



BARNES DENNIG
CPAs and Advisors

The Fractional CFO | Your Guide to Success

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One of the most frequent questions we get about fractional CFO services is “What should my fractional CFO be doing?” The answer is...quite a bit.

We’ve developed this guide outlining the primary responsibilities of a CFO, to help you make the most of this vital, valuable resource for fast-growing organizations – like yours.

Manage the day-to-day – so you can focus on growth

Fractional CFOs can oversee key aspects of your finances, offering strategic insights into financial reports, managing cash flow effectively through strategic management of accounts payable and receivable, and ensuring accuracy in transactional accounting as well as pointing out opportunities.

Bring strategic oversight to month-end processes and financial reporting

Fractional CFOs can significantly enhance month-end financial processes and reporting by bringing high-level expertise and strategic oversight to preparing, reviewing, and organizing month-end and financial reporting.

They introduce best practices and sophisticated financial management techniques, ensuring accuracy, efficiency, and alignment with the organization’s strategic objectives. Their skill in process optimization streamlines month-end procedures, leading to more efficient and effective financial reporting and providing a strategic edge in the organization’s financial management.



Kill it on the KPIs

A fractional CFO can play a crucial role in developing, monitoring, and communicating business performance metrics by leveraging their financial expertise to identify the key performance indicators (KPIs) that best reflect the organization's strategic goals.

They ensure the key metrics are accurately tracked and analyzed, providing insightful data interpretation that guides effective decision-making. The CFO's ability to effectively communicate these KPIs (and what they mean) across departments fosters a data-driven culture, aligning all areas of the business with financial objectives and operational efficiency.

This holistic approach not only helps in setting realistic targets, but also in devising strategies for continuous improvement – positioning the KPIs to be an integral part of steering the organization towards sustained growth and profitability.

Drive ongoing financial improvement

A fractional CFO adds substantial value by developing recommendations for ongoing improvement of financial matters, leveraging their extensive expertise and external perspective. Drawing on a broad range of experiences from different industries and business models, they provide fresh insights and innovative solutions tailored to your organization's unique needs.

They're adept at identifying areas where financial processes can be optimized, costs reduced, and revenue opportunities maximized. This can include streamlining accounting processes, refining budgeting and forecasting methods, or advising on strategic investments and risk management. Their objective point of view enables them to identify issues and opportunities that might not otherwise be visible and offer unbiased advice that can enhance your efficiency and financial health.

Fractional advisors deliver high-value expertise cost-effectively, making them particularly valuable for mid-sized businesses and non-profits looking to scale or navigate complex financial challenges – without the commitment to having a full-time executive.





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Reduce financial risk

A fractional CFO plays a vital role in evaluating financial statements and contracts to mitigate risk and ensure financial accuracy. They conduct thorough analyses of financial statements to identify any discrepancies or irregularities while also meticulously reviewing contract terms for potential risks and alignment with your strategic goals.

By guiding and educating internal team members, the CFO fosters an inclusive budgeting process and promotes financial accountability and realistic target setting across the organization. This collaborative approach not only enhances the accuracy of financial planning, but also strengthens the organization's overall financial management.

Prepare budgets and produce financial forecasts

A fractional CFO collaborates with internal teams to produce financial forecasts and budgets, blending their financial expertise with operational insights with departments within your organization. They analyze historical data and market trends to develop accurate projections and involve department heads in budget discussions to ensure alignment with the organization's strategic goals.

By guiding and educating internal members, the CFO fosters an inclusive budgeting process, promoting financial accountability and realistic target setting throughout the organization. This collaborative approach not only enhances the accuracy of financial planning but also strengthens overall financial management within the organization.



Implement systems and internal controls

A fractional CFO will implement technical accounting rules and internal controls to enhance financial governance and operational efficiency. They assess existing processes and procedures, ensure regulatory compliance through accounting software and standardized procedures, and establish internal controls to safeguard assets and prevent fraud. Continuous monitoring and adjustments ensure ongoing effectiveness, contributing to the enterprise's financial stability and growth.

Collaborate on strategic initiatives

A fractional CFO collaborates closely with your leadership and operations team on strategic initiatives, providing financial expertise and guidance that ultimately drives your success. They participate in strategic planning, providing insights and data-driven recommendations that align with your organization's financial goals.

This collaboration involves analyzing financial implications, forecasting potential outcomes, and helping prioritize strategic initiatives based on their financial feasibility and impact. Additionally, the fractional CFO works alongside your leadership team to develop and execute financial strategies that support overall business objectives, ensuring financial resources are allocated efficiently and effectively to drive growth and profitability. Their collaboration fosters a synergy between financial decision-making and strategic planning, ultimately contributing to the organization's success.

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Engage with your board

A fractional CFO can play a pivotal role with your organization's board, presenting business plans to investors, shareholders, donors (for non-profits) and other stakeholders as well as attending board meetings. Leveraging their financial expertise, they provide valuable insights into the organization's financial health, performance, and future prospects.

This includes offering detailed financial reports, forecasts, and strategic recommendations that help board members and stakeholders make informed decisions. Their ability to communicate complex financial information in a clear and concise manner fosters trust and confidence among investors and shareholders, ultimately enhancing transparency and alignment between financial objectives and the enterprise's overall vision.

Drive growth through strategic technology

A fractional CFO can significantly contribute to an organization's growth through selection and deployment of strategic technology solutions that enhance operational efficiency and scalability. They assess the enterprise's current technology infrastructure and identify opportunities to leverage technology for growth.

This includes evaluating and implementing software solutions that improve various aspects of the business, such as customer relationship management (CRM), inventory management, or data analytics solutions.

The fractional CFO also oversees the integration of these systems, ensuring they work seamlessly together to support the enterprise's expansion efforts. Additionally, they establish performance metrics and monitoring systems to track the impact of these technology investments on growth initiatives, ultimately fostering an optimized tech-enabled environment conducive to sustainable growth.



Build enterprise-wide financial literacy

Financial literacy across your organization is a key part of maintaining alignment and driving sustainable growth. A fractional CFO can play a pivotal role by promoting a better understanding of financial matters among all employees. They achieve this by conducting training sessions, workshops, and educational programs tailored to different departments and roles within the organization, covering topics such as financial statements, budgeting, and financial decision-making, so that complex financial concepts are accessible to non-finance professionals.

The fractional CFO also creates clear and comprehensible reports and presentations that convey financial data and insights to various teams, enabling them to make more informed decisions aligned with the organization's financial goals. By fostering financial literacy, the fractional CFO empowers employees at all levels to contribute to the organization's overall financial success and growth.

Oversee hiring and essential skill development

Overseeing the hiring process for new employees and developing the essential skills of current ones is another key way a fractional CFO can add substantial value. In recruiting, they can partner with HR to identify talent that aligns with the company's financial needs and strategic objectives – including hiring finance professionals with the right expertise and experience to round out your financial team.

At the same time, the fractional CFO plays a key role in skill development, identifying areas where existing employees require additional training or upskilling. They design and implement training programs to enhance your current workforce's financial skills and knowledge.

By recruiting the right talent and nurturing the growth of existing employees, the fractional CFO ensures the organization has a highly capable and agile finance team that can effectively contribute to the organization's financial health and success.



Summing up

In summary, a fractional CFO can add the same value as a full-time CFO, providing strategic financial leadership and expertise without the expense of a full-time hire – on a part-time or project basis. They offer comprehensive financial analysis, strategic planning, and operational support, ensuring the organization's financial health and meeting of growth objectives.

They assist with financial decision-making, implementation of critical financial systems, and fostering financial literacy throughout the organization. They can also play a pivotal role in hiring and developing talent to ensure the financial team's effectiveness. A fractional CFO's ability to provide these essential services flexibly and cost-effectively makes them a valuable alternative to a full-time CFO, particularly for fast-growing mid-sized organizations.



What's next?

Now that you have a good overview of how working with a fractional CFO can benefit your organization, why not **set up an initial conversation** with a member of our fractional services team? As always, we're here to help.