



What Level of CFO Expertise Do You Need?

The level of CFO expertise you need will depend on whether your business is in an emerging, growth or established stage of its lifecycle.

Every business can benefit from the expertise of a CFO, no matter where it is in its business lifecycle. A CFO plays a vital role in your leadership team, providing you with the advice you need to avoid costly mistakes and achieve your business goals.

However, it's not a one-size-fits-all solution. Just as your business changes over time, the services and level of expertise required of your CFO will also evolve.

Startups and Emerging Businesses

If you're a startup or emerging business, you'll probably need a simple financial system and someone to manage your accounting and bookkeeping. However, a CFO can be invaluable if you are:

- developing business plans, budgets, forecasts and models
- buying and setting up accounting systems, software and processes
- raising capital or reporting to owners and investors

- managing governance, risk and insurance
- dealing with specialist areas like entity selection, overseas operations and transactions, and R&D claims.

What kind of CFO is right for you?

Your business needs to be set up properly so it can grow and flourish, but it's unlikely that you'll need a full-time CFO just yet. You'll benefit from a CFO who can be there during the intense launch period, then step back and consult on a monthly, quarterly >

or annual basis. During this period, routine work can be completed by an experienced bookkeeper or accountant who can transition into a full-time role as your business grows.

Growth Businesses

Once you reach the growth phase of your business, you'll likely have a small accounting team with a finance manager or financial controller, who will oversee the routine financial and administrative tasks undertaken across the business. While you may have day-

to-day systems and processes in place, a CFO can prepare your business for growth, by:

- creating growth plans and devising new initiatives
- improving and expanding systems, processes and people
- establishing a framework for managing and monitoring the business
- analysing operations and reporting on trends and areas of opportunity and concern

- establishing and managing funding sources and cashflow, including debt, equity and investments
- developing specialist areas such as strategic planning, tax planning, business expansion and growth

What kind of CFO is right for you?

The level of CFO expertise you need will depend on the size and complexity of your business. In many cases, you'll benefit from a CFO who is available on a consistent basis over the long-term.

This may mean starting with a part-time





CFO and transitioning to a full-time resource over time, or augmenting your existing CFO with additional expertise during peak periods or times of change. An experienced CFO can also fill the skills gap while you're recruiting a full-time CFO and help you find the right person for the job.

Established Businesses

As an established business, you probably already have an accounting team and full-time financial controller in place. However, an experienced CFO will be able to manage this team and provide strategic advice to the CEO, in addition to:

- developing growth plans and implementing new initiatives
- implementing improvements within finance, accounting, treasury and planning teams
- managing funding sources and cashflow, including debt, equity and investments
- analysing operations and reporting on trends and areas of opportunity and concern
- managing governance, compliance and risk, including board reports, audits and ASX obligations
- overseeing specialist areas such as strategic planning, treasury functions, tax planning, business expansion and growth.

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How do you go about finding a CFO for your business? Our next article looks at the options available, to help you decide which one is right for you.

Next: **"How to Recruit a CFO for Your Business"**



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