



Dissecting the
Swedish CFO Market:
A Conversation with
Sophia Nerell



In today's competitive talent landscape, organizations across the globe are striving to enhance their finance leadership to drive sustainable growth.

With Russell Reynolds Associates' [H1 2024 Global Leadership Monitor](#) finding that **65% of sitting CFOs are very likely/likely to make a career move beyond their current employer today**—the highest level of agreement we've seen during the three years we've tracked CFO talent mobility—mitigating the risk of an unforeseen departure has never been more important.

In addition to global finance leadership trends, the Swedish CFO market presents a unique set of challenges and opportunities. To help Swedish organizations address our current context, we sat down with Sophia Nerell, Managing Director in our Financial Officers Practice in Stockholm, to discuss the nuances of the Swedish CFO market, trends around CFO succession planning, and the key competencies sought by organizations.



Sophia Nerell

Managing Director,
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Can you describe the Nordic market?

Sophia Nerell: The Nordic region is an exciting and dynamic market to be in, with its numerous international blue-chip companies that for many years have developed top-tier finance talent. These companies often have decentralized structures, which tend to foster autonomous, accountable business leaders with a broad skill set. In addition to many high-performing legacy businesses, we are also seeing an ever-growing ecosystem of innovative companies for example in the technology and energy transition sectors, which are rapidly scaling.

The region encompasses four relatively small and narrow geographical markets with distinct cultures, and mobility between these markets is not as prevalent as you might assume. The sector focus also differs between the markets; Sweden takes pride in its many legacy businesses within general industry, automotive, and process industries, whereas Norway excels in energy and natural resources. Finland focuses on forest and other process industries, and Denmark on broader shipping and services.

Tell us about the trends in the Swedish CFO market. What common challenges do organizations face?

Sophia Nerell: First of all—and this is true not just for Sweden and the Nordics, but for the global market—the CFO role is becoming broader and more complex by the day, with increasing demands in areas like ESG reporting, big data, AI, robotics, governance and compliance, risk management, and capital allocation strategies. Today's CFO is normally viewed as the lieutenant to the CEO; someone who can be a true strategic partner and drive decision-making for both today and the future. The CFO is the Swiss army knife of the leadership team!

As for Sweden, there are some distinct characteristics that organizations need to navigate. First, the market is in constant motion. In our mapping of the 60 largest companies on the NASDAQ Stockholm **around half have replaced their CFOs in the last three years** and we see similar trends in other segments of the CFO market - all of which limits the supply of CFOs that are open to considering new opportunities.

Further, to minimize risk and ramp-up time, companies are seeking CFOs with experience in their specific industry segment and/or growth stage. The preference for hiring Swedish CFOs to Swedish companies, combined with the limited mobility among Nordic candidates, further constrains a limited CFO talent market and adds complexity to talent acquisition efforts.

Finally, gender diversity remains a notable challenge. From the same analysis, we also found that **100% of the CFOs appointed in 2023 were men - the same being true in 2021 and 2020**. Furthermore, women hold only 15% of the NASDAQ Stockholm CFO roles, compared to 26% of the FTSE 100 and 18% of the Euronext 100 CFO roles. While in high demand, women finance leaders are few and far between, often being hired externally as a solution to nascent DE&I (Diversity, Equity & Inclusion) efforts to develop finance talent internally.

What does this mean for your clients?

Sophia Nerell: High-performing, broadly skilled CFOs continue to be in demand. There is truly a war for talent out there.

Consequently, CEOs should keep CFO succession top of their minds and work actively on their internal succession agenda together with their incumbent CFO, with support from the Board of Directors, and the CHRO.

While there was an encouraging stream of internal promotions to the CFO role during 2022, we saw a shift in 2023 back to hiring experienced CFOs, with less focus on promoting internal talent. Swedish organizations often perceive their internal bench as insufficiently strong, leading them to rely on external hires for senior positions to hit the ground running. However, this hesitance to consider internal candidates can hinder leadership development, especially for women in finance, and potentially lead to missed opportunities, including positive motivation towards internal talent.

What advice would you give to organizations thinking about their CFO succession planning journey?

Sophia Nerell: Embarking on a CFO succession planning journey requires a proactive and strategic approach. CFO succession planning should ideally start the same day as the new CFO gets appointed, with close CHRO collaboration from the outset.

First, define the CFO success profile, then follow up with an in-depth assessment of the current finance team's strengths and weaknesses against said success profile.

Post-assessment, outline a carefully curated development plan for the company's next-in-line internal talent, including regular follow-up and course correction. These could include components such as internal and external mentorship, as well as getting acquainted with key aspects of the CFO job, such as getting Board and capital market exposure early on.

Strengthening the internal bench will help ease apprehensions around internal promotions and, when the day comes, improve the likelihood of a successful transition. This will serve as an important enabler for internal talent retention in an extremely competitive market.

Neglecting CFO succession planning carries many risks for organizations—engaging an experienced partner to **meet you where you are in your CFO succession journey can prevent costly business disruptions**. For a detailed guide on how to implement CFO succession planning in your organization, read more here: [Surviving CFO Turnover: Lessons from Companies that Nailed Succession Planning](#).

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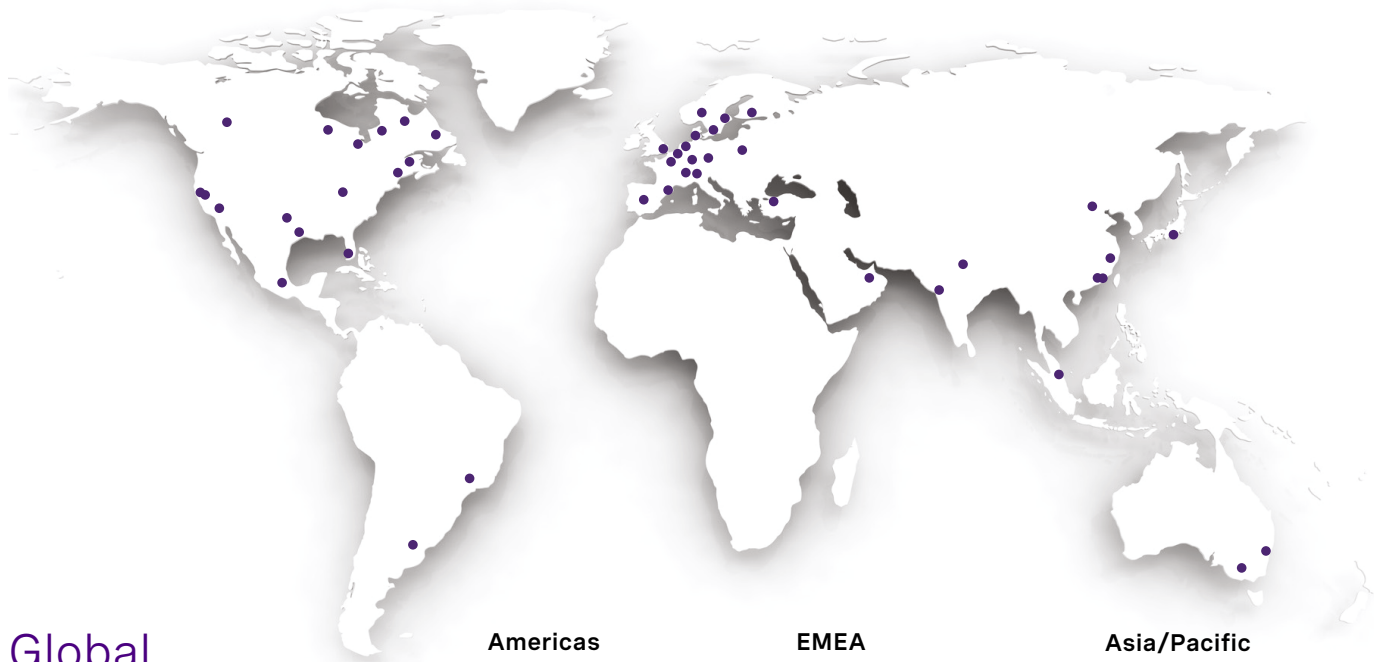
References

1. RRA Global Leadership Monitor - H1 2024
2. RRA analysis of the largest companies on the NASDAQ Stockholm by revenue, N=60, 2024
3. RRA analysis of the FTSE 100 and Euronext 100, N=200, 2024

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