

SMESpotlight

Part-time CFOs help bosses focus on growth



officer is helpful for small and medium-sized enterprises and start-ups that are held back from growth as owner-managers or finances in order. More companies are offering such services as demand steadily increases. PHOTO: ISTOCKPHOTO

Smaller firms turning to such services to manage costs and draw on talent, expertise

Wong Wei Han

Companies lacking the resources for proper money management can now engage the service of part-time chief financial officers.

Such a service could be particularly helpful for small and medium-sized enterprises and start-ups that are held back from growth as they struggle to keep their finances in order.

The CFO Centre, which is part of Britain's Liberty Group, is one of the companies here that provide part-time CFO and finance director services.

Liberty Group chief executive Sara Daw told The Straits Times: "Often you find the owner-manager or entrepreneur trying to do finances themselves. Most of them do not have the right skillset to optimise the cash flow, margins and accounting processes.

"When we come in, we immediately free them up so that they can do the more valuable work for the business, to build the company for growth."

The CFO Centre has a team of six CFOs, charging on average \$2,500 a day for their services.

Mr Steve Settle, managing director of The CFO Centre Singapore, said: "So it's not that their service is cheap. But because they are part-time, the usage is flexible and can be terminated at any time. That's where you get the saving."

The part-time CFO typically works three days a month for one client, which translates to less than \$10,000 in fees.

In comparison, hiring a full-time CFO or finance director may cost anywhere from \$15,000 to \$40,000 a month, said one of the part-time CFOs, Mr James Morgan.

But the clients still get plenty out of the deal. Mr Morgan is advising security firm Vantage Point in its expansion to Indonesia, where he had worked for six months in the past.

Mr Jeremy Gray, another part-time CFO, has worked with Expat Dental Group for a year.

"Previously, they relied on external accountants who stopped short at providing a balance sheet, without any analysis that

could help the owners improve the business," Mr Gray said.

"We were able to help them speed up the closure of accounts, improve profitability and put the group in the position to reverse last year's loss. I am also helping to train people for finance roles."

As demand steadily increases, The CFO Centre's revenue has jumped from around \$25,000 in 2013 when it started here, to over \$700,000 last year. Mr Settle expects the figure to hit \$1 million soon.

India's SuperCFO is another provider. It set foot here less than a year ago and now has a team of three CFOs.

Mr Alagappan Perianan, SuperCFO's Singapore managing director, said the team is working with companies in the manufacturing, trading, retail, financial services and technology sectors.

"SMEs do recognise the advantages of engaging a senior finance professional in their business - be it for budgeting, managing cash flows or implementing stronger processes and controls," he noted.

"Rising costs is a cause of concern, and everyone is focusing on their bottom line. With a solution like this, companies can hire good talent, for a fraction of costs, since the talent is not full time."

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FLEXIBLE USAGE

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MR STEVE SETTLE, managing director of The CFO Centre Singapore, on charging \$2,500 a day on average for its services