**How To Know If You Need A CFO**

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How do you know if your organization is ready for a Chief Financial Officer? You may already have a bookkeeper, a tax accountant, even a controller and a finance team. So do you really need more horsepower in your finance department? Asking a few questions can help determine if the time is right.

* Are you well positioned to manage your company’s finances through a new phase of growth?
* Is your CEO and/or COO mired in finance administration when their focus could be on leadership?
* Is your organization in need of more financial stability?

If you answered yes to any of these, it’s time to consider hiring a CFO who can bring a proactive approach – not just someone who manages your books. A CFO brings a strategic, high-level perspective to your finances and accounting, enabling your senior team to make business decisions through a sophisticated financial lens. The right CFO will educate your entire staff in financial literacy, ensuring that the company as a whole operates in alignment with its goals and challenges.

**Tip:** Be alert to early signs that your finances need more attention. If you wait till you’re in crisis mode, you risk making a hurried, sub-par hire.

If you already employ a Controller (or Finance Director), do you still need a CFO?

Controllers tend to focus on the technical aspects of accounting and finance, running day-to-day accounting operations and producing financial statements. A capable CFO looks beyond the daily cash flow and offers an array of strategic and analytical skills that can bring your business to the “next level.” A CFO will partner with your leadership team to:

* Track and interpret pivotal financial data
* Allocate company resources to maximum effect
* Create financial forecasts that will shape your operations and your goals with precision and clarity

The CFO position is no longer simply a company or organization’s senior financial manager. Generally, the job description has broadened to include more focus on strategic planning. Yes, your CFO will still be responsible for preparing financial statements, interfacing with banks and investors, planning your tax strategy and developing budgets and forecasts. But in today's business world, your CFO should, above all, play a hands-on role in steering your company toward its goals.

Today's CFO is also more likely to be a certified public accountant (CPA) and/or an MBA. If your organization is feeling the impact of a changing regulatory environment or the push for global accounting standards, it’s time to hire a CFO. The need for CFOs to possess accounting acumen also has grown with the movement for more corporate accountability through legislation like the Sarbanes-Oxley Act of 2002.

**Tip:** Many non-profit organizations recognize the need to bring in top-level talent but cannot afford the C-suite salary. A CFO consultant might be the answer – someone who can become a part-time or interim member of your team without the expense of a full-time CFO.

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