

What Does It Take to Be CFO of a Unicorn Company?

Startups that found a way to go from being worth nothing to being worth more than \$1 billion (unicorns) are miracles of financial growth. But virtually no startup can hit that milestone without the “adult supervision” of a CFO.

The startup CFO is not a bookkeeper. He or she is a high-level, strategic force, a close and trusted adviser to the CEO, and is instrumental in taking unicorns to that next level of growth: going public.

Competition for top financial talent is heating up, as more and more companies join the unicorn club and set their sights on the big exit. “It’s crazy. The demand cycle is so high right now,” [said](#) Peter Crist, an executive recruiter who recently helped unicorn Airbnb hire their new CFO, Dave Stephenson.

So, what does it take to make it to the top of the financial ranks in the elite group of unicorn companies? Here’s the data straight from the people who have done it.

The unicorns and their CFOs

To find out how unicorn CFOs are made, we looked at a list of [unicorn companies](#) and sorted them by highest valuation. We then went down the list until we had 25 CFOs to study. All of these companies are among the top-valued private companies in the world, but this is not a list of the highest valued 25 companies.

Here’s a complete list of the CFOs we researched, and the companies they work for:

- Timothy Danaher, JUUL Labs
- Artie Minson, The We Company
- Dave Stephenson, Airbnb
- William Gaybrick, Stripe
- Bret Johnsen, SpaceX
- Joe Babcock, Epic Games
- Prabir Adarkar, DoorDash
- Cevdet Samikoglu, Samumed
- Colin Anderson, Palantir Technologies
- Kevin Samuelson, Infor
- David Doyle, Global Switch
- Alesia Haas, Coinbase

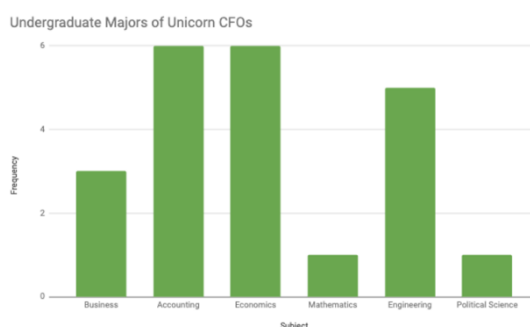


- Ravi Gupta, Instacart
- Marie Myers, UiPath
- Scott Henry, Magic Leap
- Jason Warnick, Robinhood
- Lauren Cooks Levitan, Fanatics
- Michelle Gill, SoFi
- Jill Woodworth, Peloton Interactive
- Joseph Kauffman, Credit Karma
- Matt Briers, TransferWise
- Jeff Shouger, Niantic
- Michael Linford, Affirm
- Dan Nash, MZ
- Steve Schoch, 23andMe

All of the data used in this article is from public records on LinkedIn, Crunchbase, and Bloomberg, and from interviews and articles on the featured CFOs and companies.

Education

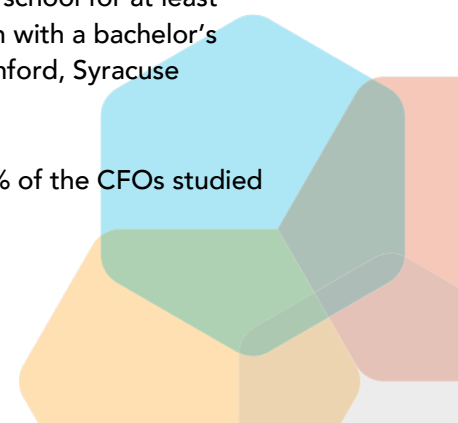
Every CFO researched has an undergraduate degree. From those degrees, there was a variation in BS and BA degrees awarded, with no clear preference for one or the other. The most common undergraduate majors were economics and accounting.



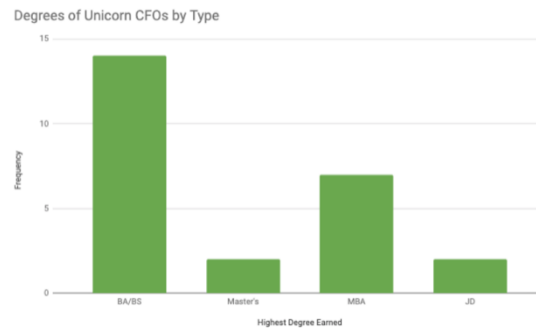
A surprisingly popular undergraduate major among unicorn CFOs: engineering. Five of the 25 CFOs studied listed engineering degrees, and they made the transition into finance at some point during their careers. Airbnb CFO Dave Stephenson spent the first six years of his career as an engineering manager at Procter & Gamble before transitioning to finance manager at the same company. Stripe CFO William Gaybrick worked as a software engineer at three different companies before transitioning into venture capital, where he spent over four years before taking the CFO job at Stripe.

School selection also appears to be relevant. Eight CFOs attended an Ivy League school for at least one degree. It is also notable that, out of the 13 CFOs who ended their education with a bachelor's degree, seven went to schools with [well-known business programs](#), including Stanford, Syracuse University, and MIT.

Advanced degrees are becoming increasingly common among unicorn CFOs. 48% of the CFOs studied



here went on to obtain a higher degree at some point during their career. The most popular choice for a second degree was an MBA: Of the CEOs who did get an advanced degree, two thirds received MBAs.



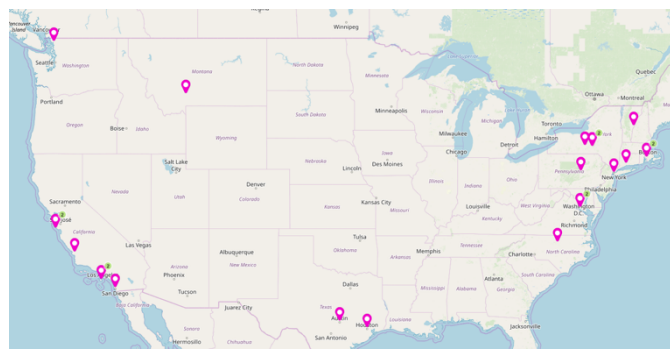
“MBA-wielding executive” may not be the first thing that comes to mind when you think “startup,” but these companies are poised to be the Fortune 100 of tomorrow: [39%](#) of the top ranking executives at Fortune 100 companies have MBAs.

Of course, attending one of these schools isn’t a magic ticket to an outstanding career as a CFO. Institutions other than Stanford, Berkeley, or an Ivy League school represented in our research were among the [top business schools](#) in the U.S. — UT Austin and Duke were represented, among others.

While education is key, many of the skills that make for a successful unicorn CFO can’t be learned in the classroom. “You need a CFO ready to go learn new things when the market changes,” [observes](#) Ash Ashutosh, a founder who has hunted for no less than three CFOs in the past six years for his billion-dollar company, Actifio. “That’s hard to find, because accounting and finance people by the very nature of the job are about predictability and removing uncertainty.”

Nationality

There was some variation in nationality; however, just four of the CFOs on our list attended school outside the United States: two in Australia, one in India, and one in the U.K. Two of these internationally educated CFOs went on to pursue higher education in the United States, leaving just two out of 25 CEOs with no U.S. educational experience. Nearly everyone has significant work experience in the United States, regardless of national origin.



The most popular states where future unicorn CFOs attended school are California, New York, and Massachusetts.

Why the U.S. focus? The strongest hypothesis is that there is money flowing to the United States. U.S.-based companies raked in [\\$130.9 billion](#) worth of venture funding in 2018. The U.S. is also the clear winner in terms of number of unicorn companies, with 181 total unicorns as of January 2019, according to [CB Insights' list](#)—close to twice that of the closest competitor, China, which boasts 94. For ambitious financial professionals, there are simply more opportunities to lead high-value private companies in the United States than anywhere else.

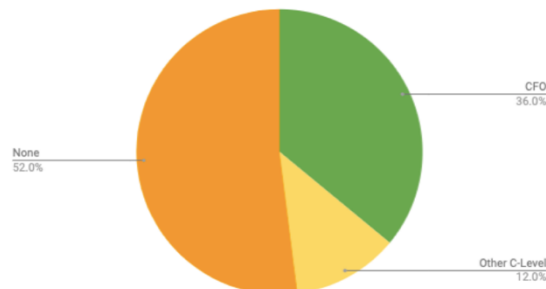
That said, there are signs that the map of venture capital is starting to shift, and it's shifting in one direction in particular: toward China. The share of global corporate venture capital (CVC) funding going to Chinese startups has doubled over the last five years, from 19% in 2013 to 38% in 2018, according to [data from CB Insights](#). Meanwhile, North America's share of the VC pie has shrunk, from 64% in 2013 to 41% in 2018. It will be interesting to see how this shift in capital is reflected in unicorn CFO demographics over the next few years.

Experience

The CFOs studied had accumulated an average of 19 years of professional experience at the time they took on their unicorn CFO role. They tend not to switch companies often, with the average CFO listing fewer than four companies on his or her resume prior to becoming a unicorn CFO.

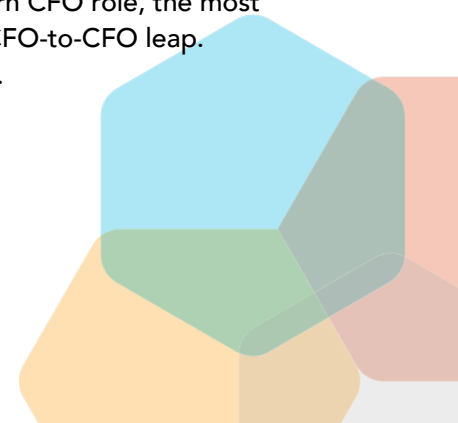
Of the 25 CFOs researched, all but one were outside hires, underscoring the premium that unicorn companies place on hiring financial executives with the right mix of prior experience to advance their goals. Thirty-six percent had held the CFO title at least one company prior to joining their unicorn, while several others held other C-level positions prior to becoming CFO.

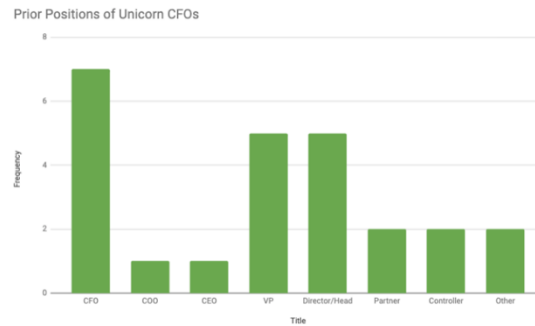
Prior C-Level Experience of Unicorn CFOs



(Note: CFOs who have previously held both CFO and other C-level titles were placed in the CFO category.)

Looking specifically at the position CFOs held at the time they landed their unicorn CFO role, the most common previous title was CFO, with 28% of unicorn CFOs studied making the CFO-to-CFO leap. Other common prior titles included vice president (20%) and director/head (20%).

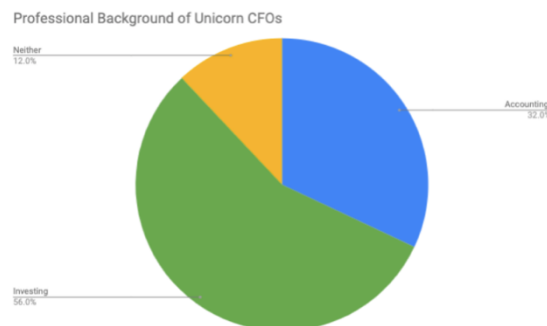




Joseph Kauffman’s prior experience shepherding a company to IPO as a CFO made him a standout candidate to his unicorn company, Credit Karma. But as he points out, an executive with that kind of experience can be difficult for startups to come by. “If that’s the criteria, then it makes it really hard to find someone. Because you invest blood, sweat and tears,” he [observed](#) in an interview. Not many are interested in running the IPO gauntlet more than once.

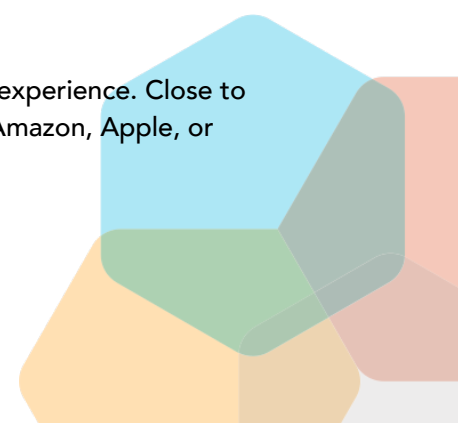
Digging deeper into the professional backgrounds of unicorn CFOs, the overwhelming majority fall into two camps: accounting and investment banking/private equity. Of the 25 CFOs studied, just three had neither accounting nor investing experience listed on their resumes.

Of the eight CFOs with significant accounting backgrounds, five spent time at one of the Big Four accounting firms: KPMG, Ernst & Young, Deloitte, and PricewaterhouseCoopers. [Big Four experience](#) is often cited as an essential launchpad for careers in finance, so it’s unsurprising that so many CFOs have this background.



Over half of the CFOs studied have prior investment banking or private equity experience. The prevalence of prior investing experience makes sense, given that two of a unicorn CFO’s most pressing responsibilities are to assist with fundraising efforts to fuel continued growth and to guide the business through the IPO process. Firsthand knowledge of the inner workings of private equity firms and investment banks is a huge asset in either of these scenarios.

Another notable trend in unicorn CFO experience is the prevalence of prior tech experience. Close to one-third of the CFOs we researched listed positions at tech companies such as Amazon, Apple, or Google on their resume:



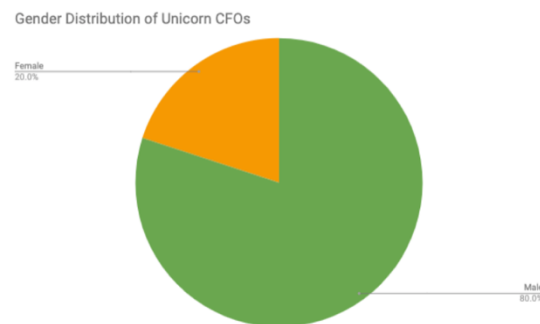
- Both Airbnb CFO Dave Stephenson and Robinhood CFO Jason Warnick spent time at Amazon prior to assuming the CFO role at their respective unicorns.
- Magic Leap CFO Scott Henry was CFO at Beats Music at the time of its 2014 acquisition by Apple.
- Niantic CFO Jeff Shouger spent five years at another well-known gaming tech company, Zynga, and led the company through its IPO as chief accounting officer.
- DoorDash CFO Prabir Adarkar was previously head of strategic finance at Uber but left for the CFO role at DoorDash prior to the ride-sharing company's 2019 IPO.

Stripe CEO [Patrick Collison](#) has said that Will Gaybrick's tech experience was a major factor in the decision to bring him on as Stripe's CFO. Stripe is responsible for software that transfers millions of dollars per day. The company wanted someone with a deep understanding of the product to be in the CFO position. Gaybrick, a former engineer with a strong finance background, was a natural fit for Stripe — where the CFO position, according to Collison, is "much more operationally key."

More than anything, a unicorn CFO needs to be ready to roll up their sleeves and get their hands dirty. That's what Kauffman remembers most about his early days at Credit Karma: "We were still writing checks by hand," he said. "It was a lot of sleepless nights."

Gender

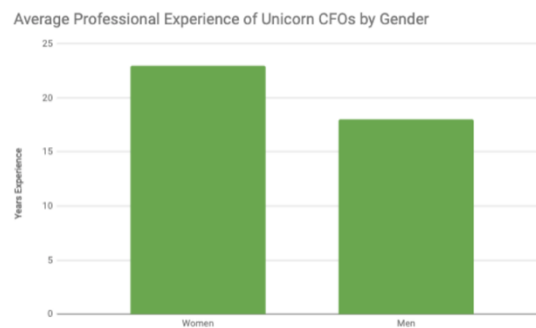
The CFO role at unicorn companies continues to skew heavily male. All but five of the CFOs studied here are men. Even at 20% female, our sample has more female representation than the Fortune 500, where just 12.5% of CFOs are women.



Data suggests that it could be in businesses' best interest to correct this imbalance. A 2017 [study](#) from McKinsey found a positive correlation between gender diversity on the executive team and higher profitability, measured by two separate profitability metrics: EBIT margin and long-term value creation measured using an economic-profit (EP) margin.

This analysis suggests there may also be a disparity in the experience level and credentialing that women CFOs collect prior to taking on the unicorn CFO position, compared with men. The women in this sample had accumulated, on average, 23 years of experience prior to joining their unicorns, compared with the men's average of 18. Women are also more likely to hold a higher degree, with 60% of women CFOs holding higher degrees, compared with 45% of the men. Both of these data

points suggest that women have to work a little harder and a little longer than men for the same professional opportunities.



Efforts are underway to [bridge the gender gap](#) in the finance and STEM fields. There are organized pushes to get women into STEM fields and leadership positions in business, from Sheryl Sandberg’s Lean In to events like the Wall Street Journal’s new Women in the Workplace conference and the Financial Women’s Association’s Back2Business program.

For UiPath CFO Marie Myers, showing that women deserve their seat at the leadership table is mission-critical to being a unicorn CFO: “Being in a lot of circles around digital transformation, it’s fundamentally important for women to be part of this conversation,” she said in an [interview](#).

Clear trends, hazy future

Our data clearly shows that there are some attributes of unicorn CFOs that most likely are trends, many of which are a part of larger trends in business. Still, major shifts are happening in tech all the time. In 10 years, will we be seeing most unicorn companies coming out of Asia? Will a new generation of women make the fields of finance, banking, and STEM more equitable? We can’t be sure, but we do know that these changes will affect the trends that we see in unicorn CFOs.

