

CASE STUDY

SYSTEMS TRANSITION

Technology and process upgrades allow B2B services company to reduce costs, errors and burden on principals.

SITUATION

A B2B services company with a nationally distributed workforce had grown beyond its current systems and vendors.

OPPORTUNITY

The weekly Accounts Payable process relied on wet signatures from approvers. Signers were often traveling or otherwise occupied, delaying payments and confusing the process.

Financial reporting and accounting was completely dependent on a local bookkeeping vendor and on their on-premises accounting system license as well as on the vendor's internally developed reporting software. This combination had led to reporting errors, latency and the impossibility of independently recreating financial reports.

ACTION

Experience with a wide range of systems and vendors enabled our fractional CFO to:

- Rapidly identify a cloud-based accounts payable system that allowed the distributed team to efficiently review and approve expenses
- Oversee the implementation of this system, including new process development and training
- Select and transition to an accounting and financial reporting system that did not rely on any single outside-service provider

BENEFITS

The successful changes in systems and processes resulted in:

- Faster and more reliable financial reporting
- Reduced bookkeeping expenses

While the change from a paper-based to a digital accounts payable platform brought:

- Reduced risk of AP errors and fraud through better controls
- Increased cash availability through more efficient AP management
- Less paper waste and more robust records storage

DISCUSSION

Vendor and system changes can be disruptive and expensive with unexpected downstream impacts (e.g. cash management; audit readiness; fraud and error risk etc.). The changes require a CFO with the relevant expertise to oversee the development of the whole ecosystem required for a successful outcome.

For companies that can't justify the expense of a full-time CFO, the right fractional CFO can be a very effective source for policies and processes which support quality financials for a business now and in the future. In this case, the fractional CFO's change-management experience made all the difference.

This case study is based on an ongoing fractional CFO engagement to provide oversight of the Client's accounting, tax, financial planning and analysis, and its treasury management functions. Engagements like this are a very cost-effective way of accessing a sophisticated financial perspective. This case describes one of several valuable outcomes to the Client over the course of the engagement. These fractional engagements typically last until a client has grown enough to necessitate a full-time CFO.