

VIRTUAL CFO, CONTROLLER & ACCOUNTING SUPPORT

Client: CEO of a Petroleum Distributor Company in New Jersey

Outsourced Accounting and Virtual CFO Services

Business Situation:

Our client had been in business 5 years. Growth and profitability had been reasonably steady. The company was getting bigger, as were the problems, risks, and opportunities. The company had a controller and an accounting clerk, both of whom had been there several years. The main issue was that the company had grown, but the controller had not. ECS was engaged to address that issue.

ECS Solution (How We Helped):

Our first step was to assess the current situation, and to determine where improvements were needed. We analyzed the existing financial and operating information reporting systems. We identified several areas for which system modifications were required to produce accurate and timely information. We also recommended three new tracking and reporting systems. These new systems provided key decision-making information that had not previously been available. The changes represented the first steps toward bringing the company's financial function to a level that supported its current size and its future aspirations.

We then began addressing the company's other concerns and identifying its risks and opportunities. At this point the company owner was ready to make a decision on the controller. Early in the engagement we had discussed his options. ECS could:

- Make the necessary improvements and changes to the company's financial and operational reporting systems, identify current risks and opportunities, and enhance the existing controller's skills through training.
- Implement the same improvements as in 1 while assisting the client in hiring a more skilled controller.
- Replace the controller, becoming the client's part-time (Virtual) CFO/controller.

The client decided he would like us to take the place of his controller. He would then be able to continue to take advantage of the higher level of skill and business insight provided by his Virtual CFO. He appreciated having a sounding board and a virtual business partner.

We had determined that the existing accounting clerk had excellent skills and would be able to take on additional responsibilities. Many of the tasks the controller had been doing could be systematized, allowing them to be completed by the accounting clerk. After implementation of those changes, day-to-day functions could be completed by the existing accounting clerk plus a new, part-time clerk. ECS would be retained one day a week to oversee and train the clerks, make adjustments to systems and assumptions, analyze results, help modify strategic plans, and continuously monitor growth, risk, opportunities and the business environment. After the changes, the client found he was actually spending less money on his financial management function.