



Choosing the best CFO for your business

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The type of business you are in, whether you are a public company or a private entity, and the stage of your business life cycle are all factors in determining what type of CFO your business will require. Some CFO positions have a very internal scope of responsibility and others may need to have a very external view. As most qualified CFO's should have the basic ability to handle the “blocking and tackling” that the CFO job will require; CFO's are all different. Just like your Chief Operating Officer and Chief Marketing Officer can, and should, be different. You may recognize the varying skill set necessary in the Marketing versus Operating executive but often you may not recognize the variety of skill sets available when considering qualified CFO's.

By way of explanation, if you are a small manufacturer with a consistent business and little debt; you require a CFO with strong manufacturing experience, heavy cost accounting skills, and experience in managing and optimizing inventory levels and investment. Or if you are a marketing driven distribution business with higher debt levels and slim margins, your CFO must be capable of effectively dealing with your company's bankers, or with potential bankers, as well as with the suppliers to your business and customers that require constant attention and negotiation. In both examples the CFO must close the books and report financial results timely and accurately, but beyond that they would be different personalities and have a different view of the world.

During the early stages of your business, the CFO may have to process payroll, manually sign checks, make the deposits, and manage other administrative functions. A fully developed company, which may be larger, will need a CFO that can manage cash flow, deal with investors and coordinate with the HR, IT and Operations executives. Again – CFO's with different skills. Companies often have to change the first CFO for one that can be effective in the second role. Hiring a CFO comfortable with the external role, because you will eventually need that skill set, may result in a poorly performing CFO for the early stage requirements.

Of course there are CFO's that can be extremely “hands on” and still be comfortable with presenting the Company's story to outside funding sources. They are not as common as we may think. In most cases you need the hiring process to include identifying the type of CFO that your business requires as you search for the best candidate available. Sometimes the best candidate may not be the exact fit that your business needs at this particular time. We all know companies



that have been successfully started by entrepreneurial types that run aground when they move to a maintenance and slower growth mode. The CFO position can parallel this dynamic.

GFOCFO can help with this process, either by back stopping the CFO function during transition periods or assisting you in determining the requirements that your CFO search should contain. On an interim period, GFOCFO can supply the missing skill set to enhance your CFO's functionality – we can be the internal or external CFO presence that you need to complete the team. Please contact us – we will be happy to help.

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