

CFO Strategic Offers Companies Unique Opportunities to Increase Profits and Restructure for Growth

A partner of CFO Strategic, Laura Raymer, says that much of corporate Australia does not understand or appreciate the benefits that can come from the proper utilisation of Chief Financial Officers who can assist the company to grow and also to maximise profits

Our clients range from a start up operations with no revenue to listed public companies with a large turn over. In many of the situations we find there is no need for a full time chief financial officer and some of the smaller companies can't afford people like us on a full time basis. However, by utilising us judiciously we can walk into the business with a fresh pair of eyes and put the necessary financial governance systems in place and sit down with the senior management and discuss the most efficient ways for the company to grow and expand its profit," Ms Raymer said.

"We are physically on the ground and working in the company as part of its management team. We find this is better for the clients and our periods of engagement can range from as little as three days to two years.

Ms Raymer said "many companies have to have a close look at their need for knowledge now. Sometimes our role is to show the existing staff how to make better use of such systems and how to analyse and utilise the financial data that can be extracted. In another phase of the same company's development we might then move to a bigger accounting system with a greater capacity to meet the clients increasing needs."

Ms Raymer outlined 5 areas which she said CFO Strategic saw as the **most frequent problems facing companies:**

- **Information Deficiency...** reports need to be focused and timely. Often the business is bogged down producing reports rather than extracting the key indicators and numbers quickly so that they can get on with running the business
- **Forecasting and Budgeting Insufficient...** many businesses have accounting systems that only satisfy compliance requirements and look backward; a business needs to move forward with a robust plan which is frequently re-forecast
- **Cash Management Poor...** Operationally, businesses may be tracking well but they fail to convert their activities to cash and have too much tied up in inventory, debtors, work in progress. This hampers current operations and their potential for growth.
- **Governance and Compliance...** The regulatory environment in Australia is complex and extensive – ASIC, taxes, risk management, OH&S, Trade Practices etc. Entrepreneurs are necessarily occupied with the vision and product opportunities and often have little experience in ensuring all the compliance requirements are dealt with.
- **Strategy and Commercial Input...** Often business owners have only operated in one business or industry and need assistance from someone with wide ranging commercial experience once all the other four areas are working. This is where a CFO can add real value to a business by making sure that every strategy and commercial dealing extracts the maximum financial benefit for the business.

"The tight labour environment has the potential to hamper the ability of businesses to secure the necessary expertise at all employee levels. Perhaps the most damaging characteristic is that organisations will find themselves without access to skilled executives – leaders with the ability to drive the strategies and initiative that businesses need to forge a strong position in their market. Leaders, who can take the business from the strong basis and build, continually positioning the business for the future," Ms Raymer said.

"The stake holders need to ask themselves 'Are there alternative ways to add the expertise and flexibility we need at this point in time, without adding permanently to our cost structure'".

"Every business today has access to a plethora of alternative methods of resourcing everything from fixed assets to human resources. There are specialist outsourcing firms, shared services models and interim executives. In the past the only alternative to full time executives appeared to be consultants who would research, analyse and prepare recommendations for someone else to implement. Now, however, there are many more individuals and business providing practical expertise and more importantly following through. The structure of the relationships with these providers are as flexible as they are varied including executives working for retainers, contract hire and the taking of equity stakes".

CFO Strategic describes itself as skilled professionals who have a proven track record in senior finance positions, including Chief Financial Officer and Finance Director in large multinational corporations.

Providing the full range of services a company would expect from a Chief Financial Officer, CFO Strategic business partners direct the potential of their clients business, wherever it is in the growth cycle. From establishing accounting, planning, reporting systems, financing, and analysing transactions to developing exit and realisation strategies and managing operations – CFO Strategic business partners provide innovative commercial leadership to the business.

The company describes its major points of difference as:

- (1) Its professionals have actual experience (locally and overseas) in positions at Chief Financial Officer or Finance Director levels;
- (2) CFO Strategic works with the business and the management team, taking ownership for outcomes.
- (3) The company's professionals are Chartered Accountants and members of the Institute of Company Directors.

CFO Strategic business partners are located in Sydney and may be engaged as project, supplemental or long term executives for clients that range from start ups to multi national company's.

published in The Australian Investor 2007