



# The Six Types of CFO

*Not sure if you need a CFO in your business full time?*

*There are other options available, including virtual CFOs and CFO consulting firms.*

It wasn't that long ago that businesses were stuck with two options when hiring a CFO: find someone between jobs for a short contract, or hire someone full time. This placed the CFO beyond the reach of many businesses, either because they couldn't afford a full-time salary or they weren't sure whether there was enough work to support the additional resource.

These days, there is a suite of CFO options to choose from, depending on your needs. They range from the remote expert who provides occasional

advice, to the on-site CFO who can augment your existing team for an extended period of time. We break down the pros and cons of each, so you can make the right choice for your business.

## 1. The Virtual CFO

The virtual CFO works remotely and is often part of a general accounting practice. As a result, they tend to be very tax and compliance focused. A virtual CFO can assess the information you provide and give financial advice, but they don't act as a member of your management team or implement

strategies within the business. This option is best for small businesses who want to build a long-term relationship with a financial expert but don't need the business expertise of an experienced CFO.

## 2. The Contract CFO

A contract CFO works in the business for a specified period of time, usually during times of change or implementation of a project when management need all hands on deck. This option is good when you need to bring someone on in a hurry, but it can take a while for them to get up to >



speed and when they leave, you lose the insights they've gained during their time working in your business. It can also be a risk to share business-critical information with someone who will be in your business for such a short time.

### 3. The Interim CFO

Much like a contract CFO, an interim CFO is usually engaged for a 3-6 month period while you recruit someone into the full-time role. A good CFO will be able to assess your business requirements and prepare for the transition, so you can focus on recruiting the right person for the job. An interim CFO can also bridge the gap between CFOs, ensuring your business meets all its responsibilities and nothing falls through the cracks.

### 4. The Consulting CFO

A consulting CFO works across the full spectrum of roles, from virtual to

full time. They become part of your management team and play a vital role in driving outcomes for the business over the long term. Consulting CFOs are usually part of a recognised firm, like CFO Strategic, which allows them to draw on the combined expertise of their team. They're also ideal for peak periods or during transactions, as the firm can quickly add more CFO resources as required.

### 5. The Part-Time CFO

Part-time CFOs are ideal for businesses that don't need a full-time resource, but require the skills and experience of a qualified CFO. They will work as part of your management team, take responsibility for outcomes and become intimately acquainted with your business over the long term. Finding a part-time CFO can be a challenge, especially if they want to work particular days or hours. You'll need to consider whether a rigid approach will work for you, or if

you need a resource who can be flexible and work around your business needs.

### 6. The Full-Time CFO

Many people find that even when they have a full-time CFO in their business, they need an additional resource during times of change or growth, such as an acquisition, sale or IPO. In some cases, the existing CFO doesn't have the expertise for a particular situation, or they are so busy with day-to-day operations that they don't have the capacity to take on any more work. Augmenting your CFO with an additional resource can free up your team and give you the insights you need to move forward with confidence.

*Ready to start looking for your next CFO? Our next article will help you assess your business needs and determine what level of CFO expertise you need.*

Next: **"What Level of CFO Expertise Do You Need?"**



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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