

CFO JOURNAL

Intel's New CEO Advances From CFO Spot a Second Time

Just 6.8% of sitting CEOs made the leap to CEO from the CFO role—and even fewer make that trip twice



Bob Swan, above, served as chief financial officer before becoming interim chief executive officer and, now CEO, of Intel Corp. Just 6.8% of sitting CEOs in the S&P 500 and Fortune 500 companies were promoted from the CFO position PHOTO: SAMYUKTA LAKSHMI/BLOOMBERG NEWS

By Tatyana Shumsky and Ezequiel Minaya

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Bob Swan, Intel Corp. 's new chief executive, is now a two-time member of an exclusive club of former finance chiefs who have ascended to the top leadership spot—a reaffirmation of his expansive management skill set, executive consultants said.

The former Intel chief finance officer served as interim CEO of the chip giant since June. The company made the move permanent Thursday.

Just 6.8% of sitting CEOs in the S&P 500 and Fortune 500 companies were promoted from the CFO position, according to Crist|Kolder Associates Volatility Report 2018.

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As a combination of new technologies begins to converge on financial reporting, it's incumbent on CFOs to prepare by reimagining the process in its future form, fully automated end-to-end and designed to supply real-time insights. For finance executives, jumpstarting the transformation may mean adopting specific practices now as well as rethinking and redeploying the function's talent mix.

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Mr. Swan made the same kind of leap at Webvan Group Inc., an online grocer that was swept up in the dot-com bust of the early 2000s. That he has made the move once again reflects his ability as both a financial and operations leader.

“It suggests that he ranks pretty well in strategic acumen when compared to a lot of world class CEOs,” said Keith Goudy, managing partner of Vantage Leadership Consulting, a Chicago-based executive coaching firm.

Intel earlier this month reported a 9% jump in fourth-quarter revenue from a year earlier, while adjusted earnings per share rose 18% to \$1.28.

“Bob has shown a lot higher growth [at Intel] than any investor thought possible five years ago,” said Patrick Moorhead, president and principal analyst at Moor Insights & Strategy.

Todd Underwood, Intel's vice president of finance and director of corporate planning and reporting, will serve as interim CFO while the company conducts an internal and external search for a permanent replacement.

CFOs are often overlooked for the top job because, while richly rewarded for their financial excellence, many fail to develop the strategic and leadership skills required of a chief executive, Mr. Goudy said.

Few finance chiefs are lucky enough to get a mentor or CEO who encourages them with stretch assignments that expand their strategic thinking or build a strong voice in the boardroom, he said. “Unless that skill is developed early, it's harder to develop later,” Mr. Goudy said.

Mr. Swan's experience at General Electric Co., where he advanced through a gamut of different roles and departments, has likely prepared him well for the transition, said Dave Arnold, president and founder of Arnold Partners LLC, an executive search consultant focused on CFO and board searches in the technology sector.

“He moved in GE from role to role to role...and not every CFO gets that exposure,” Mr. Arnold said.

That exposure can help a strong strategic thinker with a solid grip on finance become a trusted leader.

“The difference between growth and explosive growth is having the ability to capture the hearts and minds of everyone in the organization,” Gail Meneley, co-founder and principal at Shields Meneley Partners LLC, a Chicago career-transition firm that serves displaced top executives, said in an email.

Intel Chairman Andy Bryant praised Mr. Swan’s skill as both manager and leader in a statement announcing the appointment. “Bob’s performance, his knowledge of the business, his command of our growth strategy, and the respect he has earned from our customers, our owners, and his colleagues confirmed he is the right executive to lead Intel,” Mr. Bryant said.

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