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An outsourced CFO model involves a business enlisting a CFO on an ongoing part-time, temporary or project-based basis. This gives small business owners the strategic financial expertise they need, while saving them money in terms of the ...

Jon Baron • May. 23, 2016



For small business owners, turning a dream into a profitable reality is evidence of true success. As profits roll in and finances become more complex, however, deeper strategic advice and financial expertise is often needed to ensure that success continues. For most small businesses owners though, hiring a CFO with a six-figure salary simply isn't in the cards.

Enter a recent trend in “outsourced” CFOs, which gives small businesses access to

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full-time financial officer. It also gives them the flexibility to retain a CFO for as long or as little as they like.

Responsibilities of an outsourced CFO may include overseeing financial and accounting functions, training staff on accounting best practices, developing cash flow improvement programs, minimizing tax liability, evaluating internal controls, and producing meaningful financial statements.

From CPA to CFO

As more and more accounting firms use technology to standardize workflow and streamline compliance services, their time is freed up to turn their focus to providing clients with advisory-based offerings, like outsourced CFO services. With this evolution comes more strategic work, deeper client relationships and increased revenue—and firms that are taking steps in this direction are reaping huge benefits.

Consider this: If your firm already handles the books for business clients, therein lies an opportunity to provide additional services, like financial planning, strategy and analysis. This progression and extension of services is a natural one. You already know the business and have built a trusting relationship with the client, so who better to help plan and implement initiatives designed to reduce costs and increase profits than you and your firm?

A real-life example

Chris Coggins established his firm, [The Tax Office, Inc.](#), in Roseville, Calif. in 1986. Back then, he primarily offered tax and accounting services, along with some bookkeeping. After moving to an advisory-based model, his firm has not only expanded into payroll and consulting services, but created the “Outsourced CFO Solutions” brand.

“Basically, clients rent a CFO on a monthly basis over a couple of years, and they get

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“This is probably the most successful launch of anything I’ve ever done in nearly 30 years of being in business,” Coggins says. “In the first three months, we tripled our initial investment.”

Consulting is the future

Today, clients are looking for value beyond compliance services. They need tax preparation, accounting and payroll services, but they want a trusted advisor who is going to help them run a better business and grow that business.

“The tax preparation business is changing, and the ability to work with clients on a collaborative basis is where the industry is headed,” Coggins says. “To be a next-generation accounting practice, you have to focus on the consulting side of the business.”

So, consider capitalizing on your built-in relationships, knowledge and financial expertise to offer outsourced CFO services to your business clients. It might just be the consulting-based expansion opportunity your firm is looking for.

Jon Baron joined the Tax & Accounting business of Thomson Reuters in 1992. Prior to his current position as Managing Director of the Professional segment, Jon held the positions of President of Professional Software & Services, and Vice President of Development, where he was responsible for the design and development of all Professional products and services. Jon has three decades of technology development and management experience. Jon holds a BBA in Accounting from Siena College and an MBA from Boston University.

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