

Bringing all the pieces of your financial life together

CHIEF FINANCIAL OFFICER



maclean Partners
CHARTERED ACCOUNTANTS



Every 'big business' has a Chief Financial Officer ('CFO') and there is a very good reason for this: **CFOs have a specific skill set that is essential for ongoing business success.** Why else would EVERY business on the stock exchange have one?

The cost for a decent CFO can be anything from \$150,000 to \$millions and this is the main reason why smaller businesses do not have one. Smaller businesses just don't have either this much in spare cash or the work load to keep a full time CFO occupied.

We recognise the benefits that CFOs bring and provide these CFO services for our clients on a part time basis. These services are often referred to as 'external CFO' services and are becoming increasingly more popular.

Our External CFO Program is essential for all businesses to fulfill their potential and for all business owners who wish to reduce the business stress and uncertainty in their life.

The Maclean Partners *External CFO Program* helps businesses in a number of ways, particularly in each of the Six Requirements for Business Success:

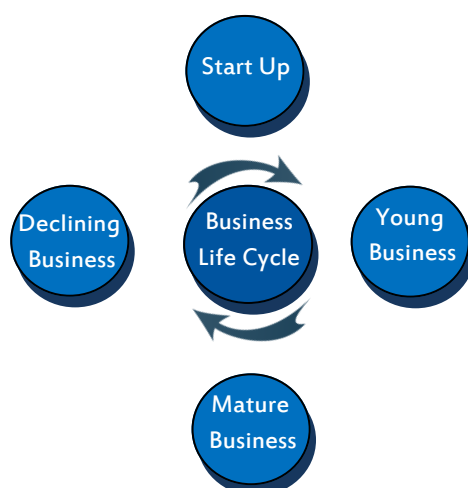
1. Have a good product or service (or range thereof)
2. Have a good, clear business plan
3. Have a good, clear marketing plan
4. Manage your cash flow
5. Proactively manage your business
6. Proactively manage your exit

None of these ever 'get ticked off'. As the business world is constantly evolving, a business needs to be disciplined in constantly reviewing each of these. If they aren't, their business will either be exposed or not fulfilling its potential (or, most likely both!). This is where the External CFO can help.

Our External CFO engagements are specifically adapted to suit each client. However each engagement is fairly consistent to our 'standard approach'.

1. Strategic Planning Workshop
2. Creating Budgets and Cash Flows
3. Developing Marketing Strategies
4. Short period of weekly meetings to make sure 'actions arising' from the workshop are actually implemented
5. Monthly Budget Reviews
6. Quarterly (or 6 monthly) Budget and Strategic Reviews (more detailed than the monthly reviews)

Repeat Stages 1 to 6



Much has been written about the Business Life Cycle and its various stages. There are 4 stages in the life cycle of a business:

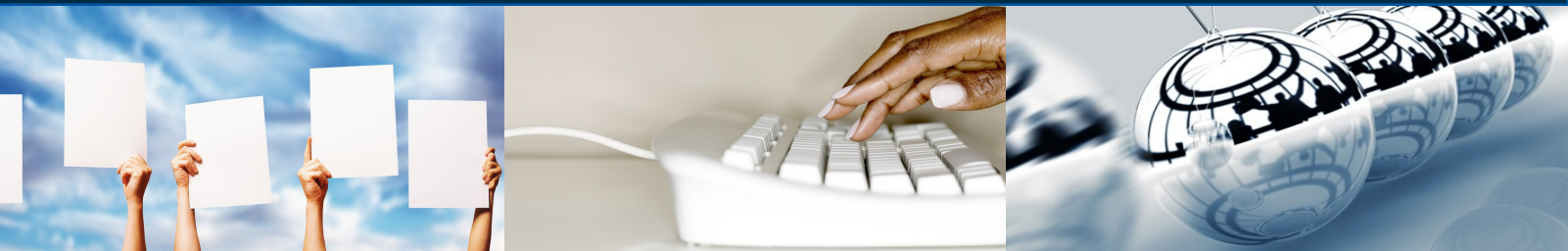
1. Start Up
2. Young Business
3. Mature Business
4. Declining Business

(see our Life Cycle blog on our website for more details)

An External CFO can definitely help businesses transition through Stage 1 and 2 quicker than if a business tries to 'go it alone'. Importantly if a business is not properly 'set up' it stands a good chance of by-passing stage 3 altogether!!

If a business DOES manage to get to Stage 3 it needs to constantly reinvent itself to avoid entering Stage 4. This is another key responsibility of the External CFO. Business Owners in Stage 3 almost always become more complacent than their competition—this is one of the main causes of Business Decline. The reason for this is that **they are not accountable to anyone.** An External CFO injects this *external accountability* and so can help prevent stage 4.





BENEFITS OF FOLLOWING A 'TRIED AND TESTED' FORMAT

In our experience every business benefits from holding a strategic planning workshop:

1. Every time it faces a 'significant event'
2. Every year

The reasons are quite obvious. Serious business analysis can ONLY be achieved in an environment that is conducive to this analysis. We have significant experience in these workshops and this experience enables us to conclude that:

- * The dynamics of these workshops are very different for a multi owner business compared to a sole trader.
- * The dynamics of these workshops are very different for a family held business compared to a non family held business.
- * The dynamics of these workshops are very different for a business whose owners are 'cross generational' compared to one whose owners are similarly aged.
- * If not conducted properly these workshops can be VERY damaging, especially for family businesses.
- * For these workshops to be effective it is CRITICAL for them to follow a structured approach.
- * For these workshops to be effective it is CRITICAL for them to be externally facilitated by an experienced business adviser. There are many reasons for this including 'keeping the workshop focused on major issues', not letting any individual 'take over' the workshop, having someone external to the business to 'challenge your thinking' and injecting some external accountability into the process (this is generally required to make sure 'things happen' as a result of the workshop so that it doesn't just become a 'talkfest'). The external person then has to take control of implementation, review and update of the action plan.

"You cannot fulfill your potential if you do not have a goal"

BENEFITS

The benefits of using an External CFO are huge and are mainly associated with:

- ✓ Growing your Business
- ✓ Protecting your Business (and other assets)
- ✓ Securing the future of the Business and
- ✓ Developing the best strategies for exiting the Business

Our External CFO services deliver great peace of mind for business owners and provides them with a sense that they are 'in control'. Owning a business can be very lonely, stressful and unenjoyable—we help eliminate these feelings.

Business failures have significant negative repercussions. Many business failures are actually avoidable but are not prevented because the owners either didn't recognise the warning signs or didn't know how to respond to them. An External CFO will provide support in these areas.

Multi owner businesses often underperform because the owners have different plans for the business which results in them pulling the business in different directions.

The Strategic Workshops included in our External CFO Program ensures that there is alignment between owners regarding 'where they want to take the business'. Without this alignment the business will obviously underperform, the owners will become frustrated and personal stress levels become unnecessarily high. The sad thing is that such matters are easily avoided—use an External CFO.

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ADVICE PROVIDED MAY INCLUDE:

- ◇ BUDGETS AND CASH FLOWS
- ◇ BUSINESS FINANCE OR REFINANCE
- ◇ BUSINESS GROWTH PLANNING
- ◇ BUSINESS MARKETING
- ◇ BUSINESS VALUATIONS
- ◇ BUY AND SELL AGREEMENTS WITH SUPPORTING INSURANCE COVER
- ◇ BUYING AND SELLING OF BUSINESSES
- ◇ CHILD MAINTENANCE TRUST
- ◇ COMPLIMENTARY BUSINESS REVIEWS
- ◇ EXTERNAL CFO
- ◇ FINANCIAL PLANNING INCLUDING CONSIDERATION OF INSURANCE NEEDS
- ◇ GENERAL FINANCIAL MANAGEMENT
- ◇ SETTING UP A NEW BUSINESS
- ◇ SELF MANAGED SUPER FUNDS
- ◇ STRATEGIC BUSINESS PLANNING
- ◇ SUCCESSION PLANNING
- ◇ TAX PLANNING

FEES

Our External CFO fees are spread into monthly payments which makes our clients' cash flow easier to manage and importantly are backed by money back guarantees and are cancellable at any time without penalty.

Alternatively we can just conduct a one-off Strategy session with business owners and leave the 'implementation and ongoing review' to the business owners (our least preferred model as, invariably, the owners become distracted and focus on operational issues).

For obvious reasons, our fees are much smaller for smaller businesses. As a general guide, fees for micro businesses start at around \$450 plus GST per month and increase to around \$1,300 plus GST per month for multi millions dollar businesses (these figures are indicative only).

TESTIMONIAL (from 1 partner of a 4 partner industrial business)

Many thanks, and you did Great, cannot thank you enough. I went to the dentist yesterday and got a tooth taken out, this was actually easier to come out then some of the info you got yesterday from the other 3!! Lov ya work Man!

We reserve the right to refuse any External CFO engagement if we feel it would be a conflict of interest with other engagements we currently hold (eg we would not be External CFO for two companies who are in competition with each other).

Maclean Partners Chartered Accountants

TOWNSVILLE

250 Ross River Road
Aitkenvale 4814
P: (07) 4729 2222
F: (07) 4779 5969

CHARTERS TOWERS

Cnr Boundary & Mill Street
Charters Towers Qld 4820
P: (07) 4788 2800
F: (07) 4788 2816

www.macleanpartners.com.au
mpca@macleanpartners.com.au



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