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Cincinnati CFO named nation's best by Wall Street Journal

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Just in time to wrap up the pivotal shopping season, **Macy's** Inc. CFO [Karen Hoguet](#) has hauled in a major national award.

The **Wall Street Journal's** CFO Journal named Hoguet the nation's [top CFO of the year](#).

CFO Journal put out its Top 20 Finance Chiefs list on Tuesday. It based the rankings on nine financial metrics, judging companies against competitors over the past three years. Those included improvement in return on invested capital, operating margins, capital spending and total returns.

Cincinnati-based department store giant Macy's cranked out 39 percent growth in return on invested capital over the last three years. It also returned \$5.3 billion to its shareholders in the form of dividends and stock buybacks.

Hoguet has been Macy's CFO for 17 years and is a 33-year veteran of the company. She is a Cincinnati native who graduated from Walnut Hills High School, received her undergraduate education at Brown University and got her MBA from Harvard Business School. She took time on Tuesday to answer five questions (out of six I asked; that's not a bad percentage!). Here's what she had to say:

How did Macy's improve its return on invested capital so much? It's really been an evolution. When we changed the nameplates to Macy's in 2006, Terry (Lundgren, Macy's CEO) set the course forward. That culminated in our MOM Strategy: My Macy's, Omnichannel and Magic Selling. Those three fundamental strategies have helped us connect with our customers.

Where has Macy's generated its return on invested capital? It's been a combination of sales growth, expense management and good capital allocation. We've invested in our stores by doing things like expand our Kenwood store (in spring 2005) and invested in technology.

The other big moment for us was in 2009 when we consolidated our regional divisions and created one Macy's. That helped us accelerate our sales growth. The customer has changed, and Terry and our team have tried to stay ahead of that. While I got the recognition with this award, it's really Terry and the rest of our team. The key is I'm blessed to have a spectacular finance team, most of whom are based in Cincinnati, as I am. This recognition is really about the whole team and the company.

What else do you think led to the top ranking? One of the things Macy's has done particularly well is attract, develop and retain talent. If you don't have good talent, you don't get a good return on capital. We're all one family. We spend a lot of time with young people, providing guidance and helping them develop. We're a huge company, but we work to make it feel like a small company, so people feel like they're part of the family. And we have a leadership institute in Cincinnati where we train and develop people to be better leaders. I have the sense nobody else in retail has a program as involved as ours is.

I noticed the stock is up 19 percent so far this year. What has happened that led the market to recognize that value? It's the continued good performance of the company, as well as the recognition that we're investing in the future.

What should we look for from Macy's in the future, say, in the next year? I think you'll see us focus on the same three fundamentals. My Macy's, we'll make sure we're offering localized assortments. Omnichannel involves having world-class stores, websites and mobile channels. With Magic Selling, no matter where we interact with customers – through our call centers, in stores or even with our delivery people – we work hard to engage with our customers. We'll continue to be focused on the same three strategies.

With about a day and a half left for Christmas shopping, how has the holiday shopping season gone? We can't comment on that until the holiday season is over.

Watkins covers banking and finance, insurance and sports business