



Welcome to Accountants Minute. I'm Peter Towers, Managing Director of ESS BIZTOOLS.

## **Accountants – are you delivering Chief Financial Officer services?**

The duties of a Chief Financial Officer (CFO) have been fairly well defined in public companies. I undertook a review of advertisements for CFOs in public companies and identified some of the key aspects of the requirements to perform those duties. I also was a CFO in a public company some years ago.

Many of the requirements of a CFO in a public company also apply to a small/medium enterprise.

Let's look at some of these...

### ***Financial Functions***

Covers accounts, taxation and audits – things with which you're all familiar. The financial functions also include cost control and, generally, the integrity of the general ledger.

### ***Commercial Functions***

Include:

- Information Technology (IT) overview
- treasury operations
- risk management
- effective cashflow management of key areas such as:
  - debtors
  - work in progress
  - stock
- management of bank relationships
- preparation of budgets

### ***Business Growth***

Driving profitable growth is a key role of a CFO. Business growth also includes establishing strategies, execution of financial strategies and activities to achieve the business' overall results.

### ***Focus on Key Financial Data***

Includes:

- Customers – People – Growth
- Key Performance Indicators (KPIs) – are the KPIs prepared accurately and are the KPIs meaningful to the management team?
- Benchmarking comparisons – how does the business' activities compare to others?
- Analysis of cost and margins.
- Analysis and interpretation of the results so that the trends can be discussed with management.
- Being a member of a management team – offering proactive advice on the performance of the business.
- Reviewing of systems.
- Being the commercial partner with the CEO.
- Being the "champion" of key commercial outcomes.
- Preparation of management reporting packs in a manner that can be clearly understood by the management team.

### ***Company Secretarial***

Performing the Company Secretarial duties such as:

- coordination with Chair relative to meeting arrangements
- preparation of the agenda
- receipt and distribution of reports
- preparation of the Minutes of the Board Meeting
- preparation of the action plan for the follow up items

### ***Management Team Input***

CFOs have a key role to identify issues in the business and bring them to management's attention. One way that a public accounting practice can do this is to develop a range of "bundled" services, which we're calling "gold", "silver" and "bronze", depending on your client's requirements. In some instances, you might have to develop a unique CFO offering for special clients. There's also the role to:

- review charge-out rates for trades
- professional fees in professions
- retail prices in retail activities
- monitoring of debtors, work in progress and stock
- utilising effective KPIs and benchmarking that management understands
- implementing appropriate systems in the business for abidance with the rules and regulations relating to the PPSR so that your client doesn't lose valuable assets through inaction on the PPSR

In 2015, Benchmarking.com produced an interesting report on the Australian accounting profession. This report indicates that the "all firm average fee" is \$3,285. You won't have to do too much work in offering CFO services to have an impact on that average fee being charged to clients. If you could get 100 of your clients to undertake some additional work, which might be as little as a PPSR review and a small amount of CFO services, the fees could increase by \$2,000. This would generate an extra \$200,000 worth of income.

If you're offering a full range of CFO services, my expectation would be that you would increase your fees for that client anywhere from \$10,000 to \$50,000 over and above what you're currently charging. Remember, small/medium enterprises have been saying for 15 years in the various surveys that small/medium enterprises "require more services".

We have a fantastic offer for you at present. You can obtain a copy of our report on CFO services, which is attached with this transcript.

We also have a special offer for our Business Advisory Services Introduction Package, whereby you can obtain Module 1, free of charge. Then, if you wish, you can purchase the Modules 2-11 at a special rate of \$440 including GST, normally at \$660 including GST. This is a great way to get started in laying the foundations for an effective business advisory services program within your business.

If you wish to purchase individual packages within ESS BIZTOOLS, including Chief Financial Officer Servicers Package for \$550 including GST, you can do so.

Alternatively you can sign up for the ESS BIZTOOLS' Gold Package, which includes everything within the ESS BIZTOOLS' product offerings, including a subscription to ESS BIZGRANTS (our grant identification product). Normally at \$2,970 including GST, we currently have a special 20% discount offer at \$2,376 including GST. We're extending this special offer until 9<sup>th</sup> May 2016. Visit our website, [www.essbiztools.com.au](http://www.essbiztools.com.au), to sign up, making sure to enter in the code **ESSGOLD20** to obtain the discount.

ESS BIZTOOLS is presenting a webinar on Tuesday 3<sup>rd</sup> May 2016 at 12pm AEST, featuring "**Chief Financial Officer Services**". You're invited to attend this webinar, free of charge, which will look further into the matters mentioned in this edition. [Click here](#) to register to attend.

Alternatively, we can arrange a one-on-one webinar for you and your colleagues. Please contact us with your preferred date and time for the webinar and we will do our utmost to accommodate your preference.

If you have any questions on any aspect of the services that are available from ESS BIZTOOLS and ESS BIZGRANTS, to assist accountants to deliver an outstanding range of services to your clients, please contact us.

Peter Towers

**MANAGING DIRECTOR – ESS BIZTOOLS PTY LTD**

**+61 7 4724 1118 | 1800 232 088**

**[peter@essbiztools.com.au](mailto:peter@essbiztools.com.au)**

**[www.essbiztools.com.au](http://www.essbiztools.com.au) | [www.essbizgrants.com.au](http://www.essbizgrants.com.au)**