



## Practice Management Series

# Your Practice CFO Advisory Discovery Webinar



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# Webinar Chair



Colin Simkin  
Co-Founder

[www.atlnetwork.com.au](http://www.atlnetwork.com.au)

# Geoff Storey



- Former CEO Winforecast, CPA and CA
- Extensive experience
  - Business plan preparation
  - Implementing Budgeting and Cash Flow management systems
  - Product pricing, costing and profitability analysis
- Strategic Financial Management, with a view to improving financial performance



## ATL NETWORK

Assisting accounting firms to providing CFO Advisory Services to clients and develop in-house skills for the efficient delivery of these services.

We achieve this by:

- providing the technical training, both by webinar and on-site, required to develop a core competency within a firm
- providing implementation direction and structure - “How To”
- providing “back-office” consulting services to assist accounting firms to deliver CFO Advisory services under their own brands
- advising on the necessary software tools enabling firms to aid the efficient and cost-effective delivery of these services



## WHAT WE WILL COVER

- Assist you to become equipped to effectively deliver CFO Advisory Services for clients
- Transitioning your practice from delivering traditional services to offering CFO Advisory Services
- How to market these services to your clients, prospects and banks
- Become indispensable for your best clients



## WEBINAR OBJECTIVES

BY THE END OF THIS WEBINAR PARTICIPANTS WILL BE ABLE TO:

- Identify if YOU are ready to offer CFO Advisory Services
- If not ready, then what to do to become ready
- Make the transition from compliance services to CFO role
- Understand some of the related issues



## WHY OFFER CFO ADVISORY SERVICES?





## WHY OFFER CFO ADVISORY SERVICES?

- The accounting profession is going through enormous changes that challenge traditional revenue sources
- Economic conditions in the business environment are difficult, increasing the need for quality CFO services which clients are beginning to recognise
- Developments in technology make it easier to deliver cost effective consulting
- Providing CFO services can be professionally satisfying and financially rewarding
- The dynamics of the business environment means that CFO consulting can be stimulating, rewarding and fun!



## CHANGE FROM COMPLIANCE MINDSET

- Less emphasis on history and more on present and future business conditions
- Greater emphasis on dynamic, day-to-day issues that require decision making
- Developing an understanding of the client's business especially in the following areas:
  - Admin and business systems
  - Product knowledge and related pricing and costing
  - Marketing eg Resource Sector
  - Personnel
- Embracing the client's culture and identifying oneself as "part of the team"



## SOME “PEARLS OF WISDOM”

- Public accountants are uniquely placed to act as trusted advisors to business clients but tend to understate this potential instead of monetising the opportunities
- Likewise, public accountants also tend to be modest, feeling that their lack of business experience places them at a disadvantage
- Many business owners lack business planning and financial expertise and have a need of these services
- There is life after making the move to CFO services and it is stimulating, rewarding and fun, just do it!



## ARE YOU CFO READY?

- Don't underestimate your wealth of experience and insights into clients' businesses over many years
- Many public accountants lack confidence in providing CFO services – don't let this stop you from taking the first steps, especially with receptive clients
- Remember that some clients will welcome your greater interest in their businesses
- It is largely about getting to know the client's business better as well as key staff members
- Technology is your friend, so embrace it
- Draw on outside consultants as required





## HOW TO MARKET YOUR CFO SERVICES

- Advertise via your website and newsletter
- As a way of engaging clients offer preparation of Strategic & Business Plans and “3 Way” Budgets
- Hold events for clients and prospective clients using a Business Health Check to engage and demonstrate service offering. Offer a FREE Business Health Check to attendees
- Offer an initial FREE Health Check to A Category clients with a view to offering service annually for a fee
- Discuss Health Check with banks and 3<sup>rd</sup> parties
- The most effective advertising is via “word of mouth” so develop good relationships with a few key clients



## ENGAGE WITH MANAGEMENT

- Shareholders and management often don't have clear business vision and goals and lack focus
- Establish what, if any, Exit Strategy exists
- CFO's can act as mentors as they assist management to learn how to "work on the business", rather than only "in the business"
- Working closely with management to develop strategic and business plans will be beneficial to all concerned



## REVIEW RELATIONSHIP WITH YOUR FIRM

- The CFO becomes part of the client's team and your relationship with the client will change
- It may be advisable to delegate the client's compliance work to a staff member in your firm so that you don't become distracted with these issues
- Address this up-front and manage the expectations – define and agree in writing on the availability of your services and on a fee price structure – more below
- Establish lines of authority, especially with admin staff.
- The in-house bookkeeper will be a source of useful information, both formal and informal, so nurture that relationship!





## FEE STRUCTURE

- Move decisively away from an hourly based fee
- Agree fixed daily rate with client
- Lodge invoice regularly and expect prompt payment
- Consider profit share arrangement, if appropriate
- Encourage client to call you at convenient times to discuss business matters
- Option may exist in future, to acquire an equity stake



## GAINING “BIG PICTURE” OVERVIEW

- Obtain hierarchy chart
- Using the analogy of a Health Check, gain “big picture” overview of the client
- Identify strengths and weaknesses
- Engage with management and staff to assess morale
- Initial impression of market awareness of products and services
- Initial impression of client’s admin and systems
- Random calls to important customers and suppliers



## REVIEWING SYSTEMS AND PROCEDURES

- Assess business systems and procedures for effectiveness and weakness
- Is the accounting system delivering more than just accounting reports eg sales analysis, product profits
- Does an effective internal control system exist – ie are inventory and other assets safeguarded?
- Does the client prepare and review a Business Plan?
- Do budgets and cash flow forecasts exist?
- Does management meet at least once a month?
- Are monthly financial reports prepared and presented at these meetings?



## INSIGHTS!

- As an objective outsider, the virtual CFO has an opportunity to be the “devil’s advocate”
- Review, understand and challenge marketing plan
- Observe production process and service delivery by “walking around” and engaging staff – be seen as “hand’s on”!
- Understand hierarchy chart and meet managers
- Observe team dynamics and level of morale
- Listen for customer and supplier complaints



## MAKING YOURSELF INDISPENSABLE!

- Any reasonably sized, growing firm needs a virtual CFO to assist with the financial management
- A CFO brings balance to a management team and creates stability and purpose
- By being available, approachable and reliable, management will come to depend on you before making major decisions
- Act as a “sounding board” for the CEO
- Develop relationships with banks and other third parties



## WHY OFFER CFO ADVISORY SERVICES?





**Next Step**

Webinar  
Part 1

Webinar  
Part 2

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## **Webinar Part 1:**

### **Preparing to Offer CFO Advisory Services**

- Understand prerequisite knowledge required
- Develop your offering and your fee structure for different clients
- How to market CFO services to clients, prospects and banks
- Select suitable software tools

**Webinar 1 – Monday 8<sup>th</sup> August Noon (AEST)**

**[www.atlnetwork.com.au](http://www.atlnetwork.com.au)**



## **Webinar Part 2: Implementing CFO Advisory Services**

- **Engage clients via Business Health Check as a 'corner-stone' discovery tool**
- **Engage with shareholders/management to understand their goals**
- **Understand systems, production and personnel**
- **Implement an advisory process to become indispensable for your clients.**

**Webinar 2 – Monday 22<sup>nd</sup> August Noon (AEST)**

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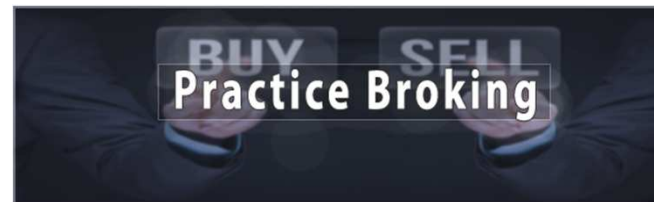
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Queenstown, New Zealand - January & July  
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## Advisory Thought Leadership Program

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# Thank you



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