



Think Like A CFO

Drive Better Results
For Your Business Owner Clients
AND
Your Business

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Brian Wright, CFP[®], MBA

- Co-Founder: Fiduciary CFO
- Co-Founder: FA BeanCounters
- RIA Owner: Wright Planning
- Pinball Famous



Kitrina Wright, CPA

- Co-Founder: Fiduciary CFO
- Owner: Wright Accounting Group
- Co-Founder: FA BeanCounters
- Sang opera solo for Ben Stein



Profile of your business owner clients

Profile of your business owner clients

- They consider you a trusted advisor.
- You are the only professional in their world that is forward thinking.
- They are your largest clients from a Net Worth perspective, but are middle of the pack from a client Revenue (AUM) standpoint.
- They are willing to invest in their business if they believe it will help them achieve what they are chasing.
- Their recurring pain points are business cash-flow and tax liability uncertainty.
- They hope to have a significant liquidity event when they sell/retire.

Profile of a Financial Planner

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- Understands clients current financial situation
- Helps clients identify and prioritize goals
- Analyzes clients current financial trajectory
- Develops & presents financial recommendations
- Oversees implementation of financial recommendations
- Monitors progress & updates as needed
- Strategic / Forward Thinking
- Good communicator and follow through

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Financial planners are uniquely skilled to provide CFO-level leadership to business owners

The Triple-A

- **A**spirations
- **A**nalysis
- **A**ccountability

You can provide considerable value to business owner clients
by simply focusing on The Triple-A

Business Owner Consulting Engagements

- Meaningful Financial Statements
- Budgets & Forecasts
- Meeting Frequency & Agenda
- Pricing & Billing
- Other Considerations

Rules of the Road

- Competency
- Scope Creep
 - Strategic work NOT Tactical work
- Time Suck
- Your Mileage May Vary
 - Current level of business FP&A processes & sophistication
 - Like all things planning: it depends



Meaningful Financial Statements

- Balance Sheet
- Profit & Loss Statement
 - Customizing the Chart of Accounts
 - Benchmark Data
 - Class Tracking
- Cash Flow Projection
 - NOT a traditional “Statement of Cash Flows”
- Budgets & Forecasts

Budget vs Forecast

Budget

- Tactical tool
- Snapshot: 12 month
- Annual activity
- Establishes income & revenue targets
 - Spending limits AND spending goals
- Will not (typically) change once established

Forecast

- Strategic tool
- Predicting trends: Rolling
- Regular activity: monthly or quarterly
- Compares actual financials to budget
 - On track? Trending over/under? Why?
- Updated as changes to the business environment occurs

Budgets & Forecasts

- When they already exist
 - Obtain current budget and forecast from business owner
 - Ask that you be included automatically on future distributions of the updated reports.
 - Offer to attend budget meetings.
 - REMEMBER: You are likely the only person who knows the personal goals of the business owner and how the business bottom line impacts the personal financial plan.
- When they don't...

Creating Budgets & Forecasts

Budgeting INSIDE of QuickBooks

- Budgeting module available only in QuickBooks Online **PLUS** or **ADVANCED**
- QBO Budget module
 - Pro: Easily run Budget vs Actual reports
 - Con: No rolling budget option
 - Con: Can't drill down into budget detail

Budgeting OUTSIDE of QuickBooks

- Excel Export
 - Manually Export financials from QBO into Excel
 - Spreadsheet Sync (QBO Advanced only)
- Third-Party Software & Integrations
 - QBO Spreadsheet Sync Feature
 - QBO Advanced only
 - G-Accon (Google Sheets & Xero)
 - Divvy

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Accon

vy

Creating Budgets & Forecasts

Example Delegation of Duties:

Bookkeeper

- Initial export and report creation
- Updating financial data when books are reconciled
- Send/notify Advisor when data has been updated

Advisor

- Coordinate with Bookkeeper & Owner to clarify questions and move things forward.
- Nudge Owner as needed. Drag over finish line, if you must.

Owner

- Identify KPIs
- Establish initial 12-month budget and recurring meetings (with Advisor) to update forecast.



Meeting Frequency & Agenda

- Recurring Meetings
 - Monthly Check-In Calls (30 minutes)
 - Budget vs Actual Report
 - KPIs and Trends
 - Upcoming Income/Expenses
 - What's new / What's working / What's not
 - Listen for opportunities to loop-in/engage outside pros
 - Tax projection
 - HR / Staffing
 - Commercial Banking / Commercial Insurance
 - Legal
 - Identify next steps (and who) to make forward progress on goals
 - Annual (Q4)
 - Recap progress business has made in last year (review what YOU have helped them accomplish too)
 - Budget review (creation?) for next calendar year
 - Goal setting & major initiatives for next calendar year (and beyond)
 - Coordinate around personal planning meetings?

Pricing & Billing

- Pricing
 - Depends on scope of work & frequency of meetings
 - \$10,000 - \$50,000+/yr
 - Factors to consider when establishing pricing
 - Time commitment (Labor costs)
 - Barometer: What % of their business revenue is your fee?
- Billing
 - B2B consulting agreement - BILL THE BUSINESS (business expense)
 - Monthly billing - businesses pay every other bill monthly

Other Considerations

- Ideal Businesses/Client Size
 - Niches
 - Service Businesses
- Legal & Compliance
 - ADV
 - Separate entity for consulting?
 - Appropriate E&O coverage
- Staffing
- Outside Designations
 - Business “Coaching” Programs
 - CEPA
 - CVGA

Final Thoughts

- Roll out with existing business owner clients.
- Prospecting tool for new business owner clients.
- Service can be a differentiator with CPAs and other COIs.

Questions?

Thank You!

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