

VISIONS ALLIANCE

# The Hidden Power of a Fractional CFO – Strategic Finance for Growing Businesses

Webinar with Exit Factor

An overview of how part-time CFO expertise can deliver full-time strategic impact for growing companies. Sets the stage for understanding the hidden benefits of a fractional CFO in boosting business success.

## 01

As businesses grow, finances get more complex – what worked in the early days (like DIY bookkeeping) starts falling short.

Example:

Many businesses grow from the “one location on a street corner” to several locations and never scale up their infrastructure.

## 02

Owners face big decisions (expansion, hiring, new markets) with limited financial insight, leading to uncertainty.

You have to be able to see the road up ahead to make sure you’re in the right direction.

## 03

Without strategic finance expertise, companies risk stalled growth or costly mistakes. Many growing businesses feel they’re “flying blind” financially, highlighting a gap that needs filling.

## Growing Pains: The Strategic Finance Gap

# Client Example

As you can imagine, in our line of work, we come across all kinds of clients that struggle with these kinds of “growing pains” types of challenges.

One specific example we’ve seen was a church we work very closely with that had the following issues:

- ***Unsteady cash flow***
- ***Cash crunch problems***
- ***Massive overhead/fixed costs***

They started as a single-location church on the street corner and expanded to 5 campuses with 3 additional schools.

Over time, we were able to get them to see:

- ***Predictable and forecastable cash flow***
- ***Reduced overhead from utilities to more efficient use of vendors and staffing setups***
- ***More predictable and increased cash flow***

## Growing Pains: The Strategic Finance Gap

# What Is a Fractional CFO? (Your Strategic Finance Partner)



## Part-time CFO Expertise:

A fractional CFO is an experienced Chief Financial Officer who works with your business on a part-time or contract basis, providing high-level financial guidance tailored to your needs. Think of them as a “financial strategist on-call.”



## CFO Insight, Flexible Model:

Delivers strategic finance oversight at a fraction of the cost of a full-time CFO. You get seasoned expertise without a full-time CFO price.



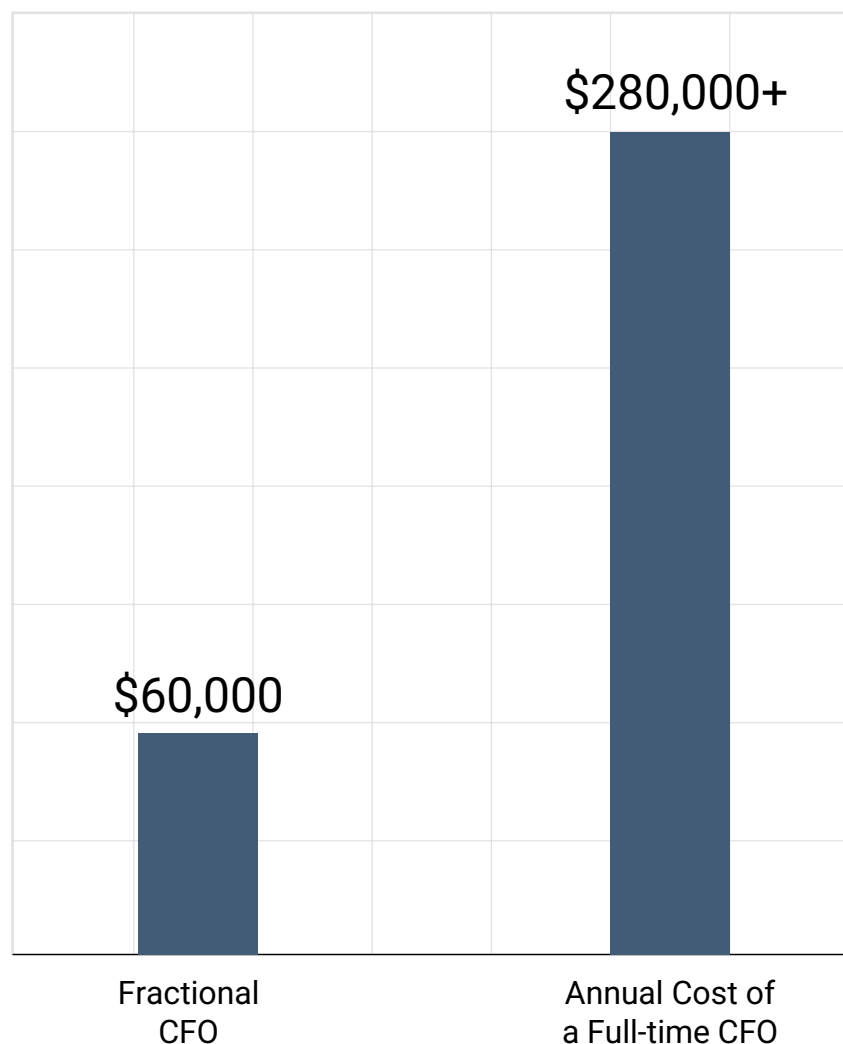
## Strategic Partner:

Not just an accountant – a fractional CFO partners with leadership to navigate growth, offering advice on budgeting, forecasting, and financial decision-making as your business evolves.

*\*Accountants track the past, CFO's steer you toward the future.*

# Big Expertise, Fractional Cost

## Bringing Wall Street to Main Street through Best Practices



### > CFO Skillset, Startup Budget:

Access top-tier financial expertise without paying a full-time CFO salary. (A full-time CFO can cost \$250K+ per year which many growing businesses can't afford.)

### > Pay for What You Need:

Fractional CFOs typically engage a few days per month or on specific projects. You get expert help only when needed, avoiding the hefty year-round expense.

*\*Side note: Team versus individual style, habits, and experience.*

### High ROI:

By investing a “fraction” of a full-time cost, companies gain critical financial insights that often lead to cost savings and growth – essentially **big-company financial leadership on a small-company budget**.

# Strategic Guidance for Better Decisions

*Your decisions are only as good as your data.*



## Data-Driven Decisions:

Fractional CFOs turn financial data into actionable insights. They provide forecasting and analysis so you can make informed strategic choices instead of gut-based guesses.



## Experienced Advice:

With a CFO-level advisor at your side, you get seasoned input on decisions like pricing, expansions, or capital investments. This guidance helps avoid pitfalls and seize opportunities.



## Better Outcomes:

The result is more confidence in decisions and better outcomes. Instead of flying blind, you're navigating with an expert co-pilot, leading to smarter growth moves for your business.

# Financial Clarity & Insight



- > Transparency in Numbers:**  
A fractional CFO will implement robust financial reporting (clear P&Ls, cash flow statements, dashboards). This gives you crucial visibility into your business’s health at all times.
  
- > Know Your KPIs:**  
They help identify key performance indicators and track them. You’ll see what’s driving profits or losses, which products or divisions perform best, etc., in straightforward reports.
  
- > Confidence for Stakeholders:**  
With accurate, timely financial data, you gain confidence to act – and you impress lenders or investors with your professional financial reporting. No more unpleasant surprises or “unknowns” in the numbers.

# Stronger Controls & Risk Management



## Financial Safeguards:

Fractional CFOs establish internal controls – processes and checks to ensure accurate records and prevent errors or fraud. As your business grows, they make sure the financial foundation stays solid.

*\*Examples we've seen: purchasing and inventory controls, positive pay.*



## Risk Mitigation:

An experienced CFO will identify financial risks (cash shortfalls, cost overruns, compliance issues) and address them proactively. For example, they might tighten credit policies or ensure you have adequate insurance.

Additionally brings stability to financial reporting and controls through flexibility of team approach.



## Peace of Mind:

These measures safeguard your company's stability, reducing chances of nasty surprises. Both you and investors can rest easier knowing a pro is watching over the financial side to “keep the ship steady.”

# Cash Flow Stability



## Cash Management Focus:

Cash is the lifeblood of any business. A fractional CFO closely monitors and manages cash flow to ensure you always have the liquidity to meet obligations and invest in growth



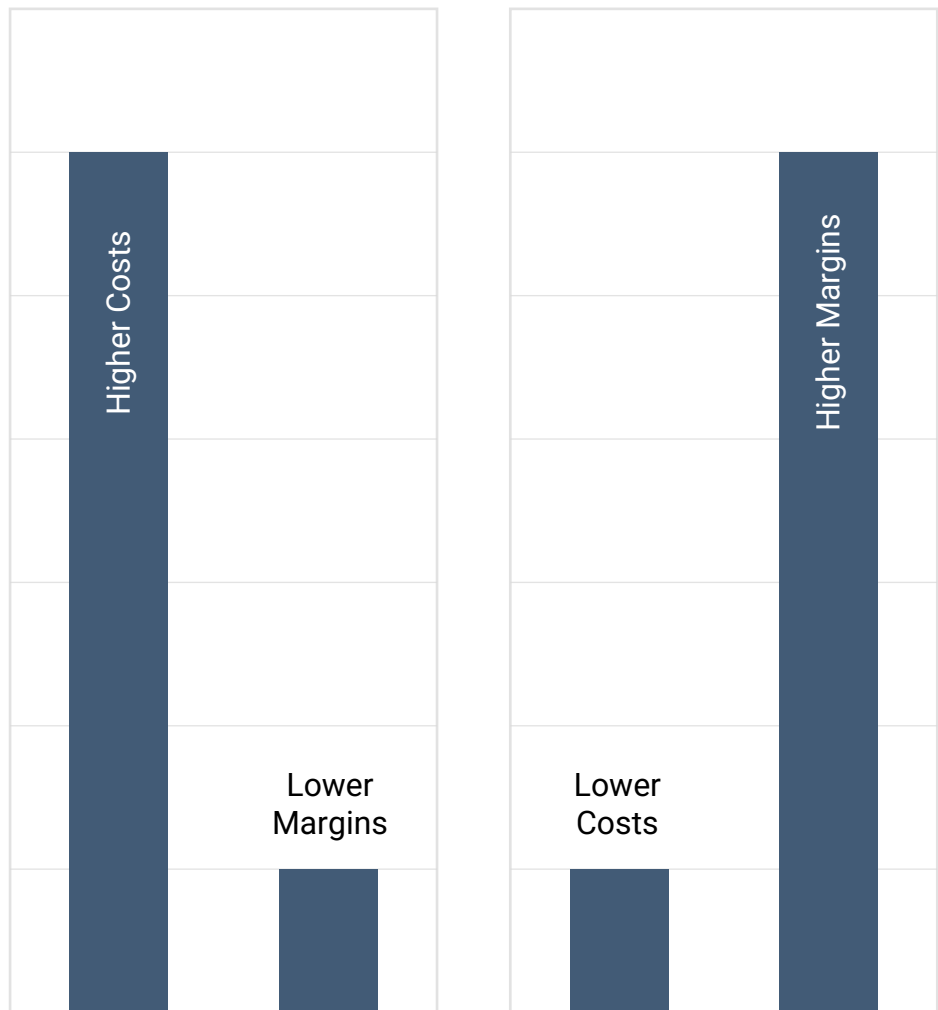
## Forecasting & Planning:

They create cash flow forecasts, plan for seasonal ups/downs, and help align payment schedules. This proactive approach means no more panic about making payroll or paying suppliers – potential cash crises are headed off before they happen.



## Fuel for Growth:

With stable cash flow, your business can confidently pursue new opportunities (like opening a new location or launching a product) knowing the finances can support it. It's stability that underpins expansion.

**Before****After**

## Profitability & Cost Optimization



### Sharper Eye on Costs:

A fractional CFO finds ways to streamline costs and eliminate waste. They'll dive into your expenses, identify inefficiencies, and recommend improvements (renegotiating vendor contracts, optimizing inventory, etc.).



### Improving Margins:

By analyzing product/service margins, pricing strategies, and operational efficiency, they help boost your profit margins. The CFO ensures you're not leaving money on the table – or bleeding it unnecessarily – in your operations.

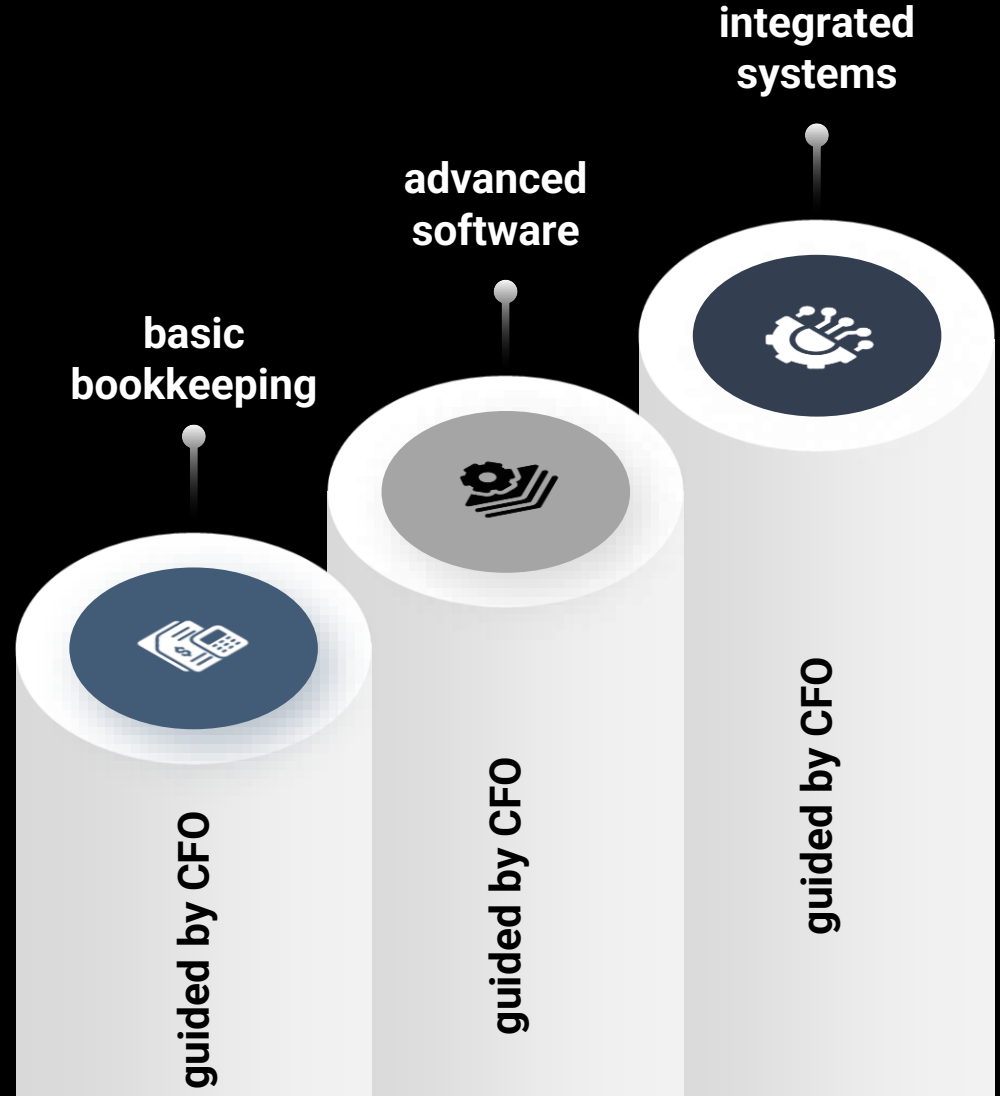


### Value Boost:

Every dollar saved or efficiency gained drops to the bottom line, increasing your company's profitability and overall valuation. Higher profits = higher business value, a key benefit especially if you plan to sell or seek investors.

# Scaling Up & Systems for Growth

- > Building for the Future:**  
As your company grows, a fractional CFO makes sure your financial systems and processes can scale with it. No more outgrowing your accounting spreadsheets – they implement proper systems (software, controls, team training) to handle larger operations (At What Stage Does a Startup Need a CFO? - CFO Consultants, LLC | Trusted Financial Consultants).
- > Resource Optimization:**  
They help allocate resources efficiently during growth. For example, modeling whether you can afford that new hire or new equipment, and planning the best time to make those investments so growth is sustainable.
- > Smooth Expansion:**  
With scalable financial processes in place, growth transitions are smoother. You avoid the chaos that can come with rapid expansion because your CFO has laid out a roadmap for financial management at scale (from handling bigger budgets to multi-location accounting).



# Exit & Investment Readiness (Maximizing Value)

## > Financial House in Order:

If you plan to sell the business or seek investors, a fractional CFO ensures your financial house is immaculate. They clean up the books, produce thorough financial statements, and address any red flags in advance. Your company will look solid under due diligence scrutiny.

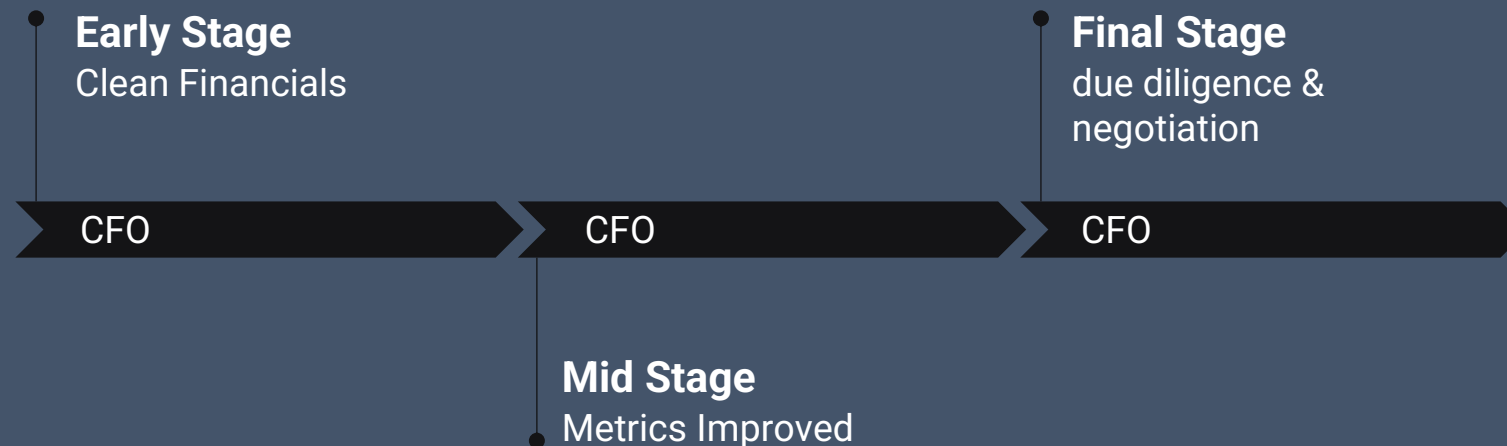
Financial stability and smooth processes, lead to stability in all aspects of your business, making your exit more successful.

## > Maximizing Valuation:

CFOs identify key value drivers (e.g. improving a certain margin or reducing customer acquisition cost) before a sale/investment. By improving these metrics, they can significantly boost the valuation someone is willing to pay.

## > Deal Expertise:

Come deal time, your CFO plays a crucial role in due diligence and negotiations – preparing data rooms, answering tough financial questions, and interfacing with buyers' or investors' finance teams. This expertise smooths the process and often yields better terms.

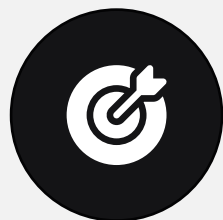


# How a Fractional CFO Engagement Works: *From A to Z*



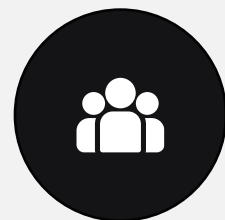
## Flexible Schedule:

Engagements are tailored. Your fractional CFO might work, say, 5-10 hours a week or a few days a month, scaling up or down as needs change. It's not one-size-fits-all – it's whatever your business requires.



## Focused Scope & Goals:

Typically, you'll set key priorities together (e.g. "improve cash flow," "budget help," or "prepare for fundraising"). The fractional CFO then drives those finance initiatives, reports on progress regularly, and keeps everyone accountable to financial goals.



## Embedded in Your Team:

Even though they aren't full-time, they act like part of the team. They join leadership meetings, collaborate with your accounting staff, and truly understand your business. You get an on-demand CFO, without long-term overhead.

## When to Consider a Fractional CFO - Examples

### > Rapid Growth or Change:

Your business is expanding quickly (or planning a big move) and things are getting financially complex. If you're thinking "I'm in over my head with the numbers," it's likely time for CFO help.

### > Upcoming Strategic Moves:

You're eyeing a major event – raising capital, acquiring another business, or selling yours. Bringing in a fractional CFO 12–24 months prior can maximize your readiness and outcome.

### > Financial Stress Signals:

Have you heard the term "cash crunch?" Struggling with cash flow, lacking timely financial reports, or unsure about the profitability of parts of your business are all red flags. These signs mean you'd benefit from higher-level financial guidance to course-correct and drive strategy.

### Signs you need a Fractional CFO,

- ✓ Rapid growth
- ✓ Planning an exit/investment
- ✓ Cash flow issues

# 01

## Company:

A \$10 million/year revenue nonprofit startup was scaling fast but losing money. The leaders lacked clear financial strategy – they were pricing services by gut feel and had no budget plan.

# 02

## Fractional CFO Action:

Brought in a part-time CFO who restructured their pricing model, set up a budget and financial forecasts, and instituted monthly performance reviews. Our team’s analysis identified the most profitable customer segments to focus on.

*\*Renegotiated contracts, reshopped vendors, established new banking & lending relationships, developed cash flow analysis reports.*

# 03

## Result: Growth rebounded.

Within 12 months, the nonprofit doubled its revenue and turned profitable. With clearer financial direction, they also attracted a major investor, significantly boosting the organization’s profitability.

# Case Study: Nonprofit Doubles Revenue with CFO Insight

# Case Example: Family Business Sale Exceeds Expectations

## > **Company:**

A family-owned manufacturing business wanted to sell, but their financial records were messy and margins were shrinking. Initial buyer offers were lukewarm and lower than the owners hoped.

## > **Fractional CFO Action:**

A fractional CFO was hired 1.5 years before the planned sale. They cleaned up 5 years of financials, implemented proper cost tracking, and drove efficiency improvements that raised EBITDA by 15%. The CFO also prepared detailed financial reports and forecasts to show buyers.

## > **Result: Successful exit.**

When the company went to market, it impressed buyers with its transparent finances and improved performance. It sold for about 20% above the initial offer price, largely due to the higher profits and confidence instilled by solid financials.



# Key Takeaways

# 1

## **Fractional CFO = Strategic Partner:**

Even on a part-time basis, a fractional CFO delivers high-impact financial leadership – guiding strategy, sharpening decision-making, and instilling financial discipline in your business.

# 2

## **Boosts Value & Readiness:**

By improving cash flow, profitability, and internal controls, they increase your company's value and ensure you're ready for major events like raising capital or selling the business.

# 3

## **Flexible & Cost-Effective:**

You get the right level of expertise when you need it, at a fraction of the cost of a full-time CFO. This means even smaller companies can afford world-class financial advice and reap the benefits. **In short:** The hidden power of a fractional CFO is the ability to gain an experienced financial navigator for your journey – one who can drive growth, protect your business, and maximize its worth.

# Key Takeaways (Cont.)

## Actionable steps:

- Insured Cash Sweep
  - What is it?
  - How can it help my business?
  - What are the benefits?

## Here's how:

- Cash is protected at all times.
- Cash is invested throughout the day.
- Automatic process.

## Bank Safe, Bank Smart<sup>®</sup>

### Why Choose Insured Cash Sweep?

With the Insured Cash Sweep<sup>®</sup>, or ICS<sup>®</sup>, service, you can place your funds into demand deposit accounts (using the ICS demand option), money market deposit accounts (using the ICS savings option), or both, and:

- **Rest assured** knowing your ICS funds are eligible for multi-million-dollar FDIC insurance that's backed by the full faith and credit of the U.S. government
- **Earn returns**; put your money to work for you
- **Access your funds** with unlimited program withdrawals (using the ICS demand option) or up to six program withdrawals per month (using the ICS savings option)
- **Support your community** by keeping the full amount of your deposit local so that we can fund more loans here in our backyard<sup>1</sup>
- **Eliminate the ongoing tracking burdens** associated with collateralization and the need to footnote uninsured deposits in financial statements if you are accustomed to these practices

### What Else Do You Need to Know?

You receive a regular monthly statement from us showing your ICS balances and other key information. And you can check your ICS balances and track other important information of interest to you online, 24/7, through a specially designed Depositor Control Panel. Your confidential information remains protected.

### How Does ICS Work?

When our bank places your funds using ICS, your deposit is sent from your transaction account at our bank into deposit accounts at other ICS Network banks in amounts below \$250,000, the standard FDIC insurance maximum. As a result, you can access FDIC insurance coverage from many institutions while working directly with just us.



Sign the agreements, use an existing checking or other transaction account (or set up one), and deposit your funds. (If you choose both the savings and demand options, you will need to have a separate transaction account for each.)



**Bank 1** <\$250,000 in principal and interest  
**Bank 2 ...** <\$250,000 in principal and interest  
**Bank n** <\$250,000 in principal and interest

Deposits are sent to demand deposit accounts or money market deposit accounts at other Network banks in amounts under \$250,000, the standard FDIC insurance maximum per insured capacity, per bank. (You still receive just one regular statement from us.)

# Key Takeaways (Cont.)

## Actionable steps:

- Renegotiate with and shop all of your bigger vendors once a year. Making sure they aren't too comfortable. This can actually offset inflationary pressures.
- Utility cost analysis. Make sure that all your HVAC units and your lighting are set up with programmable thermostats, LED bulbs, and switches.
- Lock down variable labor costs through real time monitoring of
  - “Milking the Clock” - Clocking in early and out late
  - “Buddy punching” - Have a coworker clocking you in or out when they are not there.
  - Biometric time clocks.
  - Nobody clocking in or out, outside of allowed schedules

These are just a few steps you can take in you company to have an immediate reduction of costs.



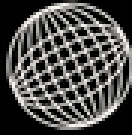
## Questions & Discussion

We've covered a lot of ground in how fractional CFOs can elevate your business. What questions do you have?

Feel free to ask about how a fractional CFO might work in your specific industry or situation.

### **Discussion:**

Have you identified a financial gap in your business where you think strategic finance help could make a difference? Let's talk about it. (This slide opens the floor for Q&A, encouraging attendees to apply these concepts to their own business scenarios.)



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# Thank You for Joining Us

Thank you for taking the time to explore the strategic power of fractional CFOs in this webinar. We hope you found these insights valuable and gained a clearer understanding of how strategic finance can propel your business growth.

Your business deserves top-notch financial guidance, even if it's not full-time. Remember that help is available to chart your financial future.

Authoritative but Accessible: At Visions Alliance, we believe in making high-level finance concepts accessible to every business owner – empowering you to make informed decisions. (Brand tone reinforcement without a sales pitch.)