

CFO SPOTLIGHT: STEVE HUGHES, CFO OF GOVERNMENTCIO



1. What was your first CFO opportunity and how did you get it?

My first CFO job was with SRA International, Inc. As I contemplated graduating high school, it occurred to me to apply college. I missed the whole college counselor thing in high school and was clueless about how and where to apply. But my fraternal grandmother had graduated from the State Normal Teacher's college (which later became James Madison university) so I applied there and was accepted. My youngest daughter asked me recently what would have happened if I had not been accepted at JMU. Reflecting on the number of schools that people apply to today, I mused "gee I don't know". In any event I enrolled and was debating whether I should major in English or Accounting and the tie-breaker was that I knew I had to get a job when I graduated and chose accounting. I took the CPA exam and passed it.

Following JMU I had wanted to go to B school and again only applied to one school, Wharton, but was rejected. So, I went to Virginia Beach with a friend for the summer intending to find a job on the boardwalk but ended up taking a Job Cost Accounting role. I stayed in that role for 1.5 years when the same friend invited me to join him in moving to DC, which I did. My role was to help a non profit foundation install a computer system. In that process I met Ernst Volgenau, the founder of SRA, who was helping the charitable foundation pro bono. When the assignment was over Ernst asked me to do the payroll at SRA (Annual Revenue run rate less than \$1M), I jumped at the chance. I ended up spending three years there as a systems analyst, departed for a year to join Coopers & Lybrand (now a part of PWC) then rejoined SRA as Accounting Manager (1983 Annual Revenue Run rate about \$8M). As soon as I arrived, the then CFO received an offer he couldn't refuse and left the company. I then auditioned for the role for about 8 years, being named CFO in 1996 (Annual Revenues \$100M). I stayed at SRA until 2009 (Annual Revenues \$1.4B). In short, my first CFO role was at SRA and I got the job by Providence.

2. Who had the biggest influence on your career and why?

The team at SRA – starting with the founder Ernst Volgenau - a wonderful, selfless man - whose watchwords of "Honesty and Service" guided SRA for many years. Culture was one of his top priorities.

I was privileged to be a part of the team (Ernst Volgenau, Renny DiPentima, Ted Legasey and Barry Landew) that took SRA Public in 2002. The process surrounding the IPO was a key part of my training in honing analytical and communications skills.

3. What's one regret you can share about your career?

While I have made a variety of mistakes in my career, the only regret that I have is that in certain cases, I chose not to cultivate relations with Board members as I could have. It is important for all C-level executives to cultivate relations and gain support of their Boards.

4. What are the 3 most important characteristics of a company culture?

- a. Honesty
- b. Service to Customers and Stakeholders
- c. Taking care of people (employees)

5. 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. Written and oral communications are paramount.
- b. While it is just fine for some senior financial people to see the past and the present, the CFO must find a way to see the future.
- c. The CFO must drive or be involved in developing and funding strategy.
- d. The CFO must be an excellent analyst or at least be supported by an excellent analytical group.
- e. Most CFO jobs include some level of "grunt" work.

6. A CFO is typically a confidante of the CEO, how did you gain their trust?

By being trustworthy. Honesty and truth-telling whether it is to your benefit or not. Admit your mistakes and learn from them.