CFO Spotlight: Jim Murphy, CFO/COO Greensmith Energy Management Systems

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1. **What was your first CFO opportunity and how did you get it?**
When I was 29 I became the CFO of Meadowbrook Rehabilitation Group, Inc. (Nasdaq: MBRK), a small publicly traded healthcare business. It was an interesting turn of events that led me to this position. I started my career at Arthur Andersen in the audit division where I worked primarily on SEC engagements and healthcare clients. I left Andersen after three and a half years to go to KB Homes as an assistant controller. I did that for a couple of years and decided to go back to school to get my MBA. I contacted the Partner that hired me at Andersen to be a reference.   He agreed to be a reference and also had a proposal for me. One of his clients in the healthcare space had just gone public and was in a shareholder law suit and their CFO had just departed. He asked if I would do a 6-month consulting engagement helping the Company ensure all of the SEC filings were completed and filed on time. He said they would pay double what I was making at KB and I could use that to fund my MBA program. During that 6 months, I did a whole lot more than just file the SEC reports and at the end of the engagement the CEO asked if I wanted to be the CFO, and of course I said yes. That is how I got my first CFO opportunity.

2. **How do you mentor people in your organization?**
Early in my career I had people take an interest in my success and I believe it is my responsibility to pay that back. I also know that it is difficult to take that next step in your career without experience, and getting that experience is difficult. So, I work with each of my direct reports on where they want their career to go and how to get there. As part of this I challenge them to think about the larger organizational issues and opportunities and not only on their specific roles. I also try to expose them to areas and decisions outside of their management responsibility. An example might be for a finance person or controller, I will give them the opportunity to do things they may not have done before, risk management, treasury, facilities, IT, etc. I have handled these functions for years and years and view them as pretty simple but if you have never had that responsibility before it can be exciting and a great learning experience. Some CFO's might find it threatening to give up functional responsibilities but I find it liberating. It gives me time to focus on other things that will challenge me and enhance my career. There is also a very tangible benefit to this

approach, the employee gets the experience they want and need and I get a much more loyal employee, because they see that I am taking an active interest in their career.

3. **How do you balance the demands from work with those of the family?**
   I have four children under the age of 13 with extremely active lives. I joke with my wife that my second job is as an Uber driver for my children's activities. However, I really love it and try not to miss any of their games, recitals, band concerts, camp-outs, etc. I also encourage the same for my staff. Work will always be there and I like most professionals have figured out ways to do both. Whether that means coming in early or working from home once the kids go to bed it is just something you make work. I find that if I prioritize family first the decisions and the work-arounds become easier.

4. **What are the 1-3 things that anyone who aspires to be a CFO should know about the role that they may not have considered?**
   a. I think one of the misconceptions about being a CFO is that the role is all about accounting. A CFO needs to understand accounting and all that it entails but if I spend more than a day a month on accounting I would be surprised. So, if you aspire to be a CFO you need to look at all of the other things a CFO does or is responsible for and not just look at accounting.
   b. People assume that the CFO role is very black and white, and the CFO is the arbiter of "No" within the organization. This could not be farther from the truth. A good CFO needs to partner with peers on the executive team to solve problems and advance the Company's strategy. The truth is that the CFO role is all about shades of gray. Also, if you are the Arbiter of "NO", then people will stop asking for your opinion, so it is much better to be collaborative and open minded as a CFO.
   c. Today's CFO role has evolved outside of just Finance, Administration and Accounting. CFO's are now being asked increasingly to take on operational roles within the organization as well as to provide more strategic and innovative solutions to business problems. This requires more traditional CFO's to evolve outside of their comfort zone. This has also resulted in the path to CFO becoming more varied rather than through the traditional Finance/Accounting route.