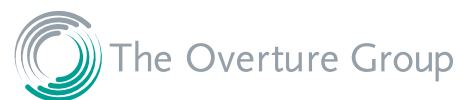


CONTROLLER OR CFO? THAT IS THE QUESTION

By John Liacone & Bob Lindeman



In today's economy, hiring the right financial leadership is critical to a company's success. You need to make sure you have the right person for your company's needs.

Many mid-size business owners struggle or ask themselves, "Do I need a Controller or a CFO"? The answer is different, depending on your company's situation.

When looking for that person, you first need to understand the general difference between a Controller and a CFO. A Controller is typically the day-to-day manager of the tactical accounting issues and functions. The CFO serves more as a strategic advisor to the owner or CEO. A CFO also tends to become more involved with strategic and operational issues outside the accounting department, including possible interaction with customers or critical vendors.

What The Overture Group's Executive Search Team has found is that many mid-size businesses need what we have termed a "Shirt-Sleeve CFO™." This is someone who can be a strategic resource at 10:00 am and work on a tactical issue at 2:00 pm. He/she is flexible enough to roll up the sleeves and get the job done as well as bring value to the organization through both delegation and strategic, solid financial management. Mid-size organizations normally are looking for a practical problem-solver who will respect the historical culture of the company while positioning the company for future growth. The pro-active Shirt-Sleeve CFO™ listens, plans, delegates and remains integral to a project's completion.

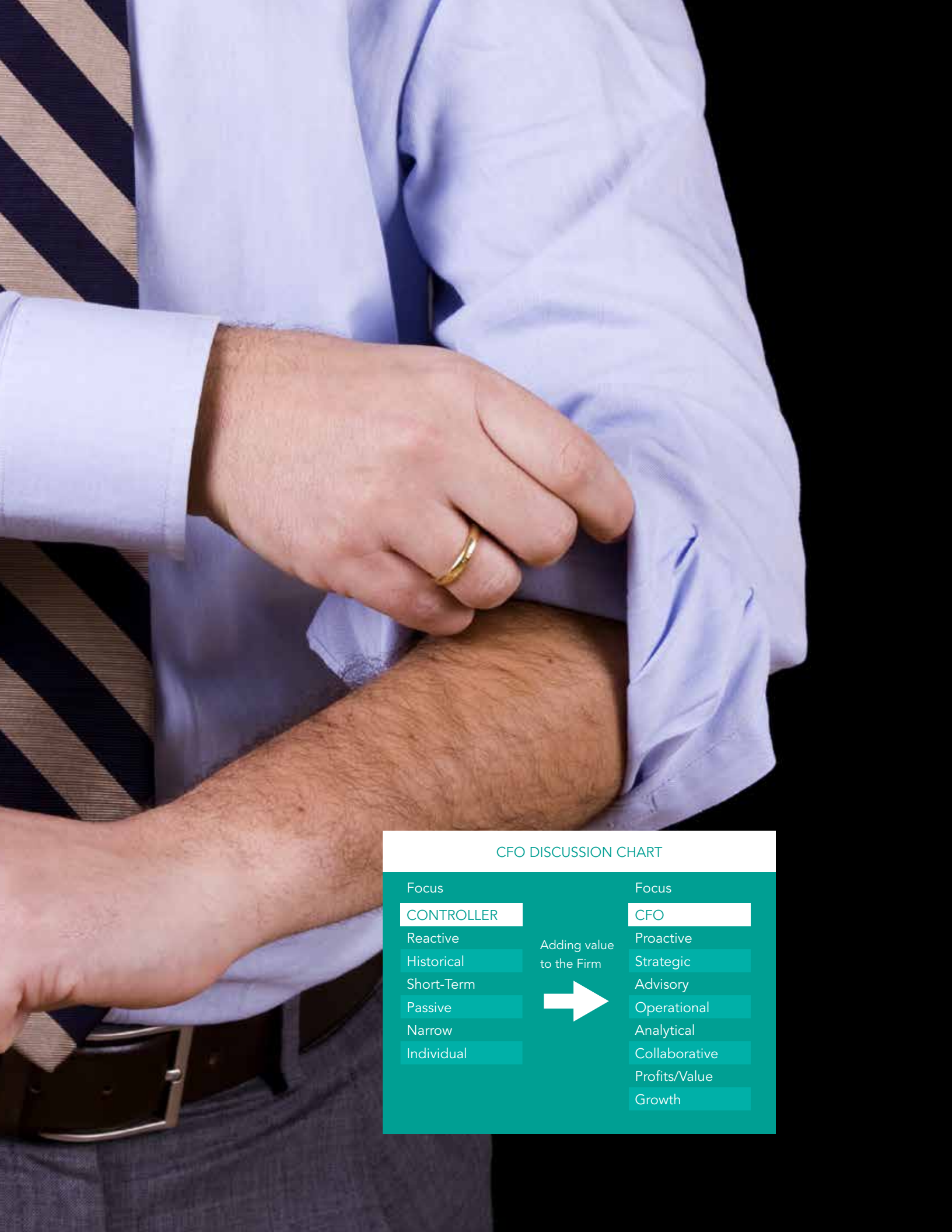
One critical aspect of finding a successful Shirt-Sleeve CFO™ for your company is considering his or her previous employer's culture. Did she come from a large company with plenty of resources at her disposal? Or did he come from a mid-size business where the culture was, "I am the person who needs to be resourceful and get the job done"? We have seen a higher level of success from CFOs coming out of mid-size businesses.

To the right is a chart that really examines the characteristics of both a Controller and a CFO. As you move from a Controller to CFO level, you start adding more value to your company, both short-term and, more importantly, long-term. It is important to note that some Controllers may have some of the characteristics in the CFO column, but their tendency is more in the Controller column. Similarly, some CFOs may have a couple of the Controller's characteristics.



A "Shirt-Sleeve CFO™"

is someone who can be a **strategic** resource at 10:00 am and work on a **tactical** issue at 2:00 pm.



CFO DISCUSSION CHART

Focus

CONTROLLER

Reactive

Historical

Short-Term

Passive

Narrow

Individual

Adding value
to the Firm



Focus

CFO

Proactive

Strategic

Advisory

Operational

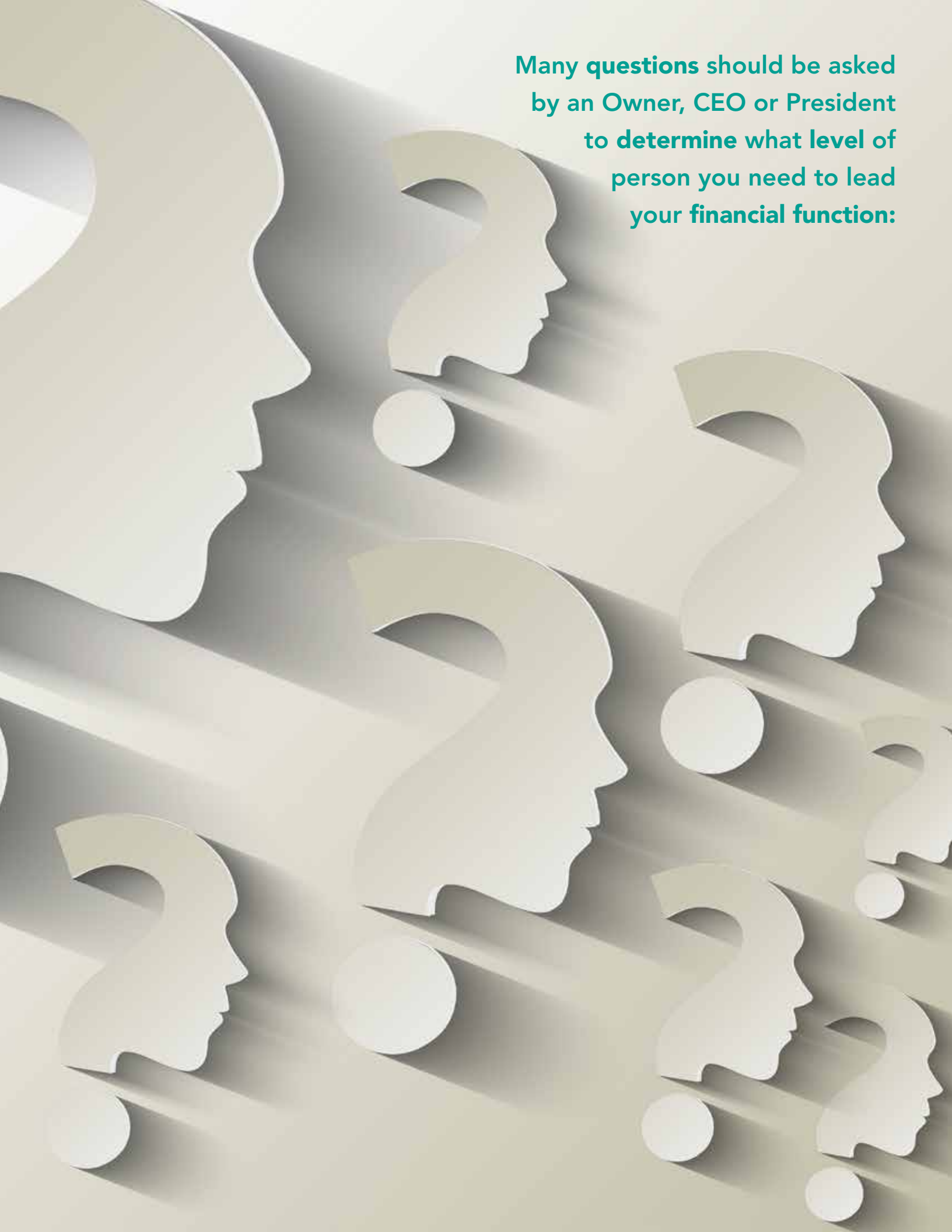
Analytical

Collaborative

Profits/Value

Growth

**Many questions should be asked
by an Owner, CEO or President
to determine what level of
person you need to lead
your financial function:**



1. What are my growth projections? What will my company look like in three to five years and what will my needs be in financial leadership?
2. Am I looking for my right-hand person to advise me on a number of strategic, financial and operational issues?
3. How is my communication and relationship with my bank? Do I get them accurate information on-time as requested? Do they have confidence in my lead financial person? How important is that to the bank?
4. How involved do I, as the CEO or owner, want to be in financial matters?
5. Do I need to improve my budget process and disciplines? How about my strategic planning process and execution?
6. Do I need someone to negotiate risk insurance, benefits and other key contracts for my company?
7. Do I just need a day-to-day manager to get tasks done such as accounts payable, accounts receivable, collections, reporting, month-end close and payroll?
8. Do I need help to recruit, build and manage the accounting department? Will this be the financial lead's primary focus or do I need someone who will get outside the accounting function to the other departments and locations and possibly countries?
9. Do I need to prepare a financial and management reporting package for Senior Management and the Board of Directors?
10. Do I need someone to interact with my Board or ownership group?
11. Am I capitalized right or do I need to raise more money?
12. How do I plan on growing? Organically or through acquisition? Internationally?
13. Do I need my financial professional to manage other areas such HR, IT, Administration, etc.? What should be the breadth of the responsibilities for this role?

These are all key elements you need to think about before you start looking for your financial professional. Having the right scorecard or roadmap can be the difference between a company that grows and thrives and one that does not get to the next level.

Analyze where you are and where you want to go. What type of resource do you need? A company's success is greatly driven by the leaders in the key functional roles.

Deciding whether your need a **Controller, CFO or Shirt-Sleeve CFO™** is one of the most **important decisions** you will make as a company leader.

ABOUT OVERTURE

The Overture Group finds the right people for your organization so you can keep moving—and pick up speed. As one of the Midwest's premier professional/executive/management search and interim placement firms, we tap into a network of the top finance, accounting, human resources, operations and technology professionals to find your fit. With expertise in every element of the hiring process, we can guide you from pre-search preparation to post-placement training. We'll find you people so perfect, you won't be able to imagine how you ever got along without them.

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