



ESS

AccountantsMinute

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

Delivering a Virtual CFO Service

Do you know that small/medium enterprises have indicated, in numerous surveys over the last 15 years, that they want to receive a wider range of commercial services from someone? Obviously, that someone is ideally suited to be accountants and business advisors.

Delivering a virtual Chief Financial Officer (CFO) service is a great activity for accountants/advisors to be undertaking in 2016/17 – the year of business advisory services.

ESS BIZTOOLS has developed templates, forms, spreadsheets and articles to equip accountants/advisors with the tools to be able to deliver this wide range of commercial services to small/medium enterprises, without you having to spend hundreds of hours on the development of the material. Instead, you pay a small annual fee and you're able to start earning ever-increasing professional fees from delivering these services.

In fact, the ESS BIZTOOLS' Chief Financial Officer Services Package includes:

- A 25-step guide on how to get started in the delivery of a CFO service.
- An article based on the advertisements in the Financial Review over a six-month period for public companies and larger corporations who were looking for a CFO or a chief accountant. Based on this, we've presented the argument that many of the services for which public companies are hiring CFOs also applies to small/medium enterprises. However, who do those small/medium enterprises' CEOs turn to in order to get this advice?

ESS BIZTOOLS contains pre-prepared packages, namely, Gold, Silver and Bronze, whereby you've got a pre-determined set of services that you could offer to clients.

Alternatively, ESS BIZTOOLS contains a range of tools that can help you design a unique package that suits your client's requirements, including:

Cashflow Cycle Chart

To help you explain to your clients where their cash is tied up in the business.

Sales Funnel Calculation

To identify how many leads a business needs to generate, therefore, how many emails/brochures need to be sent to generate sufficient leads and, in turn, generate sufficient contracts with customers.

Debtors' Days Outstanding Calculation

Because debtors' management is one of the biggest single issues confronting your clients, yet many of them don't know how to calculate debtors' days outstanding.

Debtors' Reduction Program Sheet

Which will help your clients to identify who they're going to approach to achieve some significant reduction in their debtors.

Key Performance Indicators

Forms on Key Performance Indicators (KPIs) and ratios as they apply to budgets and cashflow forecasts.

Bank Covenant Checklist

Many clients overlook the fact that, in most bank loan documents, there are a series of covenants for which the clients have signed and that banks are monitoring. How are your clients going on the gross profit percentage targets, net profit ability targets, etc that had been set by the bank?

Pricing Calculators

Three calculators are available to assist with setting prices (retail, trades and professions). This system takes into account all of the operational activities within the business.

Benchmarking

Guide on utilising benchmarking reports (via Benchmarking.com.au), also to be aware of the ATO's benchmarking requirements.

Article on CFO Services

Overall article on the delivery of CFO services, which looks at a wide range of activities that will affect you if you're delivering these services to your clients.

Management Ideas Calculations

I used to call it "the 3am phone calls". I was a CFO in a listed public company and I can assure you that a lot of my activities were built around the CEOs or another senior person in the management team's latest "brain wave". Some of them were a bit strange. Others were very sound. They all require a financial input, so you get the phone call asking, "Can you have a look at this and tell us whether that will work?" "Is there a better way to undertake that production than what were' currently doing?"

Who do your small/medium enterprise clients go to with those questions? They can not only be questions that CEOs of public companies have, or perhaps the marketing, sales managers or operational managers that public companies have? Surely, your clients have those same questions. Who are they turning to?

This is one of the real products that you can be pushing when you have a conversation with your client, on offering CFO services, making them aware that you will be available to answer those questions on a virtual CFO basis.

Risk Management

Looking at:

- insurance covers
- preparation for the PPSR
- Workplace Health and Safety (WHS) issues

You don't have to be an expert in those areas but to be prompting the client that these activities are very important and they need to be hiring an expert to undertake an audit on their systems relative to WHS.

Management Accounts

Another very important area for a CFO service is to ensure that accounts are being prepared in a manner that the management team would understand. Not a set of financial accounts that are ultimately submitted to the ATO but a set of accounts that are dissected into every operation within the business, not all lumped together in one Profit & Loss Account.

Job Costing

If your client is undertaking activities that relate to being a job costing type assignment, introduce a job costing system so that the results of every job can be disclosed to the client and the management team. What follows from there is the tailoring of the KPIs for the business to dovetail into those management accounts and to make sure that the management team clearly understand what the KPIs mean. From an accounting point of view, there's nothing worse than to spend hours preparing reports, KPIs and ratio analysis and then no one reads them or understand them.

Training

Perhaps your package for CFO services should also include some training for the management team.

Identifying Grants

There's currently a government grant that you could secure for your clients to improve their skills and knowledge in the management of their business by training them how to understand the financial accounts and the KPIs.

Weekly Reporting

Do you prepare weekly results for your clients? A lot of businesses do, especially major retailers and major meat companies. Businesses that are running butcher shops, delicatessens, restaurants, cafes and retail stores can all prepare weekly Profit & Loss Accounts, to show management very clearly how they've traded in the previous week.

Debtors and Stock Management

This is a huge area. A lot of money tied up in businesses. Small/medium enterprises need accounting input on how to monitor the investment.

Liaising with the Bank

Are your clients doing it effectively? Are they making sure that they're fulfilling the bank communication requirements?

Raising Capital

Are your clients directing the business into an investment readiness state? As their CFO, you could help them continue along that path because businesses should be continually looking at how they can make themselves more attractive to investors.

Business Plans

Business plans are very important and can also be included as part of the CFO service.

This is an overview of the types of services that we believe accountants/advisors can deliver to small/medium enterprises.

A complimentary copy of an article, "**Development of Business Advisory Services**", is attached with this transcript.

We're presenting a webinar, featuring "**Delivering a Virtual CFO Service**", on Wednesday 17th August 2016 at 12pm AEST. [Click here](#) to register to attend, free of charge.

Good luck with the introduction of virtual CFO services to your clients during this year 2016/17 – the year of business advisory services.

If you have any questions on how the ESS BIZTOOLS' Business Advisory Services products can assist you in providing advice to your clients, please don't hesitate to contact us.

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