

CFO Simplified® **WHAT TO ASK** WHEN HIRING A FRACTIONAL CFO



Plus, elements to keep in mind for the responses

How long have you worked as Fractional CFOs?

A fractional CFO's skillset is different than that of an in-house F/T CFO. Whereas an in-house CFO can spend weeks slowly putting together a plan, a fractional CFO needs to change focus quickly, be highly analytical and quickly understand the impact of changes in operations. They need to be able to quickly see how different processes and procedures can be integrated into a new situation.

Do you have expertise in one specific industry?

Being a CFO in manufacturing/distribution is different from a service business or a construction company. CFOs that have worked in multiple industries can apply their experiences in one industry to any other. That cross fertilization of ideas provides a significant advantage to their clients. All businesses are essentially alike. It is the ability to apply operational changes learned in one business to another that makes the difference.

How long will it take you to start providing value?

Look for timelines and deliverables here. Just as companies vary in complexity, consultants vary in approach. Your fractional CFO consultant should have a clear onboarding process they can share with you, with definite deliverables. In addition, their approach to working with you should be clear and understandable, with a definite timeline to serving your needs.

How do you bill?

Understand how your Fractional CFO does billing. Some will just bill on a straight hourly basis. Some will provide you with a list of activities for a fixed monthly retainer. Others may bill you on a project to project basis. Be sure that you understand how you're going to be charged, and whether there is a "not to exceed" on project billings.

Are your CFOs employees or independent contractors?

It's important that the people they are placing in your company are their employees. This creates a loyalty to the engagement. They're not looking for full time work – this is their job. They have a proven process to deliver results. They aren't independent contractors just being assigned to an opportunity. Plus, there is coverage for unemployment insurance, professional liability coverage, and workers' compensation insurance.

What if I want to hire your CFO full-time?

A CFO is an asset to any organization. So, it's not unusual for a client to be so happy with their part time CFO that they want the CFO all to themselves. Most fractional CFOs like the flexibility of working for multiple companies with flexible hours, but if it's the right fit, be prepared for a substantial fee to make your part-time CFO full time.



Response Worksheet

Company Name:

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Do you have expertise in one specific industry?

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How do you bill?

Are your CFOs employees or independent contractors?

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