



Most for-profit businesses share a common goal: the desire to generate a profit and increase the value of the business. Unfortunately, many business owners aren't achieving their goals due to a lack of skilled internal financial expertise.

Business owners of smaller companies often find themselves spending their valuable time trying to manage the financial and accounting side of their business.

This often results in other critical activity, such as business development, marketing or critical operational activities getting less attention. It is extremely difficult, if not impossible, for a business owner to wear all of these hats and effectively run a profitable company.

To address this challenge business owners are turning to **outsourcing** executive **financial management** to acquire the services of a skilled CFO to help them improve their financial management and achieve their desired objectives.

Business owners can leverage the expertise of a **part-time CFO**, or **interim CFO** to achieve the financial management services they need to help them run their business.

There are several advantages to the business owner who hires an **outsourced CFO**. They gain the peace of mind in knowing that their financial affairs are being managed by an experienced professional, at a fraction of the cost of employing a full time CFO, freeing them up to focus on their core business activities.

**Outsourced CFO** services are generally provided with three service options:

## 1. Part-time CFO services

Many small and mid sized businesses often can't afford a full time CFO or they aren't big enough to justify the expense of carrying the cost of a full time CFO on their payroll. These businesses can leverage the knowledge and experience of a CFO by hiring them on a part time basis. Under this arrangement, companies hire the **part-time CFO** to work with them on an ongoing basis for a few days a week or a few days a month, depending on their needs and budget.

Companies hire **part-time CFOs** in situations where:

- They realize they are being limited by not having access to the financial skill level of an experienced CFO.
- They have personnel in place that perform the day-to-day financial operations but they need someone with expertise to help with strategic planning and high level financial management.
- They want to bring in an objective outsider to bring fresh ideas and perspectives on how to approach challenging financial issues and identify opportunities for improvement. They want an independent advisor to challenge "how things have always been done."

# When to Hire a Part-Time or Interim CFO

## 2. Interim CFO services

Businesses may hire an **outsourced CFO** on an interim basis to fill the CFO position during times of transition. This occurs if a CFO leaves the company or if the existing CFO is temporarily out for an extended period of time.

Venture capital firms may require an **interim CFO** to assist in the start up of a new venture until a permanent CFO can be hired. The **interim CFO** can assist in the recruiting of the permanent CFO by creating the job description, advertising the position, interviewing job candidates and recommending the permanent candidate to ownership.

**Interim CFOs** are hired to fill a temporary need. They become a member of the executive management team and provide high-level financial expertise and guidance. They ensure there are no disruptions in time sensitive tasks such as reporting deadlines, audits and tax return compliance. They manage the financial staff until a replacement CFO is hired on a permanent basis.

## 3. Project or transaction-based services

Companies with projects that have significant financial impact or risk can benefit from the expertise an **outsourced CFO**. In this situation, companies can employ **outsourced CFOs** to work on specifically defined assignments including:

- Help prepare for an audit
- Assist with a merger or acquisition due diligence and integration
- Provide litigation and claim support services
- Support a business restructuring

There are times when existing CFOs have one or more special projects to manage simultaneously, such as an IT conversion, and need an experienced set of hands to support the project. One or more of these tasks may be outsourced to a skilled CFO with no disruption to the everyday financial function.

Hiring an **outsourced CFO** on a project basis, as a **part-time CFO**, or **interim CFO** is an efficient and affordable way for businesses to:

- Obtain high-level financial expertise, which will help them realize their goals of higher profitability and a higher value for their company.
- Allow the business owner to focus more time on marketing, product development, customers and business development.



**Contact Prime CFO today to learn more about part-time and interim CFO services for your business.**