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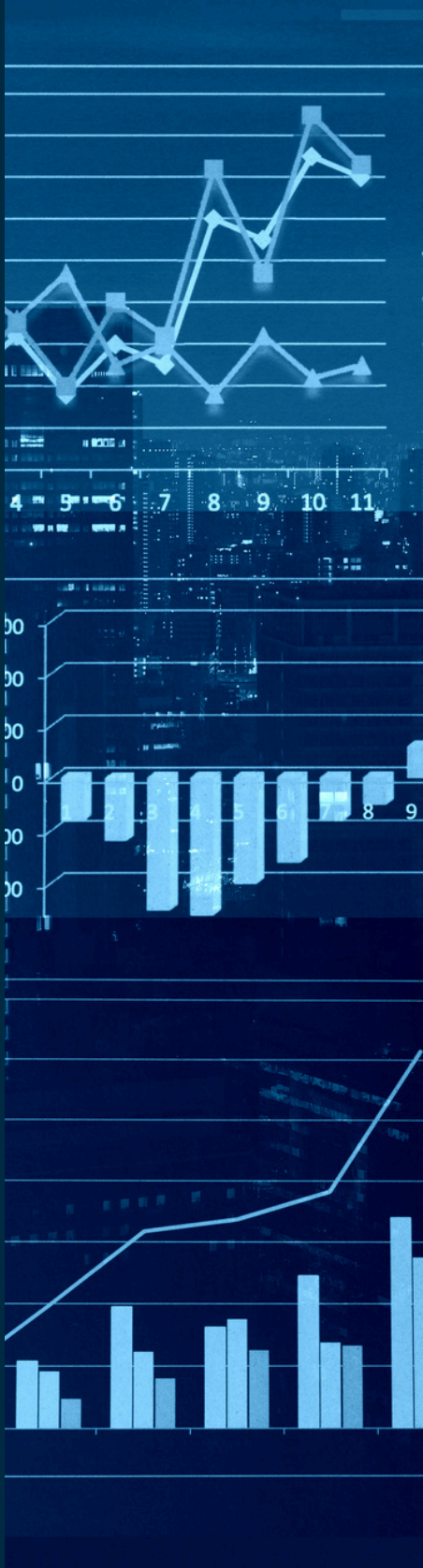


TIPS FOR CHOOSING A CFO-SERVICE

**Ensure that your financial partner
understands and supports growth
entrepreneurship**



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THE MEANING OF CFO-SERVICES FOR GROWTH COMPANIES

Startups and growth companies face various types of financial challenges as they scale. Investors and the board require reliable profit- and cash flow forecasting, better financial control and more detailed reports. However, at this point, few companies have their own in-house financial experts, and hiring a full-time CFO may not be at the top of the list of priorities. This is where (virtual) CFO Services come in.

CFO Services offer startups and growth companies the opportunity to access the knowhow and experience of a seasoned financial executive without the commitment of a full-time in-house hire. These services include a range of essential financial management tasks that are tailored to fit a growth company's unique needs.

This mini guide is designed for growth companies at different growth stages, offering general advice on how to choose the right CFO service provider. The practical tips shared here are based on years' worth of experience regarding the real-world challenges of growth entrepreneurship and choosing a CFO service.



CHOOSE AN EXPERIENCED PARTNER

Knowhow and experience are the top two most important qualities of a CFO partner. Practice makes perfect, but as a growth entrepreneur, you probably don't want the service provider practicing with your money.

An experienced CFO service provider brings expertise, insight and confidence to the table – qualities that are invaluable especially during growth stages or times of change.

Make sure your partner has experience with different types of companies – and those at various stages of growth – so they can tailor the service to fit your specific needs.



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Keep in mind that the service is always built around the individual's expertise and experience. Ensure that the person who would be responsible for your company's service personally has this broad experience.

Ask for references that speak for this experience, and confirm with the references that this specific person has acted as the service provider (instead of someone else at the same company).





CHOOSE A PARTNER WHO CONSIDERS YOU AN IMPORTANT CLIENT

The unfortunate truth is that for large consulting or accounting firms, you're rarely a top-priority client.



Instead, a small entrepreneur-driven service provider has a better understanding of the entrepreneurial spirit from firsthand experience. That's why they are often a better fit as a partner for a growth-oriented company when compared to an employee of a large consulting firm.




A small, entrepreneur-driven service provider understands the entrepreneurial spirit and is a better fit as a partner for a growth-oriented company

With an entrepreneur-driven partner, you won't get lost in a sea of clients - you're genuinely valued as one. This means that tight schedules, ad hoc needs and critical decisions are handled promptly, and proactive insights are introduced consistently.

As an important client, the unique characteristics of your growth company are taken into account. CFO services are at their most effective when tailored to your specific needs and when the partner is truly committed to your company and its goals. In this case, the focus is on building a long-term partnership, not just on relentless execution.



CHOOSE A PARTNER WHO UNDERSTANDS YOUR NEEDS



If your service provider doesn't understand your company's needs, the service can easily turn into a 'one size fits all' solution. This is a no-go for a growth-oriented company that instead requires an agile solution.

In case your service provider has no first-hand experience in entrepreneurship, it's next to impossible for them to step into the shoes of an entrepreneur. This can easily lead to misunderstandings and poor communication.

” If your service provider has no firsthand experience in entrepreneurship, it's difficult for them to see things from the entrepreneur's perspective

In your first meeting observe your service provider. Ensure that they listen and take your needs into account instead of boasting about their excellence. It's especially important that the service can be tailored to fit your company's unique needs and situation.

In addition, your partner must be able to not only tell but show through examples how they'd fix your problems.



ENSURE THAT YOU GET VALUE FOR YOUR MONEY

In the worst case a CFO service's monthly price may be well in the four digits and only include monthly reporting.



So, be sure to request a detailed description of what the service includes and what it costs. This way, you can ensure that you're getting the much-needed tailored service, but also true value for your money.



Don't accept hourly pricing, as it prioritizes spending time over creating value

We strongly advise against accepting hourly pricing, as it encourages spending time instead of creating value. In that case the service provider won't have the motivation to develop and automate reporting and controlling processes.

Instead, choose a model where pricing is based on the value created, and where you pay for the benefits achieved, not for how many rows in Excel the provider reviews.

A good CFO service should positively impact your cash flow, decision-making and peace of mind. So, make sure you choose a knowledgeable partner who operates transparently and supports the goals and needs of your growth company.





DON'T BE AT THE MERCY OF JUST EXCELS

Digitalization and automation are essential parts of developing the processes of financial management. Make sure that your CFO partner is not at the mercy of just Excels.

Technological advancements have enabled the development and streamlining of financial management processes. The field of financial services is in constant flux, and relying solely on Excel may no longer be enough to keep up.



Digitalization and automation are essential parts of developing the processes of financial management

In growth companies, situations change rapidly, and Excel by itself may not be the best tool for managing financial data in fast-growing or evolving businesses. Intelligent, modern tools, on the other hand, adapt more smoothly to changing needs and larger data volumes.

Ensure that your partner has modern tools and unwavering knowhow on their use so that they can automate and standardize the key processes of your financial management (e.g. forecasting, reporting).



TAKE AD HOC NEEDS INTO ACCOUNT

In addition to established and standard processes, as a growth entrepreneur you regularly need assistance with various, often less predictable calculations and reporting requests from investors, authorities, and other stakeholders.




Responding to ad hoc needs without delays requires agility, flexibility and staying on top of situations from the CFO-solution

These calculations etc. typically consist of the same data that just needs to be reported in different ways.

Responding to ad hoc needs without bureaucracy and delays requires agility, flexibility and staying on top of situations from the CFO solution. As a growth entrepreneur you need quick answers to your questions, and the CFO service needs to react pronto, and support decision-making immediately, not in a few weeks' time.

Handling ad hoc needs is time-consuming, so ensure that your CFO partner can manage these as part of the offered service. The ability to handle these needs is what makes your CFO service provider a truly supportive business partner, and not just an entity reporting historical data.



MAKE SURE YOUR PARTNER HAS EXPERIENCE IN M&A PROJECTS

Many growth companies eventually aim to seek venture capital investment and sell the business.

At that point, the company needs a financial partner who can manage the financial deck, assist in negotiations on financial matters, identify potential pitfalls in M&A -projects, and help avoid them.



An experienced CFO helps in preparations and works as a financial interpreter between management and consultants

Business mergers and acquisitions are complex processes. When the DD-process kicks in - demanding extreme care and precision - a partner with in-depth knowledge of your company's financials becomes incredibly valuable.

An experienced service provider acts as a valuable advisor throughout the entire process and knows how to prepare for the project and what information is needed. In addition, they serve as a financial interpreter between the opposing party's lawyers and consultants and the company's management.

Make sure your CFO service provider has solid experience in M&A - projects and in successfully navigating them. In the end, their role can be crucial in determining whether the deal is a strategic and financial hit, or a complete flop.





DATA-DRIVEN CFO SERVICES

Because CFOs keep a vigilant eye on a company's liquidity, they are often seen as a brake in a firm. However, we see them more as a navigator - after all, financial data is what steers the business. While the entrepreneur or CEO sits behind the wheel (hands firmly at ten and two), the CFO sits in the passenger seat, alerting of upcoming turns, advising which direction to take, when to put the pedal to the metal - and when to ease off to avoid veering off course.

This metaphor became the foundation of our operating model at Dataveto. We offer data-driven financial management, providing carefully analyzed route directions to the entrepreneur behind the wheel.

Dataveto was founded in 2022, but our team has decades' worth of experience in tackling the financial challenges of growth companies. We always take a deep dive into our client's business, provide hands-on, practical and concrete services, and are fluent in both SaaS and entrepreneur.

Schedule a meeting! Visit www.dataveto.fi to book a meeting with us. Together, we'll assess your company's situation and identify potential areas for development and prioritizations.