

Acclaimed GE Finance Training Program Hits 100

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In the same year that Gavrilo Princip assassinated Archduke Franz Ferdinand of Austria and his wife, setting the First World War in motion, General Electric launched what is now its Financial Management Program (FMP) for entry-level finance and accounting professionals.

Among the handful of large companies that some refer to as “finance factories” for incubating high achievers who later become CFOs (and chief executives), GE is generally considered the top dog. In the most recent news about an FMP graduate, Cisco announced on Thursday that Kelly Kramer will be promoted from senior vice president of corporate finance to the CFO chair on Jan. 1, upon the resignation of Frank Calderoni after a seven-year run as finance chief.

On the occasion of the FMP’s centennial, the current finance chief of the ninth-largest U.S. company, Jeffrey Bornstein, tells *CFO* that he keeps in touch with many such people.



Jeff Bornstein on stage at a company gathering.

“Some of the people that have left I would have preferred not to leave,” says Bornstein, who was promoted from CFO at GE Capital to the company-wide role in

July 2013 when his predecessor, Keith Sherin, became CEO of that operating company. “But generally speaking, we’re very proud of our alumni when they go other places and do well. I think it’s helpful for our brand. The only time I’ve stepped in between somebody on the team and an outside opportunity is when I thought the opportunity wasn’t as big as they ought to be competing for. I’ve said, ‘Listen, I think this is a mistake.’ ”

In discussions with those who left, Bornstein says, many make a point to tell him that it’s hard to get a program that looks a lot like the FMP going at their companies. “We didn’t do it overnight. There’s 100 years of history behind it, and it’s embedded in our culture.”

The program consists of four courses plus two years of rotating assignments every six months at GE locations around the globe. Other large companies have educational programs for finance and accounting staff that could be described similarly, but they don’t turn out as much top-level finance talent. GE puts forth enormous effort to ensure that the FMP continues on as one of its most important initiatives. The monetary cost alone, for the two-year program, is roughly \$250,000 per participant.

“It’s not cheap,” Bornstein says. “It would be cheaper to send them to grad school. The reason we don’t do that is that we’re trying to teach more than the fundamental stuff you learn in grad school. We’re trying to teach the culture and the values and how we think about things.”

GE has several other professional programs, and they’ve all been modeled after the FMP. There are 300 to 350 FMP graduates a year in the United States, and for the past few years the number of international graduates has been slightly greater than that.

“The demand for them across the company is always very strong,” Bornstein says. “That’s what keeps the program going and determines in large part how big of a program we run.” And within the company’s Corporate Executive Council, composed of the 40 or so most senior executives, the representation of FMP graduates “goes way beyond finance,” to many of the CEO and top operating roles among the company’s many business units.

The company’s main criteria for inclusion in the FMP are leadership potential, intellect and an interest in learning about finance and accounting. A degree in one of those areas is not required or even particularly significant. Half or more of the program participants earned other kinds of degrees, Bornstein estimates.

Bornstein himself earned a finance degree at Northeastern University before joining GE, and the FMP, in 1989. But it almost didn’t happen. He decided before graduating from college that he would enter a Wall Street investment analyst program.

“I had forgotten that I’d signed up for the FMP interview with GE,” he says. “I got a call from the career counselor, reminding me that the interview was in two days. I said, ‘You know what? You can take me off that list. I’m going to New York.’ She said, ‘Excuse me?’ I said, ‘Yeah, I’m going into investment banking.’ She said, ‘Listen. Thousands of kids wanted this interview. You’re one of the few that got it. You’re going through with it.’ So I did.”

The educational program was certainly challenging, says Bornstein. But he was thrown into a situation that allowed him, just two years out of school after completing the FMP, to be pitching ideas to senior management, including the CEO, at one of the world’s biggest companies.

Through the program, “I learned how to compete,” he says. “That’s a fundamental value at GE. We certainly want our people to compete successfully against companies like Siemens and Pratt Whitney. But the reality is, they’re all competing inside the company too, but we want them to do it collaboratively — the right way. Not doing it that way poses as big a limitation on their progression in this company as anything else.”

It could be tricky, of course, to influence a positive, collaborative spirit when the collaborators are competing against one another for career advancement. But, Bornstein says, “We’re very clear about how we expect them to behave. This is both an individual sport and a team sport. If we’re not all winning, then no one is winning. That’s certainly not unique to GE. You may think you’re not competing every day when you go to work, but you are.”

Bornstein says that while in the FMP, he had some experiences that involved making commitments to senior managers and having to organize and rally a team to deliver on the commitments.

“That was probably my single biggest learning,” he says. “It’s much easier as an individual contributor to deliver results. But as you get more senior, there’s only so much you can do as an individual. GE is arguably the most complex industrial company in the world. That means getting groups of people focused on what success looks like, understanding exactly how to get there from where we are today, and doing it in a way that everybody feels good about.”