

THE BEGINNER ENTREPRENEUR'S HANDBOOK

HIRING A VIRTUAL CFO FOR YOUR BUSINESS



Table of Contents

Chapter 1	1 - 2
Understanding the Concept behind Virtual CFOs	
Chapter 2	3 - 4
How to Tell if your Business Needs a CFO	
Chapter 3	5 - 6
Major Responsibilities of CFOs	
Chapter 4	7 - 8
Profile of the Ideal CFO	
Chapter 5	9 - 11
A Look into the Business Owner – CFO Relationship	

Understanding the Concept behind Virtual CFOs

Business Management, Time Constraints and the Beginner Entrepreneur

The decision to run and manage your own business comes with the resolve to ensure that your business is growing steadily at an ideal pace. Regardless of how you achieve your target, there always comes a point when your momentum picks up and before you know it, your business is already growing too fast. Theoretically, there's nothing wrong with this scenario – except that a growing business inevitably becomes more complex, especially with time management and managing the books. The question now is: is that something you are ready to handle?

More often than not, a typical move from a novice entrepreneur is to wear numerous hats in relation to the overall management of their business – typically financial, staffing and customer relations. Unfortunately, a business owner can only do so much – either the business goes south or the bookkeeping and accounting side of the business suffers.

A Glimpse at Business Survival rates

According to the Australian Business Statistics, the survival rate of businesses in Australia had a 14.1% decline in 2013. While there are innumerable factors behind businesses closing shop, it is often presumed that business capital has something to do with the increase of business failures in Australia. True enough, if you are juggling between your critical business numbers at the oversight of your business, losing out on your business capital is an imminent possibility.

So how can you ensure that your business remains on track? How about seeking accounting and financial management assistance from experts? This is where virtual CFOs come in.



What is a Virtual CFO?

A virtual CFO is an external resource that provides assistance in various aspects of the finance and accounting requirements of your business. These professionals work closely with you in keeping tabs on your business finances and bringing 'meaning to the numbers'. The concept behind virtual CFOs has increased with advancements in technology, communication and modern business standards over recent years, including the advent of real time accounting systems thanks to cloud based products such as Xero. A virtual CFO adds value to your finance and accounting operations without being on-site on a regular basis. The virtual relationship between the business owner and the CFO empowers the latter to be in control of the financial aspects of the business without compromising cost efficiency, affecting profitability or eliminating transparency.

By now, you might have some vague notions of how a CFO can impact your business. A CFO improves how you do business by giving you more time to focus on your actual business operations. In a nutshell, a CFO can:

- Help establish business financial goals
- Evaluate effectiveness of your current finance and accounting operations
- Perform hands-on work on your critical business numbers
- Provide a sound interpretation of your financial statements
- Help to bring 'meaning to the numbers'
- Integrate modern accounting solutions to quicken the pace of your accounting operations



How to Tell if your Business Needs a CFO

For most business owners, acknowledging the need for sound working capital means veering away from additional business costs – including the hiring of a virtual CFO. However, if you would just pay close attention to the added value of seeking virtual CFO services for your business, you would see its real value more clearly.

Do you want to know if your business needs a virtual CFO? Here are some of the signs you should be looking out for:



Lack of accounting experience

Is your knowledge and understanding of bookkeeping, budgeting and tax compliance quite limited? If so, this is the perfect time to consider expert support that can be provided from a virtual CFO. These professionals have extensive experience in handling simple to complex finance and accounting functions. They can also help steer your business in the right direction by providing indispensable advice about business strategies that are directly linked with the movement of money in your business.



Mismanaged books

Are your books in disarray? Constantly updating your books is a tedious process that involves keeping track of all your receipts and invoices. Although the task is manual in nature, it takes up a lot of time and demands a business owner's complete attention in getting all the accounting records up to date. For this reason, a preoccupied business owner is likely to struggle with keeping books up-to-date. To veer away from this possibility, you can seek help from a virtual CFO to ensure that all your records are right on track, ready for your lodgement and reporting requirements.



Rapid company growth

Has the growth of your company caught you unaware? The fast-paced growth of Australian business may challenge the control you have over your enterprise. For companies that are currently dealing with unexpected business growth, taking charge of the sudden influx of accounting records and tax liabilities might be too overwhelming. Add to that the susceptibility of losing sight of your business focus due to the drastic change in your bookkeeping and accounting duties as the owner of the business, and you'll certainly be dealing with a lot of things on your plate simultaneously. In such cases, the best way to manage all of these is to seek the services of a virtual CFO.



Planned expansions

Are you anticipating a business expansion? A novice entrepreneur who has visions of expanding business operations needs to keep a close eye on all the finance and accounting aspects of the business. This includes cash flow projections, budgeting and making wise decisions about business finances. To hit your target more accurately, collaborating with a virtual CFO is vital, as these professionals provide that much-needed direction to help you meet your business goals.



Business exits

Are you looking for a strategic way out? At one point or another, a business owner has to deal with the inevitability of relinquishing the control of the business by either selling the business or turning it over to another family member or employee. Whichever way you go, making the most profitable decisions requires valuation, forecasting and a set of strategic financial plans for your business. A virtual CFO can help you get your finances in order, preparing you for the business exit strategy you have chosen. Careful planning around your exit can result in maximum profits come sale time.



Major Responsibilities of CFOs

For larger companies, employing a CFO is a common practice. The role of the CFO in these business' is essential in assisting the CEO in making smart and savvy business financial decisions as well as in improving the overall business finances of the company. For SMEs, it is usually the business owner who takes on these functions. Oftentimes, though, the business owner is not specifically trained to handle crucial finance and accounting tasks, causing greater headaches for the company, in that the business owner isn't focused on the most important role for their business.

What are the major responsibilities of the CFO and how important are these roles in improving the overall business financial operations of the company? Take a look at these items to find out:



Cash management

Managing cash is a complex process that involves collecting money and making it grow. Managing cash requires thorough planning and an in-depth understanding of the movement of money in your business. Making profitable decisions about money, for example, equates to knowing what the stakes are, what your potential profit could be and how your target profit can be affected by different factors affecting your company's investments and key revenue drivers.



Budgeting

Budgeting is a task that helps ensure the efficient use of your business capital. Budgeting empowers the business owner to keep business costs to a minimum and to possibly save on business expenses that you can cut down on. Creating an effective budget for your enterprise is all about having a set of finance and accounting documents to help you check on the previous expenditures of the business. These records will help you foresee how much cash your business needs for a certain period.



Compliance

Businesses deal with compliance regulations with investors, vendors, banks and even the Australian Taxation office on a regular basis. Complying with all of the standards set by these institutions means knowing what the rules are and conforming to them in the best way possible. These strategies may be a little too complex for the average business owner but



Financial oversight and management

Overseeing your business finances and managing them to ensure the best use of your resources is an essential function for a CFO. Accomplishing this task helps business owners because they know that their finances are being well taken care of. Financial oversight and management involves analysis and evaluation of financial statements, as well as working closely with the business owner about their cash flow.



Corporate credit and debtor collection

Another important function for virtual CFOs is ensuring that the business has a good credit rating. Improving credit score has a significant impact in these initiatives. By doing this, the business owner will have lenders to run to for help when the business starts struggling with capital. Aside from a good credit rating, managing receivables to keep the cash flow strong and steady is also an important CFO function.



Financing options

Completing the list of a CFO's major responsibilities is the assistance that it provides for the business owner when it comes to financing requirements. This task involves determining the best financing options for the business and helping the business owner ensure that the loans are being paid on time and at a pace that the business owner can easily comply with.



Profile of the Ideal CFO

Roles and standards for individuals holding key positions in a company vary immensely. But even so, there are certain qualities that are needed, especially for the professionals handling the overall financial operations of your business. **Do you have a clear idea on how to look for the ideal CFO for your business? Read through these items to have a better picture of what you should be looking out for.**



1. Financial oversight

The ideal CFO is an individual who is extensively knowledgeable about cash flow management and mapping out the company budget. This quality helps ensure the future of the business, as it helps the cash flow stay on solid ground.



2. Excellent communication skills

The ability to speak well and communicate ideas clearly to the business owner and the stakeholders is another ideal quality for the CFO. It helps build trust among the members of the organisation while keeping business financial decisions and processes easier to understand. It is also important that communication is done in easy to understand terms which a good CFO will be able to do.



3. Business knowledge

A CFO who has an extensive knowledge and understanding of how the business works is capable of assisting the business owner in making the right decisions about increasing business wealth. Moreover, a professional CFO also ensures that the company's assets are protected. A CFO's knowledge of how the industry works further assists the business owner in making critical business decisions.



4. Unquestionable ethical standards

When it comes to compliance requirements and other matters that relate to laws and the civil obligations of business owners, it is important that the CFO is able to guide the decisions of the business owner. A good set of ethical standards will help the business owner ensure strict compliance with current business laws and regulations.



5. Strong leadership skills

The virtual CFO will take the lead when it comes to making important decisions about cash flow and business capital strategies. This is why it is important that the CFO has the ability to command the company and steer business decisions towards more profitable results.



6. Balanced perspective on risk

A CFO needs to be able to set the correct balance between risks and profits. This can be done seamlessly if the CFO knows how to mitigate the risks for the company's assets while ensuring that the correct income generation measures are also in place.



7. Drive for business results

A CFO needs to have the necessary initiative to see to it that the business thrives. Aside from helping create strategies that work, it is also the duty of a CFO to make sure that the initiatives that the company has forayed into are yielding positive results and that the business is being held accountable to the delivery of targets and goals set for the business



A Look into the Business Owner – CFO Relationship

The previous chapters of this eBook have covered the basics of hiring a CFO. This is the point where you, as a business owner, should seriously be considering seeking the services of a CFO to help improve your cash flow and keep your business assets secured and growing. It is important to note that there are different ways by which the business owner collaborates with the CFO. Generally, the needs and requirements of the company, as well as the standards and procedures it follows, vary. What we can do is to give you a clear picture of how our process works at HTA Advisory.

The HTA Process

Proactive engagement



At HTA, we take on a proactive approach where we ensure close collaboration with our clients. We meet with our clients to discuss plans and strategies. By personally conferring with our clients, we are able to get more involved in their business decisions. By staying in the loop, we are also able to help our clients come up with the most profitable decisions for their company. We are also able to help them focus on their business financial goals, leading to stronger financial security for the company. We also will focus on personal goals of the business owner outside of the business operations to ensure that all objectives are considered when developing ideas and plans for their company

Modern accounting solutions



Our company strongly advocates for the role of modern accounting solutions in speeding up the pace of business accounting operations. We support these platforms because we have seen firsthand how the use of these systems and technology has significantly improved our client's business financial processes. Through the use of modern systems, clients gain real-time access to their financial data while integrating the use of other business systems in their accounting operations. At HTA, we uphold the use of various systems because we acknowledge their roles in revolutionising the overall finance and accounting operations of Australian businesses.

Customer-focused services

Our team of advisers at HTA exerts a lot of effort in ensuring that the strategies we are putting in place for our clients are aligned with the goals set for the business. We do this by working closely with our clients and determining their business goals and the specific approach they want to adapt for the fulfillment of their business and personal goals. Aside from zeroing in on their business goals and the approach they want to pursue, the qualified team at HTA also puts the spotlight on what the client's business really needs, helping it adapt better to the norms set by the industry they serve.

At HTA, we take great pride in the high quality of the CFO services that our brand offers. We have a fully capable team of professionals who specialise in management reporting as well as strategic business advice. So for top-rate CFO services that can help keep your business moving in the right direction, take a look at what we have to offer by clicking the button below.

[CONTACT US](#)