



Nurturing Successful Businesses

# Virtual Finance Director Service Guide

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# VIRTUAL FINANCE DIRECTOR SERVICE

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As an SME grows and expands in terms of size, staff numbers and complexity of business activities, there will become a requirement to add a senior and experienced finance professional to the management team to take responsibility for issues involving the finance, IT and/or human resources issues.

Typically, outside of the core technical and financial responsibilities, the role primarily revolves around the following:

- Building an effective internal finance team
- Improving efficiency of financial reporting and detailed analysis of business activities
- Embedding 'best practice' processes
- Helping to identify (and manage) any risks likely to adversely impact the business
- Continuously focusing on driving and improving financial performance
- Providing additional credibility when dealing with HMRC, banks etc.
- Responsibility for other projects whether business acquisitions, international expansion or preparing the business for future investment or exit.

For growing SME's, this role may initially take the form of a part time role at a senior or board level, where the business only requires this at present, or alternatively and ahead of recruiting a full time role, it may be more sensible to 'test' the role through engaging a third party in the short term.

In this guide, we have outlined how our Virtual Finance Director service operates and how it can help drive the growth of our SME clients.

***Should you have any further queries or questions, then please ask !***



**Damian Connolly FCCA**  
Managing Director

# HOW DOES THE SERVICE WORK?

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## **Develop and Grow Your Business**

With our Virtual Finance Director (VFD) service you get an experienced senior finance professional working with you, operating as a 'virtual' member of your business, for an agreed fixed monthly cost or retainer.

In this way, you get access to a senior financial resource to help transform business performance, but without the expense, time and risk involved with recruiting and employing a Finance Director (FD) or Chief Financial Officer (CFO) on a full time salary.

With typical senior finance roles for an SME requiring an annual salary of anything from £70,000 to £150,000, along with search and recruitment fees e.g. circa 25% of the starting salary, in addition to the management time involved in the whole process, our VFD service offers a cost effective and low risk way of initiating this change.

## **Part Time, Ad Hoc or Interim Role?**

Our VFD service can take a number of forms, depending on your requirements including:

- As an ongoing external advisory role of a few days per month
- A much more involved role on a short or medium term basis
- A purely interim role for SME's looking to hire a permanent Finance Director

# RISKS OF RECRUITING A FINANCE DIRECTOR FOR YOUR BUSINESS

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1

## Clarity

Are you clear what candidate your business requires and what technical skills and experience they need to have to be a successful addition to your team?

2

## Your time

Can you afford the time now to spend 3 to 6 months researching and/or obtaining advice around filling the role?

3

## Cost and investment

Is the business able to afford the costs of bringing in such a senior role e.g. annual salary, recruitment fees?

4

## Timeframes

If the business requires a strong financial role within the business now, can you wait for the candidate to see out their existing notice period?

5

## Culture

Will this key financial role and/or the candidate successfully fit within your existing culture or within the structure you currently have within the business?

# BENEFITS OF OUR VIRTUAL FINANCE DIRECTOR SERVICE

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1

## Clarity

We can work with you to create an effective Job spec for the role, including outlining duties and responsibilities for a full time role.

2

## Your time

Our service removes the requirement for the business owner to involve themselves in a long and intensive recruitment process in the short term.

3

## Cost and investment

There are no recruitment costs nor a requirement to have a full time role immediately, as our VFD service limits the investment by the business while the role is thoroughly 'tested' before committing to a full time internal role.

4

## Timeframes

We can start working with your business almost immediately.

5

## Culture

We work with a variety of businesses in a number of sectors and can quickly adapt the role to fit your culture.

sakura<sup>o</sup>

*Passionate about your business*

# RESPONSIBILITIES OF A FINANCE DIRECTOR IN YOUR BUSINESS

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1

## Cash Flow

Do you suffer from a lack of cash or reliability of cash receipts at certain times of the month or throughout the month? Are the amounts due from your customers regularly too high and are delayed payments or bad debts all too common?

2

## Budgets and Forecasts

Do you have a clear set of targets for the business for next month and next year? Is there a clear plan for the continued growth of the business?

3

## Management or Operational Reporting

Are you making business decisions without clear information being available? Do you know your expected cashflows for next month, the performance of your key clients or the key performance indicators that drive your business?

4

## Profit Analysis & Improvement

Do you understand your sales margins, know where your business opportunities are for additional billings, your most profitable clients or projects? Are you actively working to improve your margins, control your business costs and take opportunities etc?

5

## Risk Analysis

Are you aware of the risks that could potentially threaten your business? Are you taking steps to eliminate or reduce these risks?

# RESPONSIBILITIES OF A FINANCE DIRECTOR IN YOUR BUSINESS

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6

## Internal Processes

Are your internal processes 'fit for purpose', or do you even have clear internal processes within the business? Where a business is growing successfully, then robust internal processes and procedures provide a key platform to support every other aspect of your business e.g. from consistent sales processes, staff recruitment and training, payroll and staff expense management, data security and consistency, accurate financial information through to risk management (legal actions, insurances etc).

7

## Supervision of In-House Accounts

Do you have an existing finance team that is efficient, professional and operating successfully with other parts of the business? If not, how do you develop, supervise and upskill your existing team to deliver a 'best practice' service?

8

## Expanding Your Business in the UK or Abroad

Are you unsure of the financial implications (or opportunities) of expansion?

9

## Business Exit & Business Planning

Do you have plans to exit the business in the future and how is the business preparing for the challenges of a sale and due diligence process?

## WHAT'S NEXT

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Once you have decided to take the next step and become a client, we ensure that the process is as simple as possible:

- We obtain completed and/or signed copies of our letter of engagement, new client information sheet and accountant transfer letter
- We will obtain confirmation of the identity of each officer and/or shareholder from you e.g. copy passport and recent utility bill/bank statement
- We will forward a welcome pack with information about Sakura and what to expect from us as one of our clients
- We 'fast track' the transfer of company paperwork and information, online accounts access and HMRC agent status from your existing accountant, where necessary, to ensure that you are up and running as quickly as possible
- Assign you the details of your contact(s) in Sakura for routine day-to-day liaison and guidance



# OTHER RELATED SERVICES

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- Quarterly Executive Review Meeting
- Management Accounts
- Due Diligence

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