

CFO JOURNAL

CSX Considers Promoting Interim Finance Chief

Railroad, which named Kevin Boone interim CFO this year, is also conducting an external search



CSX's former CFO, Frank Lonegro, departed in May. Pictured, a CSX train in Worthville, Ky., in 2017. PHOTO: LUKE SHARRETT/BLOOMBERG NEWS

By Micah Maidenberg and Nina Trentmann

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CSX Corp. is considering making its interim finance chief permanent, the company's chief executive said.

In May, the freight railroad said its former chief financial officer, Frank Lonegro, departed from the company. He had worked at CSX for 19 years and took over as finance chief in 2015.

CSX appointed Kevin Boone, who had been the company's top investor-relations executive, to the role on an interim basis and launched an external search.

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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. Boone is in the running to take over the finance job at CSX on a permanent basis, CEO Jim Foote said on a conference call Tuesday, praising his work.

“We all appreciate that he was here and his skill set and his ability to step right in and pick up where Frank left off,” Mr. Foote said. “We’re doing an external search to see if we could find the right person to fill this role, and as part of that process, Kevin is going to be considered.”

Interim executives are usually considered finalists for the permanent job, and they often have an advantage over external candidates, said Mickey

Matthews, international chairman of executive recruitment firm Stanton Chase.

“This is a good chance for him [Mr. Boone] to present himself and showcase his skills,” Mr. Matthews said.

It isn’t unusual for companies to appoint an interim CFO while also launching an external search, he said. That way, the company makes sure it scouts the market for the best available talent while also lining up a potential internal successor should the search fail to deliver the right candidate.

A company’s decision to conduct an external search also could be interpreted as a sign that an interim doesn’t tick all the boxes for the top job, said Mr. Matthews.

In about 15% to 20% of cases in which Stanton Chase searches for an executive, the company has an interim CFO in place, Mr. Matthews said. Only one-third of those tend to secure the permanent role, he said.

Mr. Foote said Mr. Boone is “doing a great job.”

CSX, based in Jacksonville, Fla., has faced changes in its executive suite over the last couple of years. In 2017, the company replaced several top executives and brought in Mr. Foote as its top operations executive.

He took over the CEO role following the death of the company's former CEO, Hunter Harrison, late in 2017.

More recently, Mr. Lonegro moved on and the company hired Farrukh Bezar as its chief strategy officer.

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