

Why You Aren't Growing Your Business

5 Reasons Why Your CPA Shouldn't Be Your CFO



Many small business owners rely on their outside accounting firm to help them with various aspects of their financial management. These owners are struggling with financial chaos, such as out-of-control growth, sudden terrifying decline in revenues or profits, or people problems that are having a negative impact on the business.

Yet, continuing to work with their CPA is not making any of these issues go away.

Why?

A CPA is not your advocate. A CPA works in the world of compliance. When you rely on a CPA for financial management advice, you're barking up the wrong tree. You're asking a professional trained in audit and tax to help you manage the internal workings of your company, when they have never worked in such an environment.

I'm passionate about this issue because a lot of people in the CPA world are actually branding themselves as business advisors and "consultants," and their business clients take them up on that.

But the void in their knowledge base comes from day-to-day operations. They've never lived it, never been a participant in it, and have never helped a business owner side-by-side with it, other than making big decisions on entity selection and other tax impact decisions.

Decisions that have tax impact is where their competency is very valuable (so no, don't fire your CPA!). But CPAs have no real world experience in the financial area that's valuable to a business owner who has to run the enterprise and make daily operational decisions.

That's why I'm fired up about it. It pisses me off when they take advantage of business owners! How can they be experts in the day-to-day operations of a business when they've never done it?

They can't.

They're all about the past, and they don't understand projections, operations, or what really drives your business.

Keep your CPA – for completing your tax returns on time, and possibly also reviewing or auditing of your financial statements. These are the activities that you hire a CPA to perform for you.

What you didn't hire your CPA to do is to coach you and to help you improve your business. Unlike your CPA, your CFO is charged with driving the financial management activities and strategic direction of the company – through operations, planning and implementation – to get you into the passing lane.

Here are the reasons your CPA isn't providing you the critical information you need:

1. CPA's Are Historians. Your CPA mainly works in the past, preparing compliance reports from your historical data. While this information may provide a “rear-view mirror” perspective, you are concerned with running your business in the present – and what actions you will need to take today to position you for future successes.

A CFO has strong planning and analysis expertise to help guide you through the process of making well-informed decisions that are impactful. As the saying goes: Failing to plan is planning to fail.

2. Business Operations Are Not A Core Competency. Taxes, audits, and reviews are all forms of compliance services provided by your CPA. While these services are valuable to an owner, they do not lend themselves to the day-to-day operations of your business. Whether you make a product or provide a service, your focus is on efficiency, cost, productivity, yields, customer service and performance.

Business processes and systems are required to optimize the organization's performance, maximizing the return on investment and the bottom line. Setting up the proper metrics to measure and track trends is key to achieving strategic, operational and financial goals – both short- and long-term. This is the job of your CFO.

3. CPA's Avoid Risk...and Opportunity. As an owner, there is a certain amount of risk you are willing to take in order to reap the rewards – it is a calculated risk and a CFO can help with a detailed cost-benefit analysis of the decision...before the decision is made. It is the CFO's duty to drive value into your company by helping maximize opportunities while managing risk. The CPA, on the other hand, functions in a compliance world where it is a black or white decision (comply or be penalized).

4. CPA's Don't Live in Your World. The multiple roles that you fill in your business – operating, technical, sales – and all of the numbers associated with those roles are foreign to CPA's. A CFO is a professional who lives in this world every day – driving the decisions that impact your financial results.

5. CPA's Advocate for Third Parties. Like I said above: your CPA is NOT your advocate. Your CPA is charged with protecting the public's interest – compliance with good accounting practices, laws and governmental regulations.

Your CFO is focused on reporting and analysis that drives your business – reporting that is timely and actionable, performance metrics and benchmarks that assist decision making, and linking business strategy to financial performance. The CFO's advice and counsel is an invaluable asset advocating for and ultimately achieving your company's goals.

Would you go to a dermatologist for a root canal? Of course not.

For the same reason, it is critical to have the right people doing the right things for your company. Your needs are specific, and you must fill key roles in your company with expertise that is a match.

Why settle for chaos in your company? I get things back on track and put you in the driver's seat for manageable, profitable growth. I advocate for YOU, not the government, and I have the experience in the day-to-day activities of running a business that you need.

If you're tired of playing around in the little leagues with your CPA and you're ready to add the horsepower of a CFO in your business, call **717.925.3270** or email **patty@turboexecs.com** for your free diagnostic session.



Patty holds a Bachelor of Science degree in Accounting and earned her Certified Management Accountant (CMA) designation in 1991. She is a graduate of Leadership Lancaster and has served on the Finance/Audit/Compliance Committee for St. Joseph Health Ministries, the Finance Committee at her church and was Chairman of the Board at Hempfield Area Recreation Commission.

She is also a Lecturer at Penn State Harrisburg for their Entrepreneur Business Series – finance & accounting section.



Turbo Execs LLC
717.925.3270
info@turboexecs.com
www.TurboExecs.com