



## **Advantages of Fractional Use CFO Services**

*by Greg Hart, CFO & Director*

In today's challenging business environment it is crucial for small companies to tightly manage all financial aspects of their business. Many small companies cannot afford, nor do they have the workload for a high level full time CFO, however; small companies need strong financial management every bit as much as a larger company. Every business owner should analyze their business on a regular basis. In order to accomplish this, owners must have accurate and timely financial information on which to base strategic decisions on as well as find the time to break away from the day to day obligations of running their business. Having an experienced CFO involved in accumulating accurate data, interpreting the data, and then communicating to the management team is a crucial part of guiding a company through the difficult times as well as taking full advantage of economic upswings. Our services are a cost savings strategy to our clients saving them money on CPA firm fees, identifying cost savings, and providing the tools to make more sound and profitable business decisions.

Scale Finance works with all types of companies across many different industries. If your company:

- is not large enough to commit to a full time CFO,
- has lenders that want the credibility of a CFO on staff,
- needs assistance working through financial difficulties,
- has weak accounting system and department,
- has grown to a level where the financial complexity has outgrown capability of existing staff,
- need help with a specific project,
- need better management reports and more timely and accurate financial statements in order to more effectively manage the business,
- has seen a weakening cash position and declining profitability and need financial forecasting, expense reduction, and effective management reporting,
- has opportunities for growth in your market but don't have the time to actively pursue them or do not know how to proceed,
- has grown, sales are up but profitability is lagging, or you don't know why or where your profitability is coming from,

If any of these situations apply then Scale Finance can provide you with experienced professionals on a part time basis to assist your company. Our consultations are free.

Scale Finance's CFO and Controller services will assist small companies with all financial aspects of their operation. One important aspect of our services is in the timely and accurate collection of financial information in order to produce a meaningful financial statement that can be relied upon to make



strategic business decisions. Most businesses create a financial statement in order to prepare their year-end tax return or meet banking obligations. The real benefit of financial statements is creating a reliable and timely business tool that will help you run your business and make wiser business decisions. A Scale Finance CFO will assist you in looking at these statements with the eye of a well trained surgeon.

Financial forecasting and budgeting is another component of our services that is vital to our clients. More important than understanding what happened last year or last quarter is having a firm grasp on how your business is going to perform in the future. Creating an annual budget can be one of the most difficult tasks your management team can undertake in a year but is also one of the most important tools you can use to effectively manage your business. Providing insight into what the future looks like as well as breaking down the individual components of that forecast allows business owners to see what the key components of their budget are and monitor those on a daily, weekly, and monthly basis. An accurate and detailed budget is the most powerful management tool in any business owner's arsenal and a key component of Scale Finance CFO services.

As small business owners navigate through these difficult economic times it is important to be able to evaluate different scenarios that a business owner may face. Through comprehensive and customized financial modeling, we can help you better understand the financial impact of different courses of action, present your business to others more effectively, and provide modeling tools to better manage your business.

An effective service our in house CFO's have found is in the creation of Customized Management Reports such as cash flow forecasting, customer analysis reports, expense reduction programs, and performance measurement tools. Understanding where your cash is coming from and what the cash flow forecast looks like for the next 13 weeks is crucial to effectively managing your business. Too many small companies wait until their cash is at critically low levels to analyze their cash flow, leading to unfavorable bank terms, unwanted sale, or even failure. Understanding what components of your business generate and use cash is a key issue that Scale Finance CFO's focus on during our engagements. Most companies know who their largest customers are but not all companies know who their most profitable customers are. As part of our CFO services we can analyze and create customized management reports that will make it easy to analyze all customers and product offerings. Through the creation of performance measurement reports we can provide small business owners with the understanding of how they are making money, what the true costs of running their business are, and identify additional opportunities to increase and maximize profits.

Scale Finance has extensive experience in assisting small companies with mergers and acquisitions. During periods of growth and economic hardship, small companies face the same challenges as larger companies. Why shouldn't they have the same level of financial expertise on staff? Our experience



with mergers and acquisitions will assist business owners with analyzing the real value of the company, project cost savings as a result of eliminating duplicate functions, create practical financial models utilizing the appropriate team of financial and transactional professionals, and advising on advantageous corporate structures that meet the needs of the business owners.

Our experienced team of transactional advisory professionals assist small and emerging companies with raising outside capital through the mezzanine finance community, private equity, venture capital, institutional investors, financial institutions and private investors in the form of equity, subordinated debt, or asset based loans. Scale Finance professionals have extensive experience in corporate finance across a wide array of situations, transaction types, and industry sectors.

A part time Scale Finance CFO will allow business owners to spend more time with customers. Spending time with current and future customers is essential for a profitable business. With Scale Finance taking care of your accounting and finance responsibilities you can free up time to focus more on your customers and growing your business.

Scale Finance CFO's can provide an immediate and positive impact to small companies that lack high level financial expertise, need clear strategic planning, or operate under weak accounting practices, and require sound budgeting and forecasting. Companies that operate without the guidance of an experienced CFO lose out every day on the opportunity to maximize their profits.

Scale Finance CFO and Controller services are a cost saving service that can pay for itself through identifying expense reductions and profitability improvement measures, provide more timely and accurate financial statements and the tools to utilize these statements as a business tool, provide small companies with forecasting and budgeting tools to make better and more profitable business decisions, and provide financial models indicating the outcome of different scenarios to insure that the correct decision is made the first time. Many small companies make the mistake of settling with a full time accountant instead of adding a CFO. Accountants typically deal with day to day activities and accumulating financial data. A CFO is essential in interpreting the data and communicating what the information really means to owners. CFO's also provide the tools to break down and analyze this data for management teams, banks, and outside investors. Scale Finance has the high level experienced staff required to help you guide your company through both the good and difficult economic environments. Give us a call today to discuss our services and your needs in a no fee consultation.