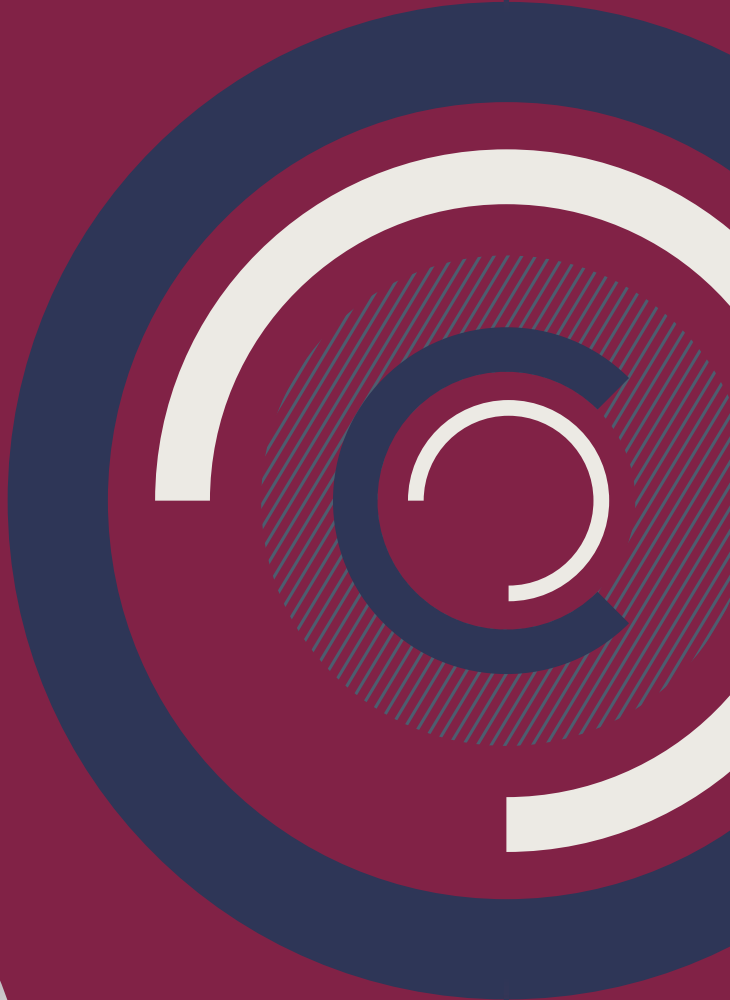


**PRATAP**

PARTNERSHIP

CFO Network  
**Annual  
Report**

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**20  
23**

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# Introduction

Welcome to the 2023 CFO Network Report on the Financial Leadership landscape across the Yorkshire & Humber region - a deep analysis of the population of finance leaders, the demographic trends and the corporate landscape.

The focus of our analysis has been to look at the **Executive Finance Leadership** community - the most senior individual in the finance function. Job titles are either "CFO" or "Finance Director".

Our objective is for this report to be a valuable tool for investors, employers and individual executive finance leaders.

We have used every tool and resource available to us to provide a comprehensive and up-to-date analysis of the executive financial leadership landscape across the region.

We hope that you enjoy reading the report. We would welcome any suggestions and any opportunity to discuss any of the specific details behind the report with you.



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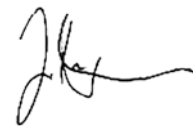
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# Overview of Recent Trends

There have been more changes in the Executive Finance Leaders community over the past year than at any time in the past two decades.

A few of our headline discoveries during the course of preparation of this report:

- **A record number of moves and new appointments** of Executive Finance Leaders.
- A high proportion of appointments made on the back of **deal activity** and a strong private equity market.
- A clear increase in **turnaround activity** from the last quarter of 2022.
- Some **changing demographics** across the Executive Finance Leadership community - an increase in female representation and of individuals with relatively less experience.
- **Wage inflation**, but not at the levels seen in the more junior ranks. This is balanced by an increased generosity in the incentive and equity plans.

As the economic climate will develop during 2023, some of these trends will continue to evolve and others will alter direction perhaps. We will continue to provide our quarterly analysis on our **CFO Network Hub** - [www.pratappartnership.com/posts/cfo-articles](http://www.pratappartnership.com/posts/cfo-articles)

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## METHODOLOGY

We have used an extensive range of resources to prepare this report. Our objective has been to make this the most comprehensive and up-to-date insight into the financial leadership landscape:

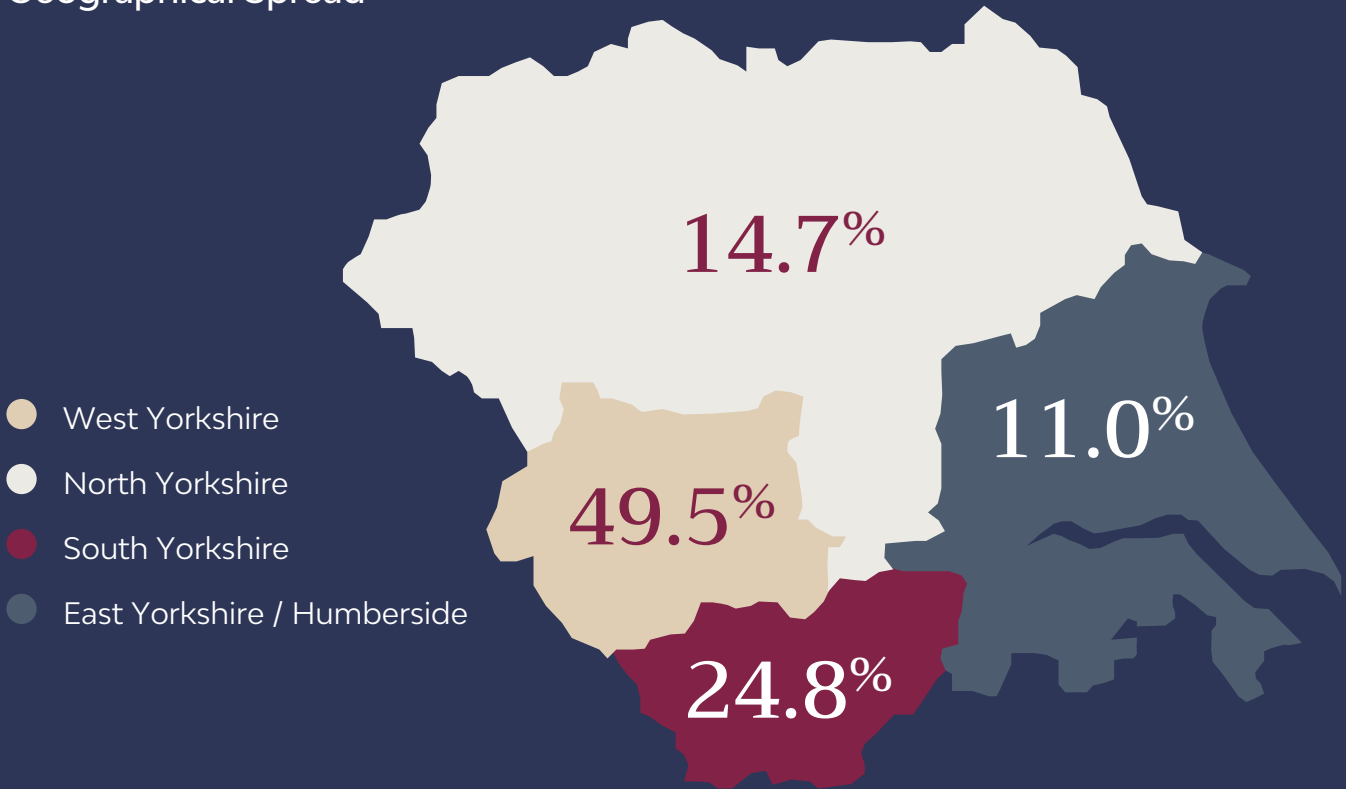
- Our licenses, subscriptions and tools used in the search part of our business.
- Our candidate database with the ability to analyse over 1,300 candidate records.
- All of our recruitment activity over the past year.
- Industry leading salary benchmarking software and database subscriptions.
- An online survey sent out to a large sample of the finance leadership community.
- Consultation with a number of advisers and investors to look at specific incentive structures and trend perspectives.
- We estimate that there are 3,031 Executive Finance Leaders across the Yorkshire & Humber region. We have looked at the total population for some aspects of this report and extrapolated from samples for other areas.

# Organisations with an Executive Finance Leader

An analysis of the geographical spread, size, ownership and sectors of the organisations with an Executive Finance Leader.



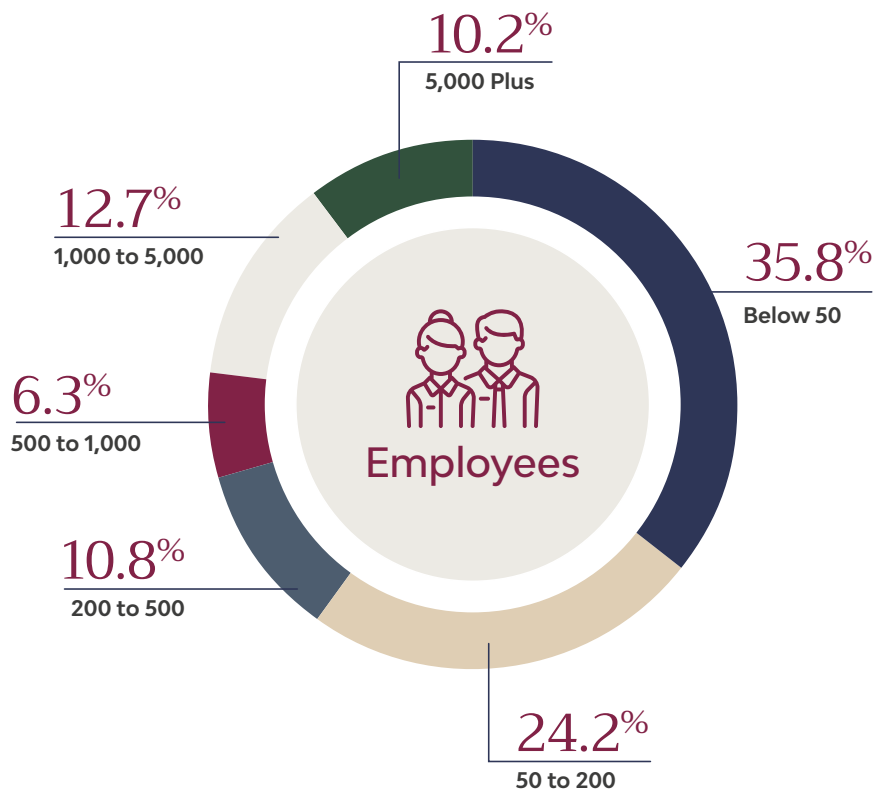
## Geographical Spread



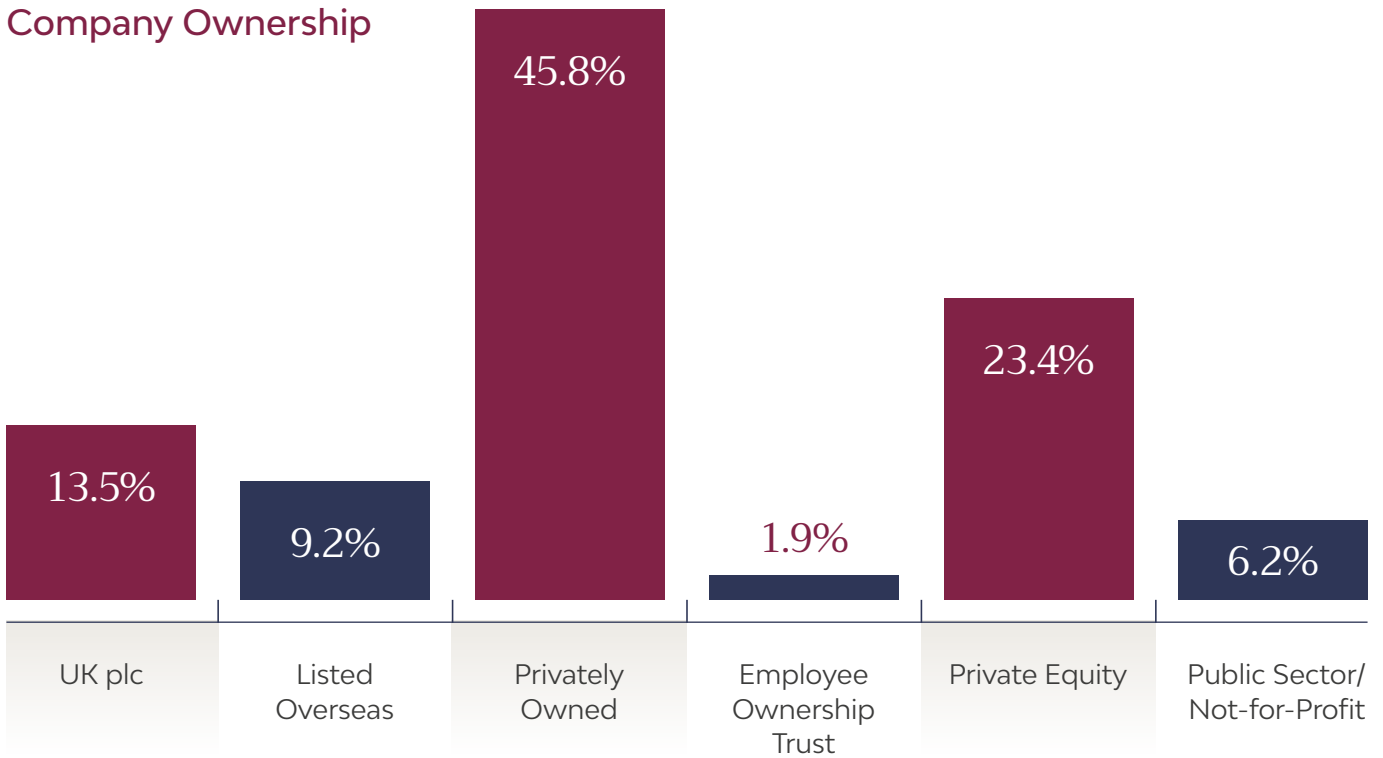
## Company Size

### Number of Employees

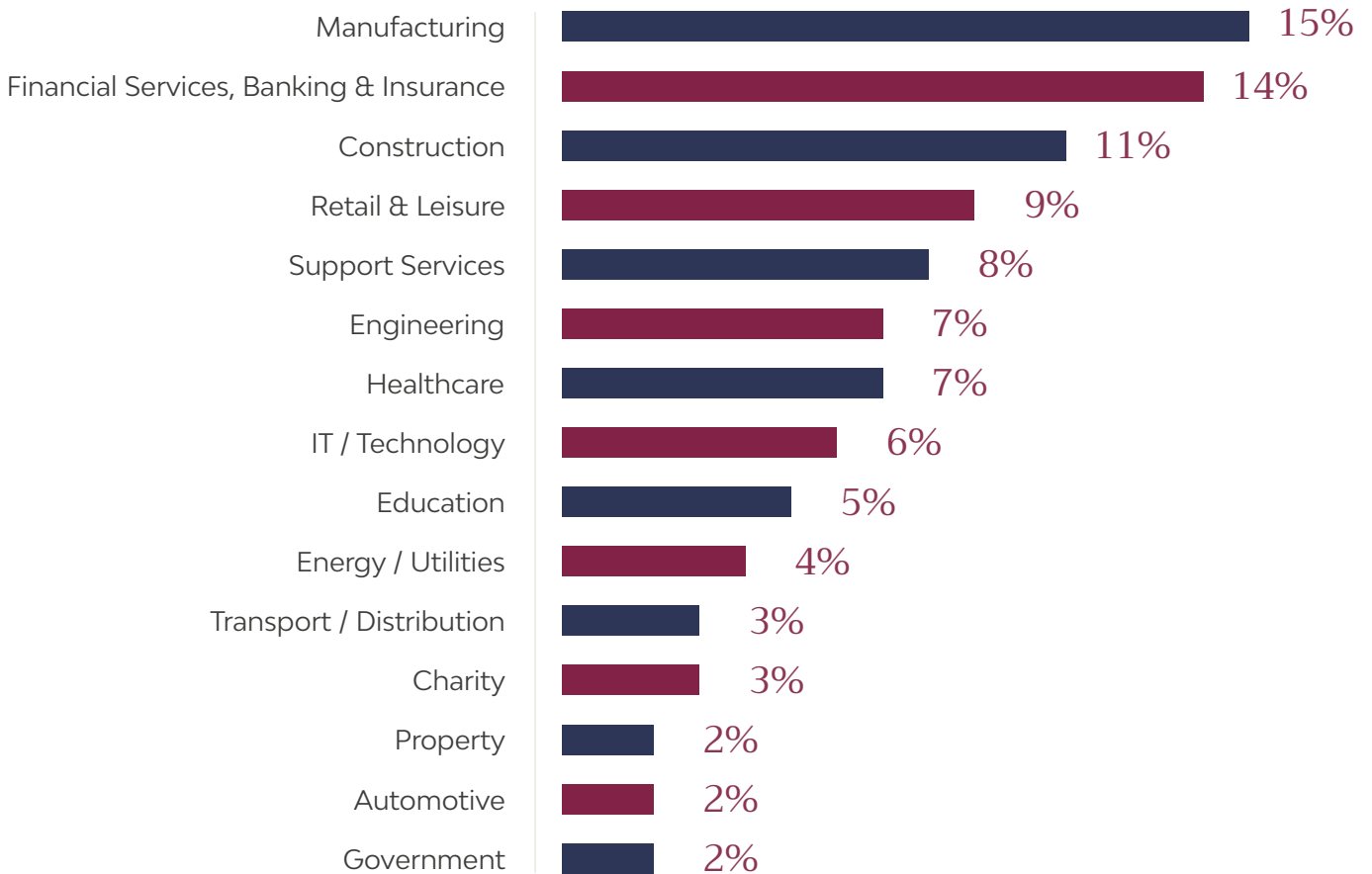
Below 50	35.8%
50 to 200	24.2%
200 to 500	10.8%
500 to 1000	6.3%
1,000 to 5,000	12.7%
5,000 Plus	10.2%



### Company Ownership



### Sector Analysis

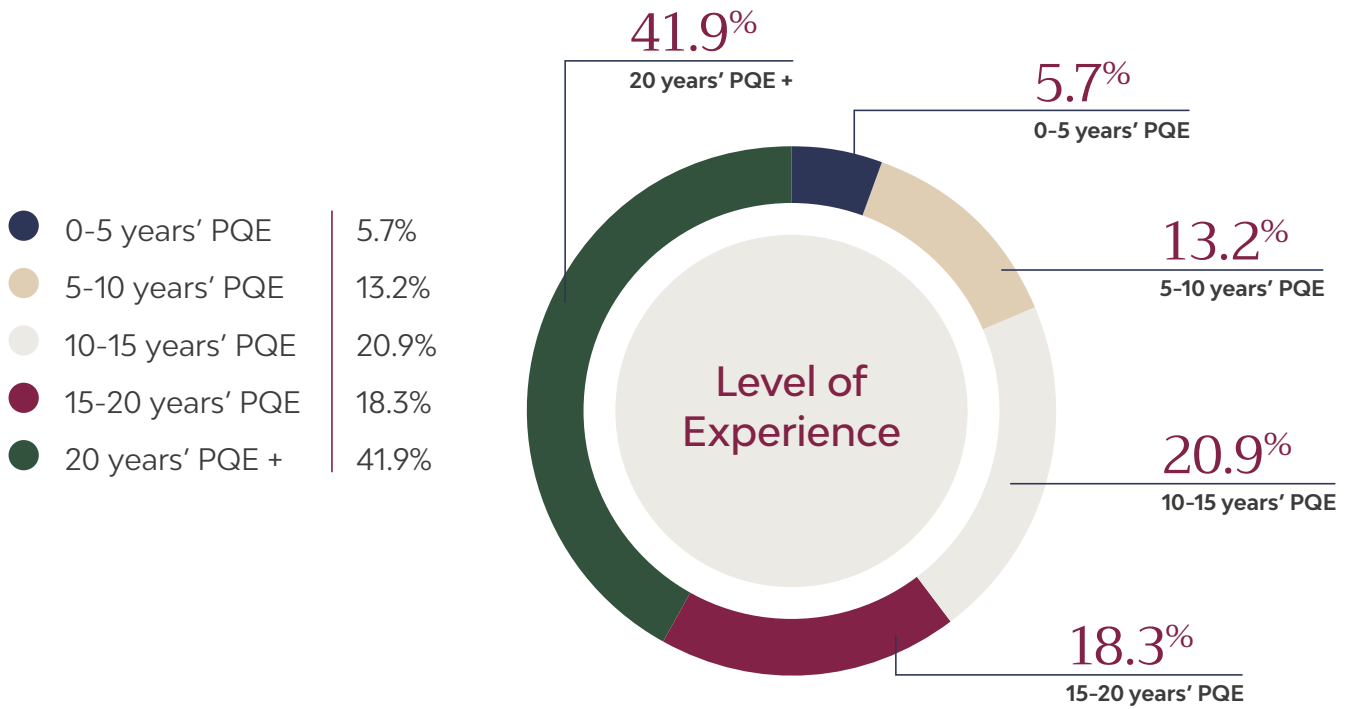


# The Executive Finance Leadership Community

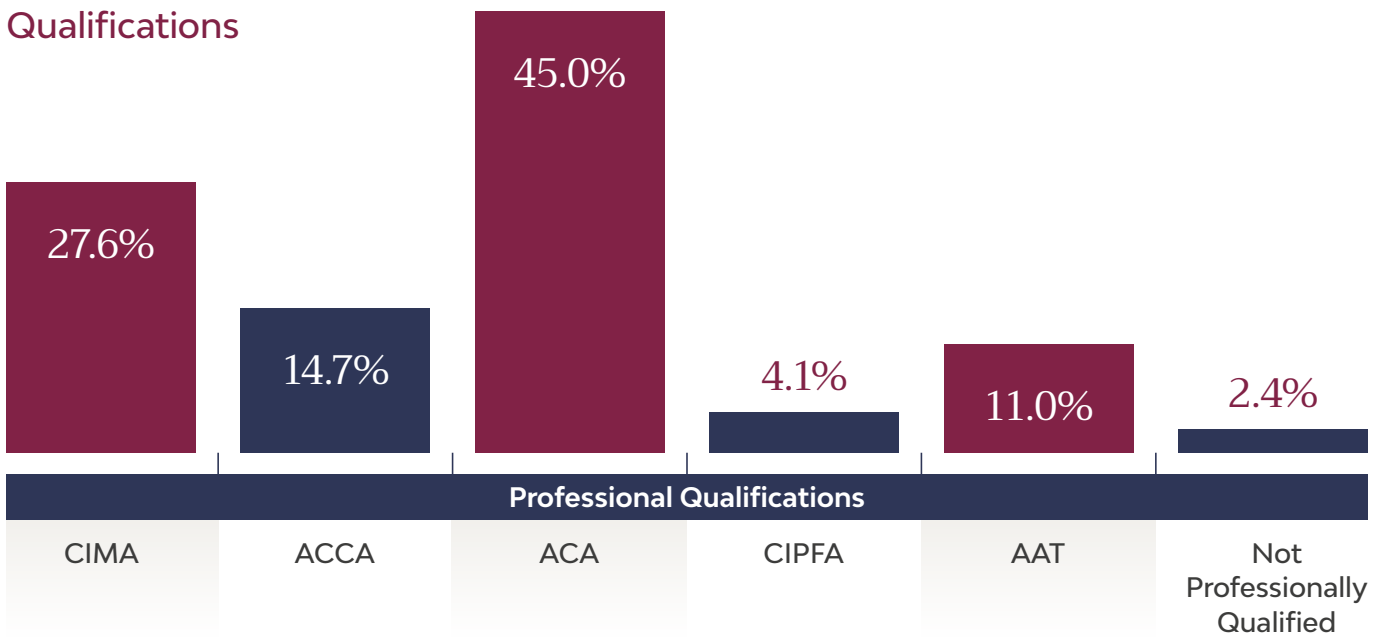
An analysis of the experience, qualifications and gender diversity of the individuals, along with an insight into the challenges faced and their personal priorities.







**Qualifications**



**Additional Academic History**



### Gender Representation

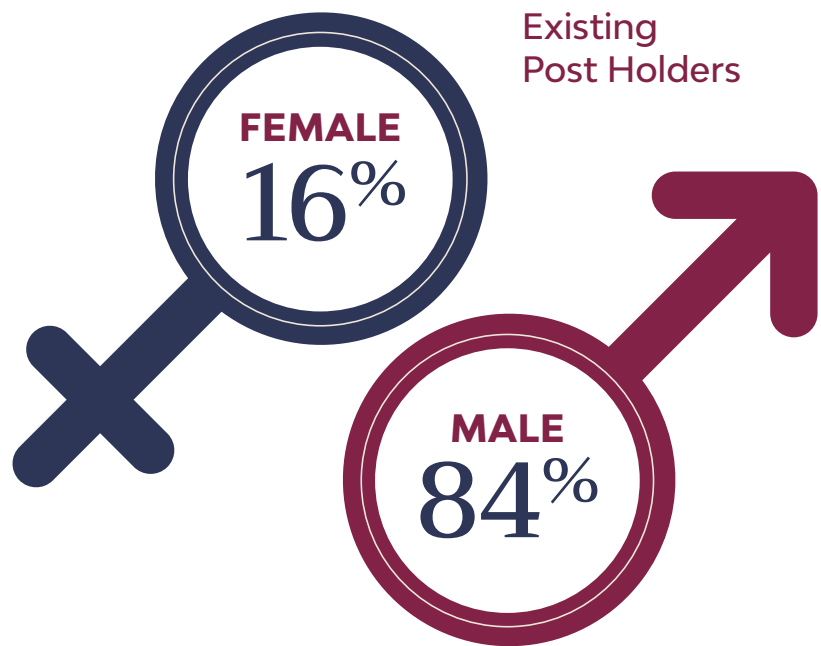
Working towards a population of Executive Finance Leaders with a stronger diversity across gender and ethnicity is an objective that we share with many organisations and investors.

One of the biggest challenges is setting the right destination benchmark. Our objectives are:

**one** To ensure that every recruitment process is open and inclusive to all minority groups.

**two** We regularly benchmark our results against the trends we see in the wider market. **During 2022, 31.25% of Executive Finance Leader placements made by Pratap Partnership were female candidates.** This tracks above both the existing population and the proportion of hires in the year.

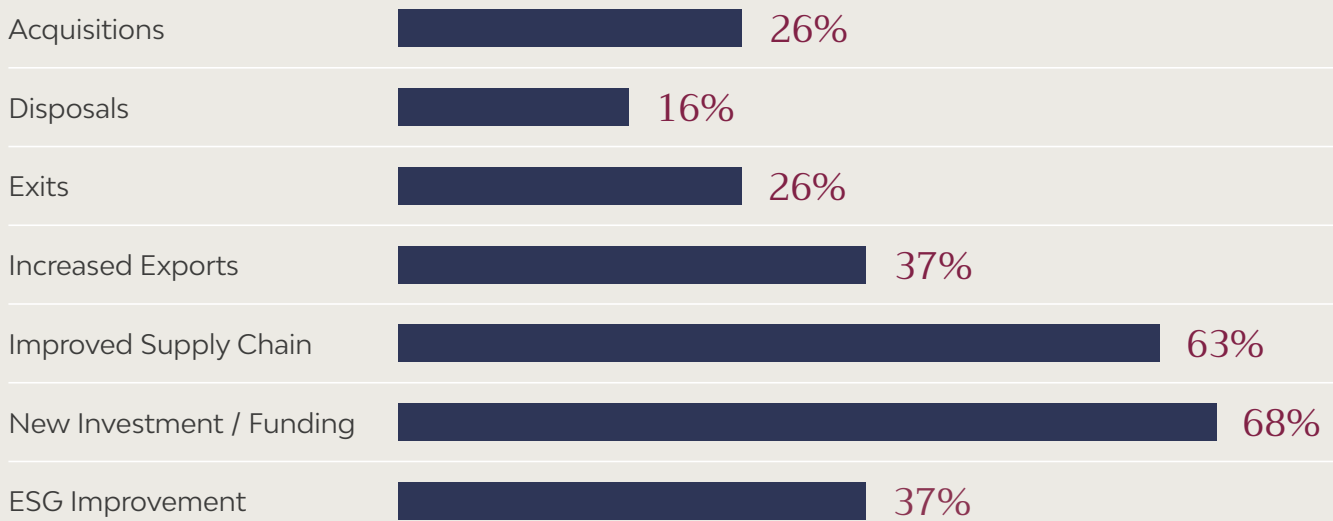
### Where do the female CFOs and FDs work?



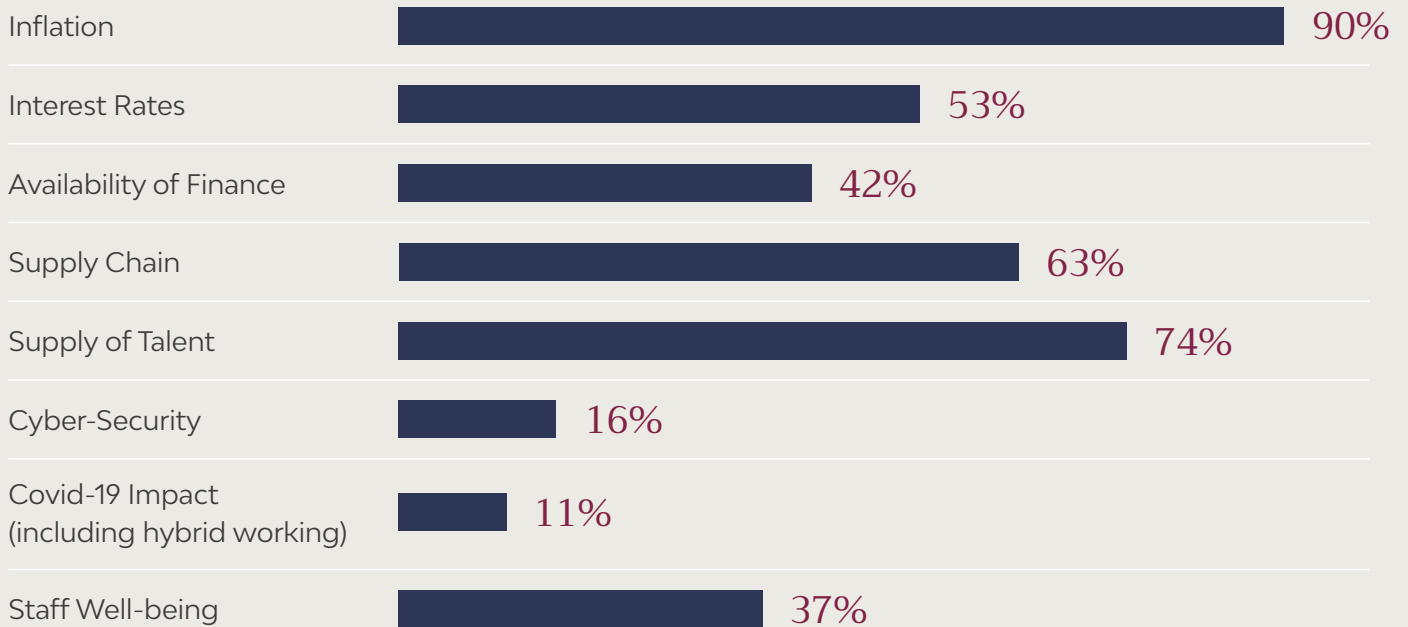
### Hires in the Past Year



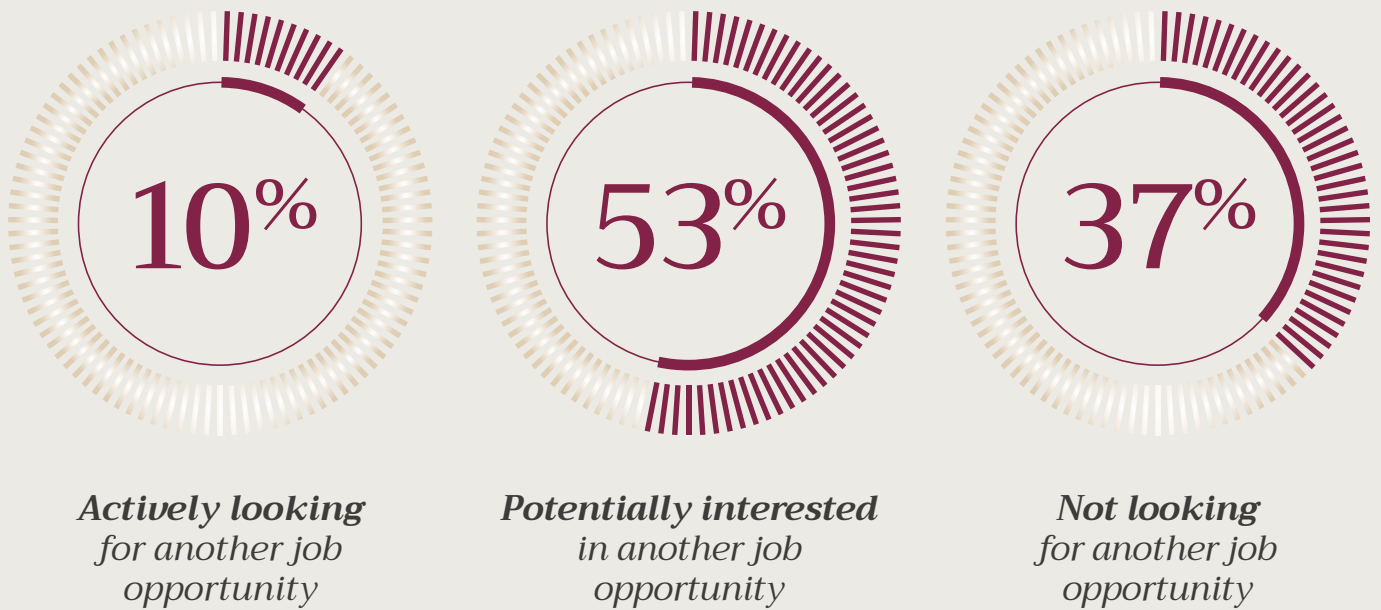
### The main opportunities you and your current business expect to face in 2023



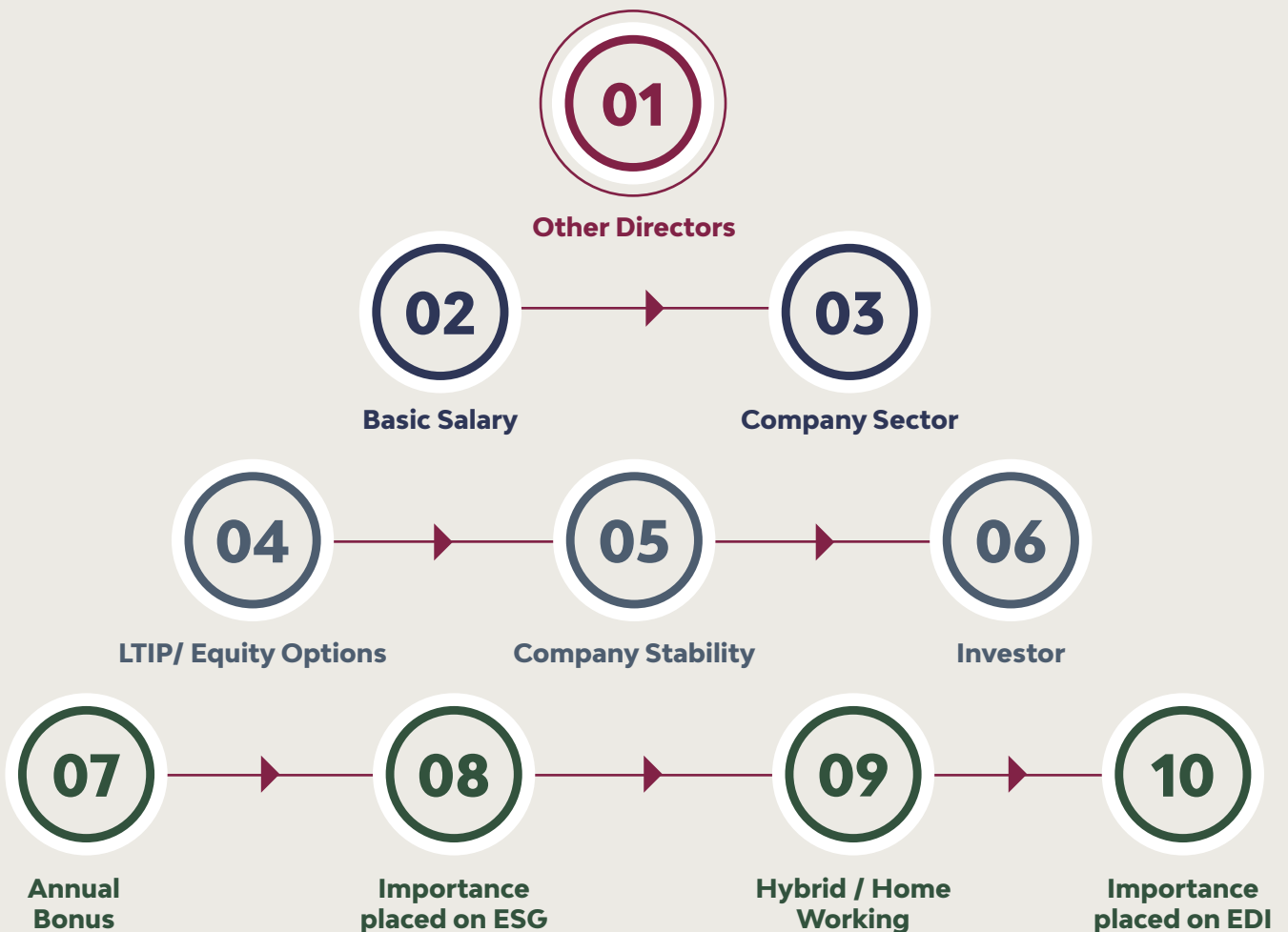
### The main challenges faced by you and your current business in 2023



### The Status of Each Individual



### The number one consideration for their next role **OVERALL RANKING**



# Salary & Rewards

Analysis of the remuneration and incentive packages.



## Private Equity

Basic Salary (£k)				
Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
95	104	123	136	176

Car Allowance (£k)				
Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
6	8	9	11	12

Bonus (% of basic)				
Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
6%	14%	25%	45%	65%

- Our analysis did not pick up any significant variation between business plan types.
- There is some evidence of slightly lower basic salaries for growth to exit plans with an incentive plan to compensate for this.
- Technology, healthcare and FMCG companies all paid the highest basic + car packages.
- Size and maturity of the company influenced the point in the range, as did the level of experience of the incumbent.
- There is a high frequency of individuals on £110k, £125k and £140k. These are the “watershed levels” - the rungs on the ladder of progression for the individual.

Equity, Share options and LTIPs (%)	
Equity	9%
Growth Shares or Sweet Equity	14%
Share Options	74%
EMI scheme	17%
Exit bonus / alternative LTIP scheme	5%

## Privately Owned (non PE / VC)

Basic Salary (£k)				
Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
85	94	112	125	140

Car Allowance (£k)				
Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
6	8	9	11	12

Bonus (% of basic)				
Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
5%	16%	24%	32%	40%

## Listed (AIM)

Basic Salary (£k)				
Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
116	128	141	165	180

Car Allowance (£k)				
Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
6	9	9	9	12

Bonus (% of basic)				
Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
15%	25%	41%	54%	61%

## Public Sector / Not-for-Profit

Basic Salary (£k)				
Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
63	72	101	110	135

Car Allowance (£k)				
Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
6	7	8	8	9

Bonus (% of basic)				
Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
2%	4%	6%	8%	9%

# The Executive Finance Leader Recruitment Landscape

An analysis of permanent appointments in the past year.





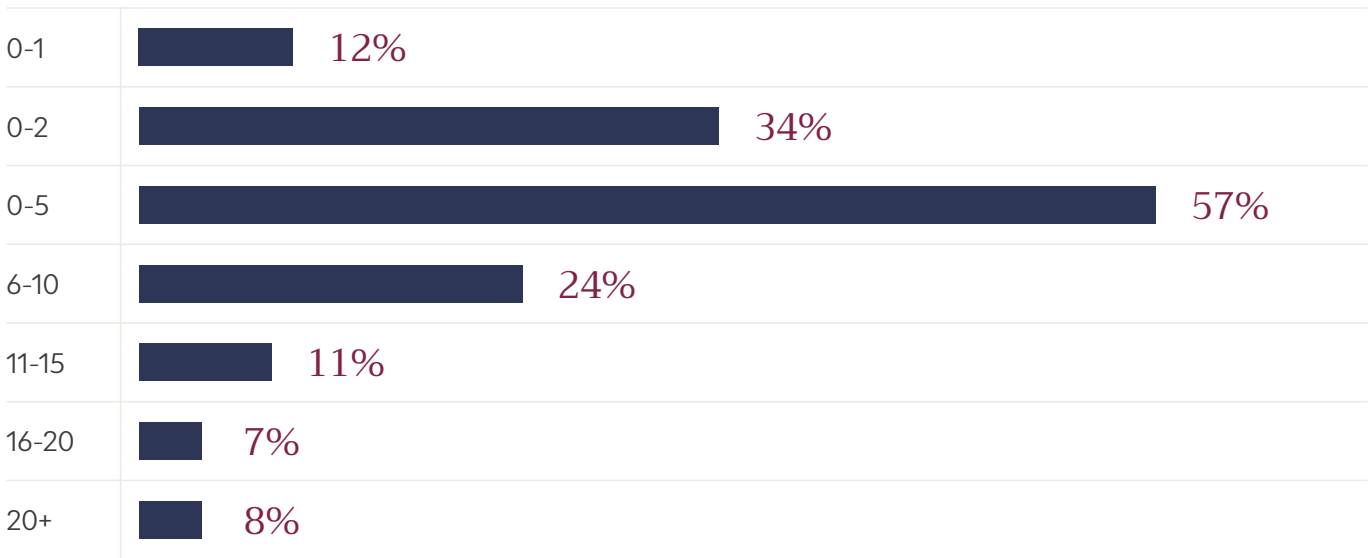
## The Executive Financial Leadership Appointments Market

2022 saw a very busy landscape of new Executive Finance Leader appointments across Yorkshire. An increase of 9.6% from the previous year, with around 300 new appointments made across the region.

We analyse these moves every quarter, looking at the appointments we have made and those that we are aware of through public announcements and through our network. We have looked at a large sample of these appointments to present the following trends and observations.

### Length of Service

Years of service in current organisation.



*The average period in post is between 4 and 5 years.*

*Over half of finance leaders leave their role / company before their 5 year anniversary.*

*Almost half of the population of finance leaders have less than 2 years' service in current role.*

## Which Sectors Have Seen Most Change?

We have presented the five most active sectors for appointing new Executive Finance Leaders in the past year and compared them with the total population (page 7).

TOP 5	Percentage of total Executive Finance Leaders appointments in past year	Percentage of total Executive Finance Leaders population (page 7)
Manufacturing & Engineering	28%	22%
IT / Technology	16%	6%
Services	14%	8%
Construction	13%	11%
Healthcare	8%	7%

## Which Ownership Structures Have Seen Most Change?

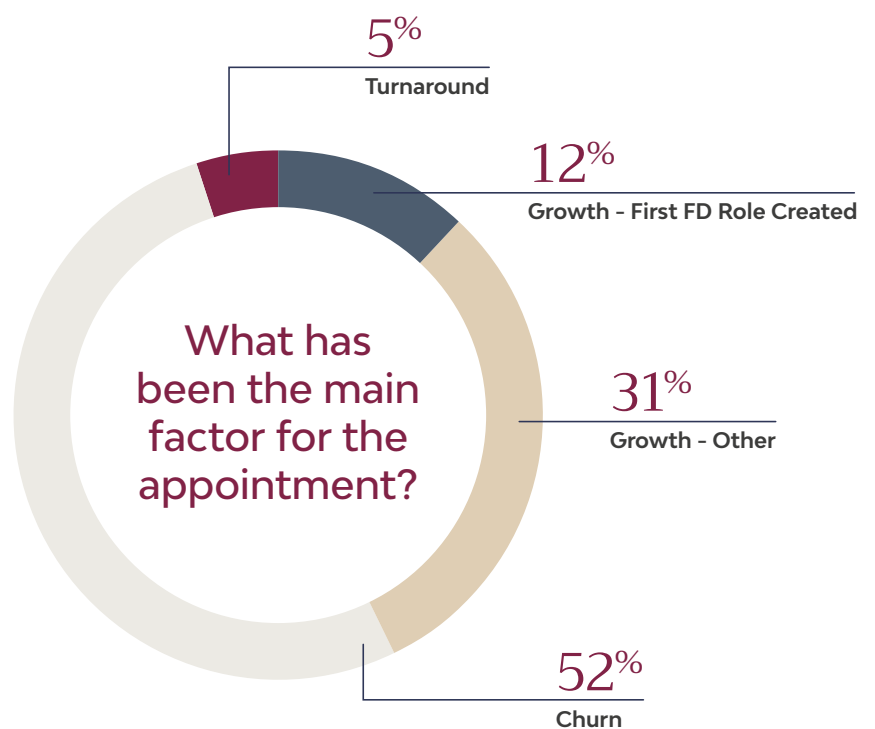
We have presented the number of new appointments in the past year and compared with the total population (page 7).

	Percentage of total Executive Finance Leader appointments in past year	Percentage of total Executive Finance Leader population (page 7)
Private Sector	35%	48%
PE / VC	33%	23%
Listed	22%	23%
Public Sector & Not-for-Profit	10%	6%

This section of our research has been more subjective than others. There has often been more than one factor in the appointment of a new Executive Finance Leader (for example - because of growth and the retirement of the incumbent).

We have looked at all of our successful placements and a large sample of other appointments of which we have enough knowledge to make a confident assessment.

We decided to summarise the categories below. "Churn" includes movements initiated by the individual and replacement hires initiated by the employer.



# The Interim Executive Finance Landscape

An analysis of interim assignments in the past year.



## Market Population

### Strong Interim Executive Finance Leadership Market

A number of national surveys have highlighted a strong Interim Executive Finance market across the UK - growing in 2022 by as much as 70-80% on the back of technology changes and increased M&A activity.

### Working Executive Finance Leaders In Our Region

We estimate that there are between 75 and 100 Executive Finance Interims working in the Yorkshire region at any one point in time.

### Continued Growth

We also estimate that this market has grown considerably throughout 2022 and will continue to do so during 2023.

**84%** OF INTERIMS NOW WANT FLEXIBLE OR HYBRID WORKING



**33%**  
FEMALE



**67%**  
MALE

## Day Rates

Reflecting rates inside and outside of IR35.

Positions	From	To
FD / CFO plc	£1,200	£1,750
FD / CFO Private Equity (BAU)	£800	£1,200
FD / CFO Private Equity (advanced exit or refinance stage)	£1,100	£1,350
FD / CFO Privately owned SME	£650	£800
M&A Expert	£1,000	£1,200
Turnaround Expert	£750	£1,500
Restructuring Expert	£1,000	£2,000
Group Financial Controller (plc or corporate)	£700	£1,000
Group Financial Controller (PE)	£600	£800
Financial Controller (SME)	£400	£650
FP&A Director (plc)	£700	£1,200
FP&A Expert (PE & SME)	£450	£600
ERP Implementation Lead	£500	£950

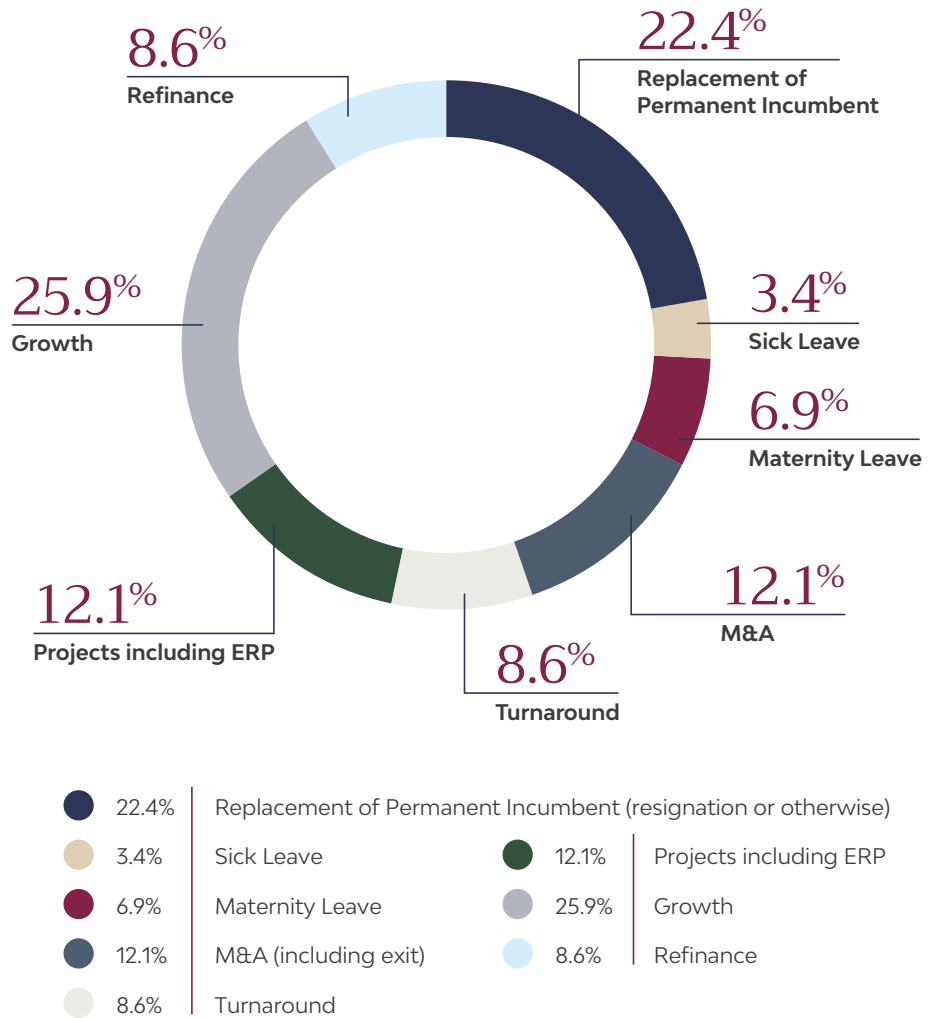
### Primary Objective for Interim Assignment

There has often been more than one factor in the appointment of an Interim Executive Finance Leader. We have identified the dominant objective for each hire in our analysis for this section.

We have looked at a sample of assignments across 2022 where an Interim Executive Finance Leader was engaged on a day rate of over £650 a day.

We have looked at all of our successful placements and a large sample of the appointments where we have enough knowledge to make a confident assessment.

We decided to summarise the categories below. "Churn" includes movements initiated by the individual and replacement hires initiated by the employer.



### Which Sectors Have Seen Most Change?

	Percentage of Interim Executive Leader appointments in past year
Manufacturing & Engineering	26%
IT / Technology	19%
FS & Legal	7%
Retail	8%
Construction	13%
FMCG	14%
Healthcare	6%
Public Sector & Not-for-Profit	7%

# Executive Finance

We have been placing Executive Finance Leaders across the Yorkshire & Humber region for over 20 years.

We value the very close relationships with the Executive Finance Leaders, Advisers and Investors - our network provides us with our opportunities, our knowledge and the accountability to ensure we always deliver.

We blend the positives from traditional search with the very latest methodology and innovative technologies to create an effective recruitment solution.



Our **Pratap Partnership CFO Network** delivers on all levels from senior management to CFO, including technical disciplines that include Tax, Treasury, FP&A, Audit, M&A, Restructuring and Turnaround.

*Our network and our market covers the commercial, public and private sectors along with the advisory and investor networks.*



## CFO Network

We deliver all of our executive finance search and recruitment through our CFO Network brand.

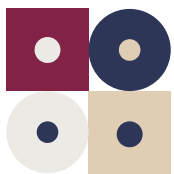
We keep close relationships with the investors, banks and advisers across the region as well as the Executive Finance Leadership community.



## Private Equity

Private Equity backed businesses continue to represent a significant proportion of our senior and executive appointments.

This is a sector that we understand - a sector with high expectations and we always relish the opportunity to exceed expectations.



## Interim Finance

Sitting within our Executive Finance specialism, our Interim business is a valuable part of our service to our clients and candidates.

We provide an effective solution for every situation from transactions, turnarounds and change to maternity covers and unexpected events.

**PRATAP**  
PARTNERSHIP

**Recruiting Our Way**  
*Raising The Standards  
and Getting Results*

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