



## Key Steps to Building a High-Performance Finance Staff

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One of the primary responsibilities of a CFO or controller is to build a stable, high-performing finance staff. Finance is playing an increasingly important role in the strategic direction of many companies, which makes the successful construction and composition of the finance staff critical, not only to the success of the finance department, but to the overall organization as a whole.

### Look to the Future First

Before starting the process of building a finance staff, it's helpful to think about what you want your finance department and your company to look like in the future. This vision will be different for every company, based on many different variables. Taking the time to think about this early on in the process of building your staff will help you determine what specific kinds of financial skills you should hire for.

One way to start is by looking at other organizations that are similar to yours — whether they are in your industry or another industry but share similar characteristics to your company, such as size or financial structure. Benchmarking other organizations in this manner can help ensure that your finance staff delivers maximum efficiency and effectiveness to your company. In particular, the finance support functions need to be cost-conscious since they establish the lead for the rest of the company in this regard.

Here are a few points to keep in mind as you strive to build a high-performance finance staff:

- Do everything you can to make sure that the tasks given to finance staff members match their skillsets. Payroll is the biggest operating expense for most organizations. Ensuring that you hire the right finance staffers and put them in roles that best utilize their skills is one of the most important factors in controlling payroll costs.
- Try to find the right balance between hiring finance staff members who have the required skills and background for the positions but will command salaries that remain within your affordability range. It can sometimes be tempting to hire a “superstar” whose qualifications exceed those needed for the job opening, but doing so risks not only busting your budget, but may also breed discontent and boredom on the part of the employee, leading to turnover and morale problems.
- Provide clear paths for growth, skills development and career advancement opportunities for all members of your finance staff — from the lowest entry-level positions all the way to executive management. Staffers who do not see opportunities for advancement will likely look elsewhere once they feel they have peaked in their job with your company, which will lead to costly employee turnover.

Your organization could suffer a number of negative impacts by failing to building a high-performing finance staff, including the following:

- **An inefficient and unproductive finance operation.** When finance employees are placed in jobs that aren't the best match for their skills and abilities, the smooth and efficient functioning of the finance department suffers. This, in turn, can affect the operations of the entire organization.
- **Increased employee turnover and the resulting high costs.** Employee turnover is extremely costly. Various studies have attempted to put a price tag on turnover, with one recently determining that it costs between 30-50 percent of salary to replace an entry-level employee, up to 150 percent of salary to replace a mid-level employee, and 400 percent of salary to replace a high-level or specialized employee.<sup>1</sup>
- **High levels of employee frustration and dissatisfaction.** Finance employees who are working in jobs that aren't a good match for their skill sets will quickly become bored and frustrated. This will lead to high turnover (as noted above) or even worse: the creation of a toxic work environment where their bad attitudes rub off on other employees and affect the morale of the entire finance department and organization.

An outsourced CFO services provider can offer valuable assistance in building a high-performing finance staff. Such a provider usually has hands-on experience in building and running finance departments, which gives him or her a clear vision of the skill sets required to perform the various finance functions and jobs. An outsourced CFO also brings a significant understanding of the technical requirements of these functions, so he or she has the capability to properly define jobs within the finance department and monitor performance benchmarks.

Building an efficient and effective finance department helps ensure maximum financial performance while minimizing excessive and wasteful costs due to inefficient operations and high staff turnover. A proper meshing of employees' skills with the right job duties will help facilitate world-class finance department performance.

### Concluding Thoughts

One of the most significant responsibilities of a CFO or controller is to build a stable, high-performing finance staff. Finance is playing an increasingly important role in the strategic direction of many companies, which makes building a strong finance department critical to success. An outsourced CFO services provider can offer valuable assistance in building an exceptional finance staff by bringing the capability to properly define jobs within the finance department and monitor performance benchmarks. A proper meshing of finance employees' skills with the right job duties will help facilitate world-class performance.

<sup>1</sup> *What Was Management Thinking? The High Cost of Employee Turnover*; Karlyn Borysenkop; ERE Media; April 22, 2015  
[www.ere-media.com/tnt/what-was-leadership-thinking-the-shockingly-high-cost-of-employee-turnover/](http://www.ere-media.com/tnt/what-was-leadership-thinking-the-shockingly-high-cost-of-employee-turnover/)

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