



Do You Need a CFO?

How do you know when it's time to hire a CFO?

These six questions will help you work out whether a CFO will be a help or a hindrance.

Do you have all the information you need to make business decisions?

Business leaders make dozens of decisions every day, many of which can impact the long-term success of the company. In today's competitive environment, it's not enough to make decisions based on guesswork or gut feelings. You need accurate, relevant and up-to-date information on hand at all times, so you can make the best possible decisions in the time you have available.

Of course, numbers alone aren't enough to inform decision making.

That's why a CFO is so valuable. They can transform your data into valuable insights and analyse it based on their understanding of your business, then present the results in a way everyone can understand. They can also assess which areas of the business are most and least profitable, so you can focus on creating value over the long term.

Do you have the financing you need to grow and flourish?

A lack of cashflow and equity is the downfall of many companies in

Australia, but it's something that can be avoided with the right financial advice. If you're so focused on what's happening now that you don't know if you have the funds to meet your medium and long-term needs, a CFO can help.

They'll use robust planning, budgeting and forecasting tools to make sure your company has a sufficient cashflow, with enough funds to manage growth and deal with any unforeseen events in the future. Your CFO is also a valuable resource if you need to manage debt, secure equity, find a new business partner or negotiate funding opportunities. >

Do you need to prepare for big changes to your business?

Innovation is key to maintaining your competitive advantage and growing your business. Over time, you may create new products and services, offer new models of delivery, or expand via new partnerships and acquisitions. But are your financial foundations strong enough to support these complex changes to your business?

A CFO plays an integral role in managing changes to your business

model or strategic plan, by assessing each option and identifying the ones that are financially viable to pursue. Not only will you have the information you need to make an informed decision, but you'll feel confident that you have the resources to make the most of every opportunity.

Are you thinking of exiting your business?

Whether you're in the midst of planning your exit strategy or know it's something you need to do, a CFO can help you

attract the right buyer and make sure you achieve your exit goals. They'll help you prepare information memorandums and forecasts, negotiate agreements and work through all the due diligence required for the sale or merger.

Exit planning is also crucial for showing lenders, investors and potential buyers that you're running a good business. By identifying the value in your business and making sure its financial potential is realised, your CFO makes it easy for you to grow the business and show potential buyers the value you've created. ➤





Are you meeting all your compliance and regulatory responsibilities?

If things like accounting, compliance, risk and governance are keeping you up at night, it's definitely time to hire a CFO. Your CFO will not only help you prepare and submit all the relevant documentation on time, but use the insights gained to improve your business operations on a day-to-day basis.

An experienced CFO will help you manage avoidable issues and keep your board updated on any unexpected changes throughout the year. That way, there are no surprises when it's time to measure your performance or get audited by your governing body. At the end of the day, the costs of dealing with non-compliance or a lack of governance far outweigh the fees paid to your CFO.

Does your CEO need a sounding board to drive business growth?

CEOs need to focus on the future and develop new ways to drive the business forward. As the CEOs 'right hand', the CFO boosts their efforts by challenging the status quo and offering creative ideas. CFOs are more than financial experts, they have the networks and business skills required to give CEOs valuable advice about the current state and future direction of the business. ■

If you need a CFO but aren't sure where to start, our next article will help you understand the range of options available.

Next: **"The Six Types of CFO"**



CFO Strategic is a Sydney-based CFO firm that specialises in providing financial leadership to organisations of all sizes. Our CFOs are fully qualified and have extensive experience as senior executives in multinational corporations. Whether you need a CFO on a contract, interim, part-time or full-time basis, we can deliver professional services that are tailored to the needs of your business.



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