



Referring Clients to a Financial Consulting Professional: Ten Traits to Look For

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In the course of your interactions with clients, you may occasionally determine that they have a need for high-level financial expertise to help them resolve issues or reach certain business goals. One way you can help these clients is to refer them to an outsourced financial consulting professional.

An outsourced CFO services provider can offer your clients a wide range of business financial and accounting services on a project basis. One of the benefits of such an arrangement is that your client can engage the outsourced CFO for a specific project without making a long-term commitment in either time or money. The outsourced CFO can come into the business, complete the engagement, train the staff in this new area of expertise, and then leave, thus reducing your client's ongoing overhead.

Among the different types of projects an outsourced CFO services provider can help your client with are:

- Preparing a thorough, professional loan presentation.
- Capturing key business metrics and key performance indicators (KPIs) from systems and software to help improve management of a growing enterprise.
- Performing specific financial transactions, such as financial restatements or acquisition accounting.
- Completing specific financial projects requiring a focused, project-based engagement.
- Upgrading or improving existing procedures and/or systems that the company has outgrown.
- Creating proper internal controls to deter fraud and embezzlement.
- Integrating a recently completed merger or acquisition in order to meet the 75-day public filing deadline.

A Win-Win Solution

Making a referral to an outsourced CFO services provider is a win-win: It helps your client resolve issues and/or reach specific business goals, and it helps position you to your client as a solution provider. But it's important that you perform careful due diligence on potential financial consulting professionals before referring them to your clients — because making a bad referral is worse than making no referral at all.

Following are ten traits to look for in a CFO services firm you're considering referring your clients to:

1. A high degree of expertise. Does the outsourced CFO have the capabilities, knowledge and skill set needed to complete the specific engagement your client needs? This includes business, operational, financial and accounting expertise, as well as management capabilities in all these areas.

2. Relevant experience. Ideally, the outsourced CFO services firm will have experience working with companies similar to your client and in this specific industry. It should be able to bring industry best practices into your client's business.

3. A high degree of focus. The outsourced CFO should specialize in one or more areas that are directly relevant to your client's specific need.

- 4. An innovative approach in thinking.** Is the outsourced CFO services provider entrepreneurial in its thinking and approach, like your client probably is?
- 5. An understanding of your client's need to run the business nimbly.** Small and mid-sized business owners have to be fast on their feet — their financial consulting professional must be able to keep up.
- 6. An ability to clearly understand the issues/challenges and goals/vision of the client company's leadership.** The outsourced CFO must then be able to customize an appropriate solution based on your client's specific challenges and goals.
- 7. Availability of and access to the senior partner and all members of the CFO services team that will be involved.** While the CFO services firm's senior partner may not be physically present at the client site each day, the client needs to know s/he has ready access to the senior partner who will respond quickly.
- 8. The ability to provide your client with a good sense that they feel important.** Will your client feel like a big fish in a little pond when working with the outsourced CFO, or will they feel like a little fish that isn't getting much attention? Small and mid-sized businesses want to work with a financial consulting professional they feel comfortable with, whom they have a connection with, and whom they can trust.
- 9. The ability to communicate clearly throughout the engagement.** The provider presents compelling rationales for recommendations and is accountable for conveying regular and frequent status reports on progress toward goals.
- 10. Provision of comprehensive documentation.** The outsourced CFO delivers an overall roadmap of why the engagement is in place, where it is headed, and how it will reach targeted goals. Upon completion of the engagement and any needed staff training, the client also receives summary reporting along with any materials needed to support ongoing staff activity.

Concluding Thoughts

If you determine that your Los Angeles and Southern California clients have a need for high-level financial expertise to help them resolve issues or reach certain business goals, you can help them by making a referral to an outsourced CFO services provider. This not only helps your client resolve these issues and reach their goals, but it also helps position you as a solution provider to your client. However, you must perform careful due diligence on potential financial consulting professionals before referring them to your clients. It's better not to make a referral at all than to make one to the wrong resource.

About CFO Edge

CFO Edge, LLC delivers enterprise-class financial and operational performance solutions to executives at small and mid-sized companies in Southern California. Based in Los Angeles, our formerly-seated chief financial officers engage on demand as part-time CFOs, single-project CFOs, and interim CFOs to help business leaders successfully resolve pressing challenges and realize their financial and operational goals. At CFO Edge, we're passionate about helping our clients create, grow and sustain value. For more information, visit www.cfoedge.com or call 800.276.1750 Ext 101.

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