly detailed formal process with a sequenced calendar of events and

(2) Best processes are characterized by careful attention to who should be involved, in what roles, at every stage, and that

There is an absolute need for a specific director (either the chairman of the compensation committee, a lead director, or the non-executive chairman) to clearly assume the lead role for the assessment process and that the entire board should contribute; and that

An assessment process usually begins before the start of the fiscal year during which:

- The CEO formulates an initial set of personal performance targets, specifying how progress against each target will be measured, and submits the plan to the board".
- On Ongoing Assessments, it points out, among other important things, that:
- At the very least the compensation committee and the board should sit down six months into the year and take time to review the targets and progress against them."
- But at the end of the day, the value of the process is determined by each board's candor and courage
- On Year-End Assessments, it (1) recommends entire board involvement, (2) points out that the most difficult element of the year-end assessment is the actual communication of its content to the CEO and (3) that the provision of a worksheet on the CEO's evaluation timeline is most helpful.
- The defining element of any component of the appraisal process – whether for compensation decisions, goal setting, or developmental feedback – is the specific set of dimensions on which the CEO will be evaluated.

On Bottom-Line Impact, it is astutely pointed out, that: "Over the years, the inherent irony of CEO performance appraisal is that it has placed the greatest emphasis on the set of measures over which the CEO exerts the least direct influence: short-term financial performance. On Operational Impact, the CEO Performance Evaluation neatly addresses the CEO's personal effect on the company's operational and organizational effectiveness and raises a leading question: "Has the CEO made changes that either improve or diminish the organization's ability to function and perform effectively?"

On Leadership Effectiveness, the chapter focuses on the CEO's personal behaviour and actions, which in turn influence the operational impact, and ultimately, the bottom-line impact, and states that:

  - "This area involves an assessment of the CEO's personal interactions with the entire range of internal and external constituencies. Internally, it relates to the CEO's effectiveness in developing strategy, talent, and culture. Externally, it measures the CEO's performance as the organization's face to the world and the key player in shaping its reputation and relationships with key stakeholders.

- On Selecting Objectives and Specifying Measures, it is pointed out, as previously mentioned, that such objectives and measures "will vary for each company, and in fact, ought to vary to a certain extent from one year to the next…" and
- Highlights the subjects of "Strategic Leadership," "Enterprise Guardianship" (including setting the tone at the top) and "board Relationship" (involving working collaboratively, timely information and full and informed consent about matters).
  - Highlights being sure to look beyond bottom-line performance.
  - Highlights the need to be limiting the objectives to manageable number. Provides good advice on how to handle matters when the same person is both chairman and CEO (noting separate objectives for each role).
  - Identifies the importance of defining the measure for each objective and clearly relating performance to rewards.
- On Gathering Assessment Feedback, it emphasizes the need to effectively involve outside parties as sources of information or as facilitators of the process and the need for multi-source feedback.
- On Communicating with the CEO, it reiterates that there are several critical junctures at which the entire appraisal process can fall apart, and that the final communication of the assessment may be the most fragile of all. The chapter

outlines useful steps to follow (e.g., how the messages are conveyed is as important as the messages themselves), and astutely notes:

  - The importance of selecting the right person to deliver the message;
  - That: "Interestingly, a number of CEOs on the Commission expressed a strong preference for having the feedback delivered by the entire board, rather than by one or two individuals"; and that
  - "One final concern raised by a number of Commission members is the need to ensure that the delivery of the appraisal is a rigorous and 'more formal process,' rather than 'between you and me.'"

- The CEO evaluation concludes with the following points:
  - The rigorous, systematic approach to CEO appraisal as presented here is emblematic of the changing nature of corporate governance.
  - It is long overdue that: "…a growing interest in a rigorous appraisal process that takes into account the complexity of the CEO's job and the variety of ways in which the CEO's behaviour and decisions influence the organization's overall performance."

- Different Strokes For Different Folks
- It is important to re-emphasize the point that effective CEO evaluations may be quite different from company to company. Each board has its own unique situation. Some may be far more complex and time consuming than others and some may involve far more paperwork and verifications than others. There is no one-size-fits-all.
- The "keep it simple but effective" approach can apply to various CEO evaluation processes.
- For example, one company on which I serve as a director has a very good tightly knit board of five directors, three of whom are independent. The board is a very

"hands on" board but not in a micro-managing way. The board has had a firm grip on the CEO evaluation process, performance dimensions and the weighting of various performance dimensions.

- The board constantly assesses the strengths, weaknesses and solution approaches of the CEO in accordance with the mandate of the corporate governance committee. This involves full and frank dialogues with the CEO throughout the year.
- It is separate and apart from the CEO compensation review. The corporate governance committee takes the lead on the CEO evaluation during the year.
- Then, in lieu of having the questionnaire completion process by each director, we prepare a CEO evaluation criteria memorandum for board members to consider, backed by actual performance reports. A meeting is then held (or a significant part of a meeting is set aside) for a full and frank CEO evaluation by the independent directors.
- At the appropriate time and in the appropriate manner, after the full and frank meeting, a full and frank session is held with the CEO with at least two of the independent directors. Throughout, there is constructive candour.
- The CEO completely buys into the process. This overall process is most helpful and constructive both for the CEO and the board. I reiterate that conventional ways or beliefs for some CEO evaluations are not necessarily the best for everyone. On occasion a variation may be the best approach.
- The importance is that the objectives and substance are the same and that the process is best suited for the particular company.

THE CEO EVALUATION – EXERCISE CAUTION!!

Generally, one must look to see if the CEO is a true team leader with a combination of most of the following positive qualities and talents or to see that he or she improves on some that may be missing. This should be done by effective board diligence and coaching:

Positive Indicators

- Have emotional intelligence, vision and integrity and is a team builder and leader highly respected and trusted by those around her or him.
- Has respect for the board and its role.
- Handles successes, setbacks and failures well
- Has good communication with the board:
    - Timely material information, operationally and strategically for the short and long term
    - Good information
    - Presentations are complete, to the point and allow necessary dialogue with the board.
    - Recognizes that a board meeting is a board's meeting and the agenda is the board's agenda and the board's responsibility, and he or she effectively helps the board set the agenda and does not just tell the board what the agenda will be
        - not autocratic, authoritarian or imperial
        - brings in his team members as necessary
        - calls on other senior officers to report directly to the board
        - is the first one you want to go to for information or answers you are seeking
        - provides good feedback for the board
        - good collaboration with the board

- Has industry smarts or has those around him with it and knows how to draw on it
- Other Personal Traits:
    - a people person
    - a quick learner
    - likes to be challenged
    - has real drive
    - works well under pressure
    - tough when she or he needs to be
    - takes criticism well
    - knows his or her strengths and admits his or her weaknesses and has an insatiable
    - appetite to improve
    - honest and frank
    - a motivator
    - good listener, straight talker
- On ethics:
    - emphasizes proper ethics
    - practices what she or he preaches
    - wants to do what is right, not clever, in dealing with questionable areas or practice
- Dealing With Shareholders, The Public, Peers And Employees
    - good with shareholders and the public
    - a good public speaker

        - employees and peers highly respect him or her and evidence this with tremendous supportive action

Negative Warnings

- Has little or no emotional intelligence, little vision, signs of questionable integrity and does not appear to have the confidence or respect of key management
- Does not handle setbacks or failures well
- Conduct or body language reveals a negative attitude toward the board
- Poor communication:
    - monopolizes board meetings too much
    - appears to not value the input of the board (assumption: it is a good board), views
    - the board as a necessary evil
    - poor collaboration, too often in disagreement with the board on who should do
    - what on activities between them
    - tries to control the agendas of board meetings or has someone else assisting the
    - board on the board's agendas
    - creates concern of the board as to whether or not the board is getting the full truth
    - information not timely or complete
    - not enough timely operational and strategic input for the short and long term
    - poor feedback
    - biased presentations (not enough pros and cons)

- presentations made on a “death by PowerPoint” basis, abusing the advantages of PowerPoint, resulting in insufficient full and frank discussion in board meetings
- overrides other senior officers in reporting to the board
- Does not like “hands on” directors (who are not micro-managing or not trying to do day to-day responsibilities of management)
- Autocratic or imperial and too authoritarian
- Does not know industry well but thinks he or she does, and either does not have good industry people around him or her or does not listen to them

- Other Personal Traits
    - a control freak with an insatiable need
    - not the kind of person who can truly change
    - ego problem, not a good listener and does not like to be questioned
    - weak under pressure
    - a nervous nelly
    - blames others too often
    - will not admit faults, excuses galore
    - too pre-occupied with getting compensation increases and not the necessary results; makes excuses or tries to inappropriately get the pre-agreed compensation formula changed when things are not going well
    - repeatedly has excessive entertainment expenses and does not seem to want to change or is caught once or more than once with improper expenses that he or she knew or should have known were improper (material or not so material).
- On Ethics:

- seeks to do what is clever in dealing with "grey" areas
- creates concern as to whether he or she may not be a person of true integrity
- treats organizational integrity as a matter of legal compliance rather than a core
- value of the company
- does not appear to "walk the ethics talk"

- Dealing with Shareholders, the Public, Employees and Peers
  - Not up to top form in dealing with shareholders and the public and not a particularly good public speaker
  - Employees and peers do not appear to sufficiently endorse her or him.
  - There is an optimistic adage "Turn a negative into a positive!" Unfortunately some people
  - cannot change, particularly characteristically speaking. However, they may "act" well, but
  - Sooner or later, you will see through them for what they really are. Boards should not linger in
  - dealing with negatives.

CONCLUSIONS ON THE CEO EVALUATION

Boards generally must do a better job of CEO evaluations in order to fulfill their overseeing responsibilities. Doing that little extra can pay off and lead to the right compensation decision, and more importantly, should lead to the appropriate performance standards and assessment process being set for a CEO. If such standards are not materially met by a CEO, a board should leave no room for procrastination on having the CEO materially meet the absolutely essential standards in reasonable time frame. The CEO evaluation approach outlined in this presentation should stimulate a positive learning culture vs. creating a threatening or intimidating atmosphere. It is geared to produce reliable data and a solid basis for sound judgment on CEO performance. It should have a genuine positive impact on CEO performance and consequently on overall business performance. It certainly is not a process and application that just “goes through the motions”. It goes to the pith and substance of evaluating CEOs in terms of leadership, communication and administration; and applies a process that draws out for a board the crucial indicators of a CEO’s character, qualities and talents, or lack thereof. It provides for a board the right ingredients to make the right decisions on the CEO, including compensation decisions.

EXPERIENCES OF PROMINENT CFO’S, CEOS AND THEIR SUCCESS STORIES

The chief financial officer's responsibility has become more complex. He no longer just crunches number but also leads the company on various fronts.

Excellence in number crunching, innovativeness and effectiveness in tax planning are the first thoughts which come to mind when you think of a skilled chief financial officer or CFO. This was a true description till the early 1990s, but post-liberalization, there has been a complete redefining of the finance function and the role that a CFO plays in an organisation.

There are several success stories that illustrate the opportunities for leadership available to CFOs. Take, for instance, Keki Dadiseth who managed various finance roles in India and overseas before taking over as the managing director and chairman of Hindustan Unilever. He went on to become Unilever's global director for home and personal care business. Likewise, Anil Singhvi went on to be the CEO from a finance role at Ambuja Cements. He is currently the vice-chairman of Reliance Natural Resources.

Even Uday Khanna led the finance function across various Unilever subsidiaries before taking over as the country head, India, for Lafarge. Praveen Kadle represents another success story - he rose up the finance function within the Tata Group and today leads the group's financial services business as the managing director and CEO of Tata Capital.

The complete leader

In today's dynamic environment, to be a successful CEO, it is absolutely essential to have a sharp business mindset and be proactive in enhancing knowledge about all aspects of the corporation such as manufacturing, product development, marketing and sales, in addition to the core area of expertise.

A higher level of inquisitiveness to gain information about the overall scope of business and the ability to gauge its impact on the organisation and the industry enables the CEO to understand the nuances of how to build a strategic partnership with the senior management of the organisation.

For instance, the recent Bharti-MTN negotiations saw Bharti Enterprises' Akhil Gupta working not only to review the financials of the company and raise money but also as Sunil Mittal's closest ally for the acquisition deal. The critical competence for effectively managing a CEO's role is to keep a balance between number orientation and strategic mindset.

It is important to have the intellect to identify short- to long-term business opportunities and potential roadblocks in a venture. In today's technology-driven environment, managing the routine accounting work and preparing MIS (management information systems) is not at all a time-consuming task, and therefore the intellectual stimulus for a high-calibre CFO will come from his interaction with other functions and participation in business-related matters.

Back to front

Today, a CEO with a big-picture mindset and the ability to contribute beyond the functional area is the most sought after talent by organisations across industry segments. The reality however is that while demand continues to grow, professionals with such well-rounded capabilities are in short supply. It is therefore important for finance professionals to take the initiative to develop interest in business matters and get a first-hand feel of business at the ground level.

A good reflection of this point is David Goulden of EMC, who is not only the CEO of the $14-billion information management major but also leads the globalisation initiative of the company. During his recent visit to India, he announced an investment of $1.5 billion as a part of his strategy. This was very different to a few years ago when CEOs rarerly led such strategic initiatives.

The transition in the CEO's role from a back-office support function to that of a strategic partner to the CEO has also resulted in restructuring of their compensation packages. In the past, the CEO's compensation would predominantly be a fixed amount, similar to that of other functional heads and with no amount linked to the performance of the organisation.

With CEOs now playing a critical leadership role in a company's strategy and business operations, it has become a norm that about 25-35 per cent of the CEO's compensation is linked to the performance of the organisation. Further, the total compensation package of the CEO would be amongst the top two to three highly-paid professionals in the organisation.

Softer skills

In addition to functional competence and commercial acumen, equally important are softer skills for a CEO to be respected as a thought partner by various stakeholders in an organisation. It is necessary to develop skills such as collaboration, influencing, negotiation, team work, people management and inspirational leadership to command respect both in the internal and external environments.

Companies are constantly evaluating if they have the right individual leading the finance function, keeping in mind not only the current business operations but, more important, the fitment with the future growth strategy. The CEOs ensure that they are supported by business-oriented CEOs who can be their sounding board, conscience keepers and have the toughness to express their point of view.

For the CEO to build strong credibility for the finance function and be accepted as a part of the think tank, he has to be well versed with the key operating levers of the business and at the same time be conversant with best-in-class accounting practices and procedures. A company looking to build a strong image in the external environment, especially with investors, business partners and customers, having the right person leading the CEO function is absolutely a critical decision.

In fact, private equity companies are always on the lookout for CEOs who have the right balance between operational competence and strategic mindset to advise their investee companies on how to efficiently run the business.

Pull factor

Even prospective employees take a closer look at the calibre of talent existing in the company before they take the decision to join the company. Therefore, having a highly competent CEO could be a key pull factor for attracting and retaining the best talent.

We also see this through a larger proportion of CEOs becoming CEOs today because of their 360-degree view of the business and involvement in a number of defining initiatives that the company undertakes.

The influence finance professionals have in large Indian groups is best demonstrated by the large portfolio of responsibilities being led by Amitabh Jhunjhunwala at Reliance Dhirubhai Ambani Group and Girish Paranjpe at Wipro

In organisations where the CFO's function is isolated and there is limited interaction with other functions, it becomes a major bottleneck in running the organisation and can ultimately destroy the institution. It is essential that the CFO positions himself as a solution provider and an organisation builder.

In summary, the CEO's responsibility has grown exponentially more complex. The contemporary job description includes the ability to act as a strategic partner to the CEO, serve on the board and play a crucial role in presenting the public face of the company to investors, regulators and policy makers.

The CEO is also expected to change business processes to deliver improvements in performance. In addition, more sophisticated financial markets, vastly increased organisational size and complexity brought in by globalisation, changes in technology and greater focus on governance, risk and compliance mean that the CEO needs to be a highly skilled leader. This evolved role of a CEO within an organisation presents unparalleled opportunities for today's finance professionals as demand far outstrips supply.

Expanding Role of Women CEOs- Globally

Few men and even fewer women make it to the role of chief executive officer (CEO) at major corporations. Although there are fewer female CEOs than males (only 13 of America's largest 500 companies were run by women in 2009), the route to the top is not much different.

According to Catalyst, a women's research group, the number of women in executive roles at Fortune 500 companies has risen. In 1999, women held 12% of corporate officer positions. In 2008, the number had risen to 15.7%. It may not be a dramatic rise, but progress has been made. To find out how women made it to the top of the pack, we'll look at 10 businesswomen at a global level who accomplished this great feat and see what they have in common.

They Are

Name	Title, Company	Time Period
Angela Braly	Director, President, CEO, **WellPoint**	2007 - Present
Carly Fiorina	CEO, **Hewlett-Packard**	1999 - 2005
Andrea Jung	Chairman, CEO, **Avon Products**	1999 - Present
Sallie Krawcheck	CEO, **Citigroup** Global Wealth Management Division	2007 - 2008
Ann Mulcahy	Chairman, CEO, **Xerox**	2001 - 2010
Indra Nooyi	Chairman, CEO, **PepsiCo.**	2006 -

		Present
Irene Rosenfeld	CEO, **Kraft Foods**	2006 - Present
Martha Stewart	Chairman, President, CEO, **Martha Stewart Omnimedia**	1997 - 2003
Margaret Whitman	President, CEO, **eBay** President, CEO, **Hewlett-Packard**	1998 - 2008 2011 - Present
Oprah Winfrey	CEO, HARPO Productions, Inc.	1986 - Present

THESE WOMEN ARE VERY WELL-EDUCATED

The first common thread these women share is a college education. Every executive on the list obtained an undergraduate degree from a four-year college. Six of the executives went on to complete post-undergraduate education. Our list includes four executives with MBAs and two executives with graduate degrees in management.

- Kraft CEO Irene Rosenfeld obtained her MBA and a doctoral degree in marketing and statistics from Cornell University.
- Angela Braly, CEO of WellPoint, earned her Juris Doctor (JD) from Southern Methodist University School of Law.
- eBay's Meg Whitman earned an undergraduate degree in economics from Princeton and went on to receive an MBA from Harvard Business School.
- Citigroup's Sallie Krawcheck earned an MBA from Columbia University.
- Both Indra Nooyi and Carly Fiorina earned graduate degrees in management from MIT.

THEY REINFORCED THEIR EDUCATION WITH VARIED EXPERIENCE

A strong educational background can serve as a good foundation for executive leadership, but education must be reinforced with experience. Each executive on our list served in multiple capacities within her firm or industry before making it to the role of chief executive officer. Anne Mulcahy joined Xerox in 1976, as a field representative, and staged a progressive climb to the executive suite. In 1992, she became vice president of human resources, and in 1997 she became chief staffing officer. Mulcahy served as corporate senior vice president before she was selected as the CEO in 2001.

Carly Fiorina spent the bulk of her career at AT&T before assuming the high-profile position of CEO at Hewlett-Packard. She began her career at AT&T in 1980 as a management trainee. After 16 years, she was appointed president of the consumer products business at Lucent Technologies, an AT&T spinoff. In 1999, Fiorina left Lucent to return to Hewlett-Packard, a company that once employed her as a temporary worker. This time, she joined HP in the role of CEO. She reigned atop *Fortune*'s list of the "50 Most Powerful Women in American Business" from 1998-2004.

Before joining Avon, Andrea Jung served in several roles involving women's apparel and cosmetics. She worked as senior vice president at high-end retailer I. Magnin for four years before moving to Neiman Marcus in 1991 as executive vice president. Jung joined Avon in 1994 as president of the Avon U.S. Product Marketing Group. She was then promoted to president and chief operating officer (COO) prior to becoming CEO in 1999.

Perhaps the most publicly chronicled climb was that of news anchor turned media mogul Oprah Winfrey. In 1973, Winfrey started as a local news anchor in Nashville, Tennessee. She transitioned into hosting a Baltimore talk show five years later. Winfrey's big break came in 1984 when she became host of "AM Chicago." Less than two years later, the show was renamed "The Oprah Winfrey Show." The show has been the No. 1 talk show in the U.S. for 22 consecutive seasons. Winfrey serves as chairman and CEO of HARPO Productions.

THEY HAVE BUSINESS AND FINANCE KNOWLEDGE

Business and finance knowledge is a cornerstone of success for any CEO. Most of the top female CEOs gained this knowledge long before moving to the helm of their respective companies. Aspiring executives should look for leadership roles, such as managing a division or a product line. Management experience shows willingness to accept increasing responsibility and can foster leadership skills. Only two members of our list, Carly Fiorina and Meg Whitman, assumed chief executive roles as the result of an external hiring decision. Since many officers are hired from within, it is extremely important to keep moving up. Oprah Winfrey was quoted as saying, "Whatever your goal, you can get there if you're willing to work."

About the Author

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In addition to being a Chartered Accountant, Company Secretary, Cost Accountant, MBA, Dip IFR (UK), Mr. Adukia also holds a Degree in Law and Diploma in Labor Laws. He has been involved in the activities of the Institute of Chartered Accountants of India (ICAI) since 1984 as a convenor of Kalbadevi CPE study circle. He was the Chairman of the Western Region of Institute of Chartered Accountants of India in 1997 and has been actively involved in various committees of ICAI. He became a member of the Central Council in 1998 and ever since he has worked tirelessly towards knowledge sharing, professional development and enhancing professional opportunities for members. He is a regular contributor to the various committees of the ICAI. He is currently the Chairman of Committee for Members in Industry and Internal Audit Standard Board of ICAI.

Mr. Adukia is a rank holder from Bombay University. He did his graduation from Sydenham College of Commerce & Economics. He received a Gold Medal for highest marks in Accountancy & Auditing in the Examination. He passed the Chartered Accountancy with 1st Rank in Inter CA & 6th Rank in Final CA, and 3rd Rank in Final Cost Accountancy Course in 1983. He started his practice as a Chartered Accountant on 1st July 1983, in the three decades following which he left no stone unturned, be it academic expertise or professional development. His level of knowledge, source of information, professional expertise spread across a wide range of subjects has made him a strong and sought after professional in every form of professional assignment.

He has been coordinating with various professional institutions, associations' universities, University Grants Commission and other educational institutions. Besides he has actively participated with accountability and standards-setting organizations in India and at the international level. He was a member of J.J. Irani committee which drafted Companies Bill 2008. He is also member of Secretarial Standards Board of ICSI. He represented ASSOCHAM as member of Cost Accounting Standards Board of ICWAI. He was a member of working group of Competition Commission of India, National Housing Bank, NABARD, RBI, CBI etc. He has served on the Board of Directors in the capacity of independent director at BOI Asset management Co. Ltd, Bharat Sanchar Nigam Limited and SBI Mutual Funds Management Pvt Ltd. He was also a member of the London Fraud Investigation Team.

Mr. Rajkumar Adukia specializes in IFRS, Enterprise Risk Management, Internal Audit, Business Advisory and Planning, Commercial Law Compliance, XBRL, Labor Laws, Real Estate, Foreign Exchange Management, Insurance, Project Work, Carbon Credit, Taxation and Trusts. His clientele include large corporations, owner-managed companies, small manufacturers, service businesses, property management and construction, exporters and importers, and professionals. He has undertaken specific assignments on fraud investigation and reporting in the corporate sector and has developed background material on the same.

Based on his rich experience, he has written numerous articles on critical aspects of finance, accounting, auditing, taxation, valuation, public finance. His authoritative articles appear regularly in financial papers like Business India, Financial Express, *Economic Times and other professional / business magazines. He has authored several accounting and auditing manuals. He has authored books on vast range of topics including IFRS, Internal Audit, Bank Audit, Green Audit, SEZ, CARO, PMLA, Antidumping, Income Tax Search, Survey and Seizure, Real Estate etc. His books are known for their practicality and for their proactive approaches to meeting practice needs.*

Mr. Rajkumar is a frequent speaker on trade and finance at seminars and conferences organized by the Institute of Chartered Accountants of India, various Chambers of Commerce, Income Tax Offices and other Professional Associations. He has also lectured at the S.P. Jain Institute of Management, Intensive Coaching Classes for Inter & Final CA students and Direct Taxes Regional Training Institute of CBDT. He also develops and delivers short courses, seminars and workshops on changes and opportunities in trade and finance. He has extensive experience as a speaker, moderator and panelist at workshops and conferences held for both students and professionals both nationally and internationally.. Mr. Adukia has delivered lectures abroad at forums of International Federation of Accountants and has travelled across countries for professional work.

Professional Association: Mr. Rajkumar S Adukia with his well chartered approach towards professional assignments has explored every possible opportunity in the fields of business and profession. Interested professionals are welcome to share their thoughts in this regard.