

For entrepreneurs who've never worked with a CFO – either full-time or outsourced – taking the step to hire one can be challenging. The CFO has specialized knowledge the business owner doesn't - leading to a feeling of being at a disadvantage. **It shouldn't be this way - working with a CFO will provide more control over your business.** The key is to know what the CFO can and should do in their role as a senior business advisor. This first step is to recognize that:

1

Your CFO is Not the Same as Your CPA

The CPA (in public practice) has two responsibilities – to certify your financial statements to third parties and to keep you in compliance with tax laws. The CPA's primary focus is on reporting results.

Your CFO is a member of your management team with responsibility for financial operations of your business. He or she analyzes how decisions will affect outcomes.

2

The CFO's Primary Focus is Directing Results

There can be overlap between the two – CPAs will often be trusted advisors and CFOs will often be involved in tax compliance – but no one person should completely fill both roles at the same time.

3

You are the Ultimate Decision Maker

Whether your CFO is full-time or outsourced, as the owner of the company, you are the one who makes the big decisions for the business.

Your CFO should bring their knowledge and experience to bear in helping you discover problems, analyze opportunities, model different scenarios and inform you as to probable results for various options. He or she does not make the decisions for you.

Despite the common belief the CFO is the person who always says "No", they should not do so unless given express authority to do so by you.

4

Understanding the Jargon

Like with any industry, there's a great deal of jargon associated with finance and accounting, especially acronyms. As the business owner, are not required for learning this lingo.

Your CFO should be able to present information to you in layman terms. Being able to effectively communicate technical or specialized knowledge to a non-specialist is a sign of deep understanding of the subject matter. It is the CFO's responsibility to be understood.

5

Having an Effective Partnership

Getting the most from your CFO relationship requires work by both of you. Your CFO should bring ideas to the table, analyze those AND the ideas you bring, recommend solutions. Your responsibility is to make decisions and see that they're implemented.