

OUTSOURCED CFO OPTIONS

STEP 1

The first step in any Outsourced CFO option is becoming intimately familiar with the agency's current financial policies, procedures, managerial practices and operating results. To do this we conduct a review which includes:

- Historical P&L and balance sheet (last 3 years and YTD)
- Representative client programs including new business proposals and budgets
- Agency pricing practices
- Staff allocation reports and current planning process (capacity, utilization, realization)
- Current organizational chart and senior role descriptions
- Current client and freelance contract templates
- Commission and incentive plan documents
- Most recent strategic growth plan or annual agency review presentation
- Preliminary review of agency operations

OPTION 1: Focus on Operational Strategies

This option has the CFO focused solely on strategic planning, oversight and advice. Option 1 includes a bank of hours for:

- Participation in weekly senior leadership meetings regarding ongoing issues and activities
- Weekly meeting with CEO or President to discuss major upcoming decisions and issues
- Counsel on ad hoc issues as they arise
- Development of a strategic growth plan (if one does not exist)
- Development of aspirational staffing architecture (if one does not exist to guide hiring)
- Revenue and profit projections to guide staff resource decisions
- Monthly measurement of agency results as compared to key metrics
- Quarterly review meeting to evaluate agency progress against the budget and strategic plan
- Annual pricing review
- Annual staff compensation and bonus review

OPTION 2: Operational Strategies & Key Processes

This option includes everything in option 1 and oversight of key processes that drive agency profitability:

- Client budget assembly and negotiations process
- Client procurement and contract negotiations (separate from pricing)
- Staff allocation monthly planning and weekly monitoring process (forecasting with management team and variance to actuals)
- Review of all billing before distribution to client, and careful review of write-off of professional fees.

Option 3: Operational Strategies, Key Processes & Oversight of Finance Department

Option 3 includes all of the above plus oversight of key accounting functions and personnel:

- Cash management (payables, receivables, cash flow)
- General Ledger (P&L, balance sheet, period close process, revenue and productivity reports)
- Billing process
- Day to day oversight of the accounting department staff