



CFO Success Series: Managing Key Resources

To build our future we must invest in the present.

Last week I had a conversation with colleagues about the value of an audit. It made me reflect on how the really good businesses I know surround themselves with the skills they need. They are rarely at a loss for getting great advice on a topic critical to their success. If they don't require a key skill full time they tap into advisors they can count on to deliver what they need. These companies are experts at:

- Identifying the key skills their business will need in the foreseeable future.
- Building relationships and a network that includes all these skills.

Back to the audit. As we compared notes it was clear, the best run companies on our list used their CPA's as a business resource, not a financial cop. Conversely, poorly run businesses frequently viewed the "cost" of an audit or review as something excessive and non-value added. They relied on their tax accountant to deliver financial advice. The analogy...It's unlikely your all-star car mechanic would be your first choice to fix a plumbing problem in your home.

Shareholders, banks or partners may require an audit but using your CPA as a business expert beyond attesting to your financial statements is where their real internal value lies for your company.

This concept goes beyond financial audits and CPAs. Bankers happen to know a lot about the economy and have fact-based ideas on where its headed. A banker in your business space can be very valuable to your planning process. Likewise, insurance professionals, are experts in risk management. An insurance broker familiar with your industry can add immediate value by identifying ways to mitigate key risks in your business you may not have considered. Go down the list of other services that are business critical to determine if you have the relationships built to quickly tap into these skills. Examples include; legal, training, recruiting, technology, mergers and acquisitions, etc.

After identifying what critical professional resources are missing from your in house team, identify what outside agent has the right knowledge base and mindset to fill your resource need. Frequently what prevents us from taking this step is the fear of "being sold". In the early stages of researching and developing these relationships this fear may prevent us from developing the right groundwork to build our resource pool.

Like employees, our outside advisors need to be paid for the value they create; it only makes sense that we will provide them a return on their investment equal to some portion of the value they create. An attitude of building a lasting relationship with these experts is the only way to build the same type of trust in the relationship that you expect to have with an employee – after



all, we want them looking out for the company's interest in the same way our employees do. I am not suggesting you recruit a bunch of outside advisors. Take stock of where you are headed, understand the skill sets required to achieve these goals and develop your skills pipeline in a manner that allows you to tap into key resources when you need them.

To build our future we must invest in the present.